

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

1981

Author:

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Department:

Communities

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Subject:

Provision of Mobile Phone Based Payment Service for Parking in Nottingham (Cashless Parking)

Total Value:

£100, 000 (£25, 000 / year for 4 years) (Type: Revenue)

Decision Being Taken:

- (1) To commence a procurement process for the purchase of a mobile phone based payment service that will enable the Council to offer cashless parking in the City of Nottingham
- (2) To authorise the Strategic Director for Commercial and Neighbourhood Services to award a two year contract, with the option for two further one year extensions to the successful tenderer.

Reasons for the Decision(s)

Cashless parking is a quick and secure way to pay for parking in Nottingham. Instead of having to put money into a pay and display machine, customers can use their mobile phone to make payment by a number of methods including Interactive Voice Response (IVR), the internet, the mobile web, by app or via a SMS text message service. If the customer needs to stay for longer than the initial payment, the service allows them to top-up their parking time without having to return to their vehicle.

Cashless parking was introduced in Nottingham in the 2010/11 financial year as a means of providing motorists with more payment methods for parking at a time when the pay and display machines were only capable of taking coin payments.

The initial service contract was awarded to Cobalt Telephone Technologies and secured the provision of their 'RingGo' cashless payment service. Since its introduction, Parking Services has been proactively developing and promoting the cashless payment market and in this time, our customer base has grown considerably and the technology associated with the service has also advanced.

As well as providing a complimentary service to the existing on-street parking arrangement in the City Centre, the City Council has also diversified cashless parking to provide a cost effective means of addressing on-street parking problems in the neighbourhood wards. In areas where commuter parking is making it difficult for residents to park close to their homes, the City Council has been able to provide 'dual use' parking bays offering either residential permit parking or cashless parking for those who are not eligible to apply for a parking permit. This type of scheme has not only formalised the parking in these area but it has also:

- Provided local residents with more flexibility than a conventional Residents' Parking Scheme as they have the option to pay for more on-street visitor parking than their permit allocation would allow;
- Supported the local retail businesses by encouraging an increased turnover of on-street parking spaces from the reduction in levels of commuter parking;
- Encouraged a modal shift to public transport by those commuters who are unwilling to pay the parking charge;

This type of scheme would not be economically viable using traditional pay and display machines due to the upfront cost of each machine and associated on-going maintenance costs, which would take several years to recoup if they were funded through the income that they generated.

Looking to the future, cashless parking has the potential to make efficiency savings for other teams in the City Council including Highways Network Management and Processing and Enforcement. Other Councils, including Central Bedfordshire and Lewisham, are using cashless parking technology to issue 'virtual parking permits' for their Residents' Parking Schemes, which negates the need to issue a paper permit and minimises the cost of resources needed to operate these schemes.

Whilst the formal tender process will take approximately 3-4 months to complete, it will enable us to ensure we are achieving value for money by being able to negotiate a more competitive service and convenience fee. It will also allow us to future proof the service by incorporating new and emerging enhancements into our Service Level Agreement including 'virtual parking permits' as detailed above and 'virtual wallets', which is a prepaid account that allows motorists to allocate the amount of money that they have to pay on parking for the month ahead.

Other Options Considered:

Option 1 - To do Nothing
 Not providing a cashless parking service would mean we would be unable to provide our citizens and visitors with the option of paying for their on-street parking through means other than cash or credit / debit card. Terminating this service would require the on-street pay and display signs to be changed, which would cost in the region of £23,000. Not providing the service would also require the City Council to install pay and display machines to serve the scheme in the neighbourhood wards, which would cost around £30,000.

Option 2 - Continue to Operate Under the Current Contract
 The current contract has been in place for four years and during this time Parking Services has grown the cashless parking patronage. It is now necessary to retender the contract to ensure we are receiving value for money on what is a growing customer base and negotiate more competitive transaction and service fees.

Background Papers:

NONE

Published Works:

NONE

Affected Wards:

Citywide

Colleague / Councillor Interests:

NONE

Exempt Information:

Description of what is exempt:

Appendix A is exempt as it contains financial information which could prejudice the Council's commercial negotiations if they were disclosed.

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The information contained within this report is exempt under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to a procurement of a commercial service within a competitive market.

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because it contains financial information which could prejudice the Council's commercial negotiations if they were disclosed.

Documents exempt from publication:

Appendix A - Cobalt Telephone Technologies Current Contract Charge Information.docx

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

Several of the pay and display parking machines in the City of Nottingham have been subject to vandalism in recent weeks, which has included the theft of their money vaults. These crimes have taken place in high footfall areas including Castle Road, Poplar Street and Regent Street therefore, we would be reluctant to install pay and display machines in the neighbourhood wards where there is more opportunity for this type of crime to take place.

Equality:

Please login to the system to view the EIA document: 150318-V0.1-EIA Cashless Parking-GB-V3.pdf

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

13/05/2015

Advice Sought:

Legal, Finance, Procurement, Equality and Diversity

Legal Advice:

There are no legal concerns arising from the proposal. S.46 Road Traffic Regulations Act 1984 permits the Council to charge for parking and to state the means by which such payments are to be made.

The procurement process, in accordance with the Council's constitution, will ensure that the services deliver Best Value.

The process will be supported by Legal Services as required and with the preparation of appropriate contractual terms governing the relationship with the provider of the cashless parking services.

Advice provided by Naomi Vass (Senior Solicitor) on 14/01/2015.

Finance Advice:

The budget for this expenditure at current income levels c £300,000 per annum is contained within the existing Parking Services budget.

There are different options available within the market for the charging of transaction charges, either fixed fee per transaction, a percentage of the transaction value or a combination of the two, therefore the expenditure that will be incurred cannot be quantified until the procurement exercise is complete. However given the greater degree of certainty around the volume of traffic via this payment method it is likely that the cost per transaction will be at a more favourable rate than the current rate which at existing income levels would result in reduced costs.

Any savings that are achieved will contribute towards the Parking Services budget position as included within the Medium Term Financial Plan.

Advice provided by Gary Robbins (Finance Analyst) on 21/01/2015.

Procurement Advice:

The Procurement will be undertaken by an open competitive tendering exercise.

Market research has been undertaken to update us on what the market can offer.

Procurement has been involved from the early stages in the development of the route to contract.

Advice provided by John Watson (Category Manager) on 12/01/2015.

Equality and Diversity Advice:

Whilst improvements are welcomed it is vital that any procured system is fully inclusive for disabled people and citizens for whom access in its broadest sense is restricted.

These protected groups will need to be constantly involved in any development to ensure that such a heavy investment meet appropriate needs and supports the Authority's public sector equality duty to promote equality of opportunity. Advice provided by Adisa Djan (Equalities and Diversity Consultant) on 01/04/2015.

Signatures

Jane Urquhart (Portfolio Holder Planning and Transport)

SIGNED and Dated: 06/05/2015

Andrew Vaughan (SD for Commercial and Neighbourhood Services)

SIGNED and Dated: 01/05/2015