

Decision Maker: Environment Portfolio Holder

**For pre-decision scrutiny by the Environment PDS Committee
on**

Date: 25th September 2012

Decision Type: Non-Urgent Executive Non-Key

Title: Extension to Contract for Provision of Mobile Phone Parking

Contact Officer: Gerry Broomfield, Parking Operations Manager
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Chief Officer: Nigel Davies, Director of Environmental Services

Ward: All

1. Reason for report

- 1.1 This report reviews the first two and a half years of the payment by mobile phone parking scheme, going forward into the third and final year of the contract. The contract provides an option to extend at the Councils discretion for a further period not exceeding two years, and this report sets out the reasons for doing so.

2. **RECOMMENDATION(S)**

- 2.1 That the mobile phone parking payment contract extension is granted for a further two years.
- 2.2 That the policy of reducing P&D machines is continued, where practical.

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Quality Environment, Excellent Council:
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Financial

1. Cost of proposal: No Cost
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Parking Services
 4. Total current budget for this head: £300k income from mobile phone parking
 5. Source of funding: Existing Revenue Budget for 2012/13
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Staff

1. Number of staff (current and additional): 0.1fte
 2. If from existing staff resources, number of staff hours: Not Applicable
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Legal

1. Legal Requirement: Non-Statutory - Government Guidance
 2. Call-in: Call in is applicable:
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Number of mobile phone payment users -
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: Not Applicable

3. COMMENTARY

Background

- 3.1 On the 1st July 2008, report ED08069 was submitted to the Environment and Leisure Portfolio holder. It recommended that a review of mobile phone parking within the London Borough of Bromley take place, with a view to expanding the service throughout the Borough. The review also looked at mobile phone providers in order to achieve best value for the Council and for the motorists who use our parking facilities.
- 3.2 A further report was presented to the Environmental PDS Committee on the 1st June 2009 (ES09056). The Portfolio Holder subsequently agreed to expand mobile phone parking throughout the Borough at all on and off-street parking places as an additional option to the existing cash payment system. Officers were given permission to appoint a supplier based on best value and ease of use for customers of this service. Cobalt (RingGo) was duly appointed on the 17th March 2010, and the service was operational from May 2010. The contract was over 3 years with an option to extend for a further two years.
- 3.3 The report scrutinised in the 1st June 2009 (ES09056) report projected that the average annual transactions for year one would be 80,000 with an average transaction price of £2.
- 3.4 It was estimated that the average transaction charge would be £2.00 with a total number of transactions in year 3 of 150,000. Figures so far (year 3) indicate that the average value will be £2.19 and the estimate of 150,000 transactions is likely to be achieved.
- 3.5 On the 1st March 2011 report ES11015 was submitted, which reviewed the first 6 months of the Mobile Phone Parking Scheme. The report demonstrated that the scheme was a success with an average of 200 transactions per day.

The Current Situation

- 3.6 To date Mobile Phone Parking has proved to be a continuing success with an average of 410 transactions per day which is steadily increasing, with a projected 150,000 transactions for 2012/2013.
- 3.7 The table below shows the number of transactions, parking income received, and a projection for the extension period: -

Date	Transactions	Parking Income Received by mobile phone
May 2010 to March 2011	42,067	£78k
2011/12	79,490	£147k
2012/13 projection (based on 1 st quarter data)	150,000	£300k
Projection for extension period		
Projected Total 2013 / 14	208,000 apx	£450k
Projected Total 2014 / 2015	275,000 apx	£600k

Pay and Display Machine Removal

- 3.8 The removal of a number of pay and display machines at specific on-street locations throughout the Borough has taken place. The number of machines removed so far is 23, with a further 18 machines ready to be removed. This has enabled the 23 machines to be recycled and the current stock of machines to reduce from 317 to 276. At each location where the machine was removed the Mobile Phone Parking Scheme was advertised using signs.
- 3.9 This has had an encouraging affect as mobile phone parking use in these roads has increased. The removal of the machines did not affect the public's ability to use cash if they so wished as there are at least one machine within the zone.
- 3.10 It is recommended that Parking Services continue with the policy of reducing P&D machines, where practical, in order to create savings via reduced cash collections and to reduce street furniture. Vandalism and theft from Pay and Display machines are also an ever present threat. It is therefore important that Bromley use this new technology in order to combat this activity. Cashless parking systems working alongside traditional parking methods are the key to managing our parking stock in a safe way and to help in reducing the number of machines which in turn lessens the threat of vandalism and theft.
- 3.11 New parking schemes such as the recent Kelsey Park CPZ have benefitted from this policy with only one P&D machine being needed which was taken from stock. The rest of the paid for parking scheme is managed by mobile phone parking payments. The recent on-street parking scheme at Shaftsbury Road, near Beckenham Hospital is another example where the parking bays are managed by mobile phone parking only. It is anticipated that savings will be made from the need to replace less P&D machines in future years as mobile phone parking becomes more popular.
- 3.12 We have received a very small number of complaints regarding the removal of the machines, mainly to do with walking further to pay by coins. In each case we have made adjustments to the existing machines on site to shorten walking distances.
- 3.13 The concept of paying parking fees using mobile phones has a number of benefits. The main benefits are:

Benefits for the motorists

- Convenience – no need to leave the car (e.g. when it's raining or late at night).
 - No need to look for change to pay the machine.
 - Increased choice about how to pay.
 - Easy 'top up' payments from wherever they are without the need to return to their vehicles (up to the maximum period), i.e. running late at a meeting.
 - No more 'lost' money in broken equipment.
 - Lower risk of receiving a Penalty Charge Notice.
 - Reminders via txt messaging to warn that the paid for time is due to expire
- 3.14 The reduction in cash transactions as a result of the introduction of mobile phone parking has contributed to the Council achieving a saving of £43k per annum, from reduced cash collection costs within the parking contract. This sum has been built into the budget for 2012/13. If the use of mobile phone parking continues to increase as expected, there could be additional savings generated from cash collection costs in the future. The expected growth will also enable more pay and display machines removed and recycled.

3.15 The working relationship between Bromley Parking Services and Cobalt Technologies is professional and we have worked together very well when introducing new parking schemes or making adjustments to parking tariffs. Cobalt has a lot to offer for the future.

3.16 Within the current contact there is scope for the future provision of other mobile phone parking solutions that may be achieved. Both Bromley Parking Services and Cobalt are keen to explore these ideas. These are: -

- RingGo corporate; this is used by businesses like estate agents and florists and gas engineers and similar who park a lot on street in the course of their business. Essentially the business has an account with RingGo and charges all its payments back to a single central monthly invoice.
- RingGo Dispensations: this is an electronic solution to let vehicles park in restricted waiting areas and is an easy online solution for building works, film crews, house removals, road works, traders, weddings and any number of other ad hoc parking requirements.
- RingGo Virtual Permits and Visitor Permits; this is an electronic parking alternative to the Councils paper-based permits. Enforcement is a simple extension of the Councils existing service and all details are stored online, so there is a full audit trail of information.

3.17 Officers have maintained a close interest in the services provided by other competitive mobile phone parking companies and are not aware of any different services that would warrant a tendering exercise.

3.18 There are clear advantages to continue with this contract and it is therefore recommended that the contract extension is granted for a further two years.

4 POLICY IMPLICATIONS

4.1 The proposals in this report are consistent with the objectives of the Council's Parking Strategy:

- To improve the safety of all road users.
- To provide sufficient affordable parking spaces in appropriate locations to promote and enhance the local economy.
- To assist in providing a choice of travel mode, and enable motorists to switch from unnecessary car journeys, to reduce traffic congestion and pollution.
- To ensure effective loading/unloading for local businesses.
- To provide the right balance between long, medium and short stay spaces in particular locations
- To provide a turnover of available parking space in areas of high demand.
- To assist the smooth flow of traffic and reduce traffic congestion.
- To enable residents to park near their homes.
- To assist users with special requirements, such as the disabled.

4.2 The availability and effective management of parking spaces is a key component of our local economy. All road users, residents and visitors to the Borough could potentially use parking spaces in car parks and at on-street locations.

5 FINANCIAL IMPLICATIONS

5.1 The income received from Mobile Phone parking in the first two financial years of operation was £225k with an estimated £300k expected to be received for 2012/13.

5.2 The use of mobile phone parking as a payment mechanism has contributed to the Council being able to reduce cash collection costs by £43k per annum and has also enabled the pay and display machines that have been removed to date, to be recycled.

5.3 If the Council entered into a further two year contract, it is anticipated that the income received from this method of payment could reach £600k per annum. This is likely to generate additional savings from reduced cash collections.

Non-Applicable Sections:	Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	[1 st July 2008 report ED08069 1 st June 2009 (ES09056) 1 st March 2011 report ES11015