

**Manchester City Council
Report for Decision**

Report to: Resources and Governance Scrutiny Committee – 18 June 2019

Subject: Extension to the Joint Venture Agreement with NCP for the management and maintenance of NCP and MCC car parks

Report of: Fiona Worrall, Strategic Director, Neighbourhoods

Summary

A Key Decision was published on 21 May 2019 to extend the current joint venture with NCP to manage the city car parks. Concern has been expressed by city centre members about the process and requests made for some information which is provided in this report. Whilst the information requested was supplied there was insufficient time for the level of detail to be provided that is contained in this report.

Recommendations

In determining the Call In, the Committee has the following options available:-

1. To support the original decision; or
 2. To refer back to the Decision Taker (with or without recommendations)
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Wards Affected: Piccadilly and Deansgate

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Key Decision : Extension to the Joint Venture Agreement with NCP for the management and maintenance of NCP and MCC car parks published 21 May 2019

1. Introduction

- 1.1. In 1999, the JV contract with NCP created a wholly owned company, NCP Manchester Ltd, (NML) with a 55%/45% shareholding to NCP/MCC respectively, to manage and maintain those car parks listed in the JV Agreement. The JV Agreement was for 20 years and did not include an extension clause in the Agreement. As a result, the current Agreement will come to an end in June 2019.

2.0 Background

- 2.1. The car parks in the JV Agreement include a mixture of NCP and MCC owned/rented sites, and include multi-storey and surface car parks. The JV Agreement is a Management and Maintenance Agreement to allow NCP Manchester Ltd to operate and maintain both NCP and MCC car parks.
- 2.2. Procurement colleagues advise that while the formal JV contract cannot be extended, the Concession Contracts Regulations 2016, regulation 43 could be used as it allows for the modification of contracts during their term under certain specific criteria.
- 2.3. An agreement could therefore be entered into with NCP to extend an arrangement with the company for a defined and limited period. This will enable the Council to carry out important tasks that are necessary to bring the current contract to a satisfactory conclusion and define more clearly what would be required from a future contract.
- 2.4. Officers have considered what an appropriate period for the agreement would be that enables the necessary work to be undertaken before a new tender is issued that reflects a new agreed strategy for the provision and management of car parking and car parks within the City. It is legally feasible to enter into an agreement for any length of time from one to three years. An extension for eighteen months until December 2020 provides the right balance between setting new arrangements in place as quickly as possible and the need to carry out the necessary preparatory work.
- 2.5. The call in request covered a number of points that are addressed below.
- 2.6. ***The Joint Venture (JV) covers sites of particular strategic and local interest for city centre councillors and it is inappropriate to tie them up for a further 18-24 months at a time of rapid change for our city without proper analysis***
 - 2.6.1 The extension has the same conditions as the original contract which enables the car parks included by each party in the arrangement to be varied during the agreement. The extension does not therefore hinder the Council in any decision making around its car parking stock in the city centre.
 - 2.6.2 It is agreed that the city centre is changing and that is the reason for the extension as it will allow for clarity to be developed about how that change

might be managed. In order to support decision making a parking expert has been engaged to provide strategic advice. That advice will be fed into whatever new arrangements follow the extension period.

- 2.6.3 All current research suggests that technological advancements in vehicles and communications over the next 5 to 10 years will be greater than we have seen over the past 80 years, as such it is essential that we properly plan how car parking can be a key driver to both facilitate change (eg air quality) and address the new demands of the changing technology.

2.7 *Revenue raised by this JV*

- 2.7.1 This information is given in Appendix 1
- 2.7.2 The income received from the Joint venture is included as part of the Council's revenue budget.

2.8. *The governance structure of the JV*

- 2.8.1 The Joint Venture is managed through a Board consisting of board members from both NCP and the Council and that arrangement is detailed in the joint venture contract. The Board meets quarterly. The JV board has up to 10 directors, 8 of which come from NCP and 2 of which come from MCC and some positions can be vacant. The MCC representative is Councillor Stogia and a Director vacancy which is currently being filled. Meetings are quorum where there is 1 Director present from each side and the Chair has the casting vote.
- 2.8.2 There is both a Strategic Parking Board and an Operational sub-group in place to both govern the existing contract and oversee the replacement of the JV with an alternative arrangement. The Senior Responsible Officer for the work is the Strategic Director for Strategic Development and the Board consists of membership from Legal, Finance, Procurement, Highways, Property and Strategic Development teams

2.9 *The security of these sites*

- 2.9.1 The security of the car parking estate is considered from a number of perspectives and is a key consideration of the JV Board.
- 2.9.2 Employees of the JV attend the City Centre Integrated Neighbourhood Meetings on a weekly basis, and the Cityco Crime Prevention Panel on a quarterly basis where Car Park Security is regularly discussed in conjunction with MCC and GMP Officers. Security is a standing item on the JV Board and were advised when it last met on 29th April 2019 that in the last quarter, there had been 58 incidents of Car Crime, which was a reduction of 21 on the previous quarter. Other security items discussed by the board were Urban Explorers accessing buildings inappropriately and 3 successful suicide interventions during the quarter.

2.9.3 The JV have recently confirmed a £400k investment on the ongoing installation of gates and shutters to reduce anti social behaviour and crime. Car parks at Northern Quarter, Printworks and King Street have been completed and security shutters are planned for installation by July at Oxford Street, Palace and Chester Street.

2.9.4 JV representatives also regularly attend:-

- Crime Prevention Panel
- GMP neighbourhood meeting
- Manchester business crime reduction – Cityco
- Anti Social Behaviour Action Team meetings
- Engagement with Barnabus charity to help tackle issues with drug use/rough sleeping
- Engagement and staff training with the Samaritans to support suicidal individuals
- Engagement with needle exchange/rough sleeping services

2.10 *Why this agreement, which has run for twenty years, was not renegotiated for the deadline, subject to proper scrutiny; and No case has been presented as to why this situation will have changed in 18-24 months*

2.10.1 There had previously been a working assumption that any replacement arrangements would be a like for like replacement to the existing contract involving the maintenance and management of car parks only. However, once work began on the new contract it became evident that other potentially better arrangements were possible brought about by changes in technology (vehicles, communications, payment, etc) and transformational (city centre living, air quality, big data, etc) that had not been seen in a generation and a lot more work would be required to develop something that reflected those changes and took advantage of emerging opportunities.

2.10.2 There is a programme of work in place to secure a new arrangement following the extension period and to shape the long term strategy for car parking in the City. Parking experts have been commissioned to advise in respect of best practice, options for the replacement of the current JV and the long term strategy. The details will be subject to consultation with members.

2.11 There was another question which was raised at the same time during the call in period but did not form part of the call in request in relation to usage. For completeness this information is contained in Appendix 2

3.0 Recommendations

3.1 The recommendations are set out at the front of this report.