EAST STAFFORDSHIRE BOROUGH COUNCIL

REPORT COVER SHEET

Title of Report:	App-based parking payments: Year 1 review	To be marked with an 'X' by Democratic Services after report has been presented
Meeting of:	Corporate Management Team: July 20th 2021	X
	Leader and Deputy Leaders: July 26th 2021	X
	Leader's / Leader of the Opposition's Advisory Group / Independent Alliance Advisory Group: 4-5th August 2021	X
	Cabinet: August 16th 2021 / Council: n/a	
	Scrutiny Audit and Value for Money Council Services Committee: n/a/ Scrutiny Community Regeneration, Environment and Health and Well Being Committee n/a	

Is this an Executive Decision:	NO	Is this a Key Decision:	NO
Is this in the Forward Plan:	YES	Is the Report Confidential:	NO
		If so, please state relevant paragraph from Schedule 12A LGA 1972:	[ ]

Essential Signatories:

ALL REPORTS MUST BE IN THE NAME OF A HEAD OF SERVICE

Deputy Monitoring Officer: **Linda J Durham**

Date………… Signature ……………………..

Chief Finance Officer: **Sal Khan**

Date ………………….   Signature ………………………..

EAST STAFFORDSHIRE BOROUGH COUNCIL

Report to Cabinet

Date: August 16th 2021

REPORT TITLE:	**App-based parking payments: Year 1 review**
PORTFOLIO:	**Cllr B Peters**
HEAD OF SERVICE:	**Mark Rizk**
CONTACT OFFICER:	**Michael Hovers** **Ext. No. x1776**
WARD(S) AFFECTED:	**All**

1. **Purpose of the Report**

1.1. This report provides a first year review of the app-based payment services introduced in June 2020.

2. **Executive Summary**

2.1. App-based parking options went live in East Staffordshire in June 2020 with the re-introduction of parking charges at the end of lockdown one. Figures for the take up of the app and visitor usage are also heavily influenced by further lockdowns and the ongoing constraints imposed as a result of the global pandemic. Nonetheless, numbers of users are positive and the percentage of transactions against traditional ticket sales is edging towards the estimated 20% conversion rate.

2.2. In contrast to traditional ticket machines the app has had very few faults/outages. Each fault or outage occupies officer time, creates reputational risk and has negative consequences for customer service. Interestingly, the app has been embraced greatly at both leisure centre car parks. This may be as a result of Everyone Active reducing cash handling in response to the pandemic but does give an insight into the potential for app-based payments (which in itself promotes good hand hygiene) and introduces a further caveat to the figures presented below.

3.   Background

3.1.   App-based payments were introduced- belatedly due to COVID 19 pandemic-in June 2020 as part of the Council's efforts to modernise car parks and provide customers with a range of payment options. Pay by Phone have been the Council's appointed provider with a 2 year contractual agreement in place. Since the introduction of the service, restrictions on movements associated with COVID-19 have severely hampered car park usage and as a result the figures presented in the following paragraphs are set in the context of a global pandemic.

4.   Contribution to Corporate Priorities

4.1.   Value for Money Council

5.   App based Parking payments

5.1.   Set out in the forthcoming paragraphs are a series of datasets used to illustrate the take up of app-based payments. In addition, faults and outages are compared against traditional machines along with the cost of the app contrasted against repair costs to machines in the past 12 months. The section concludes with a chart demonstrating new users per month.

5.2   Presented below are the total transaction figures for both app-based payments and the traditional ticket purchase. As can be seen, both types of payment follow the same trends and both are heavily impacted by COVID-19 and lockdown restrictions. Encouragingly for the Council and local economy, transaction numbers for each option are on the rise as the pandemic restrictions begin to ease. When estimating costs to the Council of introducing an app-based parking system the estimated uptake was 20%. Until April 2021 app based transactions had remained below 15% of ticket transactions. However, in April and May the percentage reached 16% and 19% respectively. Although it is too early to say, this upward trajectory may indicate that the initial estimation for app payments was broadly correct.

Fig 1: Pay by phone transactions and traditional ticket sales (see next page)

Legend: ■ PBP ■ Tickets
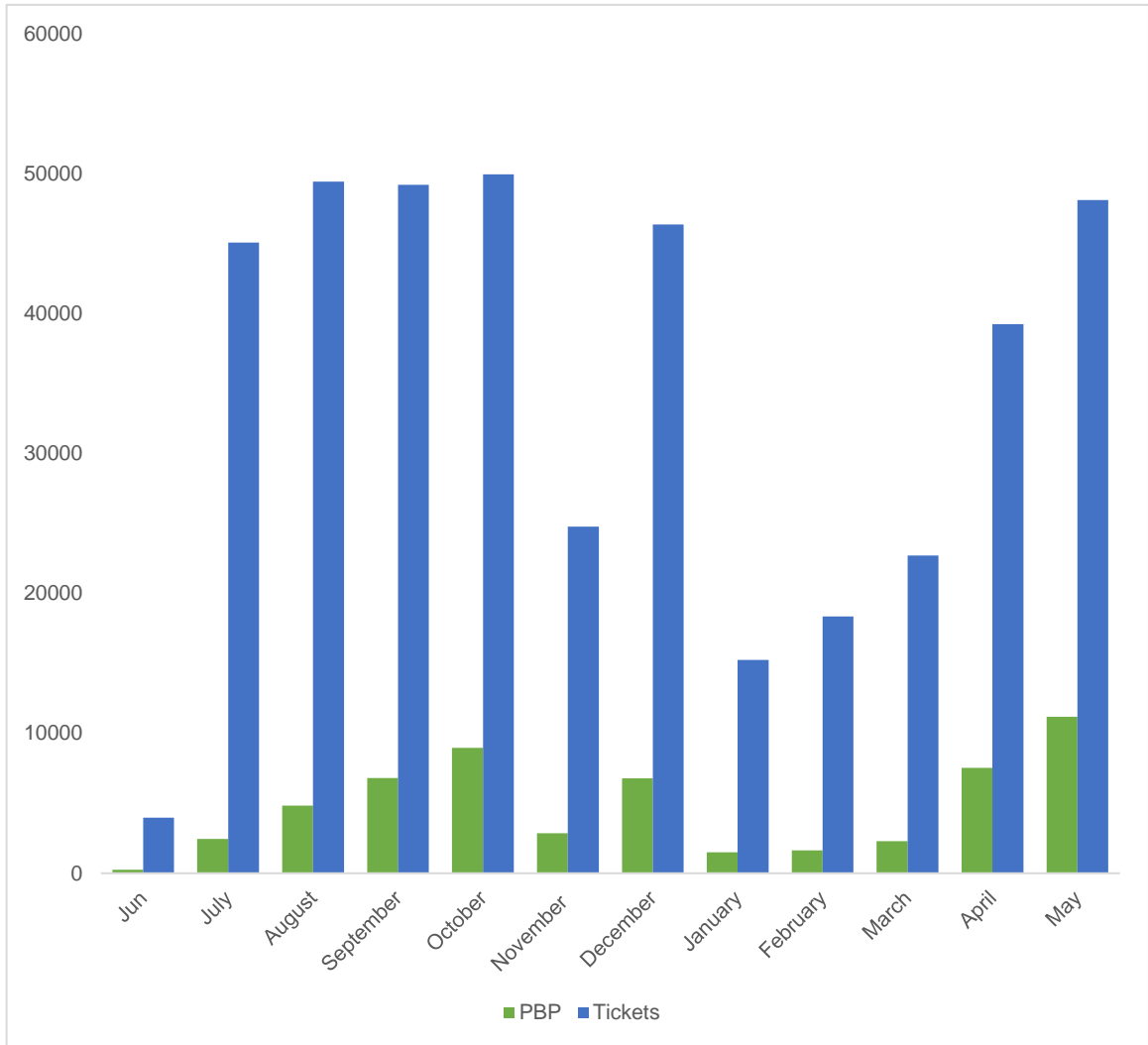
5.3 Payment by an app was made available across all Council car parks when introduced. The following diagram demonstrates the uptake per car park and surprisingly both the Meadowside and Uttoxeter Leisure Centres feature significantly. Usage of the app is 40% and 33% respectively of total transaction at these locations. Again, this may be as a result of COVID-19 with Everyone Active encouraging users to pay by the app to avoid handling money which would be in keeping with the procedures adopted by many leisure and retail establishments.

Fig 2: Pay by phone total transactions by car park- June 28th 2020- May 31st 2021
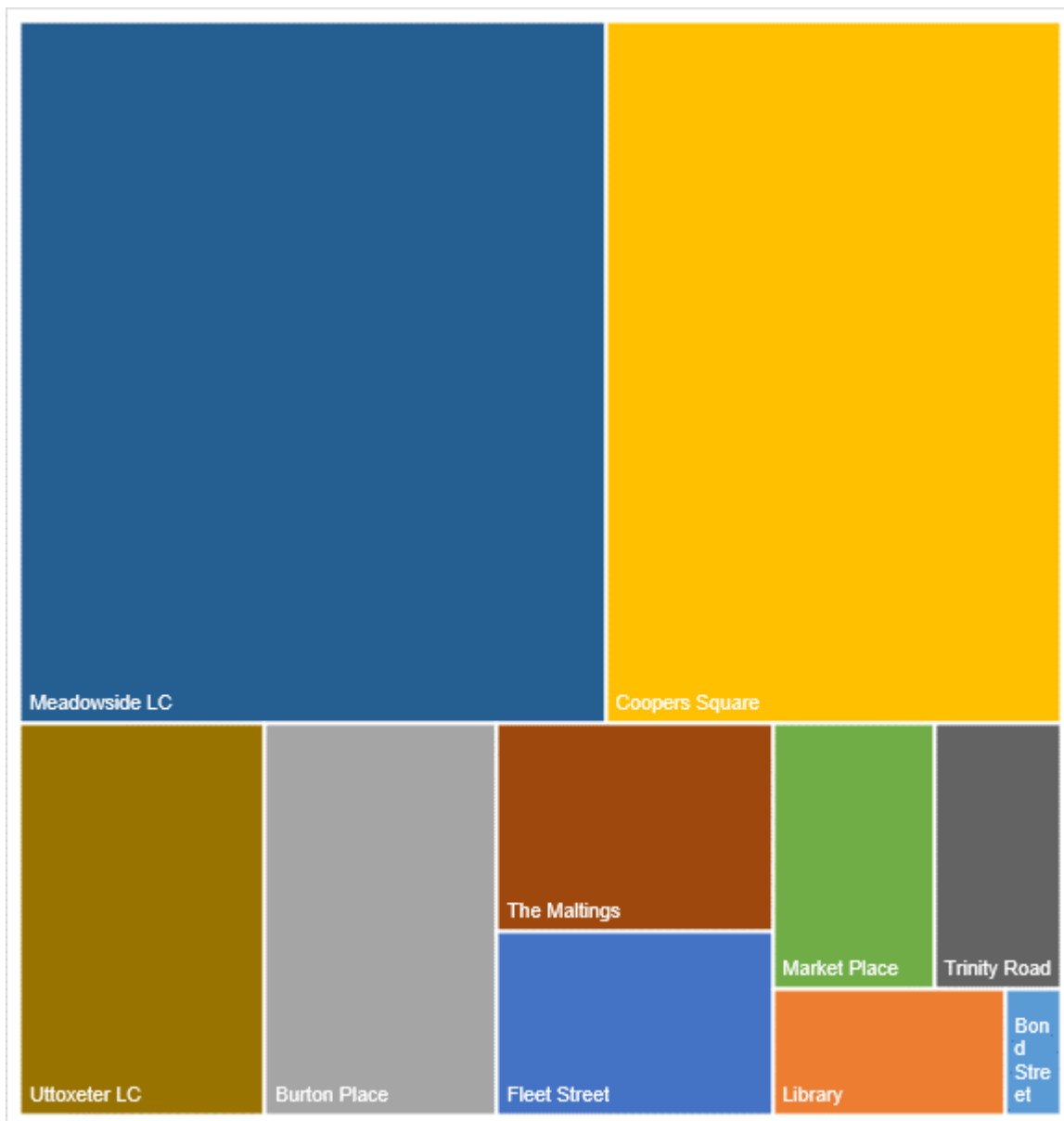
5.3 One of the internal factors for broadening the range of payment options was the reputational risk that is created when traditional ticket machines are out of order. These machines have many working parts and like any mechanical device can fail. Some of the faults encountered can be fixed by Community & Civil Enforcement but this is precious time that could have been used to tackle community concerns such as fly-tipping. Furthermore, more complex faults require work to be carried out by a specialist engineer and, once again, this is time consuming for the Council's front line officers to arrange. Equally, apps can be offline and software not function correctly.

Fig 3 Faults and outages comparison ticket machines v app June 28th 2020- May 31st 2021

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■ Ticket Machines   ■ App service
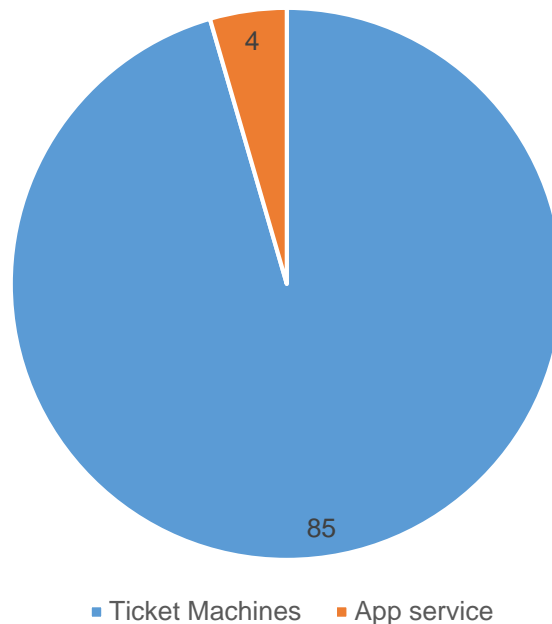
5.4   Figure 3 illustrates the number of faults and outages and is not representative of the time span of each of these. However, every fault is a potentially disgruntled customer or officer time lost organising a small cash refund. Aside from the reputational risk, compromise to customer service and loss of officer time there is also a financial aspect associated with faults. When a specialist engineer is required there can be costs associated with the repair.

5.5   A potential solution to the number of faults generated is to upgrade the older ticket machines with newer more modern versions. Naturally, this would incur a significant capital cost and has an associated service contract which has implications for revenue. App-based payments are not "cost free" to the Council with charges absorbed rather than passed onto the customer. Based on the number of transactions this financial outlay stood at £3,301 which compares against charges for reactive ticket machine repairs at £2,868.55. It should be noted that as consumer confidence increases post- COVID then these costs may increase.

5.6   Benefits to the app exist beyond finances and ease of operation. Utilisation of the app encourages good hand hygiene through reducing the need to touch unfamiliar surface areas. Anecdotal evidence also suggests that the flexibility of the app- customers can pay for additional time from anywhere in the Borough- has had a positive impact on dwell times which will have positive consequences for local businesses and economy.

5.7   Despite being in place for 12 months app based parking remains something of new phenomena for car parks in East Staffordshire and there is the inevitable period of adjustment as residents experiment with the paying via this

technology. The final dataset demonstrates the number of people signing up to the app over the past 12 months.

Fig 4 New users to app based payments by month
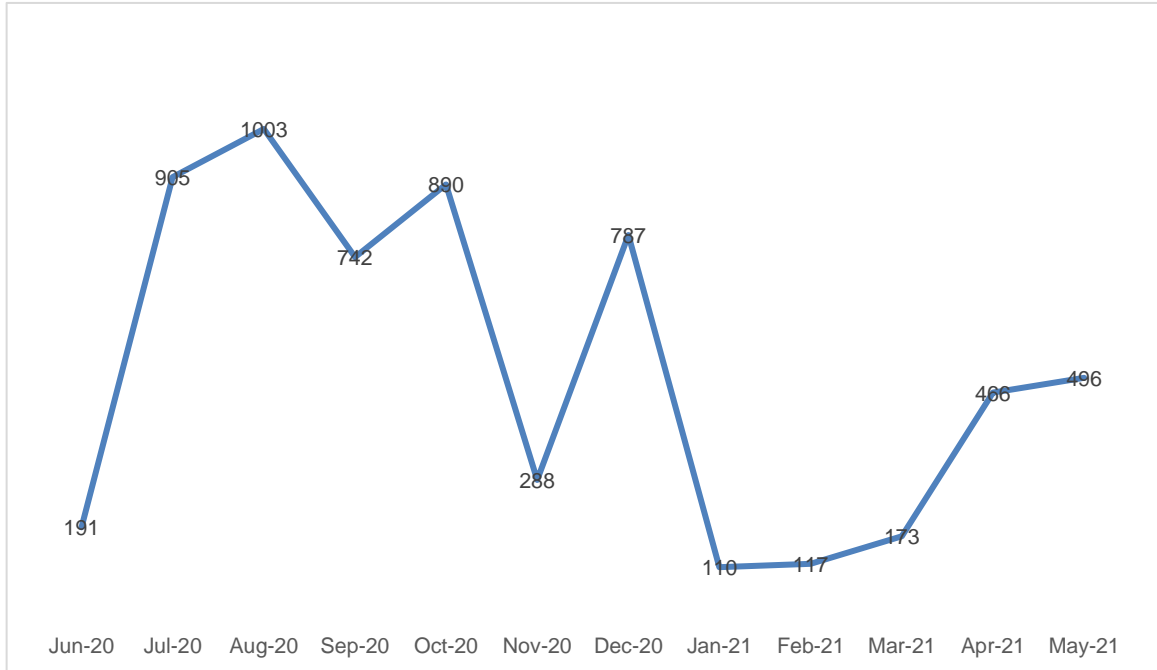
5.8 Figures on the take up of the app remain healthy notwithstanding the effects of the various lockdowns and are starting to rise again with the slow return to normality.

5.9 The running costs associated with the APP, taking account of the impact of COVID-19, are summarised in the table below

Revenue	June 2020 to May 2021
	£
Merchant costs for card transactions	4,703
Transaction costs absorbed by the Council	3,301

6. Financial Considerations

This section has been approved by the following member of the Financial Management Unit: Anya Murray

6.1. The main financial issues arising from this Report are as follows:

The running costs associated with the APP are set out in the body of the report. Overall the financials are reflective of the business case and associated decisions taken.

7.   Risk Assessment and Management

7.1.   The main risks to this Report and the Council achieving its objectives are as follows:

7.2.   **Positive** (Opportunities/Benefits):

   7.2.1. App based parking has offered another payment choice to customers enhancing customer service.

   7.2.2. Faults and losses are relatively low with the app.

   7.2.3   App based payments reduce the impact of reputational risk when machines are out of order as customers still have alternative payment options

   7.2.4   The new technology continues to be embraced by East Staffordshire's residents and visitors.

   7.2.5   Use of the app on personal mobile phones encourages good hand hygiene and reduces the need to touch surfaces

   7.2.6   Payment flexibility can encourage longer dwell times

7.3.   **Negative** (Threats):

   7.3.1. Costs are currently being absorbed by the Council.

   7.3.2. COVID-19 has made it impossible to draw a year on year comparison with restrictions preventing many residents from travelling and using car parks as a result.

7.4.   The risks do not need to be entered in the Risk Register. Any financial implications to mitigate against these risks are considered above.

8.   **Legal Considerations**

   This section has been approved by the following member of the Legal Team: Linda Durham

8.1.   There are no significant legal issues arising from this Report

9.   **Equalities and Health**

9.1. **Equality impacts:** The subject of this Report is not a policy, strategy, function or service that is new or being revised. An equality and health impact assessment is not required.

9.2. **Health impacts:** The outcome of the health screening question does not require a full Health Impact Assessment to be completed. An equality and health impact assessment is not required.

10. <u>Human Rights</u>

10.1. There are no Human Rights issues arising from this Report

11. <u>Sustainability</u> (including climate change and change adaptation measures)

11.1. Does the proposal result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures): N/A

12. <u>Recommendation(s)</u>

12.1. Members note the contents of the report

13. <u>Background Papers</u>

13.1. Review of Parking Services (October 2019)