

**TONBRIDGE & MALLING BOROUGH COUNCIL**

**PLANNING and TRANSPORTATION ADVISORY BOARD**

**28 July 2010**

**Report of the Director of Planning, Transport and Leisure**

**Part 1- Public**

**Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)**

**1 PARKING MANAGEMENT**

**Summary**

**The Boards endorsement is sought for introducing a new method of paying for parking by mobile phone and for proposals for a relatively minor change to the management of Ryarsh Lane Car Park.**

**1.1 Context**

- 1.1.1 An increasing number of local authorities throughout the country are introducing ways of allowing their customers to pay for parking by phone. Here in Kent, Tunbridge Wells, Canterbury and Dover are already set up to provide this and a number of the remaining districts are currently considering offering such a service.
- 1.1.2 As time goes on, our customers will become accustomed to paying for a much broader range of services over their mobile phones. In the interests of good customer service, this Council will inevitably wish to extend this to cover parking, especially as our immediate neighbour, Tunbridge Wells, already has this option and people are becoming increasingly aware of it and querying when it will be introduced in this Borough.
- 1.1.3 There are several providers active in this market and one of the parking managers in a neighbouring district has done some preliminary investigation of this payment option on behalf of the South East Parking Managers Group. This has revealed that it may be possible to achieve this new form of payment at zero additional cost to the Council, although there would be an administration cost for each transaction for the customer which is where the commercial attraction for the service provider arises. It is thus an opportune time to report to the Board and seek endorsement of the principle of introducing cashless payment by mobile phone in the Borough car parks and to invite bids for the service with a view to introducing it if it can be done at zero cost to the Council.

- 1.1.4 It is important to bear in mind that this is suggested as an additional method of making payment. It is not intended to be a replacement for payment at the ticket machines.

## **1.2 Method of Payment**

- 1.2.1 To use this method of payment a first-time customer will register initially with the service provider giving information on registration number, make and colour of car, the parking location (a code number from the Board in the car park) and payment card details. This will take a couple of minutes the first time but the system will remember the details for future occasions and payment will take no more than half a minute. The telephone number used is a local landline and suppliers offer call centre assistance 24 hours a day, seven days a week.
- 1.2.2 All the services providers adopt a common approach of charging the standard tariff for the particular car park to which they add an administration charge. The usual rate is an admin charge of 20p for each transaction that is added to the customer's bill and there are different ways of dealing with the cost of debit and credit cards between each of the service providers.

## **1.3 The Benefits of Cash-less Payment**

- 1.3.1 Enabling our customers to have the option of cash-less payment using mobile phone is a beneficial and justified service improvement in its own right. Those Kent districts who already provide this option list a range of other reasons to support doing so, many of which represent uncostable but, nevertheless, real savings:-
- Less cash held, both in the pay and display machines and for transportation, counting and banking.
  - Reduction in theft and vandalism related losses to pay and display machines
  - Reduced ticket costs as no ticket will be produced
  - Fewer appeals as the transaction is digital
  - Increased compliance (pay and display tickets that still have some time left before expiry carry the risk of being transferred between vehicles)
  - Improved revenue despite machine failures
  - Prolonged life of the ticket machines between major maintenance or replacement
  - The ability for our customers to extend parking time purchased without having to return to the car park, say, if they are enjoying a meal and wish to

stay longer. (The system will not permit customers to “meter feed” beyond the maximum stay period).

- Reduced time taken in checking and replenishing tickets.
- Reduced maintenance time and costs
- Reduced litter through discarded tickets.
- The customer does not need to be aware of the tariff before parking
- The customer can make payment without the need to walk to and from a ticket machine, particularly in inclement weather.

#### **1.4 Proposals from Service Providers**

1.4.1 From the preliminary approaches already carried out by one of the Kent districts, it is clear that an option that is zero cost to the Council is possible. This would involve the service provider arranging for the tariffs to be built into its system and providing signs and promotion leaflets all at its own cost. It would be a requirement of the procurement exercise that cover charges for using credit and debit cards would be absorbed by the provider within the admin fee and be cost neutral to the Council.

1.4.2 In the light of the preliminary investigations carried out by colleagues in other districts, it does appear that this would be a good time to invite formal interest from service providers for this additional payment option and to enter an agreement with one of them if it is possible to secure an offer that is cost neutral to the Council. I recommend that this initiative should now be progressed on that basis.

#### **1.5 Ryarsh Lane Car Park, West Malling**

1.5.1 An item of parking management business has cropped up in West Malling which warrants consideration in the interests of making the most of the car parking stock in the town. Local businesses and the Parish Council have regularly provided feedback on parking issues in West Malling. The adopted position is that all such matters will be dealt with, in the round, as part of a major review of the West Malling Local Parking Plan next year.

1.5.2 However, there is an issue I have discussed in detail with the local Chamber of Commerce that merits earlier consideration and this concerns the time at which Ryarsh Lane car park becomes open for use by non-permit holders. Currently this is at 4 pm and there is a case for this to be earlier to take some of the pressures off of the main High Street car park and free it up for shoppers and visitors to the town.

- 1.5.3 Both the Chamber and Parish Council would ideally like to see this altered to 2 pm. However the pattern of use in the car park does not currently support such a change while, on most days of the week, a change to 3 pm could be justified. Consequently, I am recommending that the Board approves this variation in the hours of use of Ryarsh Lane car park and that we continue to keep the matter under review.

## **1.6 Legal Implications**

- 1.6.1 Introducing an option of payment using mobile phone is an unusual procurement exercise in that the objective is to secure the new service at zero cost to the Council. However, the service does generate a financial output on behalf of the service provider and a view is needed on what this might be to assess the proper approach within the Council's Contract Procedure Rules.
- 1.6.2 The income generation for the service provider is absolutely dependent on the take up of this new method of payment and there can be no certainty in advance about what that is going to be.
- 1.6.3 This is particularly so given the dual ticketing arrangement that exists in two of the main Council car parks in Tonbridge. Mobile phone payment and dual ticketing are mutually incompatible. However, this needs to be considered in the light of the fact that a substantial number of people using the two main car parks in Tonbridge do not seek a refund on the dual ticket. There is therefore a sufficient customer base to make the mobile phone payment option viable.
- 1.6.4 The level of take up could be of the order of 10% of all transactions based on the best past experience of service providers. Using such a take up rate suggest that this is a service that would generate about £10k a year for the service provider. Three years is the minimum agreement period that the market appears to wish to consider for reasons of commercial viability. If this is adopted, it places the procurement exercise in the middle of the £5k to £75k band that requires three written quotations in advance.
- 1.6.5 The Off Street Parking Places Order would need to be amended to accommodate the new method of payment, if adopted. It would also have to be varied to reflect a change in the hours of permit operation at Ryarsh Lane car park.

## **1.7 Financial and Value for Money Considerations**

- 1.7.1 If the procurement exercise proceeds as recommended, the financial impact would be cost neutral.

## **1.8 Risk Assessment**

- 1.8.1 The risk associated with introducing cash-less payment by mobile phone is related to the numbers of people making use of the option in order to make it

commercially viable. This is a risk carried by the service provider and not the Council.

## **1.9 Policy Considerations**

1.9.1 Customer Contact and Procurement.

## **1.10 Recommendations**

1.10.1 That it be recommended to Cabinet;

- 1) that approval **BE GRANTED** to invite quotes for providing a payment option in the Council car parks using mobile phone;
- 2) that, subject to receiving a cost neutral offer for providing the service, that an agreement with the service provider **BE ENTERED**.
- 3) That the time for non-permit use of Ryarsh Lane car park be altered to 3 pm.

The Director of Planning, Transport and Leisure confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

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Nil

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Director of Planning, Transport & Leisure