

Croydon Council

For General Release

REPORT TO:	TRAFFIC MANAGEMENT ADVISORY COMMITTEE 21 July 2014
AGENDA ITEM:	10
SUBJECT:	PROPOSED ON-STREET CASHLESS PARKING PAYMENT OPTION FOR PAY & DISPLAY USERS
LEAD OFFICER:	Executive Director of Development and Environment
CABINET MEMBER:	Councillor Kathy Bee, Cabinet Member for Transport and Environment
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT: This report is inline with objectives to improve the safety and reduce obstructive parking on the Borough's roads as detailed in: <ul style="list-style-type: none">◆ The Croydon Plan; Transport Chapter.◆ The Local Implementation Plan; 3.6 Croydon Transport policies◆ Croydon's Community Strategy; Priority Areas 1, 3, 4 and 6	
FINANCIAL SUMMARY: These proposals can be contained within available budget.	
FORWARD PLAN KEY DECISION REFERENCE NO.: n/a	

1. RECOMMENDATIONS That the Traffic Management Advisory Committee recommend to the Cabinet Member for Transport and Environment that they: <ol style="list-style-type: none">1.1 Agree to the introduction of Cashless Parking as an alternative choice of method of payment for all on-street Pay & Display parking places.1.2 Delegate to the Enforcement and Infrastructure Manager, Parking Services, the authority to make the necessary Traffic Management Orders under the Road Traffic Regulation Act 1984 to introduce a cashless payment parking system.1.3 It is recommended that the that Cabinet Member for Transport and Environment agree to Recommendations 1.1 and 1.2 above.
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2. EXECUTIVE SUMMARY

- 2.1 It is proposed to introduce cashless parking as an alternative choice of method of payment for on-street Pay & Display bays across the Borough.

3. DETAIL

3.1 Traditionally local authorities have been using Pay & Display as a means of collecting parking fees for both on and off street facilities. Although successful this limits users in that they can only pay by coins. A number of local authorities are now using mobile phone payments as an alternative cashless payment method for parking to the traditional Pay & Display arrangements. In order for a customer to pay for parking they are required to set up an account with a provider.

3.2 Cashless parking allows motorists to use their mobile phone to pay for parking in different locations via a choice of interactive voice response (IVR) and short message service (SMS) payment methods. Payment is made by debiting their credit or debit card account for the cost of the parking.

3.3 The parking enforcement provider would have access to their system which would give details of the registration number of the vehicle, location and the amount of time booked.

3.4 Customers can pay from a remote location, which is particularly useful if they are extending stays. It provides an easy way to pay for parking and can let customers know when their time is running out and extend their stay, from wherever they are.

3.5 For the customer the benefits include;

- ◆ No more searching for change
- ◆ No more dealing with tickets on windscreens or dashboards (or complaints regarding whether the ticket was viewable by the inspector).
- ◆ Being able to extend their stay remotely and therefore not having to worry about getting back to their vehicle in time (up to the maximum stay period)
- ◆ Providing more choice regarding payment methods
- ◆ VAT receipts for expense claims will be available.

For the Council;

- ◆ Reduction in maintaining the pay and display machines, such as the number of engineer call outs
- ◆ Less frequent cash collections
- ◆ Reduce the volume, therefore, cost of paper ticket
- ◆ Fewer engineer call outs

- ◆ Improved customer service levels by offering a choice in payment methods
 - ◆ Access to instant data
- 3.6 Cashless parking, in the form of mobile phone payments, was introduced as an alternative method to pay for parking in the Council's off-street car parks in December 2010. Initially this ran as a pilot study both to determine the best provider for the service and to find out how well received this would be by the public. After the 2 year pilot it was agreed that RingGo would be the provider for both on and off street parking from September 2013.
- 3.7 It is proposed to extend this service to on-street parking in all areas which are currently controlled by Pay & Display machines. Apart from providing an alternative easier method of payment the advantages to the customer are that parking durations can be extended in the event that they may be late returning to their vehicle. It is proposed that in these circumstances the total parking duration may only be extended to the maximum stay for the parking place in which they are parked so that, for instance, if in a 2 hour maximum stay road the initial 1 hour duration was not sufficient then this could only be extended by 1 hour. This ensures that there continues to be a turn-over of parking spaces in roads where parking demand is high.
- 3.8 The cashless system will be signed by labels on the machines with the RingGo telephone number.
- 3.9 There is a charge by RingGo for operating this service of 16.8p per transaction which will be borne by the Council. However, data collected from the pilot study showed that there will be additional income revenue where users extend their parking stays by mobile telephone rather than having to rush back to their vehicle to avoid a Penalty Charge Notice. Also in the long-term with higher proportions of customers using cashless parking the pilot has shown us that there will be a saving to the Council for emptying the Pay & Display machines and banking the coins.
- 3.10 Other long term savings include reduced theft to machines and higher proportions of payment in the event that machines are out of order. This is particularly important as theft and vandalism have increased considerably over the last year which has resulted in a minimum cost of £150k to the Council in 2013/14 in the form of lost income both from Pay & Display and enforcement, machine repairs and other costs such as overtime for repairs. Also it is envisaged that in the long-term there will be a reduction in the number of machines needed, as less customers use them for parking.

4 CONSULTATION

- 4.1 No consultation is required for the proposed incorporation of cashless parking as an alternative method of payment for parking in on-street parking bays. There are no proposed changes to existing methods of payment.

5 FINANCIAL CONSIDERATIONS

5.1 Revenue and Capital consequences of report recommendations

	Current Financial Year	M.T.F.S – 3 year Forecast		
	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
<u>Revenue Budget available</u>				
Expenditure	95	95	95	95
Income	0	0	0	0
<u>Capital Budget available</u>	0	0	0	0
Expenditure	0	0	0	0
<u>Effect of Decision from report</u>				
Expenditure	0	0	0	0
Remaining Budget	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

5.2 The effect of the decision

5.2.1 The cost of advertising the minor traffic order for incorporating cashless parking as an alternative method of payment is estimated at £400. The cost of supplying and fixing labels to the 800+ on-street Pay & Display machines is estimated at £12,000. These costs can be contained within the available revenue budgets for 2014/15.

5.2.2 The proposal is for the service cost imposed by Ringo of 16.8p per transaction be absorbed by the Council. It is estimated that up to 100,000 transactions could be using cashless payments at a potential cost of £16,800. Based on the off-street pilot study it is estimated that an additional £8,400 could be generated by customers extending their stay up. These figures have not been factored into the figures included in the table above

5.3 Risks

5.3.1 It is envisaged that if take up of cashless parking is higher than predicted with the resultant increase in costs to the Council then this will be balanced by reduced cash collections, maintenance of machines and increased income.

5.4 **Options**

5.4.1 There are two alternative options: (1) to make customers pay the transaction charge and (2) not to include cashless parking as an alternative method of payment. This will reduce the choice offered to the public.

5.5 **Savings/future efficiencies**

5.5.1 Savings include a reduced cash collection of Pay & Display machines, increase in income in the event that machines are out of order, reduced theft and vandalism of machines with a corresponding reduction in maintenance costs to the Council. It is estimated that the total savings will far outweigh the service charges imposed by RingGo.

5.5.2 In the long-term it is envisaged that there will be a reduction in the number of Pay & Display machines required which can then be used in new controlled areas or removed machines parts used for maintenance.

5.5.3 It is proposed to review the service charge as part of a project on "fair parking" at a later date.

5.5.4 Approved by: Tim Flood, on behalf of Head of Finance and Deputy S151 Officer Chief Executive's Department.

6. **COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER**

6.1 The Solicitor to the Council comments that Sections 6, 124 and Part IV of Schedule 9 to the Road Traffic Regulation Act 1984 (as amended) provide powers to introduce and implement Traffic Management Orders. In exercising this power, section 122 of the Act imposes a duty on the Council to have regard (so far as practicable) to secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians) and the provision of suitable and adequate parking facilities on and off the highway. The Council must also have regard to matters such as the effect on the amenities of any locality affected.

6.2 The Council must comply with the necessary requirements of the Local Authorities Traffic Order Procedure) (England and Wales) Regulations 1996. In the case of incorporating Cashless Parking into on-street parking places orders this is considered as a minor traffic order which requires advertising the Council's intention but does not invite objections from the public.

6.3 The Solicitor to the Council comments that the recommendation relates to introducing a system which handles the personal information of members of the public, therefore it is required to have in place appropriate measures to ensure it is handled in accordance with the Data Protection Act 1998.

6.4 Approved by: Gabriel Macgregor Head of Corporate Law, on behalf of the Council Solicitor and Monitoring Officer.

7. HUMAN RESOURCES IMPACT

7.1 The incorporation of cashless parking as an alternative method of payment should not effect either enforcement or the back office, therefore there are no envisaged impacts on human resources.

7.2 Approved by: Adrian Prescod, HR Business Partner, for and on behalf of Interim Director of Human Resources, Chief Executive department.

8. EQUALITIES IMPACT

8.1 An initial Equalities Impact Assessment (EqIA) has been carried out and it is considered that a Full EqIA is not required. This proposal will not affect Disabled Blue Badge parking.

9. ENVIRONMENTAL IMPACT

9.1 In the long term, subject to and taking into account an Equality Impact Assessment, it is hoped that the number of Pay & Display machines can be reduced which should have a positive effect on the environment.

10. CRIME AND DISORDER REDUCTION IMPACT

10.1 Reducing the amount of cash in Pay & Display machines and handled by the Council should reduce theft and therefore have a positive effect on crime and disorder.

11. REASONS FOR RECOMMENDATIONS

11.1 The recommendations are for cashless parking to be offered as an alternative to on-street Pay & Display parking in line with the current arrangements in the Council's off-street car parks. It is convenient for members of the public and will increase the payment choices they have and therefore improve the service offered by the Council.

12. OPTIONS CONSIDERED AND REJECTED

12.1 The alternative option is not to include cashless parking within the Council's on-street Pay & Display arrangements which will not improve the service offered by the Council.

REPORT AUTHOR / CONTACT OFFICER: David Wakeling, Parking Design
Manager, Infrastructure Parking Design,
020 8726 6000 (Ext. 88229)

BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972: