

Notice of Non-key Executive Decision containing exempt information

This Executive Decision Report is part exempt and Appendices A is not available for public inspection as it contains information relating to the finance or business affairs and the public interest in maintaining the exemption outweighs the public interest in disclosing the information

Subject Heading:	To approve the procurement and award of Contract for Cashless Parking (RingGo)
Decision Maker:	Imran Kazalbash, Director of Environment
Cabinet Member:	Councillor Barry Mugglestone , Cabinet Member for Environment
ELT Lead:	Imran Kazalbash, Director of Environment
Report Author and contact details:	Jo Green, Parking Manager 01708 432913 Jo.green@havering.gov.uk
Policy context:	Parking Strategy
Financial summary:	The anticipated service cost for RingGo in 24/25 is c£0.245m. This is covered within cost centre A24670. Expected income received from cashless parking is c£2.1m (excluding VAT at approx. £0.214m) for the same period.
Relevant Overview & Scrutiny Sub Committee:	Place
Is this decision exempt from being called-in?	<i>The decision will be exempt from call in as it is a Non key Decision</i>

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The subject matter of this report deals with the following Council Objectives

People - Things that matter for residents

X Place - A great place to live, work and enjoy

Resources - A well run Council that delivers for People and Place.

Part A – Report seeking decision

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DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

To agree to award a contract for Cashless Parking payment functionality services to RINGGO Limited (RingGo) for a period of two (2) years until 23 April 2026 with a 90 day termination clause via call-off contract from the G-Cloud 13 Framework Agreement (RM1557.13).

To note that the council will continue to cover the convenience cost / transaction fee within the tariff.

To agree to evaluate the National Parking Platform for use in Havering when available and to provide indicative confirmation (but no binding commitment) of accessing the NPP.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3 [Responsibility for Functions], Part 3,
3.3 Powers of Members of the Senior Leadership Team

Contract powers

- (a) To approve commencement of a tendering process for all contracts above a total contract value £500,000.
- (b) To award all contracts with a total contract value of between £500,000 and £5,000,000 other than contracts covered by Contract procedure Rule 16.3.

General powers

- (a) To take any steps necessary for proper management and administration of allocated portfolios.

STATEMENT OF THE REASONS FOR THE DECISION

The Council has provided its residents and visitors with a cashless option for paying to park in its car parks and on-street Pay & Display provisions since 2018. The current cashless parking (app based) contract with RingGo expires 23 April 2024 and has exhausted the permitted extension period.

A desktop evaluation of options to procure the next contract has been completed. It has been determined that using the G-Cloud 13 Framework provides the council with the option of accessing an established framework, in which the operational specification, main terms and conditions and commercial arrangements are already set. Value for money has been determined through the tender process required to be included in the framework.

In assessing the Council's specification and requirement and matching it to framework providers only the 1 supplier meets the requirements within the search which included key words ("cashless parking" "SMS" "iso27001") and identified only RingGo.

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RingGo Limited are Havering's incumbent provider and therefore there will be no additional costs to implement this new contract. All signage on-street, and in car parks, will remain applicable.

RingGo Limited also provide services via PayPoint for customers who choose not to use debit and credit cards for paid for parking sessions and allow the ability to continue paying with cash via PayPoint. There is no charge to the customer for this provision.

Using the G-Cloud framework and appointing RingGo will also provide continuity of service, avoid the need for residents to change supplier and enable options to be kept open so that the National Parking Platform (NPP) can be fully appraised and accessed if deemed suitable (see below). It is possible to incorporate a 90 day termination at convenience clause into the G Cloud call off contract, which will allow the Council to terminate the contract early without penalty if a move to the NPP is required within the RingGo contract term.

Utilising the G-Cloud framework and appointing RingGo, for a further 2 years, is deemed to be in the Councils and customers / residents' best interests. It will avoid any confusion and inconvenience to motorists who are used to the RingGo cashless facility.

Within the framework there are two financial options available to the Council. The first is for the Council to pay the transaction fees (these are called "convenience fees" by the operators) and the second is where the customer pays the fee per transaction.

The National Parking Platform will require customers to pay the transaction fee.

The fee is effectively income and profit to the supplier and enables them to host the service, provide and maintain the software and continue development enhancements.

Current Arrangement

Under the current RingGo contract Havering absorb the transaction / convenience charge per transaction for all transactions made via RingGo. This includes convenience charges for any free parking sessions utilised.

The total payment to RingGo for all transactions this year is forecast to be £0.250m. This is met from the pay and display income received.

National Parking Platform

In autumn 2024 there will be a National Parking Platform (NPP) launched which allows the end user to choose their preferred cashless provider when parking at any pay and display provision, nationally (where the operator has utilised the NPP). Councils will no longer be required to follow the procurement route for cashless parking provision (as by using the NPP, they will not be awarding a contract) and all convenience charges will be levied to the end user.

Suppliers will be in competition with each other and customers can use the app that best meets their need in terms of cost, user preference and ease of use. It also means

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customers will not need to keep downloading different apps for parking in different boroughs / councils.

The National Parking Platform is being developed on behalf of the DfT and government is promoting its use. As an incentive, access fees are waived for any authority that indicates by April 2024 an interest in joining the NPP. As this does not result in an actual commitment it is proposed to indicate Havering's interest.

G-Cloud (RingGo) Options

Within the G-Cloud RingGo contract framework there are two options available. The exempt part of the report sets out the financial evaluation of each option.

The below assessment is based on 23/24 forecast income via the cashless app of £2.141m.

Option 1

The Council continues to absorb the convenience charge (it has always been included in the rates, similar to the way pay and display ticket machine maintenance costs have been met from the income). The rate payable per transaction is set out in Exempt Appendix A. In addition to the per transaction cost a commission fee based on value is also levied.

Anticipated costs to Council, using Option 1 are a total of £0.209m.

This represents approx. £0.011m reduction in cost to the Council compared to the current contract.

Option 2

The convenience charge is levied to the end user (so the users pay the fee to park plus the transaction cost). In addition to the per transaction cost levied on the users a commission fee based on value is also levied on the Council.

Anticipated costs to Council, using Option 2, are £0.054m

This represents approx. £0.166m reduction in cost to the Council compared to the current contract but reflects a change in approach compared to the current arrangement where transactions costs are met from the parking fee.

Discussion

Option 2 offers best value to the Council and reduces expenditure by around £0.166m per full year (at current volumes).

However, pay and display charges are likely to increase in 2024/25 so by passing the convenience fee on to the customer it will effectively represent a further increase, adding to the cost of parking.

Having said that, ultimately, there does need to be a change in expectation as nationally, as the NPP is rolled out, customers will become accustomed to paying the transaction (convenience) fee themselves.

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At present the transaction fee is already covered within the income and is budgeted as part of the cost projections. Any cost reduction would therefore help improve the Councils financial position.

Adopting option 2 would mean that a free half hour session booked via the app would actually cost the customer the transaction fee (rather than the council paying it on their behalf). However, customers who wish to avoid the fee could use a payment machine where these are provided in the busier areas.

Both options 1 and 2 would have the offer of payment confirmation and reminder text messages which is a chargeable service. This is an optional service that customers can turn on or off. The associated fees are an integral part of the supplier's business model and the council does not receive these.

Recommendation

It is recommended the decision maker approves:

- the award of the cashless parking contract, calling off the G-Cloud framework, to RingGo as set out above, for a period of two years
- Entering the contract on the basis that the Council will continue to pay the transaction / convenience fee (ie Option 1) as per current contract arrangements.
- The pricing structure and budget has been set on the basis that the Council cover the costs. The councils budget setting process includes this assumption
- Indicate to DfT Havering's intention to access the NPP, to evaluate the NPP and to bring forward a decision in due course if a recommendation to access the NPP is made
- To write into the new contract a 90 day early termination clause to enable the contract to be terminated with no penalty or early payment due to RingGo so as to enable the Council to access the NPP during the term of the new contract

OTHER OPTIONS CONSIDERED AND REJECTED

Other options considered are:

1. Do nothing – this would be unacceptable as the existing contract would expire and customers would have no means to pay for their parking. The council would experience a significant loss of income. This option is unacceptable.
2. To run a full procurement and tender process directly or using another framework. This is discounted as the G-Cloud Framework provided everything the council needs, provides value for money and saves significant procurement cost and time enabling existing resource to focus on other priorities.

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3. To award contract to RingGo using Option 2, which levies the convenience charge to the end user. This option was rejected as pay and display charges are likely to increase in 2024/25 so by passing the convenience fee on to the customer it will represent a further increase, adding to the cost of parking.

PRE-DECISION CONSULTATION

Whilst this is a new contract the decision effectively maintains the current service provision to the end user. Consultation has not been undertaken or deemed necessary.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Jo Green

Designation: Parking Manager

Signature:



Date: 07/02/2024

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council has power to award the contract under the general power of competence contained in section 1 of the Localism Act 2011 which allows the Council to do anything that an individual may do subject to any statutory constraints on the Council's powers. None of the constraints on the Council's s.1 power are engaged by this decision.

The Council also has the power to regulate traffic and make charges for parking, under section 6 of the Road Traffic Regulations Act 1984; and the power to enter into contract for the collection of parking charges under section 1 of the Local Government Contracts Act 1997.

As set out in this report, the contract has been procured via the G Cloud 13 framework. This is a Public Contracts Regulations 2015 (PCR 2015) compliant framework and subject to compliance with the framework rules for call off, award of the contract will be PCR 2015 compliant. Officers have confirmed that the direct award incorporating a 90 day early termination clause is compliant with the framework rules.

The Council is a Best Value authority. Officers should ensure contract award represents best value for the Authority.

For the reasons set out above and subject to best value considerations the Council may award the contract.

FINANCIAL IMPLICATIONS AND RISKS

Direct award of the contract results in nil cost to the Council.

The current contract allows for the income to be shared with the Council as a profit-sharing agreement. The Council's estimated share of income for 24/25 for cashless parking is £2.1m, VAT for the proportion of off-street parking within the £2.1m estimate, is approximated at £0.214m. Service costs for RingGo are covered through the income received from cashless parking.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no HR resource implications and the enforcement activities for paid for parking can be met from within current staff resources.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The impact against protected characteristics has been considered and as there is no change in supplier there will be no impact or risk to users equally. For those who do not have mobile devices or choose not to use the cashless facility, those users will still have the ability to use contactless payment methods at P&D machines. Parking provisions for Blue Badge provisions will remain the same and where free charges apply for Blue Badge

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holders there will be no increase or alteration to this. An EQIA has not been carried out as this is not a new provision or a change to provisions and therefore there is no additional impact to users.

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socioeconomics and health determinants.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

Cashless parking provision removes the need for cash collections from machines, reducing the Councils carbon footprint.

BACKGROUND PAPERS

N/A

APPENDICES

A – Financial evaluation of options - Exempt

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Delete as applicable

~~Proposal NOT agreed because~~

Details of decision maker



Signed

Name: Imran Kazalbash

Cabinet Portfolio held:

CMT Member title: Director of Environment

Head of Service title

Other manager title:

Date: 14th March 2024

Lodging this notice

The signed decision notice must be delivered to Committee Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____