

EXECUTIVE DECISION RECORD SHEET

Name of decision maker: Councillor Julie Laws

Portfolio: Environmental Services & Sustainability

Date of Portfolio Holder Decision: 28 November 2012

Title of Decision:

To introduce cashless payment into Dacorum Borough Council car parks where a tariff to park is charged.

Decision made and reasons:

To introduce cashless payment into Dacorum Borough Council car parks where a tariff to park is charged

The proposals would introduce cashless payment facilities into DBC car parks through the Ring-Go system.

Reports considered: (here reference can be made to specific documents)

Officers/Councillors/Ward Councillors/Stakeholders Consulted:

- Councillor Julie Laws (Portfolio Holder)
- Watford Parking Services Manager (Watford is the lead authority for the contract with VinciPark Services UK Ltd)
- DBC Parking Operations Manager

Monitoring Officer Comments:

The proposal is in accordance with the Council's Procurement Standing Orders. There will be a number of consequential procedural steps which will have to be implemented to bring this cashless payment facility into force, amendment of the Traffic Regulation Order and changes to signage for example, and these are identified in the report.

Deputy S151 Officer Comments:

The proposal has been developed in line with procurement standing orders and financial regulations. In particular, it complies with Guidance issued under the Traffic Management Act 2004 in relation to financial assessment. Start-up and continuing expenditure will be incurred, as detailed in the report. Start-up costs in 2012/13 can be met from current surpluses. As at 30 September, income from car parking was projected to exceed budgets by £174k by year end. It is anticipated, therefore that all costs identified in the report can be met from increased income from car parking.

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Implications:

Risk:

As the existing payment systems will be retained, the risks are considered nominal. There are financial entry costs, but these are considered to be appropriate given the improved services DBC will be providing to the customers of the car parks.

Value for Money:

The on-street parking service is not designed to produce any income, but, in line with government guidelines, to be self financing.

Options Considered and reasons for rejection:

There are many towns as well as railway stations, hospitals, etc that provide this additional service to their customers. Not to introduce cashless payments could result in potential visitors to the town choosing to go to car parks that offer this facility, the NCP car park in Hillfield Road for example.

Portfolio Holders Signature:

Date:

Details of any interests declared and any dispensations given by the Standards Committee:

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Date Decision Record Sheet received from portfolio holder: 5 November 2012

Date Decision Published: 28/11/12 Decision No: PH/069/12

Date of Expiry of Call-In Period: 5/12/12

Date any Call-In received or decision implemented:

BACKGROUND

Payment for parking in car parks and on-street parking areas maintained by the Council can only currently be made using coins, which form an increasingly minor part of a modern lifestyle. There is a sound case (on the grounds of customer service) for the introduction of an effective alternative means of payment that requires no expensive upgrade to the existing machinery in use, is quick and easy to use for the casual first time user, is easily enforceable and provides good management reporting.

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The Council has an existing relationship with Cobalt, who currently process our Penalty Charge Notice automatic telephone and web payments. Ringo is a subsidiary of Cobalt and the development of phone charging for parking with this company is therefore an efficient extension of the existing arrangement, that is it avoids the creation on financial arrangements with an alternative company. DBC's Procurement Office has confirmed that on the basis that RingGo does not generate in excess of £25k p.a. profit, then DBC can treat with Ringo. In order for RingGo to achieve this level, and assuming a 20% profit margin they will need to achieve sales in the order of £125k p.a. or 625,000 tickets, equivalent to over 50% of ticket issues (2009/10), DBC will monitor the level of cashless tickets sold.

Table A – Estimate of potential contractor profit

Total ticket sales	1360615		
% ticket sales	Tickets	x £0.20	x assumed 20% profit margin
x 2.5%	34015	£6,803	£1,361
x 5%	68031	£13,606	£2,721
x 7.5%	102046	£20,409	£4,082
x 10%	136062	£27,212	£5,442
x 15%	204092	£40,818	£8,164
x 20%	272123	£54,425	£10,885

RingGo provide an alternative to cash payment for parking. Payments for parking can be made by mobile phone, land line, internet, text or iPhone/Android. It is anticipated that we will run cashless payments alongside our current pay & display machines for the foreseeable future. Customers wishing to use the service pay a session fee of £0.20 above the car park charge, the council receives the full ticket price. The £0.20 session fee is under the control of Ringo, who will review this charge in line with market forces; note this charge has not changed for a number of years. Depending on the take-up of cashless payments there may be future cost savings as a proportion of our aging pay and display machine resource may not need to be replaced as they are retired from service and cash collection frequency coupled with the volume of cash counting may be able to be reduced.

Set-up costs are being minimised through deferring the procurement of Ringo compatible handsets in favour of mobile phones funded by Ringo, which provide the Civil Enforcement Officers with information concerning customers who have paid via Ringo – currently the hardware used by Vinci does not have this facility. There is an on-going revenue charge by Ringo for their software licence. This is expected to be offset in the future by increased sales and cost savings which will be realised from

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those noted above in combination with shared savings with our contractor should we wish to extend cashless payments to other aspects of the service.

In order to ensure RingGo is an enforceable form of payment an amended Traffic Regulation Orders will have to be implemented, at an estimated cost of £3,000. This figure may be reduced depending upon the number of locations identified for use of this service and the level of current signage. The initial cost for roll-out of the service is £6,553 + vat (£7,863), which is made up in Table B.:

Table B – Initial set-up costs

Qty	Description	Unit Price	Total
1	Fully project managed deployment of the RingGo service for Dacorum Borough Council	£0.00	£0.00
39	Signage - Parkeon Strada / RingGo sets	£77.00	£3,003.00
1	Installation	£550.00	£550.00
	Amend Off Street Traffic Order	£3,000	£3,000
			£6,553.00

Potential future costs are dependent on whether DBC change the tariffs in our car parks. As Ringo display their charges on tickets machines and in other forms, such as on line, the cost of changing the tariffs will be £52 per car park to cover costs of I.T. updates and the replacement of Pay and Display advertising at £77 per machine. In addition to the above costs there is likely to be an increased revenue cost within the VinciPark Services contract, due to the need for the replacement of IT software and operational hardware associated with the Vinci contract. This cost will be incorporated within the Vinci contract as normal.

There will be no initial purchase costs for new hand-held computers, the cost for which will be incorporated across the contract period after Watford Borough Council has negotiated this with VinciPark Services. It should be noted that the current hand-held computers are reaching the end of their operational life and will require replacement whether cashless payment is introduced or not.

The replacement hand-held computers will interface with our bespoke back-office parking system. As Dacorum will be the only district within the Watford lead contract to offer our customers cashless payments we will incur annual costs for SPUR software and support as in Table C, payment would be either invoiced separately from the contract payments or paid within the contract costs spread across the year.

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Table C – Annual revenue costs

Spur GPRS Server	1	£1,669.50	£1,669.50
Spur Handheld GPRS Software	12	£667.80	£667.80
Spur Ring-Go server	1	£1,669.50	£1,669.50
Spur Ring-Go Handheld Software	12	£667.80	£667.80
			£4,674.60 pa