

Performance Payment Mechanism for Enforcement of on and off street parking restrictions and issue of penalty charge notices :

Payment for the enforcement of on and off street parking restrictions and issue of penalty charge notices comprises 2 elements – a Basic Fee in 12 equal payments each year for the Enforcement Work Component of the Basic Services, and an additional payment or deduction twice per year related to performance measured against a basket of Key Performance Indicators.

The performance payment is dependent on the Contractor meeting or exceeding the required standards in relation to 4 Key Performance Indicators (KPIs).

The KPIs are designed to ensure the quality of Penalty Charge Notices (PCNs) issued by the Contractor, and to ensure that the Contractor performs in accordance with the Council's customer service principles. The KPIs are:

KPI 1 : Number of PCNs issued (after adjustment for tickets cancelled/ withdrawn/ written off due to poor quality information or contractor error). The contracted annual baseline number of PCNs on which the performance assessment will be based is 72000.

KPI 2 : Maintenance of agreed minimum staffing levels as set out in the tenderer's method statement

KPI 3 : Not exceeding agreed levels of staff turnover as set out in the tenderer's method statement.

KPI 4 : Maintaining staff training at agreed levels as set out in the tenderer's method statement

No performance payment will be due unless **all** KPIs are met.

For the purposes of the performance payment, the annual number of PCNs and performance against KPIs 2, 3, and 4 will be calculated each year from the anniversary of the Commencement Date of the contract.

KPI 1 :Calculation of PCN numbers

For the purposes of the performance payment, the number of PCNs issued is defined as :

the number of PCNs issued by the Contractor, minus :

the number of PCNs cancelled or voided by the Contractor, and test tickets, and the number of PCNs cancelled or written off by the Council as a result of poor quality pocket book entries, poor photographic evidence, or any other Contractor error including as a result of complaints from the public.

PCNs cancelled or written off by the Council due to poor quality pocket book entries, poor photographic evidence, or any other Contractor error including as a result of complaints from the public, will also be subject to defaults as allowed for in the specification.

KPI 2 Staffing Levels :

The Contractor should submit an estimate of the number of staff which they feel confident can achieve the required performance in respect of enforcing the restrictions set out in the Specification. The proposed staffing levels should be included in the tenderer's method statement. The staffing levels submitted will form part of the contract and will be used to assess performance against KPI 2.

KPI 3 Staff Turnover :

The Contractor should submit an estimate of the level of staff turnover which they feel confident can achieve the required performance in respect of enforcing the restrictions set out in the Specification. The proposed staff turnover levels should be included in the tenderer's method statement. The staff turnover levels submitted will form part of the contract and will be used to assess performance against KPI 3.

KPI 4 Staff Training :

The Contractor should submit details of the training which staff will undergo to achieve the required performance in respect of enforcing the restrictions set out in the Specification. The proposed training programme should be included in the tenderer's method statement. The training programme submitted will form part of the contract and will be used to assess performance against KPI 4.

Performance payment

If all KPIs are met, the contractor will be entitled to a performance payment in addition to the Basic Fee for the enforcement element of the Basic Services as set out below.

The performance payment is only applicable to PCN numbers in excess of 72000 up to 80000. Should the number of PCNs issued exceed 80000 in any relevant year, the baseline number of PCNs may be reviewed.

For PCNs issued in excess of 72000 :

For PCN numbers 72001 - 73000 Performance payment = £15.00 per PCN;

For PCN numbers 73001 – 74000 Performance payment = £17.00 per PCN

For PCN numbers 73001 - 80000 Performance payment = £20.00 per PCN

Deduction if PCN numbers fall below 71900

If the number of PCNs issued falls below 71900, the following adjustment to the Basic Fee for the enforcement element of the Basic Services will apply. The deduction will apply to **all** PCNs below 72000, not just to those below 71900.

PCN numbers 71999 – 70900 : Amount deducted from Basic Fee = £15.00 per PCN

PCN numbers 70899 – 69900 : Amount deducted from Basic Fee = £20.00 per PCN

PCN numbers 69899 and below: Amount deducted from Basic Fee = £25.00 per PCN

The deduction will apply if PCN numbers fall below 71900 even if KPIs 2, 3 and 4 are met.

The amount of the performance payment is dependent on the current value of a PCN and will not be varied by the RPIX.

Payment structure/ invoicing

Payment/ deduction related to performance will be made twice per year, depending on performance in the previous 6 months. For the first 6 months of the relevant year, the baseline number of PCNs and the payment per PCN (or deduction if applicable) will be reduced by 50%. Adjustment will be made at the end of the relevant 12 months.

An example of the performance payment mechanism is set out below.

Invoices relating to the performance payment should be submitted twice per year. The first invoice should cover the first 6 relevant months, calculated from the anniversary of the start date of the Contract, and should form part of the relevant monthly invoice for Basic Services. The second invoice should be submitted at the end of the 12 relevant months, calculated from the anniversary of the start date of the Contract, adjusted to take account of the payment/ deduction made at the 6 month stage, and should form part of the relevant monthly invoice for Basic Services.

Invoices should be submitted no later than 14 days after the end of the relevant periods.

Review of baseline number of PCNs

The base annual number of PCNs may be reviewed by the Council during the period of the contract in accordance with any material changes to parking restrictions or methods of enforcement. In the event of a revision to the base annual number of PCNs the Contractor will also be required to submit revised method statements relating to KPIs 2, 3, and 4 which will be subject to agreement with the Council and which will form part of the Contract.

Annual contracted PCN numbers 72,000

PCN numbers in excess of 72000

Calculation of payment at year end

PCN nos in excess of 72000	Ticket numbers issued	Number of additional tickets	£ per PCN in excess	Calculation	Total payable for year (minus amount paid at 6 months) £
					15,000
72,001 - 73,000	73,000	1,000		15 1000 * £15	23,500
73,001 - 74,000	73,500	1,500		17 (1000 * £15) + (500 * £17)	82,000
74,001 - 80,000	76,500	4,500		20 (1000 * £15) + (1000 * £17) + (2,500 * £20)	92,000
	77,000	5,000		20 (1000 * £15) + (1000 * £17) + (3,000 * £20)	112,000
	78,000	6,000		20 (1000 * £15) + (1000 * £17) + (4,000 * £20)	132,000
	79,000	7,000		20 (1000 * £15) + (1000 * £17) + (5,000 * £20)	

Calculation of payment after six months based on 36,000 PCNs

PCN nos in excess of 36000	Ticket numbers issued	Number of additional tickets	£ per PCN in excess	Calculation	Amount payable at 6 months £
					3,750
36,001 - 36,500	36,500	500		7.50 500 * £7.50	5,875
36,501 - 37,000	36,750	750		8.50 (500 * £7.50) + (250 * £8.50)	20,875
37,001 - 40,000	38,250	2,250		10.00 (500 * £7.50) + (250 * £8.50) + (1,500 * £10)	23,375
	38,500	2,500		10.00 (500 * £7.50) + (250 * £8.50) + (1,750 * £10)	28,375
	39,000	3,000		10.00 (500 * £7.50) + (250 * £8.50) + (2,250 * £10)	33,375
	39,500	3,500		10.00 (500 * £7.50) + (250 * £8.50) + (2,750 * £10)	

PCNs below 71900

Calculation at year end

If PCN nos fall below 71,900	Ticket numbers issued	Number of tickets below	£ per PCN below	Calculation	Total deduction for year (minus amount deducted at 6 months) £
71,999 - 70,900	70,900	-1,100	15	$1,100 * £15$	(16,500)
70,899 - 69,900	70,500	-1,500	20	$(1,100 * £15) + (400 * £20)$	(24,500)
69,899 -	67,500	-4,500	25	$(1,100 * £15) + (1,000 * £20) + (2,400 * 25)$	(96,500)
	67,000	-5,000	25	$(1,100 * £15) + (1,000 * £20) + (2,900 * 25)$	(109,000)
	66,000	-6,000	25	$(1,100 * £15) + (1,000 * £20) + (3,900 * 25)$	(134,000)
	65,000	-7,000	25	$(1,100 * £15) + (1,000 * £20) + (7,900 * 25)$	(159,000)

Calculation of deduction after six months based on 36,000 PCNs

If PCN nos fall below 35950	Ticket numbers issued	Number of tickets below	£ per PCN below	Calculation	Amount deducted at 6 months £
35,999 - 35,450	35,450	-550	7.50	$550 * £7.50$	(4,125)
35,449 - 34,950	35,250	-750	10.00	$(550 * £7.50) + (200 * £10)$	(6,125)
34,949 -	33,750	-2,250	12.50	$(550 * £7.50) + (500 * £10) + (1,200 * £12.50)$	(24,125)
	33,500	-2,500	12.50	$(550 * £7.50) + (500 * £10) + (1,450 * £12.50)$	(27,250)
	33,000	-3,000	12.50	$(550 * £7.50) + (500 * £10) + (1,950 * £12.50)$	(33,500)
	32,500	-3,500	12.50	$(550 * £7.50) + (500 * £10) + (2,450 * £12.50)$	(39,750)