



Report of: Service Manager

Report to: Chief Officer, Environmental Action

Date: 6th January, 2017

Subject: Approval to take up the extension option in the current contract for the issuing of Fixed Penalty Notices (FPN's) in relation to environmental enforcement work (Ref:- 9P3M-P9Y91D) and extend it by a further 12 months from 26th January 2017.

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):		
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

SUMMARY OF MAIN ISSUES

1. The contract for the issuing of FPN's in relation to environmental enforcement work predominantly in the City Centre was awarded to 3gs in December 2014. The contract term was for 2 years starting on the 26th January 2015 with extension options of a further 2*12 months.
2. The performance of 3gs in delivering the contract has been good. 8475 FPN's have been issued since the formal award of contract and an excellent payment rate of 75% has consistently been achieved. As well as issuing FPN's 3gs provide a highly visible uniformed presence in the City Centre and offer advice and directions to visitors. Having regard to the potentially confrontational nature of issuing FPN's face to face to offenders, the number of complaints received is very small. In total there have been 8 number all of which were investigated and closed.
3. Whilst not its primary function the issuing of FPN's has generated some income to the Council which has been re-invested in street cleansing services.

RECOMMENDATIONS

4. The Chief Officer for Environmental Action is recommended to note the content of this report and approve the extension of the existing contract by 12 months from 26th January 2017. This would be in line with CPR rules.

1. PURPOSE OF THIS REPORT

- 1.1 This report seeks to obtain approval from the Chief Officer for Environmental Action to extend the existing contract for the issuing of FPN's in relation to environmental enforcement work delivered by 3gs by a further 12months. In particular this report ensures that the requirement of CPR 21 is adhered to.

2 BACKGROUND INFORMATION

- 2.1 The city centre of Leeds is in many ways the 'shop window' to the city and is often the first and lasting impression that people have of Leeds. The city centre is a major cultural hub with many leisure and visitor attractions. Keeping the city centre clean and welcoming is a key priority for both the City Council and also key stakeholders such as city centre business operators.
- 2.2 Councils have powers to tackle littering by the use of FPNs which are issued to people who drop litter. The imposition of an FPN is an alternative to court action and involves the resolution of the issue upon payment of a standard fee. A range of field based Council staff have had the power to issue FPNs for many years.
- 2.3 In recent years however the Council has seen the number of FPNs issued by its own staff decline. As such after trade union consultation the decision was made to procure a contract for an external supplier to issue FPN's for littering in the City Centre. This has been highly effective with the number of FPN's increasing from 200 per year to over 4,000 per year since the contract was awarded.

3 MAIN ISSUES

- 3.1 In the 2 years the contract has been running it has succeeded in its two main aims, with there being a clear sense from stakeholders that the streets are cleaner and less litter is being dropped. The provider, 3GS, has also managed to sustain its operation on the income derived from FPN fee income whilst generating a small surplus income for LCC
- 3.2 The service specification being delivered by 3gs covers a number of key areas including:-
- Uniformed patrols in the city centre and other identified areas
 - Provision of education and advice
 - Issuing of FPNs for littering and dog fouling
 - Initiation and completion of legal proceedings for cases where the offer of settlement by way of FPN is not accepted.
- 3.3 3gs performance in the delivery of the contract has been good and continues to provide value for money. It's seen as an example of a successful public-private partnership and considered a real success with 4,314 FPN's being issued in the first 12 months of which 3,195 were paid and a further 942 were referred for prosecution.

Very few complaints have been received and media coverage has generally been positive.

- 3.4 As per the terms of the contract credit notes are now being received from 3gs.
- 3.5 3gs management of confidential data has been exemplary and the data sharing agreements in place have been abided by. There have been no issues at all with 3gs staff being collocated with council staff.

4 CORPORATE CONSIDERATIONS

4.1 Consultation and Engagement

- 4.1.1 The Chief Officer, Environmental Action, will be consulted prior to the extension of this contract. The City Centre Service Manager has also been consulted and his views on the positive performance of 3gs are reflected in this report.
- 4.1.2 It is not considered that the content of this report or the recommendations made will have a significant impact on any particular ward or community, and as such no further consultations are expected to take place other than with Officers in PPPU who will be supporting the contract extension process.

4.2 Council policies and City Priorities

- 4.2.1 It is paramount that procurements including contract extensions are undertaken with a view to ensuring openness, transparency and fairness. As such all appropriate governance arrangements have been considered.
- 4.2.2 The extension of the contract for the issuing of FPN's in the City centre supports a wide range of activities employed to keep the city centre clean and litter free. It supports our wider ambition to be the best city and the best council. Street cleanliness is also one of the Council stated top 25 priorities.

4.3 Resources and value for money

- 4.3.1 The approach taken is one whereby the service provided is at no cost to the Council. 3gs continue to carry the main financial risk of income received not covering their operating costs. However, the number of FPN's issued and the payment rate achieved in addition to covering their operating costs has generated a small financial surplus to the Council.
- 4.3.2 The use of a private company to issue FPN's on behalf of the Council has freed council staff to focus on other areas of work in the City Centre particularly around dealing with commercial waste problems.

4.4 Legal Implications, Access to Information and Call In

- 4.4.3 Officers from Strategy and Resources PPPU have been consulted throughout this contract extension process and as such all corporate and legislative requirements have been adhered to.

4.4.4 The Decision is not subject to Call-in.

4.5 Risk Management

4.5.1 In the original procurement exercise 2 potential risks were identified. Firstly, that the scheme is not able to operate on a self-financing basis i.e. no cost to the Council. Secondly that the large scale issue of FPN's and subsequent prosecution for non-payment might generate significant adverse reaction.

4.5.2 Whilst these risks will be kept under review they have not materialised over the 2 years of this contract.

5 Conclusions

5.1.1 Following a fair, open and transparent procurement process 3gs were awarded the contract.

5.1.2 The performance of 3gs in delivering the contract has been good and continues to provide value for money.

6 Recommendations

6.1 The Chief Officer for Environmental Action is recommended to note the content of this report and approve the extension of the current contract with 3gs by a further 12 months from the 26th January 2017.

7 Background documents

7.1 In compiling this report no additional background papers were used.