

<b>Cabinet Meeting</b>	
<b>Meeting Date</b>	22 September 2021
<b>Report Title</b>	Award of Contract - Cashless Payments in Off-Street Car Parks
<b>Cabinet Member</b>	Cllr Richard Palmer, Cabinet Member for Community
<b>SMT Lead</b>	Emma Wiggins, Director of Regeneration and Neighbourhoods
<b>Head of Service</b>	Martyn Cassell, Head of Environment and Leisure
<b>Lead Officer</b>	Jeff Kitson, Parking Services Manager
<b>Key Decision</b>	Yes
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. That the contract for the Cashless Payments in Off-Street Car Parks be awarded to Park Now Ltd (RingGo) for the sum of £106,671 (estimated value) for 3 years plus possible 2 year extension.</li> <li>2. To delegate authority to the Head of Environment and Leisure and Head of Legal, in consultation with the Cabinet Member for Community, to complete the contract award.</li> </ol>

## **1 Purpose of Report and Executive Summary**

- 1.1 This report provides the background to cashless parking payments in Swale Borough Council car parks. Currently over 50% of transactions for parking in Swale are done with a cashless payment solution. It is vital that we offer a choice of payment methods to suit all customer's needs.
- 1.2 Following a joint tendering process led by Maidstone Borough Council and evaluation of the bids by an assessment panel of officers from both authorities, this report requests authority to award the contract (3 years plus possible 2 year extension period) to the winning tender.

## **2 Background**

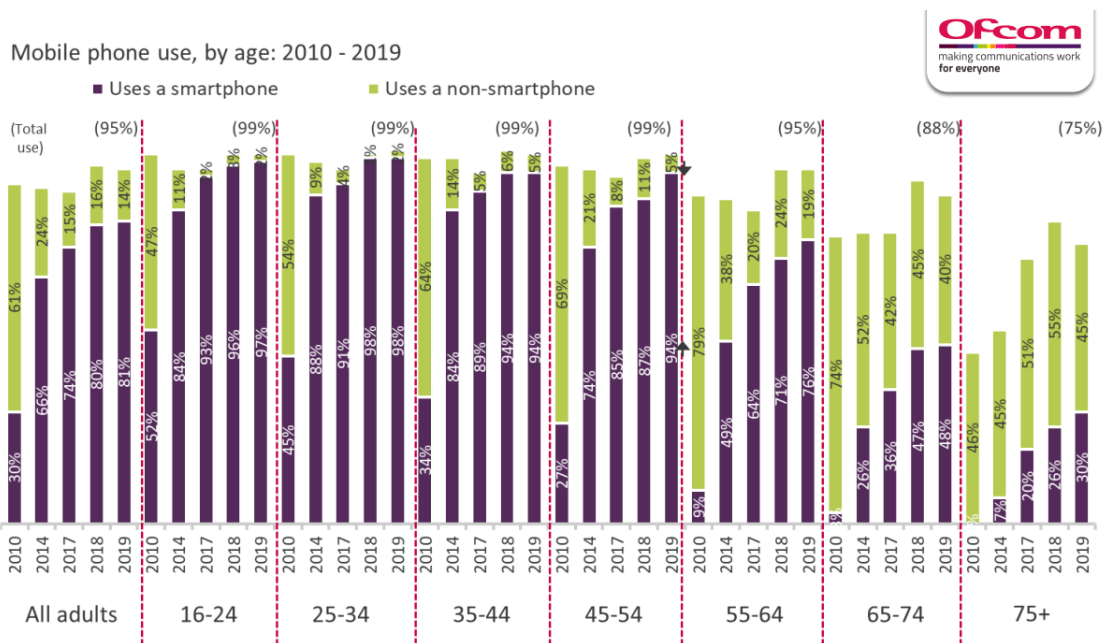
- 2.1 All Swale Borough Council car parks have offered a cashless payment option since 2017 in addition to traditional car park ticket machines to provide motorists with a choice of paying by cash at the machine or using the cashless payment option. There is no intention to remove the option of paying cash at the machine.
- 2.2 The most common misconceptions around cashless payments are that customers need to have a smartphone to make use of the service or that the older

generation do not have the necessary skills to use technology, even when this may improve the driver experience.

2.3 Although cashless payments can be made through a smartphone APP, they may also be made through text messaging, IVR (interactive Voice Response) or by phone (live). There were over 11,000 transactions last year from customers using IVR many of whom may have difficulty through disability or impairment using normal pay units for their parking transactions.

2.4 Latest figures from Ofcom confirm that of all adults 95% use a mobile communication device. In older age groups, high percentage levels of use are maintained, and evidence suggests these figures are increasing year on year.

- Age 65 > 74 = 88% using mobile communication devices  
48% of which are using Smartphone technology.
- Age 75+ = 75% using mobile communication devices  
30% of which are using Smartphone technology.



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2.5 Motorists are able to pay for their parking in around 30 seconds and the service allows customers to pay for parking without having to carry cash, finding the right change, or queuing at the pay machine.

2.6 Motorists register for cashless car park payment services, after which these details are then available to use every time they park. This makes it an easy option for our customers when repeating parking sessions in Swale.

- 2.7 Cashless payments ease queues at the payment machines and offer an alternative method of payment when the traditional payment machines experience mechanical difficulties. Lost revenue due to fraud, theft and counterfeit coins is also minimised.
- 2.8 In 2019 there were 42 incidents of pay unit vandalism which resulted in 310 pay unit days of lost service. The potential financial impact of this without an alternative method of payment being available to customers is estimated at £37,333.
- 2.9 Traditional car park ticket machines require the customer to place the ticket in the windscreen to confirm that payment has been made, whereas with cashless payment methods the payment confirmation is sent directly to the Civil Enforcement Officer. This reduces the risk of face down or blown away tickets leading to unnecessary enforcement action.
- 2.10 With cashless systems the driver will not need to remember what time their ticket expires as they can choose to receive a text message to remind them when their parking time is about to expire. With cashless car park payments, motorists can extend their parking time from wherever they are without having to return to their vehicle. Cashless payment providers do not charge a fee simply for offering a cashless option. The business model is to charge for additional services, such as the ability to have reminder texts or the ability to 'top-up' paid parking. Customers have to opt-in to these services and if they choose not to, then they simply pay the same fee as the cash machine charges.
- 2.11 Therefore, drivers can pay for the minimum amount of time required then top up if needed without needing to return to the car park and purchase additional parking from the payment unit.
- 2.12 Many cashless payment parking apps also offer a search and route facility to help customers find car parks in the local area. This service avoids motorists having to drive around looking for a car park, saving them time and reducing emissions into the environment.
- 2.13 Cashless services are widely used by the public and this remains a fast-growing sector of the parking market.
- 2.14 Cashless payments continue to be the preferred method of payment for many Swale car park customers with over 51.99% of transactions being made through the cashless payment system.
- 2.15 The number of cashless transactions has increased year on year since the introduction of cashless payments in Swale in 2017 (not including the period of impact of the Covid-19 pandemic).
- 2.16 It is expected that a strong recovery in cashless transactions will be seen during 2021 and into 2022 over and above those recorded for 2019 as pandemic restrictions are eased across Swale.

- 2.17 The current cashless parking supplier is RingGo. This agreement started on 9 September 2017 for a period of 3 years. The contract provided an option to extend the agreement under the same terms and conditions for a further period of 1 year by mutual agreement which was agreed in 2020. The contract expired on 8 September 2021 and the incumbent supplier continues to provide services under the existing arrangements until the start of the new contract period.

### ***Procurement process***

- 2.18 Cashless services have been procured following a joint tender process utilising the Public Procurement Regulations 2015. This has been led by Maidstone Borough Council. Each of the submissions were evaluated by an assessment panel of officers from both Swale and Maidstone authorities (50/50 representation) against set criteria of price alongside a combined quality score.

### ***Evaluation***

- 2.19 The evaluation scores (80% quality and 20% price) were as follows:

<b>Company</b>	<b>Price Score</b>	<b>Quality Score</b>	<b>Total</b>
Park Now Ltd	18	76.40	94.40
B	15	69.60	84.60
C	20	50.40	70.40

- 2.20 The proposed contractor recorded the highest overall score of 94.40. Key elements of the bid included the continuation of no convenience fee charge for customers for each transaction which is unusual in the cashless transaction market. They have also committed to some new innovations that will further enhance the service throughout the contract term. The bid also means that the service will come at no cost to the Council.

## **3 Proposals**

- 3.1 It is recommended that the contract for the Cashless Payments in Off-Street Car Parks be awarded to Park Now Ltd (RingGo), for the sum of £106,671.
- 3.2 This report seeks Cabinet Approval to delegate authority to the Head of Environment and Leisure and Head of Legal, in consultation with the Cabinet Member for Community, to complete the contract award.

## **4 Alternative Options**

- 4.1 Members could decide to not provide authority. This will mean that the Council will be unable to provide an alternative method of payment for parking using a cashless service through a smartphone APP, mobile phone text messaging or

IVR (interactive Voice Response). This will also result in a loss of parking income as no alternative method of payment will be available to customers in the event of pay unit failure.

## 5 Consultation Undertaken or Proposed

5.1 Consultation on Cashless Payments in Off-Street Car Parks has been held at Informal Cabinet.

## 6 Implications

Issue	Implications
Corporate Plan	<p>The decision to enter into contract support plan objectives particularly for Priority 4 – ‘Renewing local democracy and making the Council fit for the future’.</p> <p>Continue to reduce dependence on government-controlled funding sources and support staff to find innovative ways to ensure other objectives can be met in the context of diminished resources.</p>
Financial, Resource and Property	<p>The cashless parking payment contract delivers services at no cost to the Council.</p> <p>The contractor is able to charge for additional services on top of the main car parking fee such as text reminders and options to extend parking stays. SBC collects these fees and payments are made to the contractor to ‘reimburse’ the fees collected on their behalf. Based on projected performance thought the contract term, the supplier will receive an estimated net profit of £106,671.</p>
Legal, Statutory and Procurement	<p>Councils are required to procure their services utilising the Public Procurement Regulations 2015. The tender process has followed these regulations.</p> <p>The Council’s constitution requires all contracts over £100,000 in value to obtain Cabinet authority.</p>
Crime and Disorder	<p>Moving towards more cashless payments would result in less cash being entered into pay units. These are at risk of being vandalised or damaged from attempted thefts.</p>
Environment and Climate/Ecological Emergency	<p>The cashless parking solution provides an alternative method of payment. This reduces the number of cash collection journeys and therefore contributes to reduced emissions related to the parking service.</p> <p>The provider is certified as a carbon neutral plus company and has committed to donating trees to Swale to help offset emissions.</p>

Health and Wellbeing	Not applicable
Safeguarding of Children, Young People and Vulnerable Adults	The provider has committed to supporting a homeless charity in Swale through volunteering and financial contribution.
Risk Management and Health and Safety	No risks identified.
Equality and Diversity	The cashless parking solution provides an alternative method of payment for customers many of whom may have difficulty through disability or impairment using normal pay units for their parking transactions.
Privacy and Data Protection	The contract will be covered by the Council standard terms and conditions. Users will be bound by the company's data protection terms, SBC will not hold any users' data.

## **7 Appendices**

7.1 None.

## **8 Background Papers**

8.1 None.