

**Decision Maker:** ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO  
HOLDER

**For Pre-Decision Scrutiny by the Environment & Community Services  
PDS Committee on:**

**Date:** 13<sup>th</sup> November 2019

**Decision Type:** Non-Urgent Executive Key

**Title:** PROPOSAL TO REMOVE PAY AND DISPLAY MACHINES

**Contact Officer:** Gerry Broomfield, Car Park and Assets Manager  
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**Chief Officer:** Colin Brand, Executive Director of Environment & Public Protection

**Ward:** All

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**1. Reason for report**

The Council have an ongoing policy to remove Pay and Display (P&D) machines from on-street locations where they are identified as being of low usage and / or prone to vandalism. To date, machine removals have been ad-hoc as and when a machine was identified as under-used. This report will recommend a more proactive approach to the removal of machines at locations where the Council could just retain the RingGo only mobile phone element. Officers reviewed P&D machines that generate a low cash income and this was compared with equivalent RingGo figures for these locations.

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**2. RECOMMENDATIONS**

**That the Portfolio Holder agrees that:**

- 2.1 The P&D machines as shown in Appendix 1 are removed and more emphasis placed upon the RingGo payment option by increasing signage in these roads and by supplying information through the Council website.**
- 2.2 Delegated authority be given to the Director of Environment & Public Protection for future removal of P&D machines, in consultation with the Portfolio Holder.**
- 2.3 To agree a policy concerning enforcement when a P&D machine is out of order, as set out in 4.4 of this report.**

## Impact on Vulnerable Adults and Children

None

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## Corporate Policy

1. Policy Status: Existing Policy: Parking Strategy
  2. BBB Priority: Quality Environment Vibrant, Thriving Town Centres Regeneration:
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## Financial

1. Cost of proposal: :£14,600
  2. Ongoing costs: Not Applicable: Projected annual saving of £15,750 (maintenance contract saving) + £2,400 (additional income achieved)
  3. Budget head/performance centre: Parking Revenue Budget
  4. Total current budget for this head: Cr£7539k– Controllable budget
  5. Source of funding: 2019/20 Revenue Budget
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## Personnel

1. Number of staff (current and additional): 1
  2. If from existing staff resources, number of staff hours: 40
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## Legal

1. Legal Requirement: Non-Statutory - Government Guidance:
  2. Call-in: Applicable:
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## Procurement

1. All changes to machines and signs will be undertaken by the Council's term contractor.
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): All road users in the Borough wishing to find parking space
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## Ward Councillor Views

1. Ward Councillors in the relevant wards have been consulted via email. Overall comments were supportive of the RingGo Cashless system, however concerns were raised about those motorists who do not have a mobile phone.

### **3. COMMENTARY**

- 3.1 The Council have an ongoing policy to remove P&D machines from on-street locations where they are identified as being of low usage and / or prone to vandalism. Since 2011 to date 87 machines have been removed from the parking stock. This has saved on cash collections, air time (SIM card cost) and maintenance costs. Drivers have an alternative method of making payment, via a mobile phone app called RingGo. Cobalt (RingGo) was appointed on the 17th March 2010 as The London Borough of Bromley's Mobile Phone Parking provider.
- 3.2 To date, machine removals have been ad-hoc as and when a machine was identified as under-utilised, where the cost of servicing the machine exceeded the income generated, or where there were alternative machines available. This report will recommend a more proactive approach to the removal of suitable P&D machines, just retaining the RingGo only mobile phone element. Officers have examined P&D machines that receive a low cash income and this was compared with equivalent RingGo figures for the locations.
- 3.3 Mobile Phone Parking has proved to be a success with growth of users increasing month on month and an average 50% of all income being received by the cashless system. The reduction of parking sessions being paid by cash and the reduced number of machines available creates savings to the Council as less cash collections are required. It also denies thieves the opportunity to steal the cash from these machines.
- 3.4 Currently payment for parking at most on and off street locations can be made by using coins or by credit card using the RingGo mobile phone parking system, but in some locations payment can only be made using the RingGo cashless system.
- 3.5 Cashless parking saves money versus maintaining and upgrading P&D machines. It reduces vandalism and is more environmentally-friendly, as there are no vehicles on the road collecting cash from the machines. The Council also gains insight into consumer behaviour through data collection, and this can be used to influence parking policies and high street trends.

#### **Current Situation**

- 3.6 Under the current Parking Contract with APCOA clause 3.17 of the parking specification reads: "The Council is in the process of streamlining the current service by reducing the number of pay and display machines and relying more on cashless parking. This will be implemented during the contract; all savings in this respect will be the authorities". The Council's policy is therefore to remove P&D machines where they are identified as being of very low usage and / or prone to vandalism.
- 3.7 As mentioned above, since 2011 to date 87 machines have been removed from the parking stock. This has saved on cash collections, air time and maintenance costs. Recent schemes, specifically around railway stations such as Chislehurst (Bickley Park Road and Gosshill) and the forthcoming Station Approach scheme at Chelsfield, are RingGo mobile phone parking only.
- 3.8 The machines that have been removed have been kept in stock and been used from time to time in new parking schemes where a P&D machine is considered necessary. The previous parking contractor Indigo and the current parking contractor APCOA have used the parts from other redundant machines in order to replace worn or vandalised parts etc.
- 3.9 Between the 1st April and 30<sup>th</sup> September 2019 27 Pay and Display machines have been broken in to with an approximate total of £2,800 stolen. Although the parking contractor, APCOA, reimburse the Council the amount stolen, the fact that a machine is put out of service does not provide a good customer experience. The requirement to maintain these machines

and source spare parts from the current parking stock is also putting increasing pressure on APCOA

- 3.10 This has further prompted a review of roads within the Borough where the Council should consider removing some P&D machines and just retain the RingGo only mobile phone element. Officers reviewed under-utilised P&D machines where payments are predominantly cashless. In some instances if machines are removed, nearby machines would need to be relocated so there would still be a cash payment option but many roads would become RingGo only. All roads being recommended for the removal of machines in this report would require additional RingGo signage to show tariffs and operating days and times.

In total, officers recommend removing 35 machines, in the following locations:

- Copers Cope Ward – Officers propose to remove all 9 machines in the area and convert the area to a RingGo cashless option only. The only exception to this would be in a part of Beckenham High Street, where officers propose to reduce the number of machines from 2 to 1.
  - Clockhouse Ward – Officers propose to remove all 8 machines in the area and convert the area to a RingGo cashless option only.
  - Orpington, Petts Wood & Knoll, Farnborough & Crofton Wards – Officers propose to remove all 11 machines in the outer part of the High Street to make the area a RingGO cashless option only. The main High Street will still have pay and display machines available.
  - Bromley Town Ward – Officers propose to remove 6 machines from this area and relocate other machines so that all but one of the roads have a pay and display machine as well as the RingGo cashless option. The only exception to this would be Meadow Road where officers propose to make the road RingGo cashless only.
- 3.11 The machines that have been selected to be removed are in areas where there is low usage of the pay and display machine and a high usage of the RingGo Cashless system, therefore officers predict there will be a significant reduction in the number of customers parking at these locations.
- 3.12 The incumbent parking contractor APCOA will arrange for temporary signage to be implemented in the area to help and encourage the small number of users of the machines to change over to the RingGo cashless system. There will also be more permanent signage added in the area so that the RingGo location zone code is clear and it is easy for the customer to pay for their parking session.
- 3.13 It is anticipated that there would be a shift from cash payments to cashless once the machines have been removed, however it is difficult to predict customer behaviour and how much income, if any, could be lost through a rejection of cashless parking by motorists who normally pay by cash. However through better signage, web information and consumer advertising on the benefits of mobile phone parking the risk will be minimised.

#### **4. Policy Change for Enforcement**

- 4.1 Officers recommend changing the current policy in relation to the enforcement of a location when all the pay and display machines at that location are out of order. The current approach is that if no pay and display machines are working, motorists do not have to pay to park and no parking enforcement is to take place.

- 4.2 The current parking contract has multiple Key Performance Indicators (KPIs) for machines breaking down. When all machines at a location are out of order, the machines have to be operational within 24 hours or a default of £150 per machine is triggered per 24 hours the machine is out of order.
- 4.3 Whilst the KPIs are a safeguard to the Council, when all machines are out of order, the Council loses potential income from the lost parking sessions which in most cases will be more than the default that is applied. Due to parking sessions not being able to be purchased, no enforcement of the location can take place until the day after the machines have been fixed, and therefore the Council is also losing potential income from Penalty Charge Notices.
- 4.4 Officers recommend a policy such that if all the pay and display machines in the area are out of order, the customer has to either pay for their parking session via the RingGo cashless system or find parking somewhere where they can still pay by cash.
- 4.5 Whilst reducing the number of P&D machines in a location to one machine is a saving to the contract, it does lead to a potential weakness if the machine goes out of order under the current approach. If the policy is changed then the financial risk to the Council is minimised.
- 4.6 It is worth noting that the RingGo system has proved reliable. Within the parking contract there is a KPI default applied if the RingGo cashless system crashes and motorists are unable to purchase their parking sessions; however since the contract went live in April 2017, LBB have never had to apply a default for the cashless system not working.

## 5. POLICY IMPLICATIONS

Please see section 4 above regarding the recommendation to implement a policy concerning the enforcement protocol when a Pay and Display machine is out of order.

## 6. FINANCIAL IMPLICATIONS

- 6.1 Appendix 1 identifies the specific roads and income taken by the machines and equivalent RingGo income for the zone locations from August 2018 to July 2019. It breaks down the costs for the removal of the machines and the likely savings to the Council over the remainder of the parking contract.

Council Cost for the removal and relocation of P&D machines, plus the approximate cost of new signs at ~£1,000.	Maintenance of machines and cash collections savings over the remaining seven years of the APCOA contract
£14,600	£110,250

- 6.2 The cost for the removal of the P&D machines will be borne by the Council out of the existing maintenance budgets for 2019/20
- 6.3 The anticipated cost savings over the next seven years of the contract is £110,250
- 6.4 When a motorist pays for their parking session, they have to pay a 20 pence convenience fee and if they wish to receive a confirmation and reminder text message, they have to pay a further 10 pence per text message.

- 6.5 As part of the existing parking contract with APCOA, it was agreed that for every 20p convenience fee paid to RingGo, 4p would be paid to the Council (including VAT) and for every 10p text message, all 10p would be paid to the Council (including VAT).
- 6.6 The below table shows the level of income the Council received in the last two financial years from these extra costs being passed back to the Council.

	Income received for 2017/2018	Income received for 2018/2019
Convenience Fee	£33,299	£45,715
Text messages fees	£95,580	£136,095
<b>Total</b>	<b>£128,879</b>	<b>£181,810</b>

- 7.7 If all 40,000 current cash payment sessions in the areas selected were to move over to the RingGo system, that would be an extra income of £1,600 to the Council in convenience fees. If a third of the users signed up to the text messages, a potential extra £1,066, totalling an extra potential income of £2,666.
- 7.9 Assuming 10% of current users reject use of cashless payment, there would be a reduction in the extra income as detailed in the table below.

Extra income if all motorist switch to Cashless	
Number of Cash Payment Sessions	40000
Convenience fee at 4 pence	£ 1,600.00
Text messages at 8 pence	£ 1,066.67
<b>Total extra income</b>	<b>£ 2,666.67</b>

Extra income if 90% of motorist switch to Cashless	
Number of Cash Payment Sessions	36000
Convenience fee at 4 pence	£ 1,440.00
Text messages at 8 pence	£ 960.00
<b>Total extra income</b>	<b>£ 2,400.00</b>

<b>Non-Applicable Sections:</b>	PERSONNEL IMPLICATIONS, PROCUREMENT IMPLICATIONS, LEGAL IMPLICATIONS, IMPACT ON VULNERABLE ADULTS AND CHILDREN
Background Documents: (Access via Contact Officer)	Appendix 1 - proposed removal of P&D machines matrix