



<b>REPORT OF:</b>	HEAD OF CORPORATE POLICY, PERFORMANCE & PARKING
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<b>TO:</b>	EXECUTIVE
<b>DATE:</b>	26 JANUARY 2017
<b>EXECUTIVE MEMBER:</b>	COUNCILLOR J. DURRANT

<b>KEY DECISION REQUIRED:</b>	YES
<b>WARD (S) AFFECTED:</b>	ALL

<b>SUBJECT:</b>	<b>CAR PARK INVESTMENT: PAY &amp; DISPLAY</b>
<b>RECOMMENDATIONS:</b> That: (i) the improvements to the payment options within council car parks be approved as follows a) new cash and card payment machines installed at all car parks b) new pay on exit system be installed at the Bancroft Road multi-storey car park; (ii) the new machines be procured through an existing framework agreement; and (iii) capital funding of £163k be approved for inclusion in the capital programme.	
<b>REASONS FOR RECOMMENDATIONS:</b> To ensure our car parks can continue supporting residents, visitors, commuters and businesses and respond to the changing demands and behaviours of these groups.	
<b>EXECUTIVE SUMMARY:</b> This report sets out proposals to invest in new payment machines across all Council car parks. Our car parks are important assets for our towns and communities, supporting residents, commuters, visitors and businesses. Many of the payment machines are beyond their useful life and are in need of replacement, with increasing faults and maintenance costs. New technology offers the opportunity to improve the service offered to car park customers, increasing the payment options available to them. This will also improve the parking enforcement service that is provided, by enabling us to redirect resources to enforcement activities. In order to achieve these improvements additional capital funding is required. This report sets out the level of funding required and seeks approval to recommend this be added to the Council's Capital programme.	

**Executive has authority to approve recommendations (i and ii). Recommendation (iii) is subject to approval by Full Council.**

## **STATUTORY POWERS**

1. The provision of car parks is not a statutory function.

## **BACKGROUND**

2. The Council currently operates 16 car parks across the borough, of which 14 are chargeable.
3. There are two payment options available to car park customers:
  - Cash: pay and display machines are installed in all the car parks. Payment can be made using coins. Change is not provided, but overpaying extends the users stay. The machines do not accept notes.
  - Using the RingGo service: the Council has partnered with RingGo to offer a card payment option. Payment is made through the RingGo telephone service or mobile App. Users pay a 20p convenience charge for this service.
4. Cash payments make up the majority of car parking payments.
5. This report sets out proposals to invest in new payment machines that will support easier card payment, and to introduce 'pay on exit' at one of the multi-storey car parks.

## **CURRENT PAYMENT MACHINES**

6. 34 pay and display machines are installed across the Councils car parks. Machines are intended to have a 10-15 year life span. Most of our machines are near or have passed this. As a result, we have seen a gradual increase in machine faults.
7. Machine faults have the impact of diverting enforcement resource to try and resolve faults, and also reduce income to the council where customers are unable to purchase tickets.
8. The Council has a maintenance contract for the pay and display machines where enforcement staff are unable to resolve faults. The agreement provides bi-annual preventative maintenance checks and a call out service for repairs, which can take between 12 hours and 4 days depending on the nature of the fault.
9. The ageing nature of the current machines has seen an increase in maintenance calls and costs, which totalled £54k over the last 5 years.
10. It is therefore recommended that the Council invest in new payment machines for our car parks.

## **SERVICE IMPROVEMENT**

11. Investing in new payment machines provides the opportunity to review our approach to car park payments.
12. Our recent car park surveys show a high level of satisfaction among customers. The survey also confirmed that car park users value convenience above all other factors. They want parking to be easy and close to their destination.

13. It is important, therefore, that we offer simple easy payment options as part of our parking service. The survey results show that 62% support the option of pay on exit and 55% would prefer to have a card payment option.
14. These facilities are common in car parks across the country, and increasingly in some of our nearest competing towns. Our payment options are very limited by comparison.
15. It is, therefore, proposed that we replace the existing pay and display machines with new, more reliable machines and that in the most popular car parks we introduce machines that accept both cash and card payments. If we improve the payment machines offered, and increase their reliability, we can also reduce the overall number of machines (particularly in the multi-storey car parks) and therefore reduce costs.

## **INVESTMENT PROPOSAL**

16. Whilst some machines are newer than others, the vast majority are at or beyond their useful life. It is therefore proposed that the opportunity be taken to invest in a new fleet of machines. This has the benefit of ensuring our parking payment service is consistent across all car parks and users know what they need to do to pay for parking.
17. It is recommended that machines be replaced in all car parks, in order to provide the following services to customers and to the council:
  - Credit and debit card payment option
  - Automated reports back to the office, thereby improving the data we hold regarding car park usage
  - Cash payment expanded to accept notes
  - Improved machine reliability
  - Improved machine security

### **Surface car parks and Clarendon Road multi-storey car park**

18. It is proposed that payment machines in these car parks be replaced with new modern pay and display machines. These will offer the payment and other benefits set out above.
19. Not all machines need to be replaced. As we promote cashless payments and customers are increasingly used to this channel, fewer machines are required. Annex 1 summarises the current machine locations and the proposal for each.

### **Bancroft Road multi-storey car park**

20. This is the busiest car park in the borough. As a multi-storey car park it is ideally suited for piloting a different approach to car park payment. The investment in new machines in our other car parks will enable customers to purchase their pay and display tickets with a wider choice of payment options, however this still requires payment in advance.

21. Technology is available (and widely utilised) that allows customers to park and then pay at the end of their stay (pay on exit). This has a number of additional benefits:
  - It increases dwell time in the town: customers are not rushing to get back to their car before their ticket expires. They only pay for the time they are parked.
  - It ensures all users pay fairly: customers cannot exit the car park without paying for their parking
  - It enables enforcement resources to be prioritised to other locations, as less time will be needed checking vehicles in the car park.
22. Older forms of pay on exit systems utilise tokens or tickets to capture the arrival time and support payment and exit. Modern systems are now available that operate using Automatic Number Plate Recognition (ANPR). Vehicles are logged as they arrive and customers enter their registration number when ready to leave. No tickets are required, avoiding ongoing revenue costs and customer concerns regarding lost tickets.
23. Customers would still have the option to pay by cash or card. The systems would include help functions that contact a support centre if there are any issues.
24. ANPR would also offer improved security for the car park, as all vehicles would be recorded entering and exiting the car park.
25. Pay on exit systems are, however, more expensive. They are only viable where there is a secure entrance / exit and large capacity parking. It is proposed that Bancroft Road car park would be ideally suited for this system. Fewer machines would be required and Annex 1 sets out the proposal for machine numbers.

## **Procurement**

26. It is proposed to utilise an existing ESPO 509 Parking Services framework agreement to purchase the new machines. These frameworks are considered to offer good value for money and speed up the procurement process, however only suppliers on the framework are allowed to take part. Alternatively the Council could undertake its own procurement exercise this allows us to satisfy our own specific service requirements and approach all eligible suppliers within this market. However we would have to allow additional time to go through this procurement process (around six months from start to finish).

## **Enforcement implications**

27. The introduction of a new, modern fleet of payment machines will reduce the level of faults. As well as offering an improved service to customers, the reduction in faults will ensure that the council does not lose parking income. It will also enable enforcement officers to spend more time on patrol, increasing the enforcement activity undertaken.
28. The introduction of pay on exit within Bancroft Road car park will significantly reduce the level of enforcement required in the car park. This time can therefore be redirected to other car parks and on street enforcement activities.

## OPTIONS

29. There are a number of options open to the Executive:

- a. No action. The Council could retain the existing pay and display machines. This option is not recommended due to the age of the machine fleet and the increasing number of faults that are reported, resulting in lost revenue and resources being diverted to repair them. **This option is not recommended.**
- b. Retrofit upgrades to existing machine fleet. This has the benefit of lower purchase costs, but the nature of retrofitting and the age of the machines means that significant funding is required to maintain them. There will continue to be risks of machine failures, which may result in lost income and diverting resources from enforcement. **This option is not recommended.**
- c. Invest in new pay and display machines. This can be achieved through a number of sub options:
  - i. Invest in new cash only machines.
  - ii. Invest in new machines that enable cash and card payments
  - iii. Invest in new machines that enable cash and card payments, including pay on exit at Bancroft Road car park. **This option is recommended.**

**The cash only option is not recommended**, as it does not provide the modern choices that customers increasingly expect.

## FINANCIAL IMPLICATIONS

30. The following table sets out the estimated costs for retrofitting and investing in new machines.

Option	Item	Year 1 costs	Year 2 costs	Year 3 costs	Year 4 costs	Year 5 costs
<b>Retrofit card payments to all existing machines</b> <b>NOT RECOMMENDED</b>	Machine upgrade and install (34)	£33,560	£0	£0	£0	£0
	Maintenance	£13,600	£13,600	£13,600	£13,600	£13,600
	Reporting	£3,876	£3,876	£3,876	£3,876	£3,876
	<b>Total</b>	<b>£51,036</b>	<b>£16,476</b>	<b>£16,476</b>	<b>£16,476</b>	<b>£16,476</b>
	<b>5 Year total</b>					<b>£116,940</b>
<b>New pay and display machines across all car parks</b> <b>NOT RECOMMENDED</b>	Machine purchase (18)	£63,000	£0	£0	£0	£0
	Install / cover / remove	£9,415	£0	£0	£0	£0
	Maintenance	£7,200	£7,200	£7,200	£7,200	£7,200
	Reporting	£2,117	£2,117	£2,117	£2,117	£2,117
	<b>Total</b>	<b>£81,732</b>	<b>£9,317</b>	<b>£9,317</b>	<b>£9,317</b>	<b>£9,317</b>
	<b>5 Year Total</b>					<b>£119,000</b>

Option	Item	Year 1 costs	Year 2 costs	Year 3 costs	Year 4 costs	Year 5 costs
<b>Pay on exit at Bancroft Road, plus new pay and display machines in all other car parks RECOMMENDED</b>	P&D Machine purchase (15)	£52,500	£0	£0	£0	£0
	P&D Install / cover / remove	£7,915	£0	£0	£0	£0
	P&D Maintenance	£6,000	£6,000	£6,000	£6,000	£6,000
	POE Machine purchase (2) and ANPR	£30,000	£0	£0	£0	£0
	POE / ANPR Install	£30,000	£0	£0	£0	£0
	Barriers	£3,500	£0	£0	£0	£0
	Maintenance, licences and intercom	£16,190	£6,000	£6,000	£6,000	£6,000
	Reporting	£2,117	£2,117	£2,117	£2,117	£2,117
	<b>Total</b>	<b>£148,222</b>	<b>£14,117</b>	<b>£14,117</b>	<b>£14,117</b>	<b>£14,117</b>
	<b>5 Year Total</b>					<b>£204,690</b>

31. It is recommended that a 10% contingency be allocated to the year 1 costs. Therefore capital funding of £163k is recommended to be allocated within the capital programme. Ongoing costs will continue to be funded from the revenue budget.
32. There will be additional card usage cost to the Council of 14p per transaction. At present, approximately 12,000 card transactions are completed via the existing RingGo service per month. If all of these switch to the card payment service through machines, the cost will be £20,160 per year.
33. As set out above, one of the benefits of introducing pay on exit systems is that it encourages customers to spend more time in the town, without being concerned about getting back to their vehicle. This has the benefit of increasing trade within the town, but also of increasing parking income for the council.
34. Pay on exit systems were recently introduced in Surrey Heath and Horsham. Income figures show an increase of between 10.8% and 12.9% respectively following the introduction of pay on exit. If income from Bancroft Road car park increased by 10% compared to 2014/15 it would generate an additional £21k per year. This would offset the increased card fees set out above.
35. New, more reliable machines, which offer easier payment options, may lead to increased usage in other car parks. However, it is difficult to estimate this, and therefore calculate any change to the income in these car parks.

### **LEGAL IMPLICATIONS**

36. There are no legal implications arising from this report.

### **EQUALITIES IMPLICATIONS**

37. Improving the payment options will improve the accessibility of our car parks.

### **COMMUNICATION IMPLICATIONS**

38. A communication plan will be prepared to ensure that customers are informed of changes to payment options, and to promote cashless as the preferred payment method.

### **RISK MANAGEMENT CONSIDERATIONS**

39. There are no risk management considerations arising from this report.

### **CONSULTATION**

40. Regular surveys of car park users are undertaken and the results have been used to inform the proposals within this report.

### **POLICY FRAMEWORK**

41. There are no policy framework considerations arising from this report.

**Background Papers:**       None

## Annex 1: Machine proposals

Car Park	MC NO:	Age (years)	Proposal
<b>BANCROFT RD, Reigate</b>	031 LEV1	16	Upgrade to new machine (pay on exit)
	033 LEV2	16	Upgrade to new machine (pay on exit)
	035 LEV3	9	Cover – pay by phone promotion
	039 LEV5	9	Cover – pay by phone promotion
	034 LEV6	9	Cover – pay by phone promotion
	037 LEV4	11	Cover – pay by phone promotion
	038 LEV7	9	Cover – pay by phone promotion
<b>BELL ST, Reigate</b>	45	9	Cover – pay by phone promotion
	6	9	Upgrade to new machine
<b>UPPER WEST ST, Reigate</b>	9	12	Upgrade to new machine
	10	12	Cover – pay by phone promotion
<b>TOWN HALL, Reigate</b>	7	6	Upgrade to new machine
<b>CLARENDON RD, Redhill</b>	30LEV7	27	Cover – pay by phone promotion
	18LEV5	27	Cover – pay by phone promotion
	16LEV3	12	Cover – pay by phone promotion
	15LEV2	11	Upgrade to new machine
	3LEV1	10	Remove
	22LEV6	12	Cover – pay by phone promotion
	17LEV4	8	Upgrade to new machine
<b>GLOUCESTER RD, Redhill</b>	14	16	Cover – pay by phone promotion
	46	10	Upgrade to new machine
	19	11	Cover – pay by phone promotion
<b>MARKETFIELD ROAD, Redhill</b>	21	10	Cover – pay by phone promotion
	47	10	Upgrade to new machine
<b>LINKFIELD CORNER, Redhill</b>	23	12	Upgrade to new machine
<b>HIGH ST, Banstead</b>	48	6	Upgrade to new machine
	02B	4	Cover – pay by phone promotion
<b>HIGH ST, Horley</b>	13	8	Upgrade to new machine
<b>LIBRARY, Horley</b>	27H	6	Upgrade to new machine
<b>VICTORIA RD, Horley</b>	11	16	Cover – pay by phone promotion
	12	16	Upgrade to new machine
<b>CENTRAL, Horley</b>	25	16	Upgrade to new machine
	26	16	Upgrade to new machine
<b>TATTENHAM CORNER</b>	5TC	10	Upgrade to new machine