
AGENDA ITEM: 9 Page nos. 49 – 54

Meeting	Budget and Performance Overview and Scrutiny Committee
Date	21 June 2011
Subject	Cashless Parking Operations
Report of	Scrutiny Office
Summary	In addition to the traditional method of paying for parking by inserting coins in a machine the Council offers a service whereby motorists can pay by phone. This report updates the Committee on the implementation of the scheme and on the options for extending it. It is for information only and does not require a decision.

Officer Contributors	Pam Wharfe, Interim Director, Environment and Operations John McArdle, Interim Parking Manager
Status (public or exempt)	Public
Wards affected	All
Enclosures	None
For decision by	Budget and Performance Overview Scrutiny Committee

Contact for further information:

Andrew Charlwood, Overview and Scrutiny Manager, Corporate Governance Directorate
020 8359 2014, andrew.charlwood@barnet.gov.uk

1. RECOMMENDATIONS

- 1.1 That the Budget and Performance Overview Scrutiny Committee make comments and/or recommendations on the information contained within this report.**

2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 2.1 The Budget and Performance Overview Scrutiny Committee, Sub-Committees, Panels and Task and Finish Groups must ensure that the work of Scrutiny is reflective of the Council's priorities.**
- 2.2 The three priority outcomes set out in the 2010/13 Corporate Plan are: –**
- Better services with less money**
 - Sharing opportunities, sharing responsibilities**
 - A successful London suburb**
- 2.3 The One Barnet programme has three overarching aims: –**
- A new relationship with citizens**
 - A one public sector approach**
 - A relentless drive for efficiency**

The use of cashless payment systems is part of the drive towards greater efficiency in the parking operation as they enable reductions in operating costs and provide a more reliable and consistent way for motorists to pay for parking. This reliability leads also to increased revenue from paid parking.

3. RELEVANT PREVIOUS DECISIONS

- 3.1 Decision by the Acting Director of Environment and Transport and Cabinet Member for Environment and Transport (DPR 758, 2 April 2009) for the appointment of Verrus UK Ltd to provide cashless parking services borough wide for two years with effect from 22 March 2009**
- 3.2 Budget and Performance Overview and Scrutiny Committee, 22 February 2011, Decision 10 – the Committee requested a report on Cashless Operations at their next meeting on 5 April 2011**
- 3.3 Budget and Performance Overview and Scrutiny Committee, 5 April 2011, Decision 9 – the Committee noted that the report on Cashless Operations had been deferred for consideration until the first meeting of the Committee in the 2011/12 municipal year**
- 3.4 Decision by the Interim Director of Environment and Operations and Director of Commercial Services (DPR 1289, 8 April 2011) to extend the Contract with Verrus UK Ltd to provide cashless parking services borough wide until the strategic partner was in place in April 2012**

- 3.5 Decision by the Interim Director of Environment and Operations and Director of Commercial Services (DPR 1288, 24 March 2011) for the appointment of Paypoint Ltd to provide a cash alternative to the Pay by Phone cashless parking services.

4. RISK MANAGEMENT ISSUES

- 4.1 There is a risk in relying on a service provided by a third party in that any failure on their part will reflect badly on the Council. This is mitigated by the fact that it is an established service, used by many local authorities and private companies, and is supplied by a company of sound financial standing and considerable operational expertise.
- 4.2 There is no significant financial risk as the supplier does not handle the Council's money, instead facilitating a connection between the motorist's bank and the Council's own bank so that a transaction can take place.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Equalities Impact Assessments have been undertaken in respect of the introduction of both the Pay by Phone and Paypoint services, and as each is an additional means of payment no adverse impacts were found. A **full** Equalities Impact Assessment is being undertaken on the implications of either significantly reducing the numbers of Pay and Display machines or removing them altogether and will form part of any decision making process.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 The additions of cashless parking does not involve any significant expenditure as the existing infrastructure remains in place. A transaction fee is payable to the supplier for processing each transaction, and provision has been made for this in the Parking Service Plan.
- 6.2 In the event that a decision was made to switch from the use of Pay and Display as the primary method there would be costs to be considered, and these would have to be offset against proposed savings.
- 6.3 There are no procurement issues as all of the necessary Contracts and authorisations are already in place.
- 6.4 There are no IT issues as the service is hosted entirely by the provider.

7. LEGAL ISSUES

- 7.1 As contained within the body of the report.

8. CONSTITUTIONAL POWERS

- 8.1 The scope of all overview and scrutiny committees are contained within Part 2, Article 6 of the Constitution;
- 8.2 The Overview and Scrutiny Procedure Rules (Part 4 of the Constitution) set out the terms of reference of the Budget and Performance Overview and Scrutiny

Committee which includes, amongst other duties, responsibility for "...scrutinising the overall performance, effectiveness and value for money of Council services."

- 8.3 The Contract Procedure Rules set out in the Constitution provide the framework for selecting contractors, authorisation and acceptance procedures, and tendering requirements. The provision of this service will form a part of the specification for the provision of parking enforcement and related services and, as such, will not require a separate tender process.
- 8.4 The Road Traffic Regulation Act 1984 empowers Highways Authorities to designate parking places and make charges for vehicles left in any parking place so designated.

9. BACKGROUND INFORMATION

- 9.1 The Council undertook a cashless parking trial in car parks using competing suppliers from September 2008, and responded to the success of that trial by awarding a contract to provide a similar service in both car parks and on-street from April 2009 (DPR 758). This borough wide Contract was awarded to Verrus UK Ltd by competitive tender and was for two years until 21 March 2011. During the term of the Contract Verrus was acquired by PayByPhone, but still trades as a separate legal entity.
- 9.2 During the term of the Contract the Council took a decision to seek a delivery partner for the parking service from April 2012, and to place the provision of cashless parking within scope of that project. As a result the Contract with Verrus has been extended until then.
- 9.3 The Pay by Phone option was available in car parks from the outset, and was extended to street parking in June 2010. In December 2010 an operational decision was made so that motorists unable to pay using coins because of a faulty machine should either move to another machine or pay using their phone.
- 9.4 At the time of award it was anticipated that the take up of the cashless option would represent some 10% of all transactions, but the success of the scheme is such that in the first 8 weeks of this financial year 32% of car parks income and 41% of street parking income has been collected in this way. Against this background it can be concluded that the system has achieved broad acceptance amongst motorists.
- 9.5 There have been some operational issues where motorists have been unable to access the system through problems with the phone network, but overall service availability has been almost 100% as opposed to the typical 80% for the pay and display service. When the network does go down, enforcement is temporarily suspended to avoid anyone unfairly receiving a penalty charge notice, but such occasions are extremely rare.
- 9.6 Some motorists have also been confused by the optional text message service which sends a reminder when a parking session is about to expire. This is a useful facility, for which a charge of 10p is made, and can prevent someone from receiving a PCN by reminding them to return to their vehicle or top up their payment. Phone parking sessions are charged at the same rate as cash transactions.

9.7 Officers are currently working on an option to extend payment options to include the PayPoint facility. This could allow a motorist to pay using cash on a walk-up basis at selected convenience stores. The transaction is then logged on the phone system and enforcement can take place as normal to ensure that all motorists have paid. There are some 80 PayPoint stores in the Borough and an exercise is currently being undertaken to map and match stores and parking places to ensure adequate coverage. We are aware that Paypoint is not available in every CPZ.

9.8 This provision of a cash alternative may pave the way for the removal of pay and display machines, an exercise which would be likely to result in significant cost savings. The options for this are currently being examined as part of a programme which includes consultation with staff involved. These will be the subject of a separate report when complete.

10. LIST OF BACKGROUND PAPERS

10.1 None.

