

TRAFFORD COUNCIL

Report to: Executive
Date: 15 July 2019
Report for: Decision
Report of: Executive Member for Environment, Air Quality & Climate Change

Report Title

Award of Contract - Environmental Enforcement and issue of Fixed Penalty Notices

Summary

Trafford Council has been running a pilot scheme with Kingdom Services Group to deliver a range of Environmental Enforcement activities primarily aimed at issuing Fixed Penalty Notices (FPN) for litter, dog fouling and small scale fly-tipping. The trial initially focused activities in the Clifford, Longford and Gorse Hill wards, commencing in January 2018 for 12 months and was extended for 6 months. This trial expired at the end of June 2019.

To allow the council to continue to issue Fixed Penalty Notices (FPN) for litter, dog fouling and small scale fly tipping an invitation for tender was issued on the Chest for potential award of contract for continued delivery of issuing of FPNs. This report is recommending the award of contract for continuation of this service

Recommendation(s)

The Executive are recommended to:

- 1) Note the results of the Kingdom trial.
- 2) Note the costs associated with running this service in-house.
- 3) Note the impact of not awarding the contract
- 4) Approve the award of the Environmental Enforcement Services Contract with 3GS (UK) Ltd.

Contact person for access to background papers and further information:

Name: Sharon Walls, Head of Service – Operations and Service Improvement (OTP)
Extension: 4152
Background Papers - None

Relationship to Policy Framework/Corporate Priorities	The effective use of environmental enforcement directly contributes to the council priority of having pride in our area and cleaner streets also contribute to other priorities including health and wellbeing and successful and thriving places.
Relationship to GM Policy or Strategy Framework	No
Financial	The application of the legislation and issuing of FPN's will contribute to the Council's revenue budget as outlined within the report. There is no additional cost to the Council.
Legal Implications:	The council is required to consider all legislation it has powers to utilise and the enforcement of environmental legislation has legal implications that are considered within the report
Equality/Diversity Implications	None
Sustainability Implications	None
Resource Implications e.g. Staffing / ICT / Assets	Resource implications and staffing of various options relating to environmental enforcement is considered within the report
Risk Management Implications	Risks that have been considered, include financial risks and reputational risk, are highlighted within the report and can be mitigated or controlled.
Health & Wellbeing Implications	No adverse implications are considered to impact as a result of this report.
Health and Safety Implications	None

1.0 Background

- 1.1 During 2017/18 the Council's Environmental Enforcement Team dealt with 1415 reported environmental crime issues with a further 2837 fly-tipping reports received during this time. Current resources comprise of 3 FTE's to deal with reported environmental enforcement activities and do not allow for any proactive patrols for litter and dog fouling offences which are some of the primary causes of customer complaints to the Council.
- 1.2 The council is empowered under the Environmental Protection Act 1990 (and associated legislation) to deal with low level environmental crime quickly and effectively through the issue of Fixed Penalty Notices (FPN's). The issue of FPN's can have a positive effect on behaviours and reduce demand on council's services.
- 1.3 In January 2018 a twelve month trial was established with the Kingdom Services Group to undertake environmental enforcement and issue Fixed Penalty Notices (FPN's) for litter, dog fouling and small scale fly-tipping in the Clifford, Longford and Gorse Hill wards.
- 1.4 The twelve month trial was extended for six months and was been widened to include enforcement of environmental crime issues across the whole of Borough until the end of June 2019. This was to allow the Council to assess the wider impact and consider procurement options of services going forward.
- 1.5 The delivery of environmental services and issuing of FPN's by external providers is a service that many councils are procuring externally to mitigate financial risks and there are a number of councils undertaking similar trials and delivering services across the country using external providers.
- 1.6 Trafford advertised in liaison with STAR procurement via the Chest during May / June 2019 the potential for offering a contract for the delivery of Environment Enforcement Activities

matching that delivered during the trial for a period of 12 months with the potential to extend for a further two 12 months periods for a maximum of 3 years.

- 1.7 The contract was advertised with specific clauses to ensure that there was no financial risk to the authority and be flexible with activities enforced to be determined by Trafford.
- 1.8 Three companies returned tenders for the contract specified including 3GS (UK) Ltd, District Environmental Enforcement Ltd and Kingdom Security Ltd. All three companies qualified for assessment. An assessment of the returned tenders was based on a qualitative scoring assessment of the delivery of the contract with STAR procurement.

2.0 Financial Implications

- 2.1 Of the 1703 FPN's issued during the trial, 1137 fixed penalty notices have been paid giving a 68% payment rate on fines issued. All tenders returned had payment rate of returns ranging from 70% - 75%. This payment rate percentage is a risk that the external provider will be managing.
- 2.2 Over 150 people decided not to pay the fixed penalty notice and have been prosecuted through Manchester Magistrates' Court. The average fines received by offenders are £200. Fines act as a deterrent to other potential offenders and any reoffending.
- 2.3 All the costs associated with the delivery of enforcement during the contract including issuing fixed penalty notices for litter, dog fouling and small scale fly-tipping fixed penalty notices will be met by the external provider. An overseeing Client function for the contract will be carried out by the Environmental Improvement Team currently employed within the Council's One Trafford Partnership Client Team. This model can be delivered as part of the award of this enforcement contract at no extra cost to Trafford.
- 2.4 External provider costs for delivery the service during the delivery of the contract will be covered by receipts from fixed penalty notices with no financial risk to the Council.

3.0 Benefits and Risk Implications

- 3.1 The benefits of maintaining a good quality environment free from litter has a positive benefit on the Council and Trafford including
 - a. Positive perception of the Council as an area to live and work.
 - b. Positive perception of Council Services.
 - c. Incentive to remain a resident.
 - d. Incentive to invest in the area.
- 3.2 The Enforcement trial identified that there are a number of benefits to operating aspects of environmental enforcement by an external provider.
 - a. The service delivered during the trial has been complementary to the current in-house team and effectively supports the in-house team,
 - b. There is no financial risk to the Council.
 - c. The paperwork and processes associated with issuing and following up FPN's is undertaken by the external provider.
 - d. The prosecution process and casework is fully compiled by the external provider for use by Legal Services of the Council.
 - e. Staff performance, training and recruitment is managed by the external provider. The Council retains control and is able to fine tune the service in the future to deal with changing demands.
- 3.2 Issues to consider include the reputational risks to the council

- a. There is the potential perception that being more proactive and issuing of FPN's is targeted enforcement however, the co-location of the external provider within the Council building has allowed daily deployment of officers to be managed and reputational issues to be addressed.
- b. The potential for not undertaking enforcement runs the risk of the Council being seen as an easy target area for getting away with environmental crime and could see an increase in illegal activity. This can result in dirtier streets and greater demand on Council services with increase in costs.

4.0 Other Options

- 4.1 **Do Nothing** – not award a contract. This option would mean that there was increased pressure on the in-house Environmental Enforcement team to undertake this type of enforcement that the external provider could undertake. There is no capacity to issue FPN's across Trafford for the offences highlighted hence Trafford could be seen as a soft touch. The consequences therefore of not having the additional resource by using an external provider would be increased environmental crime including increases in flytipping, litter and dog fouling offences having a negative impact on Trafford's environment.
- 4.2 **In House Delivery** - The option to deliver additional enforcement to include issuing of FPN's for litter, dog fouling and small scale fly-tipping activity in-house has also been considered.
- 4.3 This option would however, have considerable resource implications as this requires the creation of a whole new team of officers within the team within the Council to deliver this type of service.
- 4.4 The estimated costs to manage and deliver the service with resources of 8 staff on the ground would be of the order of £480,000. This includes all the Council's overheads.

No. of Enforcement Officers	Total No. of posts	Total Costs	No. of FPNs required to break even	No. of FPNs required (per Officer per day)	Current No. of FPNs per day (Trial)
12	15	£644,136	12,775	5	3
10	13	£565,021	11,175	6	3
8	11	£480,728	9,478	6	3
6	8	£364,196	7,177	6	3
4	6	£285,082	5,578	7	3

- 4.5 There is a significant risk that in-house delivery would not generate enough income from the fixed penalty notice receipts to cover the actual delivery costs. Mobilisation of an in-house team would be lengthy with staff training and retention issues, alongside issues of the administration of a large number of fixed penalty notices and associated appeals.
- 4.6 All costs associated with the delivery of this in-house service would have to be met by income generated from receipts for fixed penalty notices. This income is not guaranteed and may reduce over time as the public become more aware of the enforcement presence. The current payment rate stands at 68% based on the trial and this would mean the service would have to issue over 9500 fixed penalty notices to cover service delivery costs, which is approximately double the number of FPNs per officer per day currently being achieved by Kingdom during the trial.

- 4.7 There are also risks associated with maintaining staff and performance levels which would adversely impact on income.
- 4.8 As highlighted in 3.2 whilst the costs of having enforcement officers issuing FPN's in house would be prohibitive there are benefits to having the contract managed by and run alongside the existing in-house team. The existing team will be able to extend their role in the management of any future contracts, improve behaviours through education and campaigns and raising awareness that reduce offences further.

5.0 Consultation

- 5.1 To keep residents and businesses informed and to minimise the potential adverse impacts of enforcement there will be a proactive campaign aimed at raising awareness of the enforcement activities during the delivery of the contract. Elected Members will also be updated at regular intervals during the delivery of the contract.

6.0 Reasons for Recommendation

- 6.1 Costs to deliver the issue of FPN's and wider on site environmental enforcement services in house present significant financial risk to the Council.
- 6.2 Environmental enforcement services contribute to corporate priorities of the Council and demand for services is high.
- 6.3 The procurement and delivery of environmental crime and issuing of FPN's externally offers minimal risk to the Council whilst seeking to ensure those committing such crimes are appropriately challenged.

Key Decision: Yes **If Key Decision, has 28-day notice been given?** Yes

Finance Officer Clearance (PC) Peter Carr
Legal Officer Clearance (TR) Timothy Rhodes

CORPORATE DIRECTOR'S SIGNATURE  (electronic)