

Decriminalisation Task Group, item 5

Committee:	Decriminalisation Task Group	Agenda Item
Date:	7 August 2006	5
Title:	Options for Car Park Payment Methods	
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Summary

This report provides Members of the Decriminalisation Task Group with details of alternative payment methods on the Council's car parks and recommends that the status quo be maintained.

It seeks agreement for the implementation of a rolling replacement programme for the existing Pay & Display ticket machines.

Recommendations

That the Decriminalisation Task Group recommend to the Environment Committee that

- 1 No changes are made to the payment methods in any of the Council's car parks.
- 2 A 3 year rolling replacement programme of new Pay and Display machines with solar power be implemented
- 3 Operations Committee be asked to make provision in the Capital Programme 2007/08 and 2008/09 for £30,000 p.a. to cover the cost of the Pay & Display machine replacement programme
- 4 Officers further investigate the provision of mobile phone parking and other payment methods and report back to this committee on the practical and financial implications.

Background Papers

Parking Review report to and minutes of the meeting of the Environment & Transport Committee – September 2005

Parking Review report to and minutes of the meeting of the Environment Committee – March 2006

Impact

Communication/ Consultation	Any new arrangements will be communicated to users through appropriate means
Community Safety	The report highlights a number of safety concerns regarding vandalism to machines holding large sums of coinage

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Equalities	There are no equality issues
Finance	The financial implications are set out in the report
Human Rights	There are no Human Rights issues
Legal implications	Contractual arrangements with machine suppliers would be dealt with by the Council's legal section and within Contract and Standing Order guidelines
Ward-specific impacts	Parking has district-wide service implications
Workforce/ Workplace	Depending on the option introduced, HR would need to provide advice on the implications for the Job Descriptions of existing staff

Situation

- 1 The Parking Review required officers to consider and report on the practicalities of continuing with Pay & Display ticket machines and report back to this Task Group and the Environment Committee.
- 2 Currently, our 11 car parks have installed a total of 31 Pay and Display ticket machines. On arrival, visitors purchase and display a ticket for a set time. There have been some concerns expressed that this is too prescriptive as people have to return to their cars within a set time period if they do not wish to receive a Penalty Charge Notice (PCN).

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- 3 Officers have researched three methods for paying for parking on car parks -
 - Pay on Foot
 - Pay at Kiosk/Exit
 - Pay & DisplayThey have also considered the practicalities of introducing changing-giving machines.
- 4 Pay on Foot - each car park would have to have an entrance barrier and ticket issuing machine and an exit barrier. Pay Station machines would have to be positioned appropriately in the vicinity of each car park. The Pay Station would have to accept both coins and notes and a member of staff would have to be on call and in close proximity to deal with problems that arise e.g. machinery breakdown, insufficient cash to pay for parking.
- 5 Officers have contacted suppliers for an indication of machine costs. This is likely to be in the region of £48,100 per car park, plus installation cost. Therefore, for all 11 car parks the total cost would be approximately £530,000, plus installation costs.

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- 6 In addition, the Council would have to employ a minimum of 3 parking attendants to service the three main towns in the district. The car park attendants would carry out limited patrolling On-Street but would have to be on-call to deal with issues arising on the car parks. The Council would still have to employ sufficient parking attendants to provide On-Street enforcement.
- 7 Clearly, this option would involve the Council in considerable Capital outlay. In addition, there are issues associated with Health and Safety and security. The Pay Stations have to be filled with a considerable sum of cash on a regular basis – perhaps daily for the machines on the busiest car parks – to replenish the change-giving facilities within the machine. This will place a considerable risk on the Councils staff that would be responsible for replenishing the machines.
- 8 In addition, the machines hold a considerable amount of cash which makes them vulnerable to vandalism/break-in. Officers are aware that Council's that make use of Pay on Foot facilities do so if they can house the machines in secure locations which can be locked at night. There is no such opportunity on our car parks.
- 9 Pay at Kiosk/Exit – Each car park would have to have an exit barrier and adjacent Kiosk where parkers would pay an on-duty attendant on exiting the car park. The capital costs for barrier installation are estimated to be in the region of £9,500 per car park, therefore totalling £105,000, which does not include the cost of providing a secure and properly equip Kiosk for each car park. In addition, staffing costs would increase considerably to employ Kiosk staff to cover the operation of each car park, and allow for breaks, holiday and sickness. These staff would be employed in addition to the requirement to staff the On-Street enforcement service.
- 10 Of the Council's 11 car parks only a few would be considered as suitable for this option due to their size, layout and access/egress issues and the Council would have to make a considerable capital and revenue outlay to implement this option.
- 11 In addition, there are lone worker and health & safety implications associated with this option, whereby the Kiosk attendant would be working in isolation with a considerable amount of cash to manage.
- 12 Pay & Display – The existing regime has been in operation since charges for parking on our car parks was introduced. Research has shown that most of the existing Pay & Display machines on our car parks are beyond their sell- -by-date. Also, they are not capable of incorporating advances in technology that the new models can.
- 13 It has been identified that new machines can be purchased at £2,400 each (including installation) which would provide a more sophisticated, e.g. solar powered, and flexible arrangement with regard to statistical data collection, maintenance and provide the facility in the future to introduce alternative payment arrangements e.g. payment by payment card, mobile phone

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payments etc. The total cost for replacing all 31 machines would be £75,000. This figure does not include the cost of replacing the 5 newer On-Street parking machines.

- 14 An advantage of maintaining the existing Pay & Display regime is its allegiance with the current patrolling regime for On-Street parking enforcement. The parking attendants are able to effectively combine patrols on car parks and on-street which means they are more efficient. The patrolling regime also provides a valuable on-the-street presence and public service – parking attendants are often asked to provide directions and advice in the towns they patrol.
- 15 Change-Giving Machines - For security reasons, it is not possible to locate dedicated change machines on our car parks. Researching into the potential to provide change-giving Pay & Display/Pay on Foot machines has shown that unless there is a secure location within which to lock the machines overnight, e.g. a multi-storey car park arrangement, the machines are subject to vandalism and give cause for health & safety concerns. Appendix 1 gives details of a response by a machine supplier to queries over the provision of change-giving machines.

Alternative Payment Methods

- 16 Officers are aware that advances in technology mean that there are additional payment methods that the Council could introduce to enable “smarter” payment for parking. Some research has been carried out which has identified that there are two companies that provide a Mobile Phone payment option. Officers are aware of other authorities that have introduced the scheme and that Colchester Borough Council is due to do so in the near future. Officers are in contact with colleagues at Colchester BC to obtain feedback and advice on the implementation and take up of the scheme.
- 17 Further work will be carried out on this option and others that are currently emerging e.g. credit/debit card payment, payment by payment card etc. However, it is becoming clear that the introduction of such schemes is subject to increased scrutiny due to the associated fraud and responsibility implications. A report will be made to the Decriminalisation Task Group and this Committee in the future with details of all of the options.

Conclusions

- 18 It is considered that whilst both the Pay on Foot and Pay at Kiosk/Exit options could be provided that they would both require substantial capital outlay and place an additional heavy revenue burden on the Council. The report provides some information on the cost of these two options, but more work would need to be done to understand the full financial implications if members had a preferred option.
- 19 Whilst it is accepted that the current pay and display system is not the most flexible system, it is considered that with the introduction of new “future proof”

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Pay & Display machines, with the capability to use advances in technological, is the most cost effective and practical option, and one which minimises the health and safety implications for our staff.

- 20 Officers will work with appropriate suppliers and payment method providers to consider the options and implications for alternative payment methods and report back to the Task Group and Environment Committee.
- 21 Whilst it is desirable to have change-giving machines available for customers, the practical and health & safety implications out-way the advantages and expenditure.
- 22 This year's Capital Programme has £15,000 allocated for machine replacement costs and it is suggested that the Council implement a replacement programme to replace the existing Pay & Display machines with new models, which allow for technological advances, over a total of three financial years. Therefore, sums of £30,000 p.a. would be required in the Capital Programme 2007/08 and 2008/09 to cover the total cost of the replacement programme at £75,000.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Ticket Machine costs increase over the three year replacement period	Medium	Medium	Arrangements have been made with the supplier for them to hold the price of the machine unless large inflationary increases are incurred
Supplier goes bust	Low	Medium	Payments will not be made until machines are installed

Appendix 1: Change-Giving in Pay and Display Machines

Introduction

Officers carried out research on change-giving machines and received this response from our preferred provider - Cale BriParc.

From time to time, customers enquire about change-giving Pay & Display machines. At this time, Cale BriParc does not offer change-giving Pay & Display machines. It is not because of technological limitations that Cale BriParc does not do so - for many years we have supplied Pay on Foot systems with a change-giving facility and it would be possible for Cale BriParc to develop a machine that issues change.

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The reason for our decision is because of market demand. Many customers consider change-giving and we have discussed the matter with clients and here are the most common reasons why they choose not to purchase change giving machines -

Appeals

If customers present themselves at a machine in order to purchase a ticket and the machine shows a message indicating that there is no change available, does the customer have to purchase a ticket? The Parking Order may be changed to say that that they do. It has been suggested that this would open a grey area and would undoubtedly lead to an increase in appeals and complaints.

The other question is what to do if the full change cannot be given. For example if the tariff was 90p for the first hour. The change facility may be in 10p, 20p and 50p denominations. What should happen if the machine runs out of 10 pence coins? There is an argument that suggests that the machine should display no change available and then the above situation will apply.

Additional Work and Operational Expense

It is possible to supply cascade change giving systems. These systems replenish the change content and send the additional money to the cash box. It may be the case that attendants are required to visit a machine and top up all or some of the change hoppers.

The question arises as to whether or not this is a cash collection or attendant function. There is also the issue of staff security. If this function is to be undertaken by attendants, would they need a vehicle with the same levels of security as a cash collection vehicle? Can the attendants operate alone?

Unless the machines are networked, it may be necessary to implement additional patrols to inspect the machines. These inspections may be necessary on a pre-charging hours basis.

Audit Trails

The audit information would be more involved than with a conventional machine. For complete reconciliation to take place, it would be necessary to have not only the cash box information but any increase or decrease in the value of coins in the hoppers. This data would be a requirement of any change giving facility but the cash collection/audit department(s) would have additional work.

Staff Security

Attackers would be aware that there was cash located in the machine section. Attendants would therefore be at a greater risk of attack.

Additional Maintenance Costs

The additional equipment would require extra maintenance and servicing.

Storage of Change

Where will the change be located?

Reduction in Income

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There will be no overpayment collected. Would this fact lead to an increase in fees to compensate for the loss of overpayment and for the additional work/expense incurred in the operation of the machines.

Alternatives

There are a number of suppliers and operators of change giving machines. Some clients have chosen to install these machines. They are nearly always located in a very secure location, which is usually securely locked during the part of the day when the area is quiet and/or out of changing periods. The unit will feature its own audit trail and can be operated independently from the Pay and Display machines.