

Report of:	Head of Environment and Healthy Lifestyles
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Key Decision:	No
Report Track:	Cabinet: 27/02/20

CABINET
27 FEBRUARY 2020
IMPROVEMENTS TO COUNCIL OWNED CAR PARKS –
PERMISSION TO SPEND

1 Purpose of Report

- 1.1 To seek Members' approval to proceed with the proposals to replace the current pay and display car park ticketing machines (coin only) with new contactless ticketing machines (coin, debit and credit card) and to progress procurement of a 'pay by phone' option for car parking.
- 1.2 To seek permission to spend some of the capital provision identified within the Capital Programme 2017-18 to 2020-21 to undertake the car park improvements proposed.

2 Recommendations

- 2.1 That Cabinet approves:
 - a. permission to spend for the installation of 18 new and 2 upgrades to pay and display machines to enable coin, chip and contactless payments, at all 12 of its' pay and display car parks at a sum of £89,950; to be met from the Capital Programme, and
 - b. the option to progress procurement of a 'pay by phone' method for car parking within existing budgets.
- 2.2 That Cabinet delegates authority to the Head of Environment and Healthy Lifestyles in consultation with the Environment Portfolio Leader to take such actions as may be necessary to progress the above recommendations within existing budgets. If either of these options is not deliverable within existing budgets, they will be the subject of a further report to Cabinet for consideration.

3 Key Issues and Reasons for Recommendation

- 3.1 For some time now the Council has been called upon to modernise its pay and display machines in order to accept modern payment methods, such as contactless, card, and smart devices.
- 3.2 Deferment of the resurfacing programme provides the opportunity to use some of the remaining approved capital funding: (a) to replace the current pay and display car park ticketing machines (coin only) with new contactless ticketing machines (coin, debit and credit card) and (b) to progress procurement of a 'pay by phone' option for car parking.
- 3.3 Cabinet are asked to consider the options outlined in this report and the recommendations set out in 2.1 and 2.2.

4 Relationship to Corporate Priorities

- 4.1 Providing convenient methods of payment and safe parking for our customers contribute to Council's Corporate Objectives and Priorities.

5 Report Detail**Background**

- 5.1 Following a series of detailed inspections in 2017/18 an estimated programme of planned car park maintenance was drawn up over 5 (2018-23) and 10 years (2024-28).
- 5.2 Council on 7 February 2018 established a capital programme budget of £492,000 for car park improvements 2017-18 to 2020-21 and on 13 December 2018, Cabinet approved expenditure of £200,000 to undertake the first phase of car park refurbishment proposals, which were completed in early 2019-20.
- 5.3 Although there are still some resurfacing works required on a number of the Council's car parks, decisions around when those works should start have been deferred until all possible town centre development opportunities have been explored or are clearer.
- 5.4 For some time now the Council has been called upon to modernise its pay and display machines in order to accept modern payment methods, such as contactless, card, and smart devices.
- 5.5 Subject to Cabinet approval, the deferment of the resurfacing programme provides an opportunity to use some of the remaining approved capital funding: (a) to replace the current pay and display car park ticketing machines (coin only) with new contactless ticketing machines (coin, debit and credit card) and (b) to progress procurement of a 'pay by phone' option for car parking.

(a). Pay & Display Machines – Coin, Card & Contactless Payments

- 5.6 The Council manages 35 car parks across the district, of which 12 are controlled by pay and display ticketing machines, accepting coin payments only.
- 5.7 Pay and display is a widespread and long established method of charging for parking by local authorities and the Council uses an external Enforcement Service to enforce payments and issue Penalty Notices to people who contravene parking regulations.
- 5.8 The ability to pay by debit and credit card and contactless methods is now part of everyday life. In general, cash transactions have been in decline over the last few years and customers now expect to be able to pay for services by non-cash methods.
- 5.9 It is anticipated that expanding the methods of payment could encourage customers to stay longer in the car parks. By using card and contactless payment methods, customer can choose how long they would like to park for, rather than the amount of change they have to hand being a limiting factor. Although it cannot be quantified how many customers have visited a car park and cut short their stay because they did not have enough change, offering additional payment methods would provide the opportunity to purchase tickets for as long as they wish to stay.
- 5.10 Convenience plays a large part in the uptake of contactless pay methods introducing a 'tap and go' mentality specifically aimed at lower value transactions. It is considered the installation of new pay and display machines capable of taking contactless debit and credit card and coin payments across all of the Council's pay and display car parks will make car parking easier and more attractive for members of the public using those car parks. Members involved in the Town Centre Task and Finish Working Group believe that this should hopefully, in time, increase usage and revenue and be of tangible benefit to our town centres.

(b). Pay by Phone

- 5.11 In addition to the installation of new pay and display machines, the Council is named, along with a number of other Staffordshire councils, in the procurement process for a 'pay by phone' option, whereby car park users can choose to pay for their parking using a mobile telephone application. It seems sensible to secure Cabinet agreement to progress this option as well as introducing new pay and display machines and only to report back to Cabinet should this option not be able to be delivered within existing operational budgets.

Installation of CCTV Brunswick Road Hospital and Rear Civic Staff Car Parks

- 5.12 Deferment of the resurfacing programme also provides the opportunity to use some of the remaining approved capital funding to provide security improvements (CCTV cameras) to the two car parks located in Brunswick Road. However, this proposal has been put on hold until the pending review of the CCTV operation has been concluded. Should this option be in line with the

conclusions of this review then a further report will be provided to Cabinet detailing the financial implications.

Proposals

a. Pay & Display Machines – Coin, Card & Contactless Payments

6.1 The options to be considered are:

- (1) retain the current coin only pay and display ticket machines (effectively do nothing);
- (2) replace the 18 older ticket machines with new pay and display ticket machines and upgrade the 2 newer machines so that they all accept debit and credit contactless payments and coin.

6.2 The table below sets out the advantages and disadvantages of each option:

	Option 1	Option 2
Advantages	No capital expenditure No additional transaction costs	Most cost effective option to replace the older machines and upgrade the 2new machines. All machines would accept contactless payments
Disadvantages	Does not offer customers a choice of modern payment methods Greater security risk from theft	May result in 2 machines looking different to the new machines This option will reduce the capital available for future resurfacing works.

6.3 Having considered the options, the proposal is to replace 18 current pay and display car park ticketing machines (coin only) and upgrade a further 2 (coin only) with new contactless ticketing machines capable of accepting debit and credit card contactless payment, in addition to coin.

6.4 The new pay and display machines would be capable of taking; coin and debit and credit (via chip only) and contactless payments. It is considered that the inclusion of full ‘chip and pin’ capability would not be required, as all debit and credit cards now have a £30 limit, under which a pin number is not required. None of the Council’s tariffs are likely to reach £30 in the near future. It is also considered that the inclusion of the key board facility required for chip and pin may also be prone to vandalism.

6.5 **Capital Cost** – The total capital cost to replace 18 and upgrade 2 pay and display machines across the Council’s 12 pay and display car parks is £89,850. This capital figure includes for the removal and renewing of all pay and display machines and associated works including signage etc.

6.6 **Revenue Cost** - There will be a revenue cost from the Council's merchant bank of between £0.11-0.13 per transaction. Based on 2018/19 actual figures and an initial 10% uptake¹, this cost would be in the region of £8,800-10,500k per annum, which will be met from within existing budgets. Alongside the above, there will be a one-off revenue cost from the merchant bank of approximately £3,500 for creation and setup of the account /payment system which again will be met from within existing budgets. In subsequent years the transaction figure may increase as usage increases.

b. Pay by Phone

6.7 The options to be considered are:

(1) Do nothing; or

(2) Progress the procurement 'pay by phone' option as part of a framework agreement with other Staffordshire Council's.

6.8 To do nothing would miss the opportunity to provide another modern payment option for those using our pay and display car parks in the District.

6.9 The proposal is to progress this option as well as introducing new pay and display machines and to report back to Cabinet should this option not be able to be delivered within existing operational budgets.

6.10 **Capital Cost** – It is not envisaged that there will be any capital costs associated with the introduction of this option.

6.11 **Revenue Cost** – It is expected that there will be additional revenue costs for accepting payments by phone but until the procurement exercise has been completed it is unknown as to the extent of these costs. If it is not possible to meet these costs from within existing budgets, a further report will be brought back to Cabinet for consideration.

7 Implications

7.1 Financial

The Car Park Improvements project is currently included within the Capital Programme at a value of £292,000. The resource available is therefore sufficient to cover the capital cost of £89,950 required for Proposal A. However, this will reduce the value of funding available for resurfacing works should the town centre development opportunities deferment be lifted and the resurfacing works included in the original plan be approved.

Should Cabinet approve the report, the one off anticipated £3,500 set up cost of an account/payment system can be met from within existing budgets. Based on a £0.11-£0.13 transaction fee and a 10% uptake, using current car park usage data from 2018/19, the transaction costs are estimated to be in the region of £8,800 to £10,500. These can be met from within existing budgets. In

¹ % based on anecdotal evidence of take up from surrounding local authorities in Staffordshire

subsequent years the transaction figure may increase as usage increases and therefore maybe subject to further reports to Cabinet, if appropriate.

In addition, should agreement be given for Proposal B (Pay by Phone) to be progressed and the costs cannot be met from within existing budgets a further report will be brought back to Cabinet for consideration.

7.2 Legal

None

7.3 Human Resources

None

7.4 Section 17 (Crime Prevention)

None

7.5 Human Rights Act

None

7.6 Data Protection

None

7.7 Risk Management

The above pay and display machine renewal / refurbishment programme along with the inclusion of the new CCTV system on the Brunswick Road Hospital and Staff car parks should significantly reduce the risks of theft from the Council's car parks.

7.8 Equality & Diversity

None

7.9 Best Value

None.

8 Appendices to the Report

None

Previous Consideration

None

Background Papers

None