

# One Council Overview & Scrutiny Committee

## 9th October 2013

### Summary

This note updates Members of the One Council Overview and Scrutiny Committee on progress since the last report in March 2013 with the new three borough joint Parking Enforcement Contract. It covers:

- ◆ The award of the contract
- ◆ The savings projected and achieved
- ◆ Performance of the new contractor
- ◆ The withdrawal of scratch cards and the introduction of virtual visitor parking passes.

### Award of Contract

The new parking enforcement contract was let following a joint procurement by the boroughs of Brent, Hounslow and Ealing to Serco plc. The contract went live in Brent on 4 July, 2013 in Hounslow on 5 August 2103 and in Ealing (for back office functions only) on 1 September 2013.

From Brent's point of view the complex mobilisation phase of the contract was overall successful with effective staff transfer and enforcement operations; migration of historic data to the new SiDem IT system which is working well, and successful transfer of CCTV enforcement functions to the Civic Centre.

Although the mobilisation was overall successful, there have been a number of well publicised problems with the performance of the contract in Brent which are discussed below in the section on Performance.

### Expected and Achieved Savings

The contract was expected to deliver significant savings in costs in comparison with the previous APCOA contract. These savings are to be achieved partly through the innovative use of new technological solutions which will allow the deployment of fewer Civil Enforcement Officers (CEOs) to achieve the same level of driver compliance.

The report recommending the award of the contract identified eventual full year savings to Brent of a little over £850k per year phased as shown in the table below

F Y	April - Jun	Jul - Mar	FY Exp.	Saving
2013/2014	£ 1,145,404.50	£ 3,325,692.56	£ 4,471,097.06	-£ 110,520.94
2014/2015	£ 1,108,564.19	£ 2,794,080.24	£ 3,902,644.42	-£ 568,452.63
2015/2016	£ 931,360.08	£ 2,794,080.24	£ 3,725,440.32	-£ 177,204.11
2016/2017	£ 931,360.08	£ 2,794,080.24	£ 3,725,440.32	

Serco are now approaching their Target Operating Model, having completed the first phase of their staff consultation to allow them to begin to reduce staffing levels and savings generated from re-letting this contract are on-track with little variance between anticipated expenditure and actual expenditure.

It is likely that there have been some further savings achieved through reduced mobilisation and set up costs and these will be considered and identified through the open book contract management process. It is too early at present to deal with these in any more detail.

## **Performance**

Serco's performance in terms of on-street enforcement has been satisfactory. Productivity of CEOs has been a little below the levels initially anticipated through the period of the staff consultation as they move to their Target Operating Model.

The technological innovations on which that model is predicated include ensuring that vehicles legally parked are identified by their Vehicle Registration Mark (VRM) on one of a number of on-line databases to allow automatic identification of vehicles likely to be illegally parked.

They also include a shift by customers to contact channels which are more convenient and cheaper to use with transactions taking place where possible online, by mobile phone or by text message. Brent's Parking Shops have now been closed since May 2012; and in spite of some initial customer service issues discussed below the usage of these channels is increasing.

There have been significant problems with:

- ◆ The on-line permit processing system provided through the previous enforcement contract by their sub-contractor which has proved to have significant operational problems leading to fewer permit related customer requests being satisfactorily resolved on line and many more telephone calls being received than anticipated
- ◆ The volume of calls presenting to the Serco contact centre which led to unacceptable waiting times and abandonment rates for those customers wanting to speak to an agent with a significant number of very poor customer experiences being reported

Serco have addressed these issues through remediation plans for both the permitting software and the contact centre performance. The plan for the software is systematically and forensically identifying and resolving problems with the functionality of the system to try to ensure that as many customers as possible who try to use it to obtain or renew permits are able to do so. Good progress is being made, which is evidenced in reducing numbers of calls to the contact centre from customers who have problems with the on-line system.

The contact centre is receiving more than three times the volume of calls anticipated when the contract was tendered. Serco have responded to the unacceptably long waiting times experienced by residents, and the consequent unacceptable high levels of abandoned calls. They firstly tripled the number of staff in the contact centre to ensure that as many calls as possible could be answered. This successfully brought average waiting times down to below two minutes against a contractual standard of one minute.

Subsequently they have opened a further contact centre in Leeds to deal with initial PCN challenges, allowing more of the staff in their base in Brent to deal with calls relating to permits. It is too soon to say what success this will have on reducing waiting times but officers are monitoring Serco's performance closely.

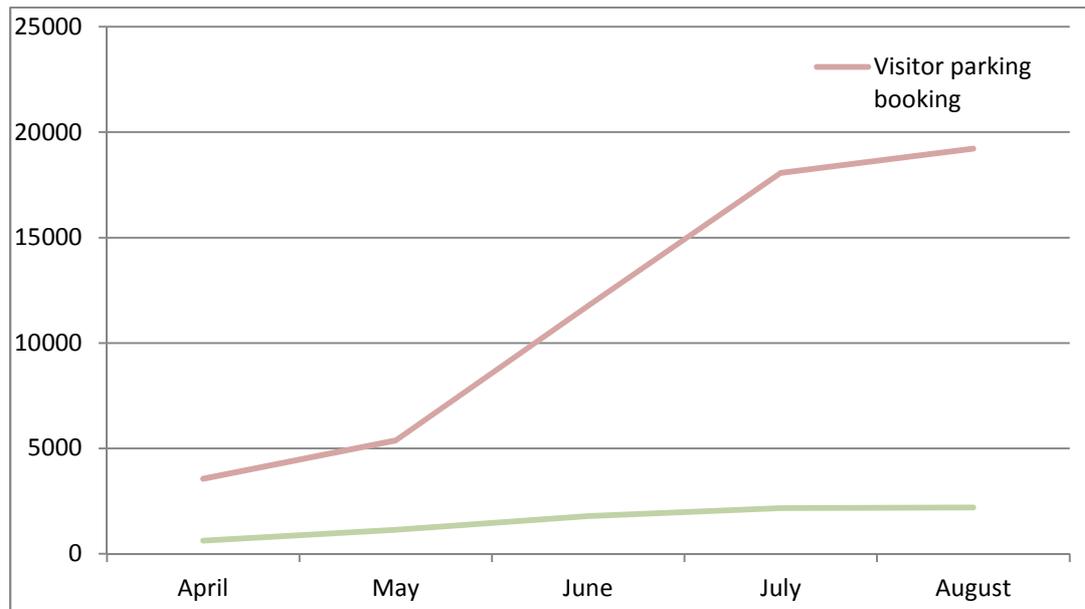
There have also been concerns over the structure of the automatic call handling menus which, for some residents, have proved difficult to navigate, and difficult to use to reach a person on the end of the line. Serco have agreed and are implementing a major revision of these menus to make them simpler, more intuitive and easier to use,

## Scratch Cards

As discussed earlier, capturing details of the VRM of legally parked vehicles in an on-line database is critical to the achievement of efficiency savings through this contract. This is one major driver of the switch from scratch cards to virtual visitor parking passes. The other, is the elimination of the inconvenience to residents of having to travel to parking shops to queue to buy scratch cards in the first place.

The take up of virtual visitor parking is now accelerating as the graph below shows.

### Electronic Visitor Bookings:



Whilst it is too early to benchmark success against traditional scratch cards (as they are still in circulation), data reveals that customers are spending an average of £14 per transaction, as opposed to £10 per transaction with scratch card books.

Officers are working on the final details of the Scratch Card exchange scheme with Serco; this is anticipated to go-live in October (where customers may exchange 10 cards for 11 electronic sessions). Serco are currently resourcing for this process.

Other non-urgent changes to permits and parking products will not be introduced until present arrangements have stabilised and acceptable levels of customer service are being achieved.

Michael Read

Operational Director Environment & Protection

David Thrale

Head of Safer Streets