

**CPE in Derbyshire**

**DRAFT Memorandum of Understanding (Schedule 1)**

**INTRODUCTION**

Derbyshire County Council (DCC) has requested that the 8 District/Borough Councils (in future referred to as DCs) co-operate with the development of a plan to introduce Civil Parking Enforcement (CPE) in the whole of the County.

Subject to detailed agreement on a number of issues, outlined in this document, DCC would like to propose an outline plan which has the following key components:

- a) Enforcement of on-street and off-street areas should be combined in each DC and is to be undertaken by each DC, except for North East Derbyshire, South Derbyshire and Bolsover where DCs should be read as DCC. Under a partnership agreement with DCC; each DC will negotiate its own SLA with the DCC central contractor. This will be in the form of a framework contract with DCC and DCs using a centrally negotiated schedule of rates. The enforcement contractor will be contracted to DCC and not the Districts.
- b) The responsibility for managing the enforcement within each district should rest with each DC within the agreed countywide standards and protocols, and the adherence to such standards will be a defined requirement of the partnership agreement. DCC to retain an overall coordinating and management responsibility for CPE under the partnership agreements with each DC.
- c) DCC will pay the contractor's costs monthly centrally from the funds accumulated to the account(s) of the District in question through the income received in payment of PCNs. For clarity these will be referred to as the CTU accounts.
- d) **All on street PCNs will be issued in the name of DCC and all off street PCNs will be issued in the name of each DC** (DCC in North East Derbyshire, South Derbyshire & Bolsover).
- e) A group comprising a parking manager (or deputy) for each DC will be set up to meet with DCC in its coordinating role, as Highway Authority on a regular basis to monitor the performance of the service, and to agree changes. This is to facilitate joint working under the partnership arrangement and a general consistency of approach countywide.

- f) A Central Ticket Unit to be **procured** by DCC to process all Penalty Charge Notices issued in the County.

## **PROPOSED BASIS FOR PARTNERSHIP AGREEMENT**

In more detail, DCC would like to propose the following as the basis of the partnership agreements to be drawn up between DCC and each DC:

### **SETTING UP**

1. Agreement to be reached on the responsibilities for the various tasks in implementing CPE, and make clear the lines of responsibility between DCC and the DCs, and between DCs themselves.
2. The Districts to provide DCC with a list of staff currently engaged in parking administration and enforcement, with specific job descriptions, salary scales, terms and conditions and potential for TUPE **for both administration and enforcement staff**.
3. There should be 8 Civil Enforcement Areas (CEAs) and 8 Special Enforcement Areas (SEAs) applied for, one per DC. This may be achieved through a single Application to Parliament, but having separate Enforcement Areas will avoid delays in one DC affecting plans in another. Each DC will have a CEA and an SEA.
4. The start date is currently targeted for 24<sup>th</sup> November 2008;
5. DCC are currently in discussions with the Highways Agency and Derbyshire Constabulary regarding the sections of roads to be excluded from the CEAs/SEAs. (Appendix A)
6. The CEAs/SEAs will include all areas covered by Off-street Parking Places Orders; it is proposed that the DCs take the responsibility to resolve how privately owned car parks will be managed and enforced once CPE is introduced, where they can have a view.
7. The partnership agreement **will** include transfer of the enforcement of new and existing on-street charges for parking schemes and permit parking schemes in on-street areas to the contractor. The issuing of permits and administration of these schemes will remain with the DCs. Residents parking charges will be set through the County's Residents Parking Policy and these will be reviewed on annual basis in discussion with the DCs.
8. In the interests of having clearly delegated responsibilities, and to achieve consistency throughout the County, DCC will retain the responsibility for the making, managing and maintaining of all on street orders to enforceable standards.
9. DCC will ensure that on commencement of the powers, all relevant on-street TROs will be fully enforceable in accordance with current DfT advice.

DCC are to provide consolidated, accurate on-street TROs. These will be presented as map based records.

10. The DCs will agree that the delegated powers given to Districts to manage CPE enforcement will not be delegated further.
11. Each DC will agree to join the TPT Joint Committee, under a section 101 agreement, coincidental with the commencement of the relevant Statutory Instrument. DCs will agree that the use of the TEC to register debts is permitted by them.
12. The DCs will cooperate with the preparation of the SEA/CEA Application(s) which should include the presentation of an on-street and off street parking policy in the Application
13. The DCs will be required to agree with DCC how the service is delivered in broad policy terms. A basic objective will be that the service runs on a cost neutral basis. This is where the income covers the cost of all aspects of the service provision as a minimum. There will be a presumption against over-enforcement in the early stages of CPE which could lead to a reduced requirement for enforcement officers in future years. DCC would wish to discuss and agree detailed management objectives for the on-street parking enforcement with the DCs. DCC would ensure that these are reflected in the partnership agreement.
14. The initial levels of on-street enforcement to be carried out will be determined jointly by the County and each DC; any new services to be introduced in due course will also be determined jointly.
15. This level of enforcement on street will be based on an agreed number of deployed **Civil Enforcement Officers (CEO)** hours per week between DCC and the DC and this will initially be as provided to the contractor in the tender specification item 13. Deployment patterns will be determined by the DC in accordance with the general principles agreed annually with DCC. However it may be necessary to vary the service provision to balance the accounts and this requirement is covered below.
16. DCC and DCs to agree an advance publicity strategy for implementing CPE.
17. In the interest of public understanding, it is agreed that each DC will have a CEO uniform which presents a common appearance across the county for staff engaged in enforcement activities. **Recent changes to legislation dictate that the uniform should carry the term 'Parking Officer' or something similar.**
18. DCC and the DCs will agree to reasonable audit access to all data, files etc relating to the respective on-street account.
19. The responsibilities for managing and administering suspensions and dispensations will be undertaken locally by each DC. This will require District access to the IT system.

20. DCs will cooperate with DCC in allowing **connections** to their IT networks for the purposes of developing a county wide IT infrastructure to access the PCN database via a joint working arrangement between the County and District IT teams.
21. Working groups comprising county and district representatives are to be set up to manage and oversee the IT, legal and financial aspects of the project.

### **FINANCIAL ARRANGEMENTS**

22. DCC will pay all agreed capital set-up costs of the scheme, wherever they are incurred; the only possible exception could be where there may be a clear financial benefit to any of the off-street operations as a consequence.
23. The set up costs typically covered by County will include those of the CTU, the IT required, all County staff costs in implementing CPE and the TRO review. All Hand Held Computer/prINTER costs will be met by the Contractor.
24. Districts to cover the costs of all of their internal staff prior to implementation. The following costs will be paid for from the relevant CPE account held at the CTU prior to declaring any surplus or deficit.
- The cost of adjudication (TPT) to be paid direct to the TPT by the CTU from the relevant CTU account.
  - The cost of the TEC charges associated in registering a debt to be paid direct to the TEC by the CTU from the relevant CTU account.
  - The cost of the enforcement provision by the Contractor.
  - The cost of the CTU provision through a levy on each PCN issued against on and off street.
  - **An on street management fee will be payable from the CTU account for each DC that is managing the Contractor on street. The amount of this DC fee is to be based on the number of hours of on street deployed enforcement per week per DC. DCC will stand the cost of DCC staff engaged in on street CPE work where the DC is managing the contractor. There will be no Off street fee from either DC or DCC chargeable to the off street account where the DC is managing the contractor. These fees will be reviewed annually as part of the budget setting process in accordance with current 'all items' RPI.**
  - **Where DCC are acting as the on and off street enforcement body (Bolsover, North East Derbyshire and South Derbyshire) a fee for contract management will be imposed against the on and off street accounts.**
  - **As a result of the introduction of the TMA 2004, DCC and not the DCs will be responsible for decisions on post notice to owner, formal representations, for on street contraventions.**

- The DCs will agree to review and make the appropriate conversions of their own Off-street Parking Places Orders in time for the commencement of CPE.
25. The DCs will agree to change all off-street signage to suit CPE.
26. The costs of amending off-street car park tariff boards and costs of amending the off street parking places orders to incorporate CPE will be borne by the DCs.
27. The Districts will sign up, with the Contractor, to an initial requirement of standard deployed hours per week for on street and off street enforcement on agreement with the County and as described in item 15 of this document. This document will form the basis of the enforcement agreement and this will be utilised in agreeing monthly invoices and performance monitoring of the contract by both County and the District. Regular seasonal variations will be agreed in advance between the DC, DCC and the contractor. Minor variations of less than 20%, annually against the initial agreed base number of hours deployed will be allowed under the terms of the agreement without recourse to amending the written agreement. **Any minor variation to agreed base hours must be notified in writing to DCC within 5 working days of the contractor being asked to amend their hours.** Variations to agreed base hours must not be to the detriment of the service provision with particular reference to this being a traffic management initiative. **Permanent variations of more than 20%, of the agreed base number of hours for on street enforcement must have prior approval from DCC. Permanent variations of more than 20%, of the agreed base number of hours for off street enforcement will be at the discretion of the managing authority. Both will then require a period of 4 weeks notice prior to the change date to be given to the contractor. However it may also be necessary to vary the service provision to balance the accounts to run on a cost neutral basis.**
28. DCC will be required to establish and manage 8 on-street parking CTU accounts to which will be credited all income from on-street parking activities **including on-street Pay & Display** and other on street related income such as sale of permits, **(not residents permits-where a fee will be agreed in support of the DCC existing RPS policies)**, dispensations and waivers as this will all be ring fenced in terms of any surplus. The charges to be applied against the on-street account will include those listed in item 24 including the **management fee** costs incurred by both the County and the Districts. The **management fee** cost to be agreed and incorporated as an annex to the relevant service level agreement prior to endorsement. .For clarity the cost to TPT currently at 60p per PCN issued or the cost of debt registration to the TEC, currently at £5 per debt, are to be paid direct by the CTU to the relevant body from the appropriate on street CTU account prior to declaration of any surplus or deficit.

29. DCC through its monitoring role will wish to ensure that all agreed processes and resources are in place in each DC to enable each on-street account to achieve a null balance or a surplus where possible.
30. Should any on-street enforcement account be in deficit then DCC will underwrite the whole on street deficit.
31. deleted ; not used – left in to keep same numbering system.
32. When the on street enforcement is managed by a DC there will be reconciliation by the DCs and DCC of on and off street deployed hours at the end of each monthly accounting period. This will be reconciled against the agreed levels of deployment. Any authority which shows on street deployed hours outside the then agreed hours will be issued with an invoice by DCC based on the hourly management fee covering deployed hours. This invoice must be paid within 28 days of its receipt. This is so that the deployed hours on and off street are maintained within the initial levels of agreed deployment for the on and off street service provision or as subsequently amended. Where a deficit has occurred and it is shown that DCC have been at fault in withholding permission to reduce /increase the enforcement provision without good reason then the risk is totally on DCC. However it is recognised that it may be necessary to vary the service provision to balance the accounts to run on a cost neutral basis.
33. Any on-street surpluses remaining after the CTU accounts have been declared will be retained 100% by DCC, with 50% of any specific DCs surplus retained against the respective District in which a surplus has occurred. This will be reviewed at the end of the financial year on an annual basis and accruals different to the quarterly accounts will be resolved at that point with each district. If the overall CTU on street account is in surplus at the end of the year, this surplus will initially repay any deficits paid during that financial year by the DCC.
34. The on street surplus is ring fenced by section 55 of the 1984 RTRA and is to be spent on traffic management improvements. The split in the on street surplus is to encourage the districts to try to ensure a surplus occurs in the on street account by giving the incentive that at least 50% of the surplus is spent within the district. County will have overall control of the spend of the surplus. Where DCC deem that no further expenditure, over and above the initial 50% is required in that District then DCC will retain their 50% surplus for expenditure across the county.
35. DCC will also be required to establish and manage 8 off-street parking accounts to which will be credited all PCN income from off-street parking activities in each District. The charges to be applied against the off-street account will include those listed in item 24. For clarity the cost to TPT currently at 60p per PCN issued or the cost of debt registration to the TEC, currently at £5 per debt, are to be paid direct by the CTU to the relevant body from the appropriate off street CTU account prior to declaration of any surplus or deficit. Bolsover, North East Derbyshire and South Derbyshire will

agree to pay DCC Management fee for the off street contract management direct to DCC outside of the CTU account system. Should the account be in surplus, this fee will have first call on a refund to the DCs.

36. Should any off-street enforcement account be in deficit the responsibility for this will be 100% to the DC. In those districts where DCC is fully responsible for the account by virtue of undertaking the enforcement on behalf of the DC then DCC will underwrite the whole off street deficit.
37. Where the **off street** enforcement is managed by the DC the District will be required to make good 100% of any deficit to the off street account. **DCC will initially underwrite the account so that the contractor can be paid on time and then recharge the DC as required in case of cash flow.** Where a deficit has occurred and it is shown that DCC have been at fault in withholding permission to reduce /increase the enforcement provision without good reason then the DC may reserve the right to ask DCC to contribute an agreed amount to the off street deficit. However it is recognised that it may be necessary to vary the service provision to balance the accounts to run on a cost neutral basis.
38. 100% of any off-street surpluses remaining after the CTU accounts have been declared will be transferred **quarterly** to the respective District. This will be reviewed at the end of the financial year on an annual basis and accruals different to the quarterly accounts will be resolved at that point with each district. If the overall CTU account is in surplus at the end of the **financial year, this surplus will initially repay any deficits paid during that financial year by the DC and the DCC.**
39. Revenue monies generated by off street pay and display will continue to go directly to the DC.
40. The policy for off-street charging levels for paid for parking will rest with the respective DC **who will notify the County of any changes as part of the current joint policies.**
41. Revenue monies generated by the potential introduction of on street pay and display will be used by DCC to supplement the relevant on-street District account, with surpluses to be determined as above.
42. On street cash collection and associated machine maintenance will be coordinated by County with a potential to utilise existing district arrangements or the central contractor.

## **METHODS OF PAYMENT ARRANGEMENTS**

43. It is expected that the majority of payments will be made direct to the CTU. These will be in the form of postal, telephone and web based payments using credit and debit facilities. All PCNs will have the PO Box, address and phone number and website of the CTU for the purposes of making

payments. All on street PCNs will be issued in the name of DCC and off street PCNs will be issued in the name of the enforcement authority, being DCC for the 3 DCs mentioned in paragraph a) of the introduction.

44. Consideration will be given to the potential for DCs to take PCN personal cash payments locally when demanded by a personal visitor. Any such payments received by DCs will be reconciled to the CTU account.
45. DCC via the CTU will provide a website for PCN payments to which all DC websites will provide a link. A DCC automated telephone payment service will also be used for PCN payments when it has been established.
46. DCC will provide the support of its Call Centre who will be able to filter calls from enquirers prior to them contacting the CTU.
47. CTU will scan all documents on receipt and process payments the same working day.
48. Districts are required to notify DCC in writing if they wish to add a transaction charge to credit card or other payments taken at the CTU.
49. A review of CTU operating costs and of projected costs for future PCN processing will result in the DCs and DCC determining and agreeing the budget for the following financial year. This will be set by January 15th in any year, for the following financial year. If no agreement can be reached then County will set the budget to enable each on-street account to achieve a null balance or a surplus where possible.

## **ONGOING ARRANGEMENTS**

50. Each DC will report annually to DCC on the performance under the partnership agreement, and in a form which will facilitate DCCs responsibility to report to Government.
51. The DCs will agree that all operational procedures should be as common as practicable across the county in the interest of public acceptability, and that the joint working group between the County and Districts should determine these procedures. This principle will be important to facilitate the concept of a single penalty notice processing unit for the DCs.
52. The DCs will agree that changes to the PCN level in accordance with the relevant legislation will only be introduced with consent of the County and all the Districts. In the event that agreement cannot be reached the County will determine the level.
53. DCs will agree to direct correspondence received locally to the CTU, except in agreed circumstances. Any payments received locally will be transferred to the CTU account at the end of each month or by other agreement. Details of payments taken locally must be emailed to the CTU the same day.

## PARTNERSHIP TERM

54. The partnership agreement shall continue until the expiry of the notice of termination given by the last remaining DC.
55. Any DC can withdraw from the partnership agreement upon giving two years written notice to DCC or DCC can withdraw by giving two years notice to the DCs of their desire to do so. Such notice to expire at the end of a financial year which for the purposes of this clause means 31 March. Upon withdrawal from the partnership agreement the responsibility for enforcement off-street will revert to the District Council under CPE. By default DCC will undertake the on street enforcement should this situation arise.

## OTHER FUNCTIONS

56. The administration costs of the CTU, for the management and the issue of on-street Dispensations and Waivers, shall be included within the PCN levy to the CTU account and will therefore be charged to the on-street CTU account prior to declaring a surplus or deficit. The fee paid by the applicant for a Dispensations and Waiver shall be paid into the on-street CTU account.
57. It is the intention of DCC to bring all existing and future Residents parking scheme fees across the County in line with current DCC policy before the implementation of CPE. A proportion (40%) of the total fee paid by the applicant for a permit for a Residents' Parking Scheme shall be retained by the DC to cover the administration costs of the scheme, prior to the balance (60%) being paid into the on street CTU account.
58. The Season Ticket administration costs for off-street car parks shall remain a District function and all costs, including overheads, for their administration and issue will be met from District Council funds and not any of the CTU accounts.
59. Off-street Pay & Display management, including cash collection/machine maintenance/fault recording, shall remain a District function and all costs, including overheads for their administration and other associated permit issue will be met from District Council funds and not any of the CTU accounts.
60. The District shall review and agree monthly invoices submitted by the contractor for payment by DCC from the relevant CTU account. If the District disputes an invoice they shall inform DCC within five working days of receipt of the invoice, giving full details and the District will take steps to resolve the dispute with the contractor. DCC will act as arbitrator should a dispute not be resolved at District level and DCC will have the final decision.

## NOTES:

- 1) As a result of the recent legislation stating that on street PCNs be determined by the enforcement authority (in all cases DCC) then the reduction in administration work at DC level may have TUPE implications. It is the responsibility of each DC to notify DCC in writing of any potential TUPE issues.
- 2) Current residents permit schemes have fees ranging from £5 to £26 for first vehicle. DCC intend to introduce a flat fee of £26 for all residents permits. 40% of the £26 will be retained by DCs. (£10.40), which overall is a net increase in income across the County.
- 3) The accounting procedures are to be managed by DCC with DCC taking an overriding role covering any deficits in the CTU accounts in the initial stages subject to correct management of the scheme at DC and DCC level. DCC to provide full details of this proposal to DCs at the financial meetings.
- 4) The management fee is to be paid to the DCs and (DCC where relevant) from CTU account.

Management fee for DCs covers on street functions only: (off street functions are already undertaken by DCs and are therefore already budgeted.)

- a) Managing the contractor on a daily (informal) and weekly (formal meeting) basis, primarily to agree deployment patterns.
- b) Dealing with complaints about the Contractor.
- c) Agreeing weekly timesheets.
- d) Attendance at Bi-monthly CPE parking board meetings.
- e) Administration with dealing with requests for local input from the CTU.

As an example: for a contract covering 150 hours of on street deployment per week. (approx 5 staff over 6 days) (the remaining DCs will be calculated pro rata to this)

- a) Amounting to 2 hours per day plus a 3 hour meeting weekly.
- b) Included in a)
- c) 1 hour per week to check timesheets that will have already been ratified by the CTU.
- d) 4 hours every two months
- e) 1 hour per week.

A total of 15.5 hours per week on average. equivalent to (0.42 FTE).

Parking manager level at £30,000 plus 28% overheads = £38,400 x 0.42 = £16128.

£16128/7826 = £2.06 per hour of deployment.

Amber Valley = 3130 x 2.06 = £6448

Chesterfield = 7826 x 2.06 = £16128

Derbyshire Dales = 5600 x 2.06 = £11536

Erewash = 2850 x 2.06 = £5871

High Peak = 4753 x 2.06 = £9791

DCC = 80 x 52 x 2.06 = £8570

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