

REVIEWING USER PAYMENT EXPERIENCE AND MODERNISATION ACROSS KEY RESIDENT SERVICE AREAS

Committee name	Residents, Education and Environmental Services Policy Overview Committee
Officer reporting	Roy Clark, Residents Services
Papers with report	Appendix 1 - details of cashless parking options available
Ward	All

HEADLINES

To review the current methods that residents and customers can pay for parking in Hillingdon and to suggest possible options for cashless payments in the future.

RECOMMENDATIONS:

That the Committee notes and comments on the information presented.

SUPPORTING INFORMATION

The Council's Parking Services section operates a number of areas where payments are taken for services. These include payment for permits, parking suspensions, Penalty Charge Notices and payments for parking in on-street parking bays and in the Council's car parks.

Payments for parking permits currently average £234k per annum and payments can be made from a variety of payment sources. Payments can be made online through a third party payment provider, by cheque/postal order, or by telephone. As all permit and visitor voucher applications are received by post, cash is not accepted. However, cash is occasionally posted to the Council and, if this occurs then the money is banked as normal. If a resident wishes to purchase additional visitor vouchers then these can also be obtained by visiting the local library.

The council makes charges for parking bays to be suspended for road works, etc and for waivers to park on yellow lines during essential works. On average, the council receives a total of £116k in payments for parking suspensions/parking waivers each year. Payments for parking suspensions/waivers can be made by cheque or payment card over the telephone.

Penalty Charge Notices (PCNs) are issued to vehicles that commit a parking or traffic contravention (such as parking in a bay without paying for a pay & display ticket or being in a bus lane, etc). In an average year, the council receives a total of £3.4m in relation to PCNs. Payments for PCNs can be made online by a third party supplier, by an automated telephone service or by cheque/postal order.

The third party payment system for PCNs also allows the motorist to view details of their PCN

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Residents, Education and Environmental Services Policy Overview Committee - 8 October 2018

and see the photographs that the enforcement officer took when they issued the PCN.

The two multi-storey car parks in Uxbridge (Cedars and Grainges car parks) currently operate a barrier control system with Pay on Foot machines. Motorists can pay for their period of parking at the Pay on Foot machines by using banknotes, coins or the contactless credit/debit payment system. The average income from these car parks is £981k per annum. The range of payment options at off-street multi-storey car parks tends to be much wider than on-street parking bays, or off-street surface car parks as they can utilise barriers, etc, and are under protective cover.

The other area where Parking Services receive payments is at the pay and display (P&D) machines which are used to control the majority of the car parks and on-street parking bays. A total of £1.9m is received in P&D payments per annum.

The Council currently has a total of 252 no. P&D machines that operate differential, cheaper, charges for Hillingdon residents (which are triggered by presenting a contactless HillingdonFirst card at the machine) the majority of which were installed in early 2009 to coincide with the introduction of the HFC system. Since then additional machines have been purchased to operate in new residential and shopping parking schemes

Whilst the current P&D machines only accept coin payments, it would be possible to introduce a cashless payment option at the P&D machines in the future. Over the past few years paying for parking by using a debit/credit card has become more popular through increased user confidence in the acceptance of electronic payment, advances in technology and also as people rely less and less on coins/notes as they want to use technology to manage their finances through cashless payment options, such as mobile phone parking systems and contactless payment readers.

The introduction of cashless payment systems reduces the risk of theft from the P&D machines as they are not as attractive to thieves as they do not contain such high levels of cash.

As well as improving the range and ease of payment for motorists, cashless parking systems also provide benefits to councils as there is less cash to collect, count and bank. If a mobile phone payment system was adopted then there is also less wear and tear on the machines which should result in them lasting longer and not requiring high levels of repairs.

There are a number of different options available to enable people to pay for parking at P&D machines without using coins/notes, which are:

- P&D machines with cash only facilities and a card payment system available through a mobile phone system (under this system coin only machines would remain and a separate mobile phone payment system would also be introduced).
- P&D machines with a card only payment system fitted to the machine (under this system only a payment card reader would be available at the machines - there would be no coin payment option available).

- P&D machines with cash **and** card payment facilities fitted to the machine (under this option motorists could pay with coins at the machine and there would also be a payment card reader fitted to the machine).
- P&D machines with cash **and** card payment facilities fitted to the machine, **and** an additional card payment system available through a mobile phone system (under this option motorists could pay with coins at the machine and there would also be a payment card reader fitted to the machine. There would also be a separate mobile phone payment system available).

A mobile phone payment system operates independently of the P&D machines and can be used with all types of P&D machines available.

Cashless parking systems are available nationwide and in many boroughs around Hillingdon. When Hillingdon's original P&D machines were installed, it was not possible to install a machine that operated the HillingdonFirst differential charging system and a card payment system simultaneously but technology has now moved on and both types of system could be incorporated into a single P&D machine. Details of how the various cashless payment options operate are detailed in Appendix 1.

Implications on related Council policies

None at this stage. However, a role of the Policy Overview Committees is to make recommendations on service changes and improvements to the Cabinet who are responsible for the Council's policy and direction.

How this report benefits Hillingdon residents

None at this stage, pending any findings approved by Cabinet.

Financial Implications

It is important that the Committee considers cost effective proposals that benefit residents and taxpayers in relation to this review, which would ultimately be determined by Cabinet as part of the Council's broader budget planning process.

Many of the current P&D machines have nearly reached the end of their life and will need replacement in the foreseeable future. The approved capital programme does not currently include specific provision for the replacement of P&D machines, however this could be taken into account in the MTFP and included in the revised five year programme to be approved by Cabinet and Council in February 2019.

The capital financing costs associated with the potential investment in replacing P&D machines and any other related operating costs would be allocated to the Parking Revenue Account (PRA). Under Section 55 of the Road Traffic Regulation Act 1984, the use of income from PCNs is restricted and a separate Parking Revenue Account is maintained to account for this income, together with other on-street parking income streams, any related expenditure and the use of any surplus.

The estimated capital cost of purchasing new P&D machines is as follows:

	No. machines	Machine type	
		Cash only - £3,400 per machine	Cash & integrated card reader - £4,125 per machine
2019/20	137	£465,800	£565,125
2020/21	50	£170,000	£206,250
2021/22	45	£153,000	£185,625
2022/23	20	£68,000	£82,500
	252	£856,800	£1,039,500

The final prices would be subject to a competitive tendering exercise.

If a separate Mobile Phone/card payment system was introduced then it is estimated that the additional cost would be in the region of £10k, with on-going annual expenditure of c.£3,500. The system would operate across the population of P&D machines available within the parking industry.

Legal Implications

None at this stage.

BACKGROUND PAPERS

Appendix 1 - details of cashless parking options available.