

Appendix 4 – Car Parking Strategy Report

Digital Payments Solution for Parking Payments / Pay by Phone

1. Introduction

- 1.1 Staffordshire Moorlands District Council own and operate 28 enforced car parks across the District. Car parks are located in the main market towns of Leek, Biddulph and Cheadle as well as a 8 are free and 20 are chargeable.
- 1.2 Current payment options are limited to pay and display ticket machines, which only accept coin payments at present. The strategic review undertaken by Parking Matters includes an immediate action around the implementation of a cashless payment solution on the Council car parks.
- 1.3 At the start of the pandemic in 2020, there was understandable initial concern about the need to touch pay and display parking machines across the district. Although fears have now eased, over the summer of 2021 number of residents and visitors to the car parks has significantly increased and levels over the summer period have exceeded levels from before the pandemic in 2019, probably due to increased levels of visitors who are “stay-cationing”. Feedback to the Council has been very strong around the requirement for a cashless parking solution. Levels of cash in general, have seen a very significant decrease over the course of the pandemic as contactless technology has been widely embraced and utilised. This has resulted in fewer people carrying the coins which is currently the only way to pay on the car parks.

2. Cashless Parking Solutions

- 2.1 The main providers in this area of technology are “Pay by Phone and Ringo”. The customer downloads the app to their smartphone and registers their details, payment information and their car registration with the app. This data is secured within the system and all GDPR Regulations apply. Once on a car park, the app recognises their location, or alternatively the customer confirms with a unique car parking code, which would be displayed by way of signage on the car park. The Council’s tariffs for that parking location are stored within the app and the customer selects the tariff / ticket type they wish to purchase (length of stay). The customer does not need to display a ticket. Pay by Phone also offer the customer the ability to use pay on their hosted website and by phone through to a call centre should the customer not be able/want to use the app.
- 2.2 The enforcement officers have access to real time data by way of the provider hosted software and they can check the car registrations against the software to ensure that payment has been provided. If not, they are able to issue a PCN.

2.3 The digital solution has the following benefits for the council:

- Reduced cash collection costs including milage and therefore carbon emissions.
- Reduced risk of theft of cash collection / vandalism to pay and display machines.
- Reduced level of pay and display ticket machines, reducing capital expenditure on new machines and ongoing repair and maintenance costs.
- Reduced costs of tickets supply to machines.
- Reduction in electric usage by ticket machines.
- Potential to issue rover passes, and some permit types reducing heavy administration requirements to manage permits and passes
- Diversification of service. Less reliance on outdated machines.
- Reduction in complaints and negative feedback about lack of payment options
- Better access to transaction data by way of back office software at no additional cost to council.
- Free tariff updates by way of back office software. Dedicated account manager
Allowing flexibility to change tariffs quickly, easily facilitating one off promotions.
- Potential to send message to customers by way of customising app through graphic interface. (not direct advertising).

2.4 The benefits for the customer are as follows:

- No need to have the correct amount of available coins
- Once the app is downloaded - its quick and easy and can be used across multiple locations
- Potential to extend stay via the app without needing to return to the car
- SMS reminder when the allotted parking time is due to expire
- If no smartphone available, some providers offer an alternative solution to pay by way of website OR even all a dedicated payment telephone line.

2.5 Its not anticipated that a cashless solution would be a complete alternative to P&D machines, however there are significant benefits in reducing the number of machines (See 2.3 above). Pay and Display machines generally are in the region of £5,000 per machine to provide and install. Required connectivity (SIM costs) software and maintenance costs are on top. Currently lead in times are running at 16-20 weeks for some cashless models. There is no capital outlay in adopting a “virtual” solution.

4. Permit Types

4.1 There are also a number of permits accepted on car parks across the district which are managed manually by way of printed paper tickets. These include:

- SMDC Staff permits
- Long stay permits

- Business permits
 - NHS / Key worker permits (covid permit now withdrawn)
- 4.2 Permits that are sold that link directly to a vehicle registration could also be managed by way of the app.

5 Enforcement

- 5.1 Enforcement on the car parks is currently undertaken by Stoke-on-Trent City Council, contracted to enforce car parking across Staffordshire (Highways and district/borough off-street car parks). Stoke are implementing their own project to offer “Pay by Phone” services and are implementing the back office requirements as part of this.
- 5.2 Any new system must link through to the enforcement officers to access real time data on the car parks to allow them to enforce under the Traffic Management Regulations either by sending information to the handheld devices or by way of additional device to access the software.
- 5.3 The current SM parking order allows the council to issue “virtual” permits and facilitates alternative payment methods other than the use of P&D machines.

6. Procurement

- 6.1 The Council would look to seek a supplier quickly and simply by way of the ESPO framework. The framework includes many of the main providers of the technology. There is the option to run a mini-tender exercise through the framework or undertake a direct award to a specific supplier on the framework.

7. Pay by Phone

- 7.1 A number of our key partners across the Staffordshire Parking Board have secured “Pay by Phone” as their partner and Stoke City Council are also about to start a contract with them. In December 2021 Pay by Phone was rolled out in High Peak and a contract is in place that would allow SMDC to engage quickly with this provider. Cheshire East have also started a project with them as well as most of districts on the Derbyshire parking board including neighbouring Derbyshire Dales and Derbyshire County Council. Initial research would suggest they have the cheapest rates on the ESPO framework. They do not charge for access to software, but there is a small charge per transaction (See 8.1)
- 7.2 Discussions with Pay by Phone, following the work undertaken in High Peak suggests a project can be rolled out in as little as 4-6 weeks. The provider has a dedicated marketing team to organise the signage, website and can liaise with the Council

Comms team to undertake launch campaign to suit Council's requirements. The Council provide data on the location and tariffs for each car park, and the provider will project manage the roll out with the Council's input as required.

8. Financial Considerations

- 8.1 The provider of the service takes a fee per transaction that can either be paid for by the council or by the customer. The fee is 5p per transaction up to 250,000 tickets, but this is reduced if the number of transactions increases. From 250,000 – 1,000,000 tickets is 4p per transaction and above one million the costs is 3p. There are obvious benefits in procuring one contract across the Alliance.
- 8.2 Pay by phone report a better take up of the service if the Council pays the transaction fees which has been agreed at 3p based on the transaction levels across the Alliance (Almost double the take-up). Pre-pandemic figures from 19/20 indicate that SMDC sold 591,000 tickets with the Alliance as a whole selling 1.25 million tickets
- 8.3 Pay by Phone charge the customer for SMS alerts to warn the customer that their period of car parking is due to expire. The customer can then login to the app and extend their stay as required assuming this is in line with the tariff and maximum stays allowed on the car park. The provider charges 10p per message and this income would be split with the council on a 50/50 basis, thus either providing additional revue to the council OR covering some of the transaction fee costs, should the Council wish to cover these fees.
- 8.5 There are also options for the Council to act as the merchant bank to collect the payments, or the provider will do this on the council's behalf and transfer the income month.
- 8.6 Pay by Phone also have a green agenda that fits well with the Council's climate change ambitions. "Meter for Trees" and "Green Christmas" is an initiate where they will plant trees on behalf of their clients and customers if the Council directly reduce the numbers of ticket machines we use and if we can promote more customers to use the app at Christmas time. They also have dedicated account manager and marketing team to work with us to successfully launch the product.