# LOCAL AUTHORITY PARKING:

Managing Payment Data from
Multiple Outsourced Providers

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# Why Does the Problem Exist?

*Most local authorities outsource one or more parking payment services, be that cash operations, parking machines & associated software, cashless apps, digital payment processing amongst others. This complex payment web presents extreme barriers to having complete control and transparency over all parking revenues.*

## New Technology

As technology advances, motorists' behaviour changes. In parking, new technology is introduced (e.g. new payment methods and EVs), and local authorities must adapt and meet motorists' demands for increased flexibility.

## External Providers

Local authorities often do not possess the internal resources to manage all parking elements in-house, so they must outsource. External platforms and services come with unique costs and barriers that councils must manage.

## Outdated Internal Systems

Often, local authorities are pressured to adopt new technologies and services. However, they lack the original infrastructure to manage the new parking landscape. Excel is often relied upon, with manual data entry prone to human error.

## Poor Analytics

Reporting and analytics tend to be scattered. Some come from master spreadsheets manually built, and others from individual service providers. With no accurate universal view, how can you truly analyse performance and improve?

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# ① Cashless Apps

## Cashless Apps as a Parking Payment Method

"Cashless apps" (e.g. RingGo) are smartphone applications that enable motorists to pay for their parking. They have gained popularity over the past few years and are the favoured payment option for many. They aim to make the payment process easy and flexible. While cashless apps are innovative, they cannot be the sole payment method due to the barriers they present (e.g. poor connectivity, technical issues and differences in demographic behaviour).

## The Unique Issues Cashless Apps Present

Local authorities tend to hold a contract with only one cashless app provider (some have contracts with multiple). Each contract comes with an additional cost and revenue source to manage.

Often, there is no second data source to verify or audit the revenue data incoming from cashless app providers. Essentially, the only option is to trust the data being provided is correct.

## Can Managing Cashless Apps be Made Easier?

Manchester City Council is introducing a new platform funded by the DfT – the National Parking Platform (NPP). The platform allows motorists to choose their preferred cashless app, an 'open market' that providers can compete with based on their customer experience.

Local authorities can provide more choice to motorists without dealing with multiple locked-in contracts, each with individual costs. Adopting is said to require low setup costs and will reduce the cost of collecting revenues and improve data control and audit.

Critically, the platform eliminates some problems stemming from cashless apps but does not offer solutions for managing all other payment data.

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# (2) Cash Service Providers

## Outsourcing Cash Services

Cash service providers (e.g. G4S and Loomis) are organisations that fulfil the cash management aspect of parking (collecting, counting and banking cash from parking machines). It can be expensive and complicated for local authorities to provide internally, so it is often outsourced. Outsourcing presents challenges, mainly because it is costly and reduces control and transparency.

## Challenges of External Cash Management

The biggest issue found when outsourcing cash services is the loss of control. Do you have a robust audit trail over the entire cash journey? If the cash does not balance at the end of the month, can you quickly identify the source of the problem? How is the data integrated and consolidated with other data?

## A Better Approach?

With the rising popularity of digital payment methods, some local authorities are removing cash altogether. This does remove the challenges altogether but presents new ones in the form of resistance from motorists and advice from organisations (e.g. the AA) to keep cash as a payment option.

First and foremost, local authorities must foster good relationships with their cash service provider and ensure they provide timely and accurate reporting. When tendering for new providers, make sure those provisions are explicit. Alternatively, Sonas offers a sophisticated solution that captures and reconciles the cash journey in real time, eliminating these challenges.

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# (3) Parking Machine Operators

## Scope of Parking Machine Operators?

Pay & Display Operators (e.g. Metric & Parking Eye) provide hardware and software for parking machines. The contracts local councils have with them often include installation and maintenance of parking equipment and providing records of parking charges from machines.

The incoming revenue data presents unique challenges.

## The Unique Challenges With Parking Machine Operators

Many local authorities exhibit an excessive dependence on a single supplier, and there tends to be insufficient internal to detect errors from incoming data.

In 2022, Worcester City Council had issues with their provider, FlowBird Smart City UK. The case went unidentified for weeks, motorists were overcharged, and the council felt it necessary to terminate their contract.

## Can Local Authorities Better Protect Themselves?

In the case of Worcester City Council, in addition to overcharges, card payments were unavailable for months until a new provider was implemented. This is a classic case of over-reliance. If the supplier goes down, there is often no backup. One approach for protection is to select a second provider. Many authorities already offer alternative payment options (e.g. cashless apps), but in this case, consumers' set on card payments will be impacted and could affect revenue. Using more than one operator or card option or building a unique solution in-house would mitigate these risks.

These suggestions may incur additional costs. A sure way to mitigate the risk is to develop internal controls in-house. Solutions like Sonas Systems' can offer sophisticated financial mechanisms to identify issues instantly.

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# (4) Digital Transaction Processors (DTP)
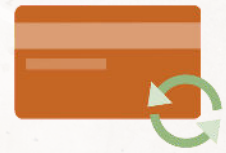
## Outsourcing Cash Services

Digital transaction processors (e.g. WorldPay & Pay360) provide secure and convenient digital payment processing. If offering digital payment methods to motorists, using a digital transaction processor is unavoidable and comes with an additional data set to manage.

Fortunately, most provide some data and analytics, allowing monitoring of payment trends and tracking digital revenues.

## The Power of DTP Data

The data provided by DTPs' does offer significant value. This additional data set may be seen as a nuisance, another one to manage. It is not.

Data is power. This data permits local authorities to validate revenue and reporting from parking machine operators. It is imperative to have control and oversight of revenues to manage parking operations successfully.

Most local authorities must improve their internal controls to manage this financial data more efficiently and accurately.

No coins?
Pay by mobile

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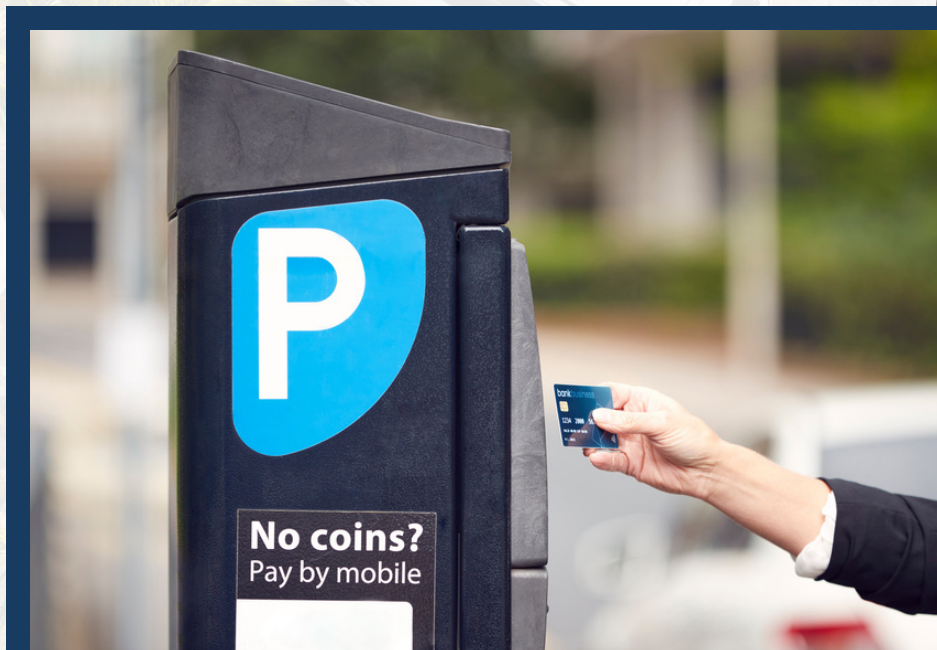
# Other Parking Revenue Data

*There are many other types of incoming parking revenue data. Each presents its own unique challenges to manage but also adds to the complexity of obtaining a single position of **all** data in one place. Here are some other examples...*

**Fine & Penalties**

**Permits**

**EV Charging**

**Lorry Facilities**

## The Complexity of Managing Multiple Parking Data Sources

As discussed, each provider offers a distinct dataset, often in different formats. Managing them separately and collectively poses a challenge, resulting in the complex network of parking payments that Local Authorities frequently encounter.

Fortunately, solutions are already available, and more are being developed to combat these challenges.

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# Managing Multiple Data Sources

*Luckily, as an industry-recognised problem, work has been and is currently underway to make it easier for local authorities and the wider industry to manage all parking data.*

## Emerging Models

### Alliance For Parking Data Standards (APDS)

Formed by leading industry organisation, APDS aims to create a uniform global standard to share parking data across platforms worldwide, "establishing a common language for data elements and definitions in the parking, transportation, and mobility sector that helps to facilitate seamless integration, compatibility, and communication".

### National Parking Platform (NPP)

"The National Parking Platform (NPP) is a local authority owned and DfT funded pilot project that brings customer experience into the 21st century by facilitating data exchange, digital payments, and a new way of delivering better parking and mobility services.". The NPP will benefit local authorities significantly but only incorporate cashless apps and ANPR payment methods.

## Sonas Systems - Parking Revenue Management

Sonas offers an all-in-one platform to validate, consolidate and manage **all** parking revenue data for local authorities.

- Digests and transforms data into one uniform position
- Automatically validate revenues with sophisticated mechanisms
- Provides automated visual reports to analyse operations and improve performance

Sonas aims to eliminate the challenges of managing multiple outsourced providers and streamline the masses of data into a powerful asset.

# For inquiries, contact us.

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