



Transport Delivery Committee

Date	4 th November 2019
Report Title	Save-A-Space – Proposed Booking Payment Trial
Accountable Director	Pete Bond, Director of Integrated Network Services
Accountable employee(s)	Richard Mayes, Head of Park & Ride (interim) Babs Spooner, Head of Park & Ride
Report has been reviewed by	Verbal update previously provided to Rail & Metro and Putting Passengers First Lead Members Groups

Recommendation(s) for action or decision:

The Transport Delivery Committee is recommended:

1. To endorse the implementation of the next stage of the Save-A-Space trial, in accordance with this report.
2. To note that, as part of this next stage of the trial, customers will be able to pay for the added convenience of booking a premium product, which is above and beyond the free to use spaces provided at the selected sites.
3. To note that a report detailing the results of the trial, including a review, will be submitted back to Transport Delivery Committee following completion of the trial which will detail the next steps.

1.0 Purpose

- 1.1 The report sets out progress to date with Save-A-Space and the proposed next steps regarding a booking payment service, which would mean self-selecting customers paying for the additional service of reserving a specific a space within the existing trial programme, rather than arriving in the car park and occupying a free to use space.
- 1.2 The report clarifies that this trial is not a change to policy regarding customer charging at Park & Ride sites, but that it is a trial around a discretionary booking payment service to reserve a premium space that can potentially improve the customer offering at our sites, through delivering benefit to them, in particular those who cannot park earlier in the day.

2.0 Background

- 2.1** Transport for West Midlands provides 8805 rail park and ride car parking spaces across 67 car parks at various West Midland rail stations. With the opening of new car parks at Longbridge and Bradley Lane in the coming months we will be adding a further net 719 spaces. Against this background demand for car parking still outstrips the numbers we have available. All of our current car parks are full by 0800 every weekday morning except for Bescot and Bromsgrove. Even these two car parks are seeing growth in customers so even these car parks are likely to be full in the next few years.
- 2.2** Against all of this demand customer satisfaction in rail car parking provision is only at 60% despite being free and being built to higher standards than is the industry norm for safety and security. (This figure is based on the latest national Transport Focus rail industry survey that was conducted in spring 2019). Our own surveys of rail car park customers always show the driver in customer dissatisfaction in our car provision is lack of availability of car parking at our rail station car parks.
- 2.3** TfWM has been trialling an app based parking bay reservation system called Save-A-Space since November 2017 and there are currently 35 spaces available through this system across the estate. These spaces are in premium locations in the car parks, close to the station entrance and/or car park exit. The trial is being conducted in partnership with technology company Accelogress following a successful Innovate UK funding bid.
- 2.4** As part of the trial, five standard bays have been made available for reservation at Four Oaks, Rowley Regis, Longbridge and Tile Hill. A small number of car share bays can also be reserved at Rowley Regis (5) and Longbridge (4).
- 2.5** With the temporary closure of Longbridge for rebuilding we moved these spaces to the adjacent Northfield station where we have increased the number of spaces to 15. This has proved to be an instant success with customers with all spaces booked out regularly on every weekday.
- 2.6** The scheme has been piloted with 200 customers and has been very successful. More than 4,700 successful bookings have been made since the start of the trial, and bays are regularly now fully booked on weekdays. 96% of customers have made repeat bookings, and we have received significant positive feedback.
- 2.7** Nearly 1,200 people are signed up for participation in the scheme. With 200 of these having been accepted into the trial, approximately 1,000 are on the waiting list. It is interesting to note that growth in sign up has continued strongly despite no marketing and no people being added to the trial since spring 2018.
- 2.8** Indications are that the Save-A-Space concept will work at other stations and, on 14th October we started to publicise that we are going to launch the scheme at Stourbridge Junction and Whitlocks End stations as a free service from November 2019. This will take the number of Save-A-Space bays across the estate to 79.
- 2.9** Within 24 hours of making this public we had had nearly 200 customers from these car parks signed up for the scheme. Experience from the other stations are that many of these are likely to turn into regular customers of the scheme.

2.10 The element that we now want to test is that whether customers are prepared to pay for the booking provision and thus demonstrate the value they put on the service.

3.0 Rationale for the trial development

3.1 The development of the existing trial does not equate to a change in policy, but rather provides a unique opportunity, on a controlled and manageable scale, to help inform the direction of future car park policies.

3.2 This will provide information regarding travel and demand patterns, across a small number of customers, with the opportunity to further question those signed up to trial based on their experiences.

3.3 Data gathered will be crucial in understanding how best to alleviate the issues experienced across the car park estate, where customers are unable to park after 0800 at most sites due to their reaching capacity.

3.4 The trial will provide customers with the choice of travelling in a more flexible manner, through a booking payment service, in a way that has not been seen thus far in the West Midlands, and will present the opportunity for spaces to be used in the way individuals want, rather than the way in which they are forced to behave due to capacity constraints.

3.5 A trial is also currently being considered for Bromsgrove, prior to any further discussions around wider car park customer charging. This trial would have the benefit of seeing how customers respond in a car park where charging is already present, and would give the ability to test the market in the charged environment for a premium service offering.

3.6 The service requires a degree of financial support to sustain its operation, and thus far this has been implemented utilising Innovate UK funding and internal budgets. This booking payment trial gives the opportunity for the scheme to be continued in its trial form in a potentially cost neutral position to TfWM and WMCA. This supports the approved policy to make Park & Ride as self-sustaining as possible and the WMCA endorsement to consider charging and booking to improve how Park & Ride is managed.

4.0 Proposed booking charges

4.1 The current free Save-A-Space 35 space service runs at a virtually 100% occupancy on weekdays with minimal usage on Saturdays, Sundays and Bank Holidays. Assuming no usage on the 8 bank holidays a year and 52 Saturdays and Sundays this gives us a current average occupancy of 70% a week over a 12 month period.

4.2 The trial gives the opportunity to test reactions to a charging scenario within the confines of a small group of registered customers.

4.3 Estimates on revenue generation have been based on a cautious assumption of an average of 30% of spaces being occupied across 365 days, although it is anticipated that this percentage will be much higher given the demand for the service thus far and the high occupancy of other rail operator owned car parks near the WMCA where customers pay to park. Our current free service is available 7 days a week

but there is very little usage of the service on weekends or bank holidays when overall demand for parking is much less across all of our car parks. This takes into consideration:

- Current occupancy levels on both weekdays and weekends / bank holidays with a reduction due to lower demand as a result of a charge being applied;
- Current subscription numbers;
- Time required for demand to grow from the start of the trial; and
- Feedback from customers.

- 4.4** A number of different options regarding numbers of spaces in the scheme, based on a £3.60 per day booking fee, have been considered. The rationale for setting a £3.60 booking fee initially is that the current recommended turn up and go parking fee for Longbridge is proposed to be set at £3.00, and this service guarantees a parking space. This figure will be reviewed and amended as required during the trial, in accordance with activity displayed and insight gained. We note that there is a risk around VAT being chargeable which would reduce the net income to the Authority to £3.00 from a £3.60 charge, in the initial stages.
- 4.5** Payment for the service would be via credit or debit card through the app / website. The provider would be asked to resolve all processing issues to enable the Authority to reconcile payments and assure a low cost, compliant procedure.
- 4.6** Taking the service any wider than an initial trial would look for the scheme to be integrated into the Swift payment systems, to enhance the customer experience and to integrate with other products available through Swift. Discussions on how this can be achieved have already started but would be only be considered further in the event that trial is successful.
- 4.7** It is proposed that the payment will be made up of a £1.80 booking charge and a £1.80 reservation fee. If a customer cancels their space within 24 hours of making a reservation AND prior to 24 hours of their booking they will receive a full refund. If a cancellation is made after 24 hours of the reservation being made OR within 24 hours of the booking commencing, then only the reservation fee will be refunded, potentially as a credit on the customer account. Finance will be fully involved in discussions around process to ensure that adequate reconciliations can be performed.
- 4.8** This will ensure that TfWM does not have to pay any administration or transaction costs for refunds and should deter speculative bookings to reserve a space. It should also incentivise cancellations if a customer no longer needs a bay so that it can be reallocated to another customer. If a customer is unable to honour their booking due to issues outside of their control e.g. rail disruption, it is proposed that they are refunded.
- 4.9** Experience has shown that to roll out further Save-A-Space locations there is a need to undertake a customer awareness campaign to not only to inform about the scheme but to get customers sign up. This takes the form of posters, banners, post card leaflets on cars and the use of social media, and will help us convey our message and the customer benefits on offer.

5.0 Review

5.1 Prior to commencement of trial, there will be agreement regarding success criteria and review points.

5.2 The success criteria will be around:

- Customer satisfaction and feedback;
- Level of booking and daily space occupancy;
- Positive impact on those currently unable to park due to the time they can reach the station e.g. shift workers/parents with child drop off requirements;
- Changes to journey times/patterns on people using the service (which could potentially assist with heavy demand for train and tram services during a currently condensed peak, impacted by the need for people to park by 07:30 at many sites);
- The trial being self-sustaining financially;
- The processes being developed to ensure they are as cost efficient as possible and resolve all financial risks; and
- The value people place on the ability to pay to reserve a premium space.

5.3 Data will be reviewed monthly during the trial in order that decisions can be made, where necessary, to react to customer demand.

5.4 A full report will be brought to TDC, with findings from the charged trial, prior to any decisions regarding the long term potential or otherwise of the scheme.

6.0 Next steps

6.1 It is proposed that the charged trial is introduced across the 79 Save-A-Space spaces in TfWM car parks from late 2019 / early 2020 and that communication and engagement with customers and stakeholders (including customer facing railway staff at the stations who may be likely to field queries in the first instance) will take place in the preceding month.

6.2 It is also proposed that a further 5 spaces are introduced to Bromsgrove, in order to establish the response to the booking system in a car park for which a parking charge is already levied.

6.3 A full understanding of data that needs to be gathered (as referenced in 5.3) before, during and after the trial will be gained.

7.0 Financial implications

7.1 The fixed costs associated with the trial are expected to be a maximum of £24,000 but are anticipated to be much lower. This is in addition to the costs identified at

section 4.9. Adequate budgets exist for both within existing TfWM resources to meet these costs.

- 7.2** At £3.60 per use, providing a £3.00 return after VAT, the trial would breakeven at 30% usage on 79 spaces. Any income in excess across this small selection of sites will be invested in further roll out of the scheme or serve to reduce the net cost of the park and ride estate; although for the duration of the trial net income is not expected to be material.
- 7.3** There are details which TfWM will need to develop before the booking payment pilot is rolled out to the selected sites including issues around VAT, refunds and the price point. Adequate consideration will be given to these issues and sufficient budget exists to allow appropriate professional advice to be given to the Finance Director to be assured of minimising risks in this area. These have been captured on the project risk register and will be monitored throughout the pilot and considered alongside other learning at the end of the project period.
- 7.4** One of the areas of clarification is whether the income would have to be ring-fenced. This will be covered off in the pilot period by ensuring any income in excess of cost is kept for improvements on the parking sites or reduction of the net cost of the park & ride estate. This needs to be given due consideration in the pilot period for any further rollout.

8.0 Legal Implications

In the event of the pilot scheme being extended then it will be necessary to seek legal support to formalise any ongoing contractual arrangements. Any contracts awarded must be in line with all procurements regulations and procedures.