

EAST HERTS COUNCIL

ENVIRONMENT SCRUTINY COMMITTEE - 9 SEPTEMBER 2014

REPORT BY EXECUTIVE MEMBER FOR ECONOMIC
DEVELOPMENT

PROCUREMENT OF NEW CAR PARK MANAGEMENT SYSTEM

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- To obtain the Committee's comments and recommendations on the procurement of a new car park management system(s) for East Herts Council car parks.

RECOMMENDATIONS FOR ENVIRONMENT SCRUTINY

COMMITTEE:

That:

(A)	With the possible exception of the car park named below, the Executive be advised that Environment Scrutiny recommends the Council procures a new car park management system based on a 'pay and display' platform; and
(B)	On the basis of the information provided in this report, the Executive be advised whether Environment Scrutiny recommends a move to a 'pay on exit' approach to the management of Gascoyne Way multi-storey car park in Hertford.

1.0 Background

- 1.1 Most 'pay and display' machines in East Herts Council car parks were purchased in 2004 and they are now fully written down in the Council's accounts. As the machines are nearing the end of their operational life officers seek to procure one or more replacement systems during 2016/17.

2.0 Report

Initial Choice of 'Pay and Display'

- 2.1 The Council's decision to adopt the current 'pay and display' system of car park management was arrived at following extensive analysis and debate leading up to its adoption of Civil Parking Enforcement powers in 2004/05. Although 'pay on exit' (effectively synonymous with 'pay on foot') was viewed as the preferred option in some car parks, the additional cost involved, together with the lack of suitability of most sites led the project team (and later the Executive) to endorse the use of 'pay and display' across the Council's entire car park estate.

Past Review of Options

- 2.2 In 2006/07 the Council commissioned a feasibility study into the adoption of 'pay on exit' parking in its car parks. Three sample car parks were chosen for the study – Kibes Lane (Ware) and Gascoyne Way and Bircherley Green (Hertford).
- 2.3 The study was debated by the East Herts Executive on 4 September 2007. The Executive recognised the impracticality of introducing a 'pay on foot' system in most East Herts car parks, although Bircherley Green Car Park in Hertford was identified as a possible candidate. (The Council has since relinquished its lease on this car park and a new, private operator has implemented an ANPR-based 'pay on exit' system).

Options Currently Under Review

- 2.4 The options identified in 2004/05 remain the options now; however the same limiting factors remain. These break down into three areas – procurement cost, operational cost and the cost of the necessary infrastructure changes, where these are possible.
- 2.5 A 'pay on exit' system is invariably more costly to purchase and always more costly to operate than the more basic 'pay and display' approach. The former requires sophisticated payment and ticket validation machines, along with barriers at car park entrances and exits. The capital differential is not always significant as in some cases (typically in multi-storey car parks) fewer 'pay on foot' machines may be needed than the 'pay and display' machines they would replace. For this reason capital cost issues are best addressed on an individual car park basis.

- 2.6 'Pay and display' machines are relatively straightforward technology and the fact car parks will normally contain at least two means that in the case of failure a motorist usually has an alternative. Additionally, they do not require entry and exit barriers. Barrier equipment does fail on occasion and it is imperative that a qualified operative is nearby to complete a repair before queues of traffic build within or outside the car park. Currently the Council has no such resource and the challenge of attending quickly to a failure would be further compounded in East Herts, as car parks are scattered widely across the district.
- 2.7 In September 2014 central Government advised local authorities that they are not permitted to manage and enforce their car parks using ANPR cameras alone. (This approach is, however, allowed for private operators who operate and enforce their car parks under contract law). Accordingly, entrance and exit barriers would be required in addition to ANPR cameras should East Herts Council choose to adopt a 'pay on exit' approach to the management of its car parks.
- 2.8 The physical limitations of most East Herts car parks would prevent the introduction of a barrier controlled 'pay on exit' management system. Most car parks are small and do not have access or exit lanes off the highway. Many have a single, shared point of access and egress. The time taken to obtain a ticket on entry could cause a backing up of traffic on the highway. Should the barriers fail this problem would be exacerbated due to the time it would take for an officer to travel to attend to the problem.

Recent Review of Options

- 2.9 In 2014/15 the Council commissioned a review of East Herts Council car parks to identify options for a new management system(s) based on criteria such as cost of procurement and operation and infrastructure limitations. A link to the consultant's full report is offered at the foot of this report and the 'Conclusions' and 'Recommendations' pages from this report are offered as **Essential Reference Paper 'B'**.
- 2.10 Government advice that local authorities may not operate a 'pay on exit' system based solely on ANPR, (see 2.7 above), means the choice in respect of each car park lies between a barrier controlled 'pay on foot' system or 'pay and display' based system.

- 2.11 The review confirms that in almost all cases a ‘pay and display’ based approach continues to be the only realistic option for the management of East Herts’ car parks, based on considerations of capital and revenue cost, size of car park and infrastructure limitations. A summary of the consultant’s comparative costs of the permitted approaches is offered as **Essential Reference Paper ‘C’**.
- 2.12 A ten year summary of the costs identified in **Essential Reference Paper ‘C’** is offered below.

System	Total Capital Cost	Annual Revenue Cost x 10	Total
Pay on exit based approach where technically possible (not recommended)	£750,000	£1,430,000	£2,180,000
Pay and display based approach with pay on exit in Gascoyne Way MSCP only	£396,100	£465,000	£861,100
Pay and display only	£371,100	£390,000	£761,100

N.B. The above are pre-procurement costs and are therefore indicative only

- 2.13 Should the Council elect to recoup the cost of procurement of either system over a period of ten years, through increases to its car parking tariffs, an example of how this might be achieved is offered as **Essential Reference Paper ‘D’**. This committee is invited to offer its views on whether the capital costs should be recouped in this way.
- 2.14 The consultant’s report suggests that only two East Herts car parks might possibly lend themselves to a ‘pay on exit’ approach – Jackson Square in Bishop’s Stortford and Gascoyne Way in Hertford. (As stated earlier, the Council’s interest in a third possible candidate, Bircherley Green in Hertford was sold in 2015 and this car park is now privately run).
- 2.15 In respect of Jackson Square, the Council has on file letters from Wilson Bowden (the developer) and J Sainsbury (the anchor tenant), dating back to 2004. At that time both requested that Jackson Square operate on a ‘pay and display’ basis.

- 2.16 Although some aspects of the design of Jackson Square lend themselves to a 'pay on exit' approach there are also significant risks. Although the situation has improved since the car park first opened, there are still occasions – often triggered by events outside the car park – when motorists experience delays in leaving. The presence of a barrier at the exit could exacerbate the potential for delays in vehicles exiting, should it fail. The failure of a barrier at the entrance could lead to congestion on the road network surrounding the car park.
- 2.17 The Council's lease on Jackson Square car park requires it to operate a management system whereby shoppers can present a timed ticket at the checkout in J Sainsbury (the anchor tenant) to obtain a rebate of up to two hours of paid for parking. It would be difficult to replicate this arrangement in a 'pay on exit' context. It is suggested a renegotiation of this aspect of the lease would be required before a 'pay on exit' system could operate successfully.
- 2.18 Officers have written to the freeholder and anchor tenant in Jackson Square Shopping Centre asking them to confirm if a 'pay and display' based system remains their preferred option. It is hoped that a reply from each will be received in time for it to be placed before this Committee.
- 2.19 Officers' current recommendation is that for the reasons identified in 2.16 and 2.17 (above) Jackson Square should continue to operate as a 'pay and display' car park even if the freeholder and/or anchor tenant modify their stated position with regard to their preferred use of 'pay and display'.
- 2.20 As well as its design and size rendering it suitable for a 'pay on exit' approach, Gascoyne Way Car Park benefits from having the Council's Civil Enforcement Officers based on site. Should 'pay on exit' be introduced in this car park the Council would seek to vary its contract with the enforcement contractor to include responsibility for first line repair and maintenance.
- 2.21 The additional capital cost of implementing a 'pay on exit' system in Gascoyne Car Park rather than 'pay and display' is likely to be modest, as a lower number of payment machines would be needed. The additional revenue cost would depend in part on the Council successfully adding responsibility for first level maintenance to its contract with its enforcement contractor.

- 2.22 A further drawback of operating a 'pay on exit' system relates to blue badge vehicles. In a situation where exit is achieved through making payment at a 'pay on exit' machine and inserting the receipted ticket into a barrier, the Council's current policy of allowing blue badge holders to park free of charge and without time limit in any car park would have to be reviewed.
- 2.23 Options for dealing with the above situation in any car park where 'pay on foot' was implemented could include;
- requiring blue badge holders to pay for their parking
 - creating a facility for them to 'pre-register' their blue badge and vehicle with the Council
 - requiring them to present their badge to an officer before departing, so that the barrier could be lifted for them.

The latter option in particular would have significant staffing (and therefore cost) implications.

- 2.24 On the basis of the information provided above and in **Essential Reference Paper 'C'** Members are asked to advise whether they wish the Council to move towards a 'pay on exit' approach in Gascoyne Way multi-storey car park.
- 2.25 In respect of all other car parks operated by East Herts Members are asked to support officers' recommendation that the Council procures a new management system based on a 'pay and display' platform.

'Pay and Display' in 2015

- 2.26 'Pay and display' systems on the market in 2015/16 are more sophisticated than those available in 2004/05. Most allow credit/debit card payment as a minimum and in many cases they now allow contactless payment. The Council would include these options in the next generation of machines for its car parks and the indicative prices offered in **Essential Reference Paper 'C'** have taken these enhancements into account.
- 2.27 The adoption of a 'pay by phone' service, currently 'RingGo', has given motorists and the Council options which help ameliorate the obvious limitation of 'pay and display' - the requirement to anticipate in advance the duration of one's parking needs.

- 2.28 The Council has already amended its enforcement practices to allow motorists to 'top up' parking time already paid for (subject to certain conditions) and has publicised the availability of 'RingGo' in its car parks, online and through local retailers as a means of doing so from a remote location. Publicising these options is not a once and for all event. Should the Council again choose the 'pay and display' option for its car parks, further opportunities will be taken to publicise these options.
- 2.29 A further safeguard against receipt of a Penalty Charge Notice for overstaying time paid for is now in place, following central Government's compulsory introduction in April 2015 of a ten minute 'grace' period for time-limited on-street and off-street parking operated by local authorities.

Procurement Process

- 2.30 Officers will use a framework agreement for the purchase of the new management system(s). This will enable timescales to be compressed and should enable the new management system(s) to be in place before the end of 2016.

3.0 Implications/Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

- i) Minutes of the East Herts Executive – 15 July 2003
(agenda item 113)
http://democracy.eastherts.gov.uk/Data/Executive/20030715/Agenda/minutes_1.pdf
- ii) Minutes of the East Herts Executive – 4 September 2007
(agenda item 232)
[http://democracy.eastherts.gov.uk/Data/Executive/20071023/Agenda/\\$Minutes_4_Sept_2007.doc.pdf](http://democracy.eastherts.gov.uk/Data/Executive/20071023/Agenda/$Minutes_4_Sept_2007.doc.pdf)
- iii) Car Park Management Systems Options Appraisal 2015
http://www.eastherts.gov.uk/media/pdf/d/3/FINAL_REPORT_EHDC_Car_Park_Management_Systems_Options_Appraisal.pdf

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