

Subject:	Mobile phone parking payment solution		
Date of Meeting:	15 January 2013		
Report of:	Strategic Director Place		
Contact Officer:	Name:	Paul Nicholls	Tel: 29-3287
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Ward(s) affected:	All		

FOR GENERAL RELEASE**1. SUMMARY AND POLICY CONTEXT:**

- 1.1 On street casual parking is currently serviced by cash payment at 1,119 Pay and Display machines with only 61 of these machines able to accept card payments as well as cash.
- 1.2 Alternative methods of payment, using a mobile phone to start a parking session, by means of a phone call, text or smart phone application, are now popular and well established in many parts of the country including most London Boroughs, Manchester and Birmingham. Smaller scale facilities have also been operational at many hospital car parks and stations, including at Brighton station car park. This report seeks permission to introduce payment by these new methods through use of a Framework Agreement with four London based Authorities, most of whom are already using the service.

2. RECOMMENDATIONS:

- 2.1 That the Transport Committee grants delegated authority to the Strategic Director, Place to enter into contracting arrangements defined in the 'Mobile Telephone Parking Payment Solution with Cash Option' Framework Agreement with the London Borough of Lambeth as Lead Authority, adopting the user pays model to supplement the existing Pay and Display system throughout the city.
- 2.2 That the Transport Committee authorises changes to on street furniture and signage, the advertising of Traffic Orders, including amending the relevant Traffic Orders to enable parking by mobile phone and the cash method of payment as defined in the Mobile Telephone Framework Agreement.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 Pay by mobile phone systems have been in operation for several years and work by the driver registering their vehicle and card payment details with the service provider. Once registered these can be managed securely online by means of a

password and login should the vehicle be bought or sold or the card details change

- 3.2 Upon arriving at a pay by mobile phone parking location, the registered driver transmits the unique location code displayed on street furniture or pay and display machines together with the length of time they wish to stay. This can be by means of text, through a call centre or a smart phone application. The Service Provider recognises the mobile number sending the request, and following security verification to confirm user identity, sets up a parking session for the location and duration specified
- 3.3 Enforcement is carried out by the Civil Enforcement Officer logging onto the Service Provider's system on their handheld device and entering a location code and receiving a list of vehicle registrations that have paid there. The on street parking contract is the subject of a separate tendering exercise and the ability to interface with a pay by phone service provider has been included in the specification. The outcome of the on street parking tender will be the subject of a separate report to Transport Committee.
- 3.4 The benefits to the customer include not needing to carry change to park using traditional Pay and Display. The cost to the customer will be between 15p and 20p per transaction for the provision of this service, the amount to be agreed when the preferred bidder is known. A number of additional facilities can also be purchased by the driver for a small fee, such as reminder texts sent ten minutes before their parking session is about to expire. Drivers can also extend their parking session whilst shopping or in a meeting without the need to return to the Pay and Display machine.
- 3.5 A four year Framework Agreement has been established with the London Borough of Lambeth as Lead Authority together with the City of Westminster, Transport for London, City of London Corporation and Brighton and Hove City Council named as potential Framework Users.
- 3.6 The OJEU Notice was published on 20 November 2011 with a Pre Qualification Questionnaire submission date of 1 February 2012 Responses were received and evaluated with 6 out of 9 bidders shortlisted. The shortlisted bidders were then invited to tender and only two formal bids were received by the due date. Bids were evaluated by officers from Lambeth, Westminster and Brighton and Hove. On 2 January 2013 Lambeth's Procurement Board are due to confirm the preferred bidder.

4. COMMUNITY ENGAGEMENT AND CONSULTATION

- 4.1 The Citywide Parking Review asked whether people would use their mobile phone to pay for parking and overall 45% of people said they would use this system at least sometimes. Amongst the under 44 year age group this figure increased to 67% of those surveyed who would use their mobile phone or a smart phone application at least sometimes to pay for their parking. Overall 78% of residents said they wanted to use credit and debit cards for parking.

- 4.2 The pay by mobile phone service providers have carried out extensive customer surveys on the various payment methods they provide with good customer satisfaction rates. They have committed to obtaining ongoing customer feedback to improve the customer experience of using this method of payment. This includes mapping features to guide the customer back to their parking space, or locate the nearest cash payment location. Features under development would allow customers to opt in to receiving special offers and discounts (subject to council approval) from local businesses.

5. FINANCIAL & OTHER IMPLICATIONS:

- 5.1 Revenue: The cost of advertising the TRO and amending the street signage will be met out of Transport revenue budgets. Customers will have the option to either use traditional pay and display machines, or the pay by mobile phone service. The pay by mobile phone service will be cost neutral to the council, as the transaction costs will be met by the customer. In the future, there is the potential for reducing some of the costs associated with on street parking, such as cash collection and maintenance of pay and display machines, depending upon the take up of this new system.

Finance Officer Consulted: Karen Brookshaw

Date: 11/12/12

Legal implications

- 5.2 The methods by which payment for parking can be made are set out in traffic orders made under the Road Traffic Regulation Act 1984. These orders will require amendment to enable payment by mobile phone. Procedural regulations require public notice of orders to be given and any person may object to the making of an order. Any unresolved objections to the amendment orders must be considered by the Transport Committee before they can be made.

The Lambeth Contract is a Framework agreement that the Council will be permitted to use, being one authorities referred to in the OJEU Notice. Given that the costs of the service are met entirely by the end user, it is difficult to quantify the overall value of the Contract for the purposes of CSO's, however the process followed by Lambeth has been in accordance with the EU procurement rules.

The Council is also currently in the process of procuring a new parking enforcement services contract (due to be let by April 2013) and both contracts have been designed in such a way as to work with the other.

Lawyers Consulted: Elizabeth Culbert

Date: 10/12/12

Equalities Implications:

- 5.3 Blue Badge holders will continue to benefit from concessions which allow them to park for free throughout Brighton and Hove in any Pay and Display or Shared use parking bay. As such they would not need to use this service provided that their badge is correctly displayed. For other disabled groups the pay by mobile framework agreement includes the ability to pay for parking by cash at retail

locations in Brighton and Hove. Almost all of these are fully accessible to disabled drivers, whether or not they are blue badge holders. For hard of hearing and deaf groups, there is the option to register online or via text and carry out each subsequent transaction by text. The service provider is also required to ensure that suitable customer service channels are available for this group

- 5.4 For service users whose first language is not English, the registration process can include an option to be transferred to a translator who will be able to help set up their registration for the service and explain how the service can be subsequently used by text, website (which can also be translated), smart phone applications etc. Some customers could find the use of this technology daunting but traditional P&D parking will remain available.
- 5.5 A full Equalities Impact Assessment (EIA) has been carried out for this new service and included for regular review within the Parking Services EIA

Sustainability Implications:

- 5.6 Adoption of the pay by mobile system should in time reduce the number of cash collection rounds carried out by van which will in turn reduce carbon emissions. The system should also reduce the maintenance costs and extend the life of our stock of Pay and Display machines reducing the need to buy replacement parts, visit and repair faulty equipment or replenish tickets as they are used less frequently which is also good for the environment.

Crime & Disorder Implications:

- 5.7 The Service Providers are required to store and manage payment card information to Payment Card Industry Data Security Standards. Under the current system, every year there are a small number of unsuccessful attempts to extract money from Pay and Display machines. Whilst no money has been taken the machines have been damaged. By reducing the amount of cash held in Pay and Display machines the risk of damage and theft will be reduced.

Risk and Opportunity Management Implications:

- 5.8 Take up of the new scheme could be low but by adopting the proposals citywide the advantages of registering for the service for the customer are increased. A marketing campaign is included as part of the project launch proposals to increase awareness of the new payment option.
- 5.9 Reliability of the service could be poor either due to gaps in phone network coverage in the city or due to problems with the service providers systems. High service and reliability standards are included within the contract, should the customer be unable to initiate their parking session, the pay and display system can be used.
- 5.10 The inclusion of a cash payment option within the contract could provide the opportunity to relocate a number of Pay and Display machines situated close to the cash payment outlets in Brighton and Hove. These machines could then either be re-used to replace machines with high maintenance costs reaching the

end of their working life or they could be relocated to reduce the capital cost of introducing any new resident parking schemes agreed by Transport Committee following consultation.

- 5.11 The adoption of these new technologies to pay for parking would place the city in a better position to support projects for new technologies like Smarter Cities and provide better information on parking occupancy rates. The proposals follow Brighton and Hove's successful bid for superfast broadband which could in turn encourage future innovation in the development of new features associated with this technology.

Public Health Implications:

- 5.12 Any reduction in carbon emissions arising from a reduced need to service the city's 1,119 Pay and Display machines would be to the benefit of public health.

Corporate / Citywide Implications:

- 5.13 The proposals should contribute towards the council's Corporate Plan objective of creating a more sustainable city by reducing vehicle coin collections from P&D machines and thereby carbon emissions and improve customer choice in response to feedback from surveys.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 Introducing the service on a pilot basis in a small area of the city was considered. The experience of other cities has shown that this approach tends to result in a much lower up take of cashless parking when compared to cities that have made the service available on a city wide scale. Pay by mobile parking is also well established with over 4 million subscribers and many visitors already registered for the service.
- 6.2 Consideration was given to the city council tendering the service out itself rather than as part of a framework agreement. The proposed adoption of the framework means that we can draw upon the experience of other framework users already using pay by mobile companies as well as benefit from economies of scale in getting the best possible deal for our customers. All procurement costs associated with setting up the Framework have been met by the London Borough of Lambeth as the Lead Authority.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 To improve customer choice over the method of payment for casual on street parking and provide a range of new service options for the customer.

SUPPORTING DOCUMENTATION

Appendices:

1. None

Documents in Members' Rooms

1. None

Background Documents

1. None