

ABERDEEN CITY COUNCIL

| | |
|---------------------|---|
| COMMITTEE | Communities, Housing and Infrastructure |
| DATE | 13 January 2015 |
| DIRECTOR | Pete Leonard |
| TITLE OF REPORT | Car Parking – Payment systems and removal of vehicles |
| REPORT NUMBER | CHI/14/075 |
| CHECKLIST COMPLETED | Yes |

1. PURPOSE OF REPORT

This report seeks approval for re-tendering of two contracts in respect of a mobile telephone payment system and removal and immobilisation of vehicles. The report also responds to a request from an Enterprise, Planning and Infrastructure committee meeting asking that consideration be given to upgrading pay and display machines to accept card payments.

2. RECOMMENDATIONS

Committee is recommended to:

- a) Approve the undertaking of an appropriate procurement process in respect of a mobile telephone payment system and the entering into of a 5 year contract pursuant to that process.
- b) Approve the undertaking of an appropriate procurement process in respect of the immobilisation, removal, storage and disposal of illegally parked vehicles and the entering into of a 5 year contract pursuant to that process at a total estimated expenditure of £150,000.
- c) Agree that pay and display machines should not be upgraded to accept card payments.

3. FINANCIAL IMPLICATIONS

The mobile telephone payment system will be procured at no cost to the Council. Depending on the preferred solution there may be some costs incurred to integrate the telephone payment system with our parking ICT systems. These costs, if any, will be a factor when evaluating tenders to ensure that these are minimised. Any costs would be met from existing car parking trading account budgets.

The annual cost of contracting our immobilisation, removal, storage and disposal of vehicles service is estimated to be £30k in 2015/6 and is budgeted

for in the current car parking trading account. This cost is off-set against Parking Penalty Charge Notice (PCNs) income from vehicle owners reclaiming their vehicle payable to the Council via the service provider.

The estimated costs for upgrading 230 car parking machines to accept card payments that could be adapted, should committee decide to do this, would be a minimum of £230,000. No budget provision exists to support this exercise. The Council currently has a contract for processing card payments, its value being £98,000 per year allowing processing of up to 250,000 transactions. Should our machines be upgraded to accept card payments then it is likely that this contract would need to be re-negotiated and further costs incurred. Should there be a 5% uptake on card payments then this would equate to approximately 75,000 transactions per year.

4. OTHER IMPLICATIONS

No significant new implications arise from the recommendations.

5. BACKGROUND/MAIN ISSUES

Mobile Telephone Payments

A mobile telephone payment system for car parking was introduced in December 2011 initially in off-street car parks before being extended throughout the city's on-street controlled parking zones (with current exceptions of Garthdee and Forresterhill) from late 2012. Each year there are approximately 1.5M car parking payment transactions. The number of mobile telephone payments has risen steadily since the system's introduction, demonstrating it is increasingly popular with our customers. In October 2014, there were in excess of 25,000 transactions through the mobile telephone payment system representing a 7% increase from the previous month. Hence, it is projected that over 20% of all car parking transactions will be made by telephone during 2015. Since its launch more than 41,000 customers have made use of the system. This year to date approximately £600k has been collected by our telephone payment system.

It is anticipated that, upon a new contract being entered into, the telephone payment system should be introduced in Forresterhill from around April 2015 and in Garthdee from autumn 2015.

Telephone payments are convenient and easy to use. This system does not require customers to have the correct coinage which can be a problem when paying by machine particularly for longer parking periods. The system uses credit/debit card payments allowing customers to pre-register their payment and vehicle details making the system very easy and convenient to use. Customers can be reminded when paid parking periods are due to expire and allow payment to be made without having to return to a vehicle. This helps avoid penalty charge notices having to be issued. City Wardens comment that greater compliance with parking charges is demonstrated and so can be seen as a positive consequence of the introduction of telephone payments.

The telephone system is highly reliable meaning less frustration and inconvenience to customers encountering faulty machines. Reliability is also a substantial benefit to the Council with reduced non-payment due to machine faults and less requirement to replace machine parts and repair machines. Telephone payments are kinder to the environment reducing electricity use, consumable parts, paper tickets and attendance at machines for cash collection, repairs and audits.

Current charging arrangements for this service result in no cost to the Council with customers paying a relatively modest fee (10p or 20p depending on transaction value) to the service provider. Any future review of car parking charging policy may wish to consider whether such cost should be incorporated within parking tariffs meaning no additional fee would be payable.

With regard to committee's request that consideration be given to enabling parking machines to accept debit/credit card payments, it is recommended against this course of action as an electronic alternative already exists.. Telephone payments already provide our customers with an efficient means of paying by card. Introducing this additional option would have significant cost implications. It would cost approximately £1,000 per machine to fit equipment to accept card payments. It should also be highlighted that the majority (420) of our machines could not be retrofitted with the relevant equipment and many of the machines that could be upgraded are in our least busy zones. It is therefore strongly recommended that this payment option is not pursued.

A report recommending a reduction in the overall number of pay and display machines will be brought forward to committee during 2015.

Immobilisation, removal, storage and disposal of illegally parked vehicles

In 2010 the Council approved use of powers to immobilise, remove, store and dispose of illegally parked vehicles.

Since 2011, the Council has been using its powers to remove and store vehicles to help address parking non-compliance and in particular persistent evaders. A key objective in our use of these powers is to address the relatively small number of drivers who would frequently receive penalty charge notices and attempt to evade payment of these. The approach supports a preventative approach acting as a deterrent to noncompliant parking.

In excess of 750 vehicles have been removed to date. The vast majority (692) of vehicles removed were claimed by their owners. 55 were unclaimed and disposed of and a further 3 were unclaimed and sold with the proceeds recorded within the Car Parking trading account.

Immobilisation (clamping) powers have not yet been used however it is intended this commences in early 2015. This is necessary to deal with a relatively small number of drivers who persistently evade outstanding

payments, continue to park non-compliantly but remove their vehicles before recovery vehicles arrive. The number of outstanding penalty charge notices threshold before clamping for persistent evading shall be set significantly higher than currently applies before removal is used.

Vehicles owners must pay relevant charges for immobilisation, removal and storage prior to the release of their vehicle. Hence, the overall cost to the Council should be approximately zero.

6. IMPACT

Extending pay by phone parking supports various aspects of Aberdeen – The Smarter City and specifically the Smarter Environment and Smarter Mobility objectives.

This report does not recommend any change to current policy and is not expected to be of significant interest to the public. However, that we intend to utilise previously approved powers to immobilise (clamp) vehicles should be of interest. Our intention would be to publicise this approach prior to implementation.

7. MANAGEMENT OF RISK

The report recommends continuation of current parking strategies and does not expose the Council to any additional risks.

8. BACKGROUND PAPERS

Reports to Enterprise, Planning and Infrastructure:

Extension of Pay by Phone Parking – 11 September 2012
Car Parking Charges 2011 – 2013 – 18 January 2011
Parking Enforcement – 31 May 2010

9. REPORT AUTHOR DETAILS

Neil Carnegie
Service Manager – Community Safety
Email: ncarnegie@aberdeencity.gov.uk
Telephone: 01224 219451 (extension 19451)