

COMMITTEE REPORT

App Based Parking Payment
Solution

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|--|----------------------------|---|------------------------------------|-----------------|
| Report Originator | | Head of Service sponsor | | Date Originated |
| Tom Rankin | | Kimberley Rowley | | 12/05/2025 |
| Lead Member Name: Sarah Nelmes | | Area of Responsibility: General Public Services | | |
| CMT Date: | | 10/06/2025 | | |
| JLT Date (if applicable): | | N/A | | |
| JLT/CMT Feedback | Finance Yes/No Date: | Legal Yes/No Date: | Head of Service Yes/No Date: | |
| | | | | |
| PROPOSED ROUTE FOR FURTHER APPROVAL | | | | |
| | | | Date | |
| General Public Services and Community Engagement Committee | | | 01/07/2025 | |
| Policy and Resources Committee | | | 21/07/2025 | |
| Council (if required) | | | N/A | |

PART I

App Based Parking Payment Solution

1 Summary

- 1.1 This report recommends the councils approach to adopting a phone app-based parking payment solution. This system would be usable at existing 'pay by plate' locations including council carparks and certain on-street locations.
- 1.2 The app-based solution is proposed to complement rather than replace the existing provision of physical parking machines.
- 1.3 This report details the costs associated with different app-based parking payment solutions and how this compares to the existing physical parking machines.

2 Background

- 2.1 Three Rivers District Council currently operates 'pay by plate' physical parking machines across 11 public car parks, and certain on-street locations including Moneyhill Parade, Rickmansworth and in Croxley Green. The machines are used by entering the vehicle registration number and selecting the period of stay with no requirement to display a ticket. The machines accept card or contactless payment. All physical parking machines and the associated IT systems are supplied by IPS Group.
- 2.2 There is cost burden of installing and maintaining physical parking machines which has been summarised in the tables below. A transaction fee is also levied on all paid transactions via the physical machines which is detailed in section 4.

| Item | Cost (incl. VAT) |
|---|----------------------|
| Cost of installing a new physical parking machine | Approximately £6,000 |

Annual Costs

| Item | Cost (incl. VAT) |
|--|--|
| Back-office Data Management System | £360 per machine per year |
| Receipt thermal paper rolls 72 rolls replaced in 2024 or approximately 3 per machine | Approximately £7.00 per roll £21 per machine per year (in 2024) |
| Maintenance contract | £468 per machine per year |
| Total: | £849 per machine per year |

2.3 With evolving consumer preferences and increased smartphone use, app-based parking solutions are becoming standard across many local authorities. Three Rivers District Council is the only district/ borough in Hertfordshire not offering an app-based parking solution.

2.4 The benefits of implementing an app-based parking solutions include:

2.4.1 Visitors may find the app a quicker and easier way to register a parking session.

2.4.2 Visitors can register a parking session without the need to find the closest physical parking machine.

2.4.3 Visitors can extend an existing parking session if their visit is longer than expected. With some providers, visitors can also receive a refund if their session is shorter than expected.

2.4.4 Visitors can still register a parking session in the event of the physical parking machine being out of order.

2.4.5 The council can avoid lower utilisation of parking areas in the event of the physical parking machine being out of order.

2.4.6 The council can consider reducing the number of physical parking machines installed for new or existing schemes, subsequently reducing the cost of implementing and maintaining schemes.

2.4.7 The council can investigate providing certain permits and other parking services through the app.

2.5 The disbenefits and proposed mitigations of implementing an app-based parking solutions include:

| Disbenefit | Mitigation |
|------------|------------|
|------------|------------|

| | |
|---|--|
| Fraudulent activity associated with parking charges is becoming increasingly common in public car parks across the UK. Criminals are known to utilise stickers with QR codes directing visitors to fraudulent parking payment portals. Adoption of an app-based parking payment solution normalises the use of online payment methods in our parking areas. This may result in a greater risk of visitors becoming victims of fraudulent parking payment methods. | <p>Officers recommend adopting a practice of not offering QR codes for payment across our parking areas.</p> <p>Officers recommend reviewing the tariff boards in car parks to educate visitors on the risks of fraudulent QR codes.</p> |
| Providers levying a transaction fee for paid and/or free parking transactions could be an additional cost burden on the council or visitors. | Officers have reviewed this in further detail and accounted for within the recommendation. |
| Visitors experiencing digital exclusion if they are not able to use the app. | <p>Officers recommend that an app is used to complement rather than replace the existing provision of physical parking machines.</p> <p>Officers do not recommend any immediate reduction in physical parking machines.</p> |

3 App-based Parking Solution Providers

- 3.1 The industry for app-based parking solutions is maturing with well-known providers such as RingGo, PaybyPhone and JustPark working with councils and private carpark operators across the UK. Utilising well-established providers will likely result in greater uptake as more visitors will already use the app elsewhere.
- 3.2 Some providers, including all three mentioned in 3.1, offer an automated phone line to register a parking session. Some offer additional functionality through their app such as paying for our Electric Vehicle charging points and parking session simultaneously.
- 3.3 Some larger carpark operators have their own apps including NCP and APCOA. Some councils outsource their parking services to these companies including the implementation and management of an app-based parking solution. Hertsmere Borough Council currently operate parking services for Three Rivers District Council and the scope of this report does not consider changes to this arrangement.
- 3.4 In Hertfordshire, RingGo and PaybyPhone are the operators of choice by other districts and boroughs as shown in the table below. The table also details what transaction fee is charged to the carpark user for free or paid sessions. Where the fee is 0p the council may be paying this fee or they have arranged no fee with the provider.

| District/ Borough | App-based Parking Solution Provider | Transaction fee paid by user for free sessions | Transaction fee paid by user for paid sessions |
|-------------------|-------------------------------------|--|--|
| North Herts | PaybyPhone | Unavailable from App | 6p |
| St Albans | PaybyPhone | 0p | 15p |
| Hertsmere | PaybyPhone | 0p | 14p |
| East Herts | PaybyPhone | Unavailable from App | 15p |

| | | | |
|---------------------|------------|----------------------|-----|
| Dacorum | PaybyPhone | 0p | 5p |
| Stevenage | PaybyPhone | Unavailable from App | 0p |
| Welwyn and Hatfield | PaybyPhone | Unavailable from App | 15p |
| Broxbourne | RingGo | Unavailable from App | 0p |
| Watford | RingGo | 0p | 0p |

- 3.5 Consideration could be given for aligning with our immediate neighbours such as Watford Borough Council to provide convenience and consistency for residents.
- 3.6 IPS Group, the supplier of our physical parking machines, are entering the market with a new parking payment app known as 'ParkSmarter'. This app has completed User Acceptance Testing within the company in March 2025. The app is yet to be utilised by any parking operator. This app is unique in its ability to integrate fully with our existing parking machines providing the ability to check the validity of and extend sessions started on a machine.
- 3.7 IPS Group have offered the council an introductory fee reduction if the 'ParkSmarter' app is implemented. This fee reduction would apply for transactions taking place on the existing physical machines as well as the app.
- 3.8 The National Parking Platform (NPP) was a national pilot previously supported by the Department of Transport which aimed to provide customers with greater flexibility in paying for parking. The NPP uses a generic location code and lets you select your preferred payment provider instead of having to use a specific service or app.
- 3.9 On the 21 May 2025 the government announced that the British Parking Association will take forward the development and running of the NPP supported by a consortium of industry leaders. At the time of this announcement, the platform had been rolled out in 10 local authorities and has handled over half a million transactions a month. The government believe 'drivers nationwide will benefit from a simpler, more seamless experience' with the NPP.
- 3.10 However, there may be disadvantages to the NPP. Each payment provider on NPP can charge their own transaction fee which will vary and cannot be influenced or absorbed by the council. This may result in different fees being paid by drivers depending on their chosen provider.

4 Costs

- 4.1 Officers have completed initial investigations into the adoption of an app-based parking payment solution. Providers levy what is often known as a 'convenience fee' or 'transaction fee' on parking transactions proceed by their app. The cost of these has been compared in the table below. These prices are subject to change with expected inflationary increases. There are also other fees such as Merchant Acquiring Fees which are paid by the council.

| | Fee for paid transactions | Fee for free transactions | Other Fees |
|--|---------------------------------------|---------------------------|---------------------------|
| Current physical machines (IPS) | 20p (absorbed within the parking fee) | 0p | |
| PaybyPhone | 15p | 0p | 5% Merchant Acquiring Fee |

| | | | |
|---|---|-----|-----------------------------|
| RingGo | 20p | 0p | 2.5% Merchant Acquiring Fee |
| JustPark | 10p | 10p | 2% Merchant Acquiring Fee |
| ParkSmarter (IPS) | 20p | 0p | |
| ParkSmarter (IPS) Introductory Offer Parking Area | 19p (reduction also applies to physical machines) | 0p | |
| ParkSmarter (IPS) Introductory Offer All Parking Areas | 18p (reduction also applies to physical machines) | 0p | |

4.2 In some other local authorities, the transaction fee is passed on to the visitor as an additional cost to the standard parking rates. This means that completely free parking transactions are often not available through apps.

4.3 The table below indicates how much each providers transaction fees would cost the council if this was absorbed within the standard parking rates. This would mean no variation in cost between the app and our physical parking machines. Dependent on the provider and the type and amount of transactions proceeded by the app, absorbing the transaction fee could incur an additional cost on the council. As detailed in the table above, we currently pay a 20p transaction fee on our parking machines and if the new provider exceeds this it will be an additional cost which could be considered for passing on to the car park user.

4.4 These costs are based on the number of free and paid parking sessions registered in 2024 and the total income from paid sessions in financial year 2024/25. These are indicative numbers which will be subject to fluctuation yearly depending on the amount and type of transactions.

| Provider | Fee for paid transactions | Fee for free transactions | Total |
|---|----------------------------------|----------------------------------|--|
| Current machines | £24,532.00 | £- | £24,532 |
| PaybyPhone | £31,113.15 | £- | £31,113 (including transaction fee and merchant acquiring fee) |
| RingGo | £30,889.08 | £- | £30,889 (including transaction fee and merchant acquiring fee) |
| JustPark | £17,351.66 | £40,631.80 | £57,983 (including transaction fee and merchant acquiring fee) |
| ParkSmarter (IPS) | £24,532.00 | £- | £24,532 |
| ParkSmarter (IPS) Introductory Offer Parking Area | £23,305.40 | £- | £23,305 |
| ParkSmarter (IPS) Introductory Offer All Parking Areas | £22,078.80 | £- | £22,079 |

4.5 Some providers enable the council to receive additional income from optional text message (SMS) reminder fees levied on visitors via their app. These fees would always be a choice for the visitor. Provider 'PaybyPhone' see a 54% uptake of SMS reminders across their clients. However, it is becoming increasingly uncommon for providers to offer this, and officers do not consider this to materially impact the options appraisal.

4.6 G-Cloud is a procurement framework officers recommend could be used in this exercise. There is no tender process under the G-Cloud 14 Framework. Instead, the customer conducts a search or number of searches on G-Cloud using

relevant keywords and filters to produce a shortlist of potential suppliers. Through study of the suppliers G-Cloud service summary and more detailed service description, and then discussions and clarifications with suppliers, followed by an evaluation, the customer identifies the supplier whose G-Cloud offering (including service description and service and pricing definition documents) best fits its requirements.

- 4.7 A Further Competition under the ESPO Parking Management Solutions Framework could also be considered. Both frameworks include all the main suppliers in the cashless parking marketplace, and both provide an efficient route to market which is fully compliant with the Procurement Act 2023 and the Council's Contract Procedure Rules. However, the pricing available under the G Cloud 14 framework is more attractive, and, therefore, this route generally provides better value for money.
- 4.8 Procuring IPS as a solution will need to be reviewed further by the council's legal team as they are currently not on any of the above procurement frameworks.

5 Options and Reasons for Recommendations

- 5.1 To enable the benefits outlined in section 2.4, officers recommend that the council progresses the establishment of an app-based parking solution. This will provide visitors greater choice in how they register a parking session in Three Rivers district.
- 5.2 To ensure the consistency for tariffs for users, this report does not recommend the council pursues joining the National Parking Platform at the stage. However, officers recognise that the industry is likely to move towards this service and would therefore recommend future proofing our parking areas to move to NPP. This includes:
 - 5.2.1 Requesting our nationally unique NPP area code and location codes for our parking areas which will be used with the chosen provider.
 - 5.2.2 Having a break clause in the contract to allow movement from the chosen provider to the NPP when the council feels this is appropriate.
- 5.3 To provide consistency of parking fees across our physical machines and the app, officers recommend that the council absorb the cost of the transaction fee outlined in section 5. This enables the council to maintain a completely free transaction to app users for applicable parking sessions. However, this may result in an additional cost burden to the council and for this reason, the provider fees must be carefully considered.
- 5.4 To maintain or reduce the costs incurred by the council, officers recommend that the council consider utilising the 'ParkSmarter' app provided by IPS Group or another provider which can match or exceed this expected cost. The council would seek further procurement advice on completing any agreement.
- 5.5 If 'ParkSmarter' is procured, to ensure the app provides a quality user experience, officers recommend trialling the app in one carpark to begin with before expanding to all parking areas. This app is new to the market and whilst there may be opportunities for the council to influence the service, it is not used by anyone else currently and would be another new app for motorists. This app does not provide a telephone service to pay.

6 Policy/Budget Reference and Implications

- 6.1 The recommendations in this report currently match current budget spend.
- 6.2 The recommendations in this report are within the Council's agreed policy. The relevant policy is entitled Corporate Framework 2023-2026. Further details are included in the Regulatory Services Service Plan.
- 6.3 The recommendations in this report relate to the achievement of the following performance indicators: Continue to develop and improve our Customer Experience

7 Legal, Community Safety, Public Health, Risk Management and Health & Safety Implications

- 7.1 None specific.

8 Financial Implications

- 8.1 The table below shows the possible impact on fees to the parking account based on the number of parking transactions in 2024. The numbers assume all transactions are processed by the chosen option, but it is noted that a mix of machine and app transactions is likely to continue.

| Recommendation | Council Annual Expenditure |
|--------------------------------------|----------------------------|
| Recommendation is not carried | £24,532.00 |
| 5.3.1 (ParkSmarter) | £24,532.00 |

9 Equal Opportunities Implications

- 9.1 Relevance Test

| | |
|--|--|
| Has a relevance test been completed for Equality Impact? | Yes |
| Did the relevance test conclude a full impact assessment was required? | No – effective mitigations have been agreed as recommendations in this report. |

10 Staffing Implications

- 10.1 The Principal Sustainable Transport Officer within the Transport and Parking team oversees the implementation of parking schemes. This project is not expected to require additional staffing resources outside of the Transport and Parking team.

11 Climate Change and Sustainability Implications

- 11.1 An app-based parking payment solution is unlikely to have direct implications. It may support less dependence on physical parking machines, paper receipts and other associated materials which have carbon impacts in their production (Scope 3).

12 Customer Services Centre Implications

- 12.1 The customer service centre may receive calls from the public about issues using the parking app. New Granicus reporting routes will need to be created so

that any issues are reported directly to the app provider. CSC would benefit from training to be familiar with the app to support the public with its use.

13 Communications and Website Implications

The parking website will need to be updated with the chosen providers details and location codes of each car park. The council will also link to the external providers website. Communications support may be needed in the launch of a new app solution.

14 Recommendation

14.1 It is recommended that:

- i) Members note the report and approve officers to progress the implementation of an app-based parking payment solution including entering an agreement/contract with a provider.
- ii) Members approve the mitigations outlined in 2.5.
- iii) Members agree to not pursue the National Parking Platform but plan for future compatibility as outlined in 5.2.
- iv) Members agree for officers to progress with procuring an app under the recommendation outlined in 5.4.
- v) Members delegate the final details to progress an app-based parking solution to the Director or Finance in conjunction with the relevant Lead Member, to implement the new system in the current financial year.

- vi) That public access to the report be immediate.
- vii) That public access to the decision be immediate.

Report prepared by: Tom Rankin, Principal Sustainable Transport Officer

Data Quality

Data checked by:

Tom Rankin, Principal Sustainable Transport Officer

| | | |
|----------|-------------------|----------|
| 1 | Poor | |
| 2 | Sufficient | X |
| 3 | High | |

Background Papers

None.

APPENDICES / ATTACHMENTS

None.

