

Report for: Cabinet - 7th November 2023

Title: Nuisance Vehicles Contract Extension and Variation

Report authorised by: Barry Francis, Director of Environment & Resident Experience

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Ward(s) affected: All

**Report for Key/
Non-Key Decision:** Key Decision

1. Describe the issue under consideration.

- 1.1. This report requests approval to extend and vary the Council's existing Nuisance Vehicle Contract with Marston (Holdings) Limited (MHL). This is allowed under the contract and in accordance with the Council's Contract Standing Order (CSO) 10.02.1(b), which permits variations and extensions for contracts with a value of £500,000 and above. The proposed extension would last for two years until 30 November 2025 and be for a further value of £2,264,399,56.
- 1.2. Section 6.10 outlines contract cost options. The preferred option is to extend the contract with MHL for 2 years, with contract variations.
- 1.3. By modifying the key performance indicators (KPIs) and service specifications for the Nuisance Vehicle Contract based on previous experience, there is an opportunity to enhance the service. This will be achieved by streamlining operational processes to improve efficiency, tailoring requirements to meet specific needs, and integrating innovative technology for improved outcomes.

2. Cabinet Member introduction.

- 2.1 Being able to remove vehicles that are abandoned, inappropriately parked or causing problems on the public highway or in housing estates is a critical activity for the Council on safety grounds but also to be able to address the concerns of residents – for example, if vehicles are taking up limited areas of parking.
- 2.2. Our night-time enforcement has proven to be highly successful against inappropriately parked vehicles on-street. But we can and should do more. Having explored the currently available contract options, I fully support extending the contract with the proposed enhancements.

3. Recommendations

3.1. Cabinet is asked to approve:

- (a) The extension of the existing Nuisance Vehicle Contract with Marston (Holdings) Limited, in accordance with the Council's Contract Standing Order 10.02.1(b) (which allows for an extension of a contract with a value of £500,000 and above), for two years;
- (b) An upward variation in the annual contract value for each extension year from the £1,091,390.21 provided for in the original contract to an annual extension year value of £1,132,199.78 resulting in a total contract value of £2,264,399.56 over the proposed two-year extension period; and,
- (c) Variations to the terms of the contract specification, particularly the performance indicators, as referred to in the exempt Part B of this report to provide for more robust performance indicators to improve the contract's operational efficiency.

4. Reasons for decision

- 4.1. The proposals are being made to maintain service continuity concerning a critical component of the Council's parking enforcement operations. The proposals will also ensure strategic alignment with the Council's transport policies and government guidance. Consistent parking enforcement operations ensure public safety, control the demand for parking, promote more sustainable methods of travel and meet residents' and business aspirations for ease of parking.
- 4.2. Additionally, this contract is critical to ensuring the delivery of the Council's statutory duties, including the safety requirements in and around Spurs Football Ground, where the surrounding streets comprising the emergency evacuation routes and safety corridors must be kept clear.
- 4.3. The decision to support this extension and variation proposal is also based on the provider's historically consistent delivery of quality service, which aligns with the Council's expectations.
- 4.4. The Council plans to utilise this chance to adjust the service specifications for the vehicle removal contract by considering performance insights from past years. The aim is to improve operational efficiency by simplifying procedures and enhancing service quality through refining key performance indicators (KPIs).

5. Alternative options considered.

- 5.1. **Do nothing** - Continuing the Nuisance Vehicle Removal Service is essential. With this service, the Council would avoid several significant drawbacks upon the current contract's expiration. These include:
 - a) **Inability to promptly remove abandoned vehicles:** Without a contract in place, the Council may struggle to address the issue of abandoned vehicles, which can cause public nuisance, obstruct traffic flow and pose safety hazards.

- b) **Difficulty in dealing with unregistered vehicles:** A lack of a removal contract could make it challenging for the Council to handle the large number of unregistered vehicles identified during parking enforcement operations. These vehicles may accumulate outstanding penalties and contribute to ongoing traffic violations.
- c) **Ineffective enforcement against persistent evaders:** Without a removal contract, the Council may be unable to deal with persistent evader vehicles effectively. This could result in losing opportunities to recover outstanding debts associated with these vehicles.
- d) **Inability to meet commitments and obligations:** If the Council has specific commitments or obligations outlined in local management plans, such as providing removal services during special events or designated areas, not having a vehicle removal contract could prevent the Council from fulfilling these responsibilities.

5.2. In-House Solution

- a) An in-house removal service was considered, contingent upon the Council's ability to locate a suitable pound site within or close to the borough's boundaries. A thorough and extensive market search involved active engagement with the Council's Corporate Landlord. Despite these efforts, only one suitable site could be found. The infrastructure set-up costs for this site would be substantial. Additionally, the time required to make the pound fully operational would not be sufficient to have the site ready for start-up by the time of the expiry of the current contract term.
- b) The only appropriate site identified is currently utilised by the Council's existing provider, MHL, as a shared pound in conjunction with Islington and Waltham Forest Councils. Due to the unavailability of a pound site, implementing an in-house removal service was deemed neither realistic nor feasible.

5.3. Although there was a wish to provide services internally, it must be stressed that it is not financially viable for this particular service. Consequently, it is necessary to continue outsourcing the contract in the short to medium term.

5.4. Full procurement

- 5.5. In 2019, a procurement exercise was conducted for this service. MHL was identified as the 'preferred provider'. Following our assessment of the market, it's evident that there has been no substantial change in the market landscape regarding the availability of suitable suppliers who can meet the Council's specific requirements, especially regarding providing a pound site within the borough.
- 5.6. If the Council was to explore procurement options for this service, it would need to take into account the current economic climate and the fact there is a limited number of suppliers available in the market who can provide a pound site in the borough. In light of these factors, it is conceivable that the Council might encounter challenges in securing competitive tenders, potentially resulting in increased contract costs. Furthermore, it is important to note that engaging in a full procurement process would also entail associated costs.

- 5.7. Given the reasons above, it would not be prudent for the Council to undertake a complete procurement at this point, considering the potential outcomes and financial implications.

Extend the existing contract as-is for 2 years

- 5.8. Extending the MHL contract for 2 years as-is without making any changes to the contract key performance indicators (KPIs) and service specification would not align with the Council's objective of improving the service's efficiency. It would be an oversight for the Council to refrain from seizing this opportunity to introduce permissible changes to enhance the contract, based on the lessons learned from previous years.

6. Background information

- 6.1. The Traffic Management Act 2004 governs the Council's parking restrictions enforcement. Within this framework, removing vehicles parked in a dangerous or obstructive manner is a necessary component. Similarly, under the Clean Neighbourhoods and Environment Act 2005, the Council must address abandoned vehicles. The successful execution of these removals relies on providing suitable removal vehicles and the availability of facilities for vehicle owners to reclaim their vehicles. Additionally, appropriate disposal facilities are required for cars that are not reclaimed.

- 6.2. The Nuisance Vehicle Contract and associated service provisions provide tools for enhancing the Council's Transport Strategy, which is focused on improving safety and reducing parking-related stress. By deterring drivers from unnecessary journeys and effectively managing the utilisation of limited parking spaces, the service helps minimise the adverse effects of vehicle pollution and promotes alternative modes of travel.

- 6.3. Under the contract extension and variation, MHL would continue to provide the following core services:

(a) Traffic Management Act 2004 - Parking Contraventions:

- Removal of vehicles from the highway due to parking violations.
- Storage of vehicles at the Council's car pound.
- Restoring vehicles to their owners upon payment of outstanding charges and disposing of unclaimed vehicles.

(b) Clean Neighbourhoods and Environment Act 2005 - Abandoned Vehicles:

- Removal of vehicles considered abandoned under the act from the highway or any other open-air land, including approximately 150 housing estates owned by the Council.
- Storage of vehicles at the Council's car pound.
- Restoring vehicles to their owners upon payment of outstanding charges or disposing of unclaimed vehicles.

(c) Proposal for Parking Enforcement on the Council's Housing Estates Owned by the Council:

- Enforcing parking restrictions on approximately 150 housing estates owned by the Council as per the traffic management order (TMO).

- Issuing parking charge notices to vehicles parked in violation of the restrictions.
- Physical removal of vehicles from housing estates and land owned by the Council.

Contract Background

- 6.4. The Council's previous Nuisance Vehicle Contract was awarded to NSL Ltd, a Marston (Holdings) Ltd (MHL) subsidiary. The arrangement lasted for three years, from December 2014 to December 2017, with an extension of two years. The total cost of the contract, including the extension, was £2,787,776. This extension allowed time for the procurement of the current nuisance vehicle removal service.
- 6.5. The new contract was necessary to support the broader transformation of the Parking service, including introducing additional Controlled Parking Zones. The contractor under the current contract is MHL with NSL serving as the sub-contractor and main provider of the contracted services. The current contract requires the contractor to increase the deployment of removal vehicles, extend the operating hours of the vehicle pound and fulfil other specified obligations. The contract commenced on 1 December 2019 for four years, with the possibility of further extensions, subject to agreement between both parties. The initial contract term expires on 30 November 2023.

Improving service delivery from 2023 to 2025

- 6.6. Amending the service specification for the Nuisance Vehicle Contract based on previous years' learning presents several opportunities and benefits, including:
- Enhanced efficiency:** By incorporating insights and lessons from previous years, the service specification will be revised to optimise operational processes and streamline the workflow. This can improve efficiency in handling vehicle removals, leading to faster response times and reduced service disruptions.
 - Improved service quality:** The Council is taking the opportunity to revise key performance indicators (KPIs) allowing for more accurate measurement of performance and outcomes. By setting realistic and relevant KPIs, the contract can incentivise the service provider to deliver higher quality services, increasing customer satisfaction and improving stakeholder relations.
 - Innovation and technology integration:** Building on previous years' learning, the amended service specification will incorporate technological advancements and innovative solutions to improve the effectiveness and efficiency of vehicle removal operations. This may include implementing digital systems, automated processes, or improved tracking and reporting mechanisms.
- 6.7. By taking the opportunity to amend the service specification based on previous years' learning, the Council can enhance the overall performance, effectiveness, and quality of the Nuisance Vehicle Contract, leading to improved outcomes for service users.

Proposal for parking enforcement on housing estates owned by the Council.

- 6.8. It is important to highlight that a joint proposal between Haringey Parking Services and Housing Services regarding implementing traffic management orders for approximately 150 housing estates and land owned by the Council is being considered.
- 6.9. This proposal is scheduled to be presented to the Cabinet on 6th February 2024. Its primary objective is to facilitate the enforcement of penalty charge notices (PCNs) under the provisions of the Traffic Management Act 2004. The government firmly believes that this approach should be adopted for enforcing regulations on land owned by local authorities. However, it is worth noting that the government's restriction of access to the DVLA database has hindered the effective enforcement of penalty notices on housing estates. Furthermore, the enforcement powers granted by the Traffic Management Act 2004 will empower the authority to remove vehicles from housing estates when necessary.

Financial Implications

- 6.10. The table below summarises each contract cost option, as discussed in section 5 of this report. A detailed financial breakdown capturing the different cost elements associated with each option is outlined in Part B (exempt information).

Option	Cost for 2 years	Risk	Comments	Recommendation
Option 1 - Do Nothing	Nil	High	Allow the contract to expire without pursuing any alternatives. This would result in the Council being left without a nuisance vehicle removal service.	Not Recommended – The Council would not be able to meet its statutory responsibilities and ensure public safety.
Option 2 - Extend Existing Contract As-Is	£2,157,338.48	Low	Continue the current contract with the same terms and conditions, ensuring that the contract continues to achieve its primary objectives.	Second recommended option – This will be the fallback option should the Council be unable to vary the existing contract.

Option	Cost for 2 years	Risk	Comments	Recommendation
Option 3 - Extend and vary the contract KPIs and Service Specification.	£2,264,399.56	Medium	This option involves extending the existing contract while introducing improvements in key areas by varying the key performance indicators (KPIs) and the Service Specification. It allows modifications and negotiations to enhance the overall service without incurring excessive costs.	Recommended - This choice balances controlling costs, improving service quality.
Option 4- In-House Solution	£3,369,569.18	High	Transition all services currently under the contract to be handled internally by the Council. This option requires establishing a pound facility with the necessary infrastructure and service desk.	Not recommended - Without a pound site, this is not deemed a realistic or feasible option.
Option 5 - Full Procurement	£2,319,399.56	High	It's important to note that this option is an estimate based on the initial calculation of costs. It is highly probable that following a full procurement exercise, costs will likely be significantly higher due to the current economic climate characterised by high inflation.	Not recommended – Given the economic climate, the likelihood is that the overall contract cost will increase substantially.

6.11. For information, the table below provides removal performance data for the period April 2022 to April 2023. Approximately, 4,020 vehicles were removed in the period, 622 of these on event days. This data highlights the crucial importance of the nuisance vehicle contract in effectively managing public highways and ensuring public safety. It is worth noting that the contract operates in a way that is mostly self-financing, meaning that it does not place a significant financial burden on the Council.

6.12. In the future, it is envisaged that the new KPIs will remove vehicles more efficiently. This will ensure that the contract remains financially sustainable while addressing the issue of nuisance vehicles on public highways.

	Charges (£)				Removal Volumes		
	PCN charges	Removals charges	Storage charges	Total	No. Removals	No. Removals on event days	No. Event Days
Apr-22	£12,340	£36,600	£5,800	£54,740	243	29	2
May-22	£17,320	£52,600	£9,800	£79,720	299	76	5
Jun-22	£14,465	£44,400	£4,320	£63,185	269	42	3
Jul-22	£18,925	£58,000	£11,760	£88,685	342	63	4
Aug-22	£17,575	£54,400	£10,240	£82,215	319	32	2
Sep-22	£17,520	£52,800	£11,760	£82,080	314	47	3
Oct-22	£32,030	£53,800	£11,480	£97,310	310	92	6
Nov-22	£29,049	£43,000	£8,880	£80,929	253	23	2
Dec-22	£18,268	£40,600	£9,000	£67,868	239	19	2
Jan-23	£24,575	£59,400	£11,600	£95,575	334	49	3
Feb-23	£26,389	£67,400	£8,680	£102,469	373	60	3
Mar-23	£31,699	£65,000	£10,920	£107,619	383	42	3
Apr-23	£28,758	£63,600	£11,240	£103,598	342	48	3
Total	£288,913	£691,600	£125,480	£1,105,993	4020	622	41

7. Contribution to the Corporate Delivery Plan 2022-2024 High-Level Strategic Outcomes

- 7.1. Abandoned and nuisance vehicles can adversely affect the environment and reduce the quality of life.
- 7.2. Renewal of the Nuisance Vehicle Contract and including estates within the area managed by that contract will contribute to Theme 2 “Responding to the Climate Emergency” and the higher-level outcome “Growing the Circular Economy and Making Better Use of Resources”. As a result of reducing waste in the borough and reducing dumping and environmental crime via removing nuisance or abandoned vehicles which present a hazard, this outcome also contributes to Theme 4 “A Safer Borough”.

8. Carbon and Climate Change

- 8.1. Nuisance vehicles may be parked unsafely, obstructing the highway and impeding traffic flow, resulting in increased vehicle emissions. They may also have been left in a dangerous, hazardous and/or unsightly condition.
- 8.2. Abandoned vehicles can result from or lead to crime, take up valuable parking space and be dangerous when vandalised or filled with hazardous waste.

Components deteriorate over time and leaks, such as fuel, oil or battery acid pollute the surroundings.

- 8.3. Removing these vehicles would alleviate these impacts and improve the local environment.

9. Statutory Officers' comments

Finance

- 9.1. This report requests approval to extend and vary the Nuisance Vehicle Contract with Marston (Holdings) Limited. The extension and variation will last two years and end on November 23, 2025, with an annual value of £1,132,199.78.
- 9.2. The preferred option of the five proposed options is option 3 which largely recommends continuing the current contract based on varying terms and conditions the value of which has been stated in the paragraph above.
- 9.3. There is enough budget within the Environment and Resident Experience revenue budget to accommodate the associated expenditure. The income generated from this service is anticipated to largely finance the related expenses.

Head of Legal and Governance

- 9.4. The Head of Legal & Governance has been consulted in the preparation of this report.
- 9.5. The contract extension and variation referred to in the recommendations at paragraph 3 are within the scope of the Public Contracts Regulations 2015 ("the Regulations"), in particular Regulation 72 which regulates modifications to contracts. The contract extension is permissible under Regulation 72(1)(a) as it is an optional extension specifically provided for in the original contract. The price variation/increase, though not originally envisaged, is permissible under Regulations 72(1)(f) and 72(5) which allow for modifications of this value to be made (i.e., a value below the threshold above which services are to be tendered and below 10% of the original contract value) once, as in this instance, the modifications don't alter the overall nature of the contract.
- 9.6. Pursuant to Contract Standing Order 10.02.1(b), Cabinet may approve the contract extension and variation referred to in the recommendations.
- 9.7. The Head of Legal and Governance (Monitoring Officer) sees no legal reasons preventing Cabinet from approving the recommendations in the report.

Strategic Procurement

- 9.8. CSO 10.02.1B) provides that the Cabinet may authorise the variation and extension of a contract where the value is £500,000 or more.
- 9.9. The contract extension was provided for in the original contract.
- 9.10. The variation and extension are compliant with Regulation 72 of Public Contract Regulations 2015.
- 9.11. Strategic Procurement support the recommendations in section 3 of this report.

10. Equality

- 10.1. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
 - Advance equality of opportunity between people who share those protected characteristics and people who do not.
 - Foster good relations between people who share those characteristics and people who do not.
- 10.2. The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 10.3. Although the legislation does not enforce it as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.
- 10.4. The report seeks approval for the extension and variation of the Nuisance Vehicle Contract with MSL to operate a nuisance vehicle service in Haringey. Under the terms of this contract vehicles may be removed from certain areas by the supplier upon the instructions of the Authorised Officer to the supplier.
- 10.5. While the extension and variation of this contract has no direct equality implications, it is notable that in the operation of this service, the supplier will be required to have due regard to the need to achieve the three aims of the Public Sector Equality Duty, noted above. Haringey Council will monitor this service for any disproportionate impact on any individuals or groups with protected characteristics and take appropriate mitigating measures if undue negative impact is identified.

11. Use of Appendices

None

12. Background papers

- **Cabinet Report 8th October 2019 - Nuisance Vehicle (Removals) Contract**
- <https://www.minutes.haringey.gov.uk/ielIssueDetails.aspx?IId=66839&Opt=3>
- **Haringey's Transport Strategy 2018**
<https://www.haringey.gov.uk/parking-roads-and-travel/travel/haringeys-transport-strategy>
- **Haringey Council Corporate Delivery Plan 2023/24**
<https://www.haringey.gov.uk/local-democracy/policies-and-strategies/corporate-delivery-plan>

13 Local Government (Access to Information) Act 1985

13.1. This report contains exempt and non-exempt information. The exempt information is not for publication as it contains information classified as exempt under the following categories (identified in the amended Schedule 12A of the Local Government Act 1972):

- (3) Information relating to the financial or business affairs of any particular person (including the authority holding that information).

