



High Peak Borough Council

working for our community

Information Digest



To: Corporate Select Committee

Date: 14 December 2021

**Pay by Phone – Digital Payment Solution on HPBC
Car Parks**

**Councillor Damien Greenhalgh
Deputy Leader and Executive Councillor for
Regeneration, Tourism and Leisure**

**Katy Webster
Head of Service – Asset Management**

1. Reason for the Report

- 1.1 The report is to provide members with information to the roll out and use of the Pay by Phone digital remote payment solution across the Council's pay and display car parks.

2. Recommendation

- 2.1 The recommendation is for members to note the contents of this report.

3. Executive Summary

- 3.1 Current payment option on HPBC Pay and Display Car parks are limited to cash only by way of ticket machines. Digital payment solutions have been highlighted as an option previously, however following the COVID – 19 pandemic, the Council has received significant levels of feedback from car park customers requesting a cashless and contactless payment solution be rolled out.
- 3.2 Pay By Phone have been engaged to provide a digital cashless payment solution on the Council's car parks. They provide the service to neighbouring authorities in Cheshire East and Derbyshire Dales and are the preferred provider of the members of the Derbyshire Parking Board. The service includes an app which is hosted on the customer's own smartphone which allows the customer to pre-store the details of the car and card / digital payment method. Each car park has a unique location code which is displayed on the existing machine and the details of the tariffs are pre-stored within the app software. The customer then selects the tariff they wish to purchase and there is no need to display a ticket. Civil Enforcement Officers (CEOs) have access to the data in real time so they can see if the owner of a specific car has a valid (virtual) ticket. Customers have the benefit of being able to extend their stay of a car park remotely using the app, subject to the usual maximum stay on the car park. The benefits to both the Council and the customers are detailed in 5.7 and 5.8 below.
- 3.3 A number of marketing initiatives have been agreed as part of the go-live date on 10th December 2021, including signage on the car parks, social media boosts, and a press release. Pay by Phone will create a dedicated page to HPBC customers on their website linking through to tutorials to assist customers in using and downloading the app. They also run a telephone call line which will allow customers to pay over the phone if they do not have access to a smart phone. Additionally customers have the ability to use the ticket machines in the usual way.

4. How this report links to Corporate Priorities

4.1 Aim 2: A responsive, smart, financially resilient and forward thinking Council.

Improving the payment solutions for car parking customers ensures our services are readily available to all our residents in the appropriate channels. We are also using innovation, technology and partnership to improve the efficiency of the service, improving customer satisfaction and reducing our impact on the environment with the roll out of Pay by Phone.

NEIL RODGERS
Executive Director (Place)

Web Links and Background Papers

HPBC Car Parking Details
Pay by Phone customer proposals

Contact details

Katy Webster
Head of Service – Asset Management
katy.webster@highpeak.gov.uk
0345 129 7777 ext 3681

5. Detail

Background

- 5.1 High Peak Borough Council own and operate 24 enforced car parks across the Borough. Car parks are located in the main market towns including Glossop, Buxton, Chapel-en-le-Frith, Whaley Bridge and New Mills as well as in the Hope Valley villages which benefit from high levels of visitors and tourist spend. 6 are free and 18 are chargeable.
- 5.2 Current payment options are limited to pay and display ticket machines, which only accept coin payments at present and there is a requirement to link this to licence plate numbers.
- 5.3 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 borough. 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.
- 5.4 In 2019 a report was agreed authorising the investment of new pay and display machines across the borough in 20/21, but the difficulties around covid have delayed the project. This report acknowledges the place for remote digital cashless solutions utilising customer’s smart phones, but focuses on the capital investment required for new ticket machines as a better customer focused solution. Due to the pandemic, the world has now moved on quickly and attitudes have changed embracing new contactless technologies. Our partners in Derbyshire Parking Board have seen significant increases of their customers using the technology and the benefits this brings.

Digital Cashless Parking Solutions

- 5.5 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. The service is paid for by way of a transaction fee that can either be paid for by the customer or absorbed by the Council.

- 5.6 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.

Benefits to the Council

- 5.7 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.

Benefits to the Customer

- 5.8 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, payment can be made on the website or by calling a payment line..

- 5.9 Its not anticipated that a cashless solution would be a complete alternative to pay and display ticket machines, however renewing the machines is expensive (they cost in the region of £5,000 per machine to purchase 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.

Pay by Phone

- 5.10 Pay by Phone have been procured by way of a direct award through the ESPO procurement framework. They are the provider of service across a number of adjoining districts and boroughs and have recently gone live in both Derbyshire Dales and Cheshire East. They are the preferred provider across Derbyshire Parking Board and back office systems are already in place with the parking board’s enforcement contract.

Finance / Costs

- 5.11 Pay by Phone have offered the Alliance the cheapest rate of 3p per transaction as well as a 50% share in any income revenue from SMS alert messages. There is better take up of the service if the Council covers the transaction fee (Pay by Phone report almost double). This rate assumes that SMDC will also agree to roll out the app and they will be considering this in the New Year. If SMDC decides against the roll out (this is considered unlikely) HPBC transaction fee would increase to 4p per transaction as the costs are based on the predicted number of transactions. 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 if possible.
- 5.12 Pre-pandemic figures from 19/20 indicate that HPBC sold 693,000 tickets with the Alliance as a whole selling 1.25 million tickets. Assuming 15% of tickets were sold by way of the app, the cost per annum to HPBC, would be approximately £3,100 based on 3p per transaction.
- 5.13 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 chooses to opt in or out for this service. 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 revenue to the council. Assuming half of all users opt for SMS messages, the income would be £2,600 still based on 15% of transactions.

Climate Change Benefits

- 5.14 Pay by Phone also have a green agenda that fits well with the Council’s climate change ambitions. “Meter for Trees” and “Green Christmas” are initiatives where Pay by Phone will plant trees on behalf of their clients and customers if we directly reduce the numbers of ticket machines we use and if we can promote more customers to use the app at Christmas time. Over the

longer term less reliance on ticket machines will mean less travelling miles to collect the cash from the machines as well as repair and maintenance impact.

Implementation

- 5.15 The project is currently being rolled out. The back office systems covering the software and payments information, including the tariff details, have been configured within the software. The Civil Enforcement Officers have trialled their access to the real time data to ensure that PCNs will not be generated in error.
- 5.16 The Communication team have been working with the Pay By Phone marketing team to develop the app imagery as well as marketing materials including the following:
- Printed leaflets
 - Correx signage (3 easy steps) to be placed next to the ticket machines informing the customers of how to download and use the app.
 - Social media adverts, including Facebook, Twitter and Instagram messaging. Pay by Phone will also cover the costs of advertising the launch through social media
 - Website content for High Peak Borough Council website and a dedicated landing page for HPBC customers on the Pay by Phone website giving further information on how to use the app on our car parks.
 - Sticker signage will be added to each pay and display machine clearly displaying the unique location code required for each car park so that the customer can be directed quickly and easily to the right tariff.
 - “Coming Soon” signage for the machines will be made available, however the tight timescales may lead this to be impractical.
- 5.17 Mock ups are included in the appendices. The High Peak Borough Council logo will be added to all approved marketing material to add credence to the messaging and encourage take-up.
- 5.18 A press release will be drafted and issued, and an additional reminder of the roll out can be sent out as part of the annual billing with the residential concessionary parking pass.

Go-live Date

- 5.19 The go-live date is currently being targeted for 10th December 2021. Final checks have been undertaken in order to ensure the system is accessible by the CEOs. Signage is due to be erected on Thursday 9th December. The aim is to capture some of the busy parking period before Christmas but also ensuring that the message can be delivered positively within this time.