

# London Councils' TEC Executive Sub-Committee

## Road User Charging Appeals (RUCA) – Potential Continuation of Service

Item No: 10

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**Date:** 21 July 2016  
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### Summary:

London Councils operates the Road User Charging Appeals (RUCA) service under contract with Transport for London (TfL). The current contract ends on 31 December 2016 and TfL has commenced a competitive re-tender exercise. This report explains the re-tender process and seeks agreement for London Councils to submit a bid proposal to continue to provide the service on a full cost recovery basis and enter into a new contract with the GLA should London Councils be successful.

### Recommendations:

Members are recommended to note the re-tender process and programme for the RUCA service and agree to submit a bid proposal to continue to provide the service on a full cost recovery basis under a new contract with the GLA.

Members are also asked to grant delegated authority to London Councils' chief executive, John O'Brien, to sign the contract to undertake these services should London Councils win the tendering exercise.

### Introduction

1. On 7 July 2016, TfL, on behalf of the GLA, launched an ITT for the 'Provision of Appeals Services to Central London Congestion Charging and Low Emission Zone Schemes.' London Councils currently holds this contract, which it delivers through a sub-contracting relationship with Northgate Public Services Ltd (NPS). This paper sets out the

background to the current contractual relationship and considers why London Councils should bid for this work.

### **Background**

2. Acting through TEC, London Councils currently provides the Central London Congestion Charging and Low Emission Zone Schemes Appeal Services on the basis that doing so will facilitate, or is conducive and incidental to, the discharge of the functions delegated by the London local authorities to LCTEC for the appointment of parking adjudicators (and associated functions including the provision of the parking and adjudication service etc).
3. This is pursuant to sections 73 and 74 of the Road Traffic Act 1991 (as amended)<sup>1</sup> thereby exercising section 111 of the Local Government Act 1972 and Local Authorities (Goods and Services) Act 1970 (TfL being a public body to which the local authorities may provide goods and services under that Act).
4. These arrangements have been agreed by the 33 London local authorities in accordance with the terms of the TEC Governing Agreement.
  - a) Clause 4.1 of the Agreement states that the 33 London local authorities have delegated the functions set out in Schedule 2.
  - b) Paragraph 1 of Part 1, Schedule 2 of the Agreement sets out the delegation of the exercise of “statutory functions” (under sections 73 and 74 of the Road Traffic Act 1991).
  - c) Paragraph 2, Part 1, Schedule 2 of the Agreement provides that TEC may exercise any functions which it agrees are appropriate for implementation subject to those functions facilitating, being conducive or incidental, to the discharge of the “statutory functions” (per s 111 LGA 1972).
  - d) That paragraph 2 lists a number of “non-statutory” functions, which list is indicative and not exhaustive subject to the condition mentioned at paragraph (c) above.
  - e) Paragraph 2 also provides that any changes to the agreed non-statutory functions undertaken by TEC shall be approved and evidenced in writing by TEC.

### **Reasons for bidding**

5. The primary reason for bidding for this work is that it is conducive and incidental to the discharge of functions delegated by London local authorities to TEC. Namely, it serves to provide scale economies to the provision of the Environment and Traffic Adjudicators (ETA), formerly the Parking and Traffic Appeals Service.
6. Currently, the costs of the hearing centre, associated infrastructure and administration are shared with the GLA’s RUCA service. This provides value for both the London boroughs and for the GLA. The loss of this contract could lead to an increase of up to 11% in accommodation costs for the ETA service.
7. By bidding, London Councils will also be signalling a clear intent to the GLA and TfL to continue the partnership it has developed over the years in relation to this service. London Councils believes that it is best placed to deliver these services, but also acknowledges that it will have competition. This means that if no bid is submitted, it is likely that the contract will be awarded to a third party.

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<sup>1</sup> Although sections 73 and 74 of the Road Traffic Act 1991 have now been repealed, these arrangements continue in force until such time as they are varied or replaced by virtue of regulations 15(2) and 24(3) of the Civil Enforcement of Parking Contraventions (England) General Regulations 2007.

## **Consideration**

8. If unsuccessful, London Councils would work with the GLA/TfL and the new supplier to help ensure a seamless transition. It is expected that any eligible London Councils staff dedicated to the RUCA service, would transfer to the new supplier on 1 January 2017, under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE).

## **The bidding process**

9. The procurement exercise is being run by TfL on behalf of the GLA. TfL is using the light touch, open, tendering route. In so doing, it has set a tight deadline, 5 August 2016, for the submission of tenders. It intends to award the contract on 30 September 2016 and expects delivery to begin on 1 January 2016.
10. London Councils are seeking approval to submit a bid that will include its current subcontractor, NPS. Members are asked to note that, London Councils will have to demonstrate how its bid provides innovation and value for money for TfL. This may require officers to revisit the way in which the costs of the hearing centre are currently apportioned between ETA and RUCA services. However, officers will ensure that the proposal will be on the basis of full cost recovery and will fairly allocate costs across both tribunals.

## **Legal Implications for London Councils**

Set out in paragraphs 2-4

## **Financial Implications for London Councils**

As detailed in the body of the report and subject to this Committee's approval, the submitted tender will ensure that all costs incurred in providing the RUCA service will be fully recovered from the GLA, thereby minimising the risk of additional costs being apportioned to boroughs via increased costs in respect of the ETA service.

## **Equalities Implications for London Councils**

None

## **Recommendations**

Members are asked to:

- Note the re-tender process and programme for the RUCA service and agree to submit a bid proposal to continue to provide the service on a full cost recovery basis under a new contract with the GLA.
- Grant delegated authority to London Councils' chief executive, John O'Brien, to sign the contract to undertake these services should London Councils win the tendering exercise.