

REPORT TO THE PORTFOLIO HOLDER FOR THE CLEANER AND GREENER ENVIRONMENT

MAY 2011

THE INTRODUCTION OF PAY BY PHONE FOR PARKING CHARGES

Report of the: Community and Planning Services Director

Status: For decision

Executive Summary: This report outlines proposals to introduce a pay by phone system to offer an alternative method of payment for parking charges.

This report supports the Key Aim of safer communities and the effective and efficient use of resources.

Portfolio Holder Cllr. Avril Hunter

Head of Service Head of Environmental and Operational Services – Mr. Richard Wilson

Recommendation: that the Council enter into a three year contract for the provision of a pay by phone system for car park and on-street parking charges

Introduction

1. During 2010, through membership of the South East Parking Managers Group, a number of Kent district and borough councils decided to jointly investigate the feasibility of pay by phone systems for parking charges with a view to obtaining cost-effective proposals through collective action.
2. The South East Parking Managers Group comprises parking managers from all Kent district and borough councils, Medway, East Sussex, Hastings, Bromley and Kent County Council.
3. It was agreed that there would be advantages in securing one provider for a number of councils, many of which were adjoining, in order to provide a more wide-spread service to the public.
4. Following initial discussions with various pay by phone companies, quotations were invited to provide this service to all six councils taking part on the basis that each would have a separate contract should they wish to proceed.
5. The proposals will apply to all pay and display car parks and on-street parking areas in the district.

The Proposals

6. Of the three quotations obtained, only one, from Parkmobile UK Ltd., provided a pay by phone system which would be at no cost to the councils involved. The Parkmobile proposals were found to meet the requirements and, thus, it was jointly agreed to proceed with this company on the basis of separate contracts for each authority.
7. The Parkmobile proposals also have the advantage of the inclusion of income share in the third year, albeit on a small scale. For reasons of confidentiality, the proposals from Parkmobile is not appended to this report, but can be viewed by request.
8. Pay by phone offers a cash free alternative to paying at the ticket machine. Once registered, people can simply purchase parking time by a variety of methods:
 - telephoning the Parkmobile call centre and speaking to a service representative
 - using the IVR (automated Instant Voice Recognition) facility
 - using iPhone or Smartphone Applications, or
 - on-line through Parkmobile web site.
9. Customers will have the choice of paying the following convenience charges in addition to the standard parking fee if they choose to use the cashless system. This charging structure has become industry standard. The parking fee which would normally be paid to the local authority is paid over to the Council by Parkmobile on an agreed monthly basis. The convenience charges are:
 - a transaction charge of 20 pence per parking event, or
 - a monthly subscription of £1 plus a transaction charge of 10 pence per parking event, offering a potential saving for regular customers
 - a text reminder costing 10p that their parking period is about to expire.
10. The Parkmobile system offers two payment options known as “fixed duration” and “start and stop”. Fixed duration is where people state how long they want to park for and, unless they ring again to extend their parking time (up to the maximum allowed for the parking area) their parking time expires in much the same way as it would with a ticket bought from a ticket machine. With start and stop, having started their parking time the system requires people to ring again to stop the parking period, and they are then charged the appropriate amount. Whilst there are advantages to both systems, only one can be set up at any one time. We have opted to use the fixed period system as this is considered this will be of more use to the parking situation in Sevenoaks, taking into account the extent of commuter parking throughout the district.
11. Pay by phone offers the following benefits to the Council:

- a reduction in the amount of cash in the ticket machines leading to a reduction in the number of cash collections required, thus reducing collection costs to the Council
- less cash in the machines means a less attractive target for theft attack, thus reducing repair costs
- less wear and tear on the ticket machines leading to reduced operating costs
- people are able to stay top-up their parking to stay for longer should they wish, increasing parking income.

Parking Enforcement

12. Once someone has paid by phone for whatever period they choose, they do not need to display anything in the vehicle to indicate that they have paid to park. The Council's enforcement officers will be able to use mobile phones or their handheld equipment to access live records via a link to Parkmobile's system which will list all vehicles that have paid.

Next steps

13. Tonbridge and Malling Borough Council were the first council to go live, in April 2011. Others are due to follow when ready.

14. We are currently at the stage where the draft contract has been scrutinised by our legal team with only a few minor amendments proposed, details concerning all parking areas have been provided to Parkmobile in preparation for setting up the system database and for signing at ticket machine positions, and enforcement arrangements are being finalised.

15. Subject to the contract being signed and the finalisation of outstanding finer details, we would wish to proceed with the implementation of pay by phone as early as possible. This is likely to be sometime over the next two of months.

16. Publicity of the new payment scheme will be fully advertised in conjunction with Parkmobile's own advertising scheme and the Council's communications team.

Key Implications – Financial

17. The pay by phone scheme proposed is at no cost to the Council. Each time the user pays to park they pay a small transaction charge.

18. Parkmobile handle all transactions and under the contract will pay over to the Council on a monthly basis all parking monies paid.

19. Included in Parkmobile's offer is provision for the Council to receive a proportion of their income, for the third year only, by paying to the Council 1p for all transactions over 4.8% and 2p for all transactions over 7.9% based on the total transactions for 2009/10 which formed the base data for their proposals

20. Assuming 7.9% of transactions are achieved by pay by phone, the Council would receive a payment of £416 from Parkmobile. For every 1% achieved above this level, a sum of £268 would be due.

Community impact and outcomes

21. The introduction of pay by phone will offer easier and more convenient ways to pay parking charges and will be of particular benefit of those long stay users who currently need to provide large amounts of change each day to pay for their parking.

Legal, Human Rights, etc.

22. There are no issues relating to human rights

Risk Assessment Statement

23. The scheme will be subject to contract which addresses any possible risks to the Council. By implementing the proposals we shall be seeking to improve the payment options available to the benefit of the users of the various parking facilities.

Sources of Information:

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**KRISTEN PATERSON
COMMUNITY AND PLANNING SERVICES DIRECTOR**
