

<b>Cabinet Meeting</b>	
<b>Meeting Date</b>	10 <sup>th</sup> July 2019
<b>Report Title</b>	Authority to complete contract documentation for two parking services
<b>Cabinet Member</b>	Cllr Roger Truelove, Leader and Cabinet Member for Finance
<b>SMT Lead</b>	Emma Wiggins, Director of Regeneration
<b>Head of Service</b>	Martyn Cassell, Head of Commissioning, Environment and Leisure
<b>Lead Officer</b>	Martyn Cassell, Head of Commissioning, Environment and Leisure
<b>Key Decision</b>	Yes
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. To approve the award of contract for cash collection services to Contract Security Services Ltd.</li> <li>2. To approve the award of contract for cashless parking solution to Cobalt Telephone Technologies Ltd.</li> <li>3. To delegate authority to the Head of Commissioning, Environment and Leisure and Head of Legal, in consultation with the Cabinet Member for Environment to complete the contract award.</li> </ol>

## **1 Purpose of Report and Executive Summary**

- 1.1 During a recent review of historic contracts, it has become apparent that two services contracted on behalf of Swale Borough Council did not receive the relevant authority as per our contract standing orders.
- 1.2 The report details the reasons, summarises the services that have been contracted and requests Cabinet approval in order to allow completion of the contracts.

## **2 Background**

- 2.1 Contract standing orders (CSOs) form part of the Swale Borough Council constitution and are there to ensure consistent and transparent processes are followed when spending public money. These CSOs are regularly reviewed to remain in line with national legislation and were last approved by General Purposes Committee on 21/3/2018. The current threshold for contracts requiring Cabinet approval is £100,000.

- 2.2 Swale Borough Council formed a 'Parking Partnership' with Maidstone Borough Council in 2011. This resulted in the sharing of staff, consolidation of procedures and economies of scale in commissioning outsourced contracts such as civil parking enforcement, cash collection and alternative pay and display payment methods.
- 2.3 CSOs across the two authorities differ and therefore approvals for two existing services were assumed to be given by Maidstone using their CSOs. However given the contracts required separate agreements with each Council, legal services are unable to complete the contracts without the relevant authority being received at Swale. Both contracts are being delivered already and so this report aims to retrospectively award the authority to award the contracts.
- 2.4 The Cash Collection contract was discussed and tendered by the Kent Buyers Consortium (an informal group of finance/procurement officers from each Kent authority) and started in January 2017. There is an overarching agreement (signed by Maidstone BC as lead authority) entering into a 5-year contract ending 8<sup>th</sup> January 2022 with the possibility of two further annual extensions.
- 2.5 The Cash Collection service supports two SBC departments. Principally the largest part of the contract value is the collection of cash from our 37 pay and display machines around the Borough at a cost of £50,716 per annum (plus indexation) over a 5-year contract. This equates to approx. 2% of pay and display income. The second element of the contract provides a regular collection of cash and cheques from Swale House for the finance section at a cost of £6,370 per annum (plus indexation) over the 5 years.
- 2.6 The second contract is that of the alternative payment supplier for our car parks. Cobalt Telephone Technologies Ltd offer a cashless payment option for car parking charges via their RingGo app and telephone payments. Maidstone procurement team tendered the opportunity for this in May 2017 and as per public procurement legislation, Cobalt provided the most economically advantageous tender from the five submitted.
- 2.7 The RingGo solution scored highest on price and quality and was awarded the contract for three years ending in July 2020 plus a possible one-year extension subject to satisfactory performance.
- 2.8 This contract is different to most as there is no actual cost to the Council. The industry standard for cashless payments normally include a convenience charge just for using the service to customers, however the Swale agreement with RingGo removes this charge and our customers only pay the standard tariff applied to each car park. RingGo then make their income from charging add-on fees to the Council's standard hourly parking fee such as text message reminders and extension periods to save them returning to their car to put another ticket on.

Customers can opt out of these if they wish. Payment all goes through to SBC accounts and we then pay the add-on amounts to Cobalt monthly.

- 2.10 The use of cashless payments has been well received by customers and is on the rise now accounting for 20% of all car parking payments. One of the key advantages of this solution is that the vast majority of public car parks in the county use RingGo meaning residents can travel outside the Borough and still use the same cashless parking solution.

### **3 Proposals**

- 3.1 Given that the two contracts are already being delivered and this was a historic administrative error, it is proposed that authority is given to the Head of Commissioning, Environment and Leisure and Head of legal Services to complete the contract documentation.

### **4 Alternative Options**

- 4.1 Members could decide to not provide authority. This will mean that the Council would need to terminate the current arrangements and have no way of emptying parking machines or removing cash/cheques from Swale House and no alternative method of payment for parking fees. There may be legal challenge from the companies as they entered into the arrangements in good faith, following the correct national procurement procedures and have been providing the service in return for payment. The error was in our local CSOs procedures. A tender exercise would need to be undertaken for both services immediately which will take additional officer resource. Both contracts are up for renewal in the next few years.
- 4.2 Continue as currently with no formal contract in place. This is not recommended as if there was to be a dispute with the contractor it would be more difficult to hold them to account and likely end up in a lengthy legal case.

### **5 Consultation Undertaken or Proposed**

- 5.1 Consultation has been held with other authorities who confirm they are also happy with the services being delivered.
- 5.2 The issue has been discussed with the new administration members.

### **6 Implications**

<b>Issue</b>	<b>Implications</b>
Corporate Plan	The decision to award these two contracts support plan objectives.
Financial, Resource and Property	The cost of the cash collection contract is already covered within the base budget and represents a small part of the overall parking budget.  The cashless parking payment contract has no cost to the Council. Payments are made to the contractor to 'reimburse' the fees

	collected on their behalf.
Legal, Statutory and Procurement	<p>Councils are required to procure their services utilising the Public Procurement Regulations 2015. Both tender processes followed these regulations.</p> <p>The Council's constitution requires all contracts over £100,000 in value to obtain Cabinet authority, this report aims to resolve the error in local procedures.</p>
Crime and Disorder	Not applicable
Environment and Sustainability	Not applicable
Health and Wellbeing	Not applicable
Risk Management and Health and Safety	Not applicable
Equality and Diversity	All of the traditional methods of payment are available in our pay and display car parks. The cashless parking solution purely provides an alternative method of payment.
Privacy and Data Protection	<p>Both contracts are covered by our standard terms and conditions.</p> <p>RingGo users are bound by the company's data protection terms and not Swale Borough Council's.</p>