

PARKING TERMINAL UPGRADE OPTION REPORT

Cabinet - 10 November 2022

Report of: Deputy Chief Executive & Chief Officer - Finance & Trading

Status: For Decision

Also considered by: Cleaner & Greener Advisory Committee - 18 October 2022

Key Decision: Yes

Executive Summary: This report updates the Cleaner & Greener Advisory Committee on the essential upgrade to the districts 93 x Flowbird (was Parkeon) parking payment machines to counter the National phasing out of the 3G network, with an simultaneous opportunity to convert the machines to allow contactless card payments.

This report supports the Key Aim of: Building on the District's thriving economy through the regeneration of our market towns, and by enhancing both the visitor and rural economies.

Portfolio Holder: Cllr. Margot McArthur

Contact Officer: Trevor Kennett, ext. 7407

Adrian Rowbotham, Ext. 7153

Recommendation to Cleaner & Greener Advisory Committee: That the parking terminal upgrade options as detailed in this report be considered by the Committee, and its views be submitted for consideration by Cabinet.

Recommendation for Cabinet: That the parking terminal upgrade options proposal along with any proposals submitted by the Cleaner & Greener Advisory Committee be considered and option 2 be approved.

Reason for recommendation: The National phasing out of the 3G network will ultimately make the current suite of parking machines in our district redundant if not upgraded. Also the risk of not being able to source a viable cash collection service provider and a switch towards a more cashless based society has accelerated through the pandemic.

Introduction

- 1 Sevenoaks District Council owns and operates 93 pay and display parking terminals, which are all supplied by Flowbird.
<https://www.flowbird.group/smartcity/uk/>
- 2 The districts terminals are all currently cash only payment machines, are predominantly older units, and will ultimately require replacing through a procurement plan.
- 3 60 of the current machines are the Strada Evolution models, with 33 being the older version of Strada PAL terminals. There is a mixture of mains power and solar powered units.
- 4 All UK networks have committed to closing their 3G networks, with current supplier Vodafone running a sunset service until full closure in 2023. Future suppliers focus will be on strengthening the 4G and 5G networks. [GOVT UPDATE LINK.](#)
- 5 Early in 2022 saw the sudden demise of the Kent Consortium cash collection contractor - CSS, who ceased trading with immediate effect leaving Kent Councils with serious physical cash collection issues. Only one viable alternative was found by the Consortium, G4S, at a higher cost, and is the current contracted service for Sevenoaks District Council.
- 6 By upgrading our parking payment machines to 4/5G technology and introducing payments by card we will sustainably reduce our costs on cash collection.
- 7 The pandemic has accelerated the demand for cashless payment options, and the service must adapt to accommodate this growing demand through offering of a cashless card payment option.

Options

- 8 **Option 1 - 4G Upgrade:** Install all machines with 4G modem & antenna kits. A software update would be required for every tariff in the district, estimated at 14, with copies to other terminals on the same tariff at significantly reduced price. Engineer and labour costs are fixed, and indicate an estimated 47 hours of work involved.
- 9 **Option 2 - Contactless Payment + 4G Upgrade Combination** - Install A1000 contactless pads, extended keyboards and all supporting parts to all terminals. Install all machines with 4G modem & antenna kits. A software update would be required for every tariff in the district, estimated at 14, with copies to other terminals on the same tariff at significantly reduced price. Engineer and labour costs are fixed, and indicate an estimated 186 hours of work involved.

Service considerations

- 10 Terminals will switch back from 3G to 2G when it is phased out in 2023, 2G network is currently scheduled to be active until 2033. The implications in terms of data transfer issues from terminal to back office parking software over 2G are currently uncertain. Machines will not be able to offer a cashless payment option. The Councils stock of terminals are becoming aged and ultimately could become redundant, with inevitable higher maintenance costs and increased non-functioning.
- 11 The replacement models would be the next generation of digital touchscreen Cale Webterminal (CWT) technology.
- 12 The delivery of a modern, cashless payment option on all the Council owned parking terminals would be viewed as a positive investment of the on-street parking income. Retaining the option to also accept cash payments for the foreseeable future will be seen as a sensible step.
- 13 The shift of over 50% of current customers to contactless with immediate effect in our car parks will enable us to heavily cut back on the volume of cash collections, saving money and reducing risk.

Recommendation

- 16 Given the need to upgrade the parking payment machines away from 3G and to offer customers contactless card payment choices, that Option 2 is approved.

Key Implications

Financial

It should be noted that options 1 & 2 will be funded from the ring-fenced parking decriminalisation budget (Decrim) from on-street parking fees, enforcement fines and charges income.

Option	Description	Cost
1	4G Upgrade only	£35,000
2	4G Upgrade with an additional contactless car payment upgrade	£102,000

It should be noted that the ArchiPEL platform charge for card payments has been agreed at 8% per transaction. Flowbird processes payment chains worldwide

through ArchiPEL, its centralised acceptance payment platform, allowing easier evolutions and better reporting. Flowbird is among the most experienced providers of worldwide payment solutions.

Legal Implications and Risk Assessment Statement.

Doing nothing may ultimately lead to redundancy of units without notice, and large maintenance costs with downtime affecting income. The Lack of guarantee whether the 2G network will cope with the demand when 3G is switched off in data handling from unit to the office.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act.

Net Zero Implications

Members are reminded of the Council's stated ambition to be Net Zero with regards to carbon emissions by 2030. The decisions recommended in this paper directly impact on this ambition. The impact has been reviewed and there will be a slight decrease on carbon emissions produced in the district as a result of this decision.

Reducing by around 50% of physical cash collection visits to each machine by vans every year. This will continue to reduce annually.

Appendices - None

Background Papers - None

Adrian Rowbotham

Deputy Chief Executive and Chief Officer - Finance & Trading