

Cherwell District Council

Executive

3 April 2017

Improvements to the Council's Car Parking Service

Report of Director of Operational Delivery

This report is public

Purpose of report

To consider the approach taken to improve the Council's car parking service and to consider the effect where known of the Council's free parking offers.

1.0 Recommendations

The meeting is recommended:

- 1.1 To support the nature of the proposed new service and the focus on improvements for customers.
- 1.2 To note the outcomes of the review of the 2016/17 free parking promotions.
- 1.3 To support the continued use of free parking promotions for Small Business Saturday in December and Free After three in January as a means of supporting Bicester and Banbury Town Centre traders.
- 1.4 To undertake a tariff review in 2018 to be informed by the data gathered over the previous 12 months arising from the new car parking service should a decision be taken to award a contract under the separate part two confidential report in this same agenda.

2.0 Introduction

- 2.1 At the Executive meeting on 5 September 2016, agreement was given to commence a procurement exercise to deliver an improved car parking service. In doing so, it was acknowledged that the service should balance maximising income from car park assets with the wider economic growth and planning policy objectives of the Council to create attractive, sustainable and viable urban centres.
- 2.2 As part of delivering an improved service for the customer, the age and dated nature of the car park equipment was recognised as a major constraint as a result

of which it was agreed that the procurement process should include the introduction of modern revenue collection and parking control equipment which combines flexibility of payment options with technology based opportunities to permit customers to vary their parking stay to meet their needs.

- 2.3 In addition, it was decided that the process should take the opportunity to explore the use of the Council's own capital resources for the investment in new technology and equipment if it could be demonstrated that this provided improved value for money for the Council.
- 2.4 In agreeing the procurement process in this way, the Executive recognised that car parking services are central to the experience of most visitors to our urban centres and therefore the views of users and businesses are paramount. The customer experience is crucial to generate satisfaction and income, ensuring that repeat visits ensue whereby additional time and money is spent in the urban centres. The resultant vitality of businesses will increasingly mean that maximum business rate value will be generated to continue a virtuous cycle of thriving communities.
- 2.5 The procurement process has now been completed and this report describes the nature of the proposed future service. The tender evaluation and proposals for contract award are contained in the separate part two confidential report in this same agenda.
- 2.6 In addition, Council has requested feedback of the free parking offers for Small Business Saturday in December 2016 and a 'Free After Three' promotion in January 2017. The feedback from these promotions and an analysis of the limited amount of available data is provided below.

3.0 Report Details

Procurement of a New Car Parking Service

- 3.1 The contract offered is for a five year term which incorporates flexibility to include additional parking areas and the removal of current parking areas where re-development opportunities occur over the term of the contract. The invitation to tender required bidders to provide for the supply of new car parking equipment plus the day to day operation of all public Council car parks in addition to those where the Council provides a similar car parking service.
- 3.2 The process followed was one of competitive dialogue with the options of a management or concessionary contract. This allowed a dialogue to take place with bidders to explore different service delivery solutions but within a competitive tendering framework. Whilst the process does take longer, it was chosen as it can often result in better value service solutions being offered to the Council with improved service outcomes and allows the Council to benefit from the expertise of commercial operators in developing the best solution.
- 3.3 The bidders were also asked to make some initial comments about the current tariffs in relation to ideas for improvement, the relationship between short and long term etc. This provides a valuable external perspective of the Council's current

service in addition to the review already undertaken which concluded that the service was currently performing well on the key service performance indicators of income per car parking space and overall utilisation levels.

- 3.4 The current revenue collection and parking control equipment is in some cases ten or more years old and nearing the end of its economic life. It is also very limited in the amount of data it can offer which means that the Council has to rely largely on manual assessments of ticket numbers and parking patterns. This is not at all conducive to a modern efficient process and is the underlying factor in agreeing to the use of modern technology.
- 3.5 However, it was clear early on in the procurement process that different operators use technology in different ways which resulted in variations in car parking solutions. Therefore, to ensure an acceptable level of consistency throughout the competitive procurement process, the Council adopted for the invitation to submit best and final offers, the following instructions were given to the tenderers:
- That the Council will wish to retain control of tariffs but will expect the operator to advise based on their operating experience on the best means of achieving a balance between maximising income from car park assets with the wider economic growth and planning policy objectives of the Council to create attractive, sustainable and viable urban centres.
 - For the purpose of tendering, it should be assumed that there will be no tariff changes in 2017/18 so that bids can be compared on a like for like basis for contract award and for the new technology to provide a data rich position after the first contract year to consider in a more informed way the potential for future tariff changes.
 - Bidders should consider the means by which the opportunity could be given to disabled drivers to park in any space free of charge when the designated disabled parking spaces are full.
 - There should be the maximum range of payment options for customers eg card including contactless, cash, online, in advance and phone.
 - There needs to be greater opportunity for customers to pay for parking for a reasonable period after they have left the car park.
 - The Council will retain the responsibility for landscape management, cleansing and surface and lines maintenance of all car parks. This ensures the value and efficiency of other contracts and in house services is not lost. In terms of the maintenance of surfaces and parking bay lines etc, the Council has recently completed a major improvement programme of these which should in most car parks last the life of this five year contract. This approach avoids the inclusion of unnecessary contract sums for this purpose and provides better value.
 - The new technology in situ in each car park should be retained and owned by the Council at the end of the five year contract term so that the Council has a greater number of operating options to consider after this period with equipment life of greater than five years.
- 3.6 The bids received have undergone a full evaluation by a corporate team of officers regarding estates, finance, car park management, procurement, legal and communications. The outcome of the evaluation process of the final bids and a

recommendation for contract award can be found in the separate part 2 confidential report in this agenda.

Council's Free Parking Offers

- 3.7 There are regular requests made to the Council for free parking in all Council car parks. To date, this has been resisted on the grounds that there is a high occupancy level of Council car parks (c 90%) which indicates that price is not a major deterrent of use and that the financial impact to the Council of a free car parking policy would be so significant that it would result in major cuts in other services. The Council has however over the past few years introduced a number of free parking promotions. The latest were free parking offers for the Small Business Saturday event in December 2016 and a 'Free After Three' promotion in January 2017. These were intended to promote town centre trade generally but particularly the strong independent sector presence in Banbury and Bicester.
- 3.8 The Small Business Saturday promotion on 3 December 2016 was well received and the feedback from traders was generally positive. However, the very limited amount of data available from the Council's old equipment, combined with the general increase in car park use on Saturdays plus the fact that the free car parking offer was also made in 2015, means that the Council has little empirical and comparative evidence to demonstrate a beneficial effect. Anecdotal evidence from traders and car park wardens was that there was a marginally greater use and pressure on car parks but whether this is due to the free parking offer or the wider promotion of the event cannot be determined. On balance, it is acknowledged that the free parking offer is an important contributory factor in assisting traders to promote the event; is of value and should continue, hence the inclusion as an on-going requirement in the new contract.
- 3.9 The 'Free after Three' promotion throughout January 2017 was assessed by the car park wardens in a more systematic way. As the machines provide little useful data, the wardens undertook manual utilisation levels check of car parks at 3.30pm in Bicester and 4.30pm on several days in Banbury and one day in Bicester and compared these with similar days and at same times in November 2016. A comparison with December was not made due to the effect of the Christmas trade. From this analysis, it can be demonstrated that there was greater use in all bar one short stay car park in each town after 3.00pm compared with November 2016. The level of increased use varied from car park to car park. This trend of increased use is supported by anecdotal evidence from the car park wardens of other days in January plus visual comparisons before 3.00pm.
- 3.10 Therefore, from the albeit limited analysis, it can be demonstrated that as far as possible with all other things being equal, it appears that the January 'Free after Three' promotion did have a positive effect and therefore supports the approach to maintain this free car parking offer as one of the Council's on-going requirements in the new service contract.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The Council has approached the procurement process in a way which delivers an improved car parking service, the nature of which has been influenced by customer

and trader feedback. Therefore, the new service has been procured with the requirement for the Council's ageing equipment to be replaced with modern technology which permits a greater number of payment options and more flexible payment options for customers so that they can pay on exit if they wish or even after they have left the car park for some car parks.

- 4.2 Both the Council's free parking offers in 2016 and 2017 for different reasons have supported the better use of town centres and have therefore been included in the Council's new service requirements over the term of this contract.
- 4.3 Given the position of very limited data regarding car parks' utilisation levels, it is proposed that a review of the tariffs be undertaken in 2018 when the Council will be much better informed by data from the new technology to be installed in 2017. This will also provide the new operator with the opportunity to consider against utilisation levels the current tariff structure and levels and any suggestions for change. This broad timescale would also fit with a potential area of change arising from the emerging Banbury Business Improvement District (BID) proposal.

5.0 Consultation

Soft Market testing with users and potential service suppliers.

Consultation with town centre businesses has been facilitated by the Council's Economic Growth service. From this, businesses in general recognise the need for the Council to charge for parking but request a clearer and simpler regime that supports greater customer parking payment flexibility and avoids punishment of their customers through fines.

6.0 Alternative Options and Reasons for Rejection

- 6.1 The procurement and technology proposals are outlined in the report. The only other alternative to this approach is to retain the service in house. This is not proposed as it is expected that the Council will achieve better value from an external operator and it does not have the technical expertise associated with the modern car parking technology.

7.0 Implications

Financial and Resource Implications

- 7.1 There are substantial financial implications associated with this service, the most obvious of which is an income stream of c £1.5m per annum which the Council receives. Maintaining and where possible improving this is important to the Council over the medium term to ensure financial sustainability. The procurement process proposed is intended to achieve this.

It is also recognised that whilst car parking income to the Council is important, the Council also receives substantial business rates income from urban centres which

rely upon car-borne customers choosing to spend time and money in retail and service businesses that must remain viable in order to support the Council's economic growth and planning policies of supporting viable town centres.

The detailed financial assessment of the final bids is contained in the further report in the confidential section of this agenda.

Comments checked by:

Paul Sutton, Chief Finance Officer, 030000 30106,
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Legal Implications

- 7.2 There are no legal implications arising as a direct result of the content of this report. The detailed legal implications of the procurement process and the potential of any contract being awarded are addressed in detail in the part 2 confidential report on this agenda.

Comments checked by:

Chris Mace, Solicitor, 01327 322125,
christopher.mace@cherwellandsouthnorthants.gov.uk

HR Implications

- 7.3 The appointment of a new car park services operator will mean the transfer of current Council staff to the new service. There is also the possibility of redundancy as a consequence of this change due to the use of modern technology which reduces the current requirement for a warden service.

Comments checked by:

Claire Cox, HR Business Partner, 01295 221549;
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Risk Implications

- 7.4 The Council's car parking service does influence overall customer satisfaction with the Council. Therefore, the procurement process and subsequent service must be as customer focused as possible to minimise any reputational and income risk to the Council as a consequence of change.

There is a risk to the vitality of businesses, especially retailers, if parking services and charges are uncompetitive against other town centres and free-to-use out of town retail parks. This could then impact on business rates collection received by the Council.

Comments checked by:

Louise Tustian; Senior Performance and Improvement Officer; 01295 221786;
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Equality Implications

- 7.5 Prior to the installation of the new equipment and service, a full equality impact assessment will be undertaken to ensure the new service is accessible to all.

Comments checked by:

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8.0 Decision Information

Key Decision

Financial Threshold Met: Yes

Community Impact Threshold Met: Yes

Wards Affected

All wards

Links to Corporate Plan and Policy Framework

Cherwell: a thriving community and Cherwell: sound budgets and customer focussed council

Lead Councillor

Councillor George Reynolds, Deputy Leader

Document Information

Appendix No	Title
None	
Background Papers	
None	
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