

CABINET (TRAFFIC AND PARKING) COMMITTEE

10 JUNE 2009.

PAYMENT FOR PARKING BY MOBILE PHONE

REPORT OF HEAD OF ACCESS AND INFRASTRUCTURE

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RECENT REFERENCES:

CAB1120(TP) - Payment of Parking Charges by Mobile Phone, 3<sup>rd</sup> November 2005.

EXECUTIVE SUMMARY:

This Report considers the implementation of a three year contract (with a further one year option) for the provision of mobile phone payments for parking fees following a successful trial period.

RECOMMENDATIONS:

- 1 That the Head of Access and Infrastructure be authorised, in consultation with the Portfolio Holder for Planning and Access, to determine an appropriate evaluation model, invite tenders, and award a contract for the provision of pay by mobile phone services, on the basis set out in Section 3.
- 2 That the Head of Access and Infrastructure be authorised to extend the current scheme to other suitable car parks in the Winchester District.

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#### DETAIL:

#### 1 Introduction

- 1.1 Pay and display machines both on street and in many of the Council's car parks do not accept payment by credit or debit cards. As fees have increased and for the benefit of customers, a cashless system of payment which is easy to use and does not require replacement of existing pay and display machines or high capital expenditure to replace, needs to be implemented, in order to maintain Winchester's competitive edge against other nearby parking providers and retail centres.
- 1.2 Providing customers with the facility to pay for their parking by credit and debit card is considered to be a good customer benefit. The current system which has been trialled complements the existing payment arrangements and can be changed or maintained with little cost and effort.

#### 2 Current Arrangements

- 2.1 The current trial was introduced in Winchester in April 2008; the system is currently supplied by Verrus. The system was introduced into the following car parks:
- Cattle Market
  - Coach Park
  - Gladstone Street
  - St Peters
  - Worthy Lane
  - Tower Street

The scheme was extended to Colebrook Street when this car park was converted to pay and display.

- 2.2 Payment for parking using a mobile phone is now widely used and to a degree expected by the customer in many locations. Nearby local authorities

using this type of system include: Salisbury; Southampton; Test Valley; Basingstoke; Eastleigh; and South West Trains.

- 2.3 Since its inception into Winchester, there have been 35,648 parking transactions, generating net parking fees of £156,673.
- 2.4 A number of distinct advantages both to the customer and the City Council can be identified from the system. The customer is able to extend their stay using their phone if, for example, they decide they wish to stay for a longer period. Research has shown that if a customer has to return to their car to purchase further time they are likely to leave. Using a system where the customer can extend the stay without returning therefore creates advantages to the City Council and to the retail sector in additional parking fees and additional retail spend.
- 2.5 The customer has the option of “signing up” to receive text reminders 10 minutes before the expiry of their pay and display period. They then have the option of extending their stay remotely or returning to their vehicle, thus reducing the risk of receiving a penalty charge notice. This aspect fits well with the guidance issued in connection with the Traffic Management Act 2004 (section 6) which requires operators to reduce the amount of penalty charge notices issued and is considered “best practice”. Motorists are not limited by the cash in their pocket and are therefore likely to purchase more parking time than is required.
- 2.6 Payments are made by the customer dialling the car park number identified on signs situated in the car park. A small additional fee is charged to the customer for the service, and fees are also payable for additional services such as text reminders. All payments received from customers including the cost of calls go into the City Council’s bank account, and the additional fees collected in this way are then reimbursed to the contractor upon receipt of an invoice. There is no net charge to the Council, apart from hire of equipment and other ad hoc requests. Therefore the current provider generate their costs ultimately through the customer.

### 3 Proposed Arrangements

- 3.1 Given the success of the trial, it is proposed to tender for a suitable contractor to provide the service on a longer-term basis. It is suggested that a contract period of 3 years plus an optional 2 year extension is offered.
- 3.2 Quotes from suitable contractors will be sought. Delegated authority is sought for the Head of Access and Infrastructure to agree, in consultation with the Portfolio Holder for Planning and Access, an evaluation model for the award of the contract, based on a quality/cost split of 40% quality, 60% price.

#### OTHER CONSIDERATIONS:

#### 4 SUSTAINABLE COMMUNITY STRATEGY AND CORPORATE BUSINESS PLAN (RELEVANCE TO):

- 4.1 This scheme contributes to economic objectives, safe and secure communities and an efficient Council.

#### 5 RESOURCE IMPLICATIONS:

- 5.1 If a change in supplier of the system is identified through a tender process, new signs would need to be provided, but this would be taken into account when the tenders are being evaluated.
- 5.2 Mobile devices (currently hired from the existing provider) are required to enforce the scheme, as no ticket will need to be displayed if the mobile phone service has been used by a customer. Again, any charges for the hire of these devices would be taken into account in the tender evaluation.

#### 6 RISK MANAGEMENT ISSUES

- 6.1 Any full advantage regarding increased revenue to the Council may take a number of years to become apparent as despite a public relations programme it will still take some time for many people to become accustomed to this payment option.
- 6.2 An overwhelming number of customers of the system come from Tower Street car park (up to 70%). The system can only be used for pay and display or on street parking. If Tower Street were to revert back to pay on foot (a further report on this matter is due to be submitted to this Committee in Spring 2010) there may be a significant reduction in demand.

#### BACKGROUND DOCUMENTS:

None.

#### APPENDICES:

None.