

Homes and Neighbourhoods
222 Upper Street, N1 1XR

Report of: Executive Member for Environment, Air Quality and Transport

Meeting of: Executive

Date: 18 July 2024

Ward(s): All wards

Subject: Extension to the Parking Enforcement Services Contract

1 Synopsis

- 1.1.1 This report seeks approval for a short seven month extension to the existing parking enforcement services contract with NSL Ltd (the “Contract”) from 01 September 2024 to 31 March 2025.
- 1.1.2 The extension is necessary to ensure a successful procurement of a new parking contract for the London Borough of Islington Council (the “Council”).

2 Recommendation

- 1.1.1 To approve the extension of the existing parking enforcement services contract from 01 September 2024 until 31 March 2025.

2 Background

2.1 Nature of the service

- 1.1.3 The Executive approved a strategy report for the procurement of a new parking enforcement services contract on 30 November 2023. The intention, as set out within this report, was for the procurement exercise to be complete by May 2024 with the new contract expected to commence September 2024.

- 1.1.4 Due to a number of issues that arose during the pre-procurement stage that required the project team to investigate and resolve there has been a delay to the progress of the procurement exercise.
- 1.1.5 In order to ensure the Council can conduct an effective procurement exercise, it is necessary, due to the delays experienced, to request a short extension to the Contract.

2.2 Estimated value

- 1.1.6 The estimated value to the Council of the extension period to the Contract is £4,984,682.

2.3 Timetable

- 1.1.7 The Contract is due to expire on 31 August 2024. The seven month extension will mean that the Contract would expire on 31 March 2025.

2.4 Business Risks

- 1.1.8 Enforcement accounts for approximately 50% of total Parking Services revenue, so it is critical to continue providing the service. Not extending the Contract would have a significant impact on service delivery and the Council's reputation. The Parking Service would be incapable of fulfilling its legal obligations to enforce Penalty Charge Notices.
- 1.1.9 Without a contract in place the council will be unable to enforce the borough's traffic flow and parking regulations.
- 1.1.10 Extending the Contract will provide sufficient time to implement the new contract, mitigating these risks.

3 Implications

3.1 Financial Implications

- 1.1.11 The Contract extension will cost approximately £4,984,682 (this includes the agreed pay award and assumes inflation at 5%) and will generate income of approximately £11,838,750, based on the notional PCN value and number of PCNs anticipated based on historical data in the seven month extension period. Besides this quantified direct income based on PCN expectation, enforcement activity provides a deterrence which supports and enables the rest of the parking income streams to materialise, because of the policing presence on the streets.

3.2 Legal Implications

- 3.2.1 The Council has sought advice as to whether an extension to the Contract would be within one of the permitted grounds for modification of a contract during its term (so called “safe harbours”) under regulation 72 of the Public Contracts Regulations 2015 (“PCRs”) and the Council considers it can justify the extension in accordance with regulation 72(1)(b) and 72(1)(e) and (8) of the PCRs.
- 3.2.2 If the Council relies on regulation 72(1)(b) as the justification for the extension, pursuant to its obligations under regulation 72(3) the Council must publish a notice detailing the Contract has been modified. Consequently, the Council may prefer to rely on regulation 72(1)(e) rather than regulation 72(1)(b).
- 3.2.3 There is always a risk of challenge to the decision to extend the Contract, however in the circumstances the Council considers the risk to be relatively low. This is because the extension is for a short period only and the market is aware of the Council’s intention to imminently procure the parking services having issued PIN notices to this effect. Should the Council further extend the Contract beyond the intended seven (7) months the risk of challenge will increase.
- 3.2.4 The decision maker can approve the recommendation contained in this report provided they are satisfied with the contents of the report.

3.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030

- 1.1.12 There have been no recommendations provided by the Climate Action team after reviewing the Environmental Impact Assessment, and approval was given on the 10th April 2024.

4 Equalities Impact Assessment

1.1.13 The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

1.1.14 An Equalities Impact Assessment is not required in relation to this report as this is continuation of the existing contract which has already been subject to EQIA approval.

5 Conclusion and reasons for recommendation

1.1.15 It is recommended that a seven month extension to the Contract from 01 September 2024 to 31 March 2025 is approved in order to give sufficient time to ensure the Council achieves a successful procurement of the new parking services contract.

Appendices:

- None

Background papers:

- None

Final report clearance:

Authorised by:

Executive Member for Environment, Air Quality and Transport.

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