

# TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Executive Committee
<b>Date of Meeting:</b>	18 November 2020
<b>Subject:</b>	Replacement Pay and Display Parking Machines
<b>Report of:</b>	Head of Finance and Asset Management
<b>Corporate Lead:</b>	Deputy Chief Executive
<b>Lead Member:</b>	Lead Member for Finance and Asset Management
<b>Number of Appendices:</b>	None

## **Executive Summary:**

This report outlines a request for a capital budget of £117,000 to replace the ageing parking pay and display parking machines within the car parks. The Borough Council manages 10 car parks across Tewkesbury and Winchcombe towns which currently have an ageing stock of pay and display machines that have not been replaced for more than 13 years. Replacing these machines will give an opportunity to offer card payment for users and remote access for officers via a back-office portal to receive live data of car park usage and any machine faults, providing a better user experience with live data of car park usage and machine faults. The capital investment will reduce the ongoing maintenance cost of the machines.

## **Recommendation:**

### **That it be RECOMMENDED TO COUNCIL:**

- 1) That capital funding of £117,000 be allocated from the Capital Receipts Reserve for the replacement of car park pay and display machines across all authority owned and charged car parks.**
- 2) That authority be delegated to the Head of Finance and Asset Management to procure suitable parking pay and display machines that offer cash and card payment options with a remote back office function.**

## **Reasons for Recommendation:**

The current parking machines are ageing and require daily management to ensure they remain operational, along with ever increasing maintenance costs and parts becoming obsolete. These machines are unable to take card payments in this ever-increasing cashless society and there is a national indication that 60% of users wish to use cards to make payments.

The remote back office live data from the new machines will provide valuable data for the operational and strategic management of our car parks.

The new machines will also reduce the staff resource required to manage the car parks allowing the property team to reallocate resources to other areas of the business.

**Resource Implications:**

The new machines will require an initial capital investment of up to £117,000 and will incur additional card transaction charges. However, savings will be made on the cash collection and handling costs currently incurred. This sum is to be allocated from the capital reserve that stands at £1,140,540.84 as of 31 March 2020.

The number of machines can be rationalised as we currently have a minimum of two machines in the majority of car parks in case of any breakdowns. The new machines will provide daily operational reports allowing response times for repairs to be quick reducing any loss of income.

**Legal Implications:**

The authority will undertake a procurement exercise in line with its Contract Rules and the Public Contracts Regulations 2015. With regard to the introduction of new technology, the authority will also undertake a Data Protection/Privacy Impact Assessment to ensure compliance with Data Protection legislation.

**Risk Management Implications:**

The proposal in this report will mitigate the significant risk of machine failure which could lead to a loss of income. The new machines will also improve the impression of our car parks and Towns for visitors therefore mitigating some of the reputational risk associated with the appearance of our car parks.

**Performance Management Follow-up:**

The Asset Management team will carry out a procurement exercise and work with the selected contractor to implement the machines in time for the new financial year.

**Environmental Implications:**

The primary power supply for the new machines is solar and they will only be connected to the electricity supply as a secondary source of power if we have limited sunlight and heavy usage. The new machines have an option to be paperless.

**1.0 INTRODUCTION/BACKGROUND**

**1.1** The authority currently operates 10 off-street car parks within Tewkesbury Borough for Pay and Display and two further off-street car parks which provide free car parking and do not have parking enforcement. Eight of the off-street car parks are located in the town of Tewkesbury and two are in Winchcombe

**1.2** The off-street car parks operate with the following pay and display machines:

- 16 x Metric Accent.
- one Autoslot.
- one Parkeon.

All these machines are in excess of 13 years old and currently have no back office management provision and only allow cash payment. The age of the machines, and lack of functionality, create a poor first impression for visitors to the Borough.

- 1.3** In addition to the parking machines, the authority currently offers a cashless parking system via Ringo which allows users to pay by phone, app or paypoint. 40% of users currently use this product as it offers added benefits like text alerts that your session is ending and the ability to top up your stay whilst you are not at your car.
- 1.4** The current enforcement contractor NSL manages the off-street parking along with the first line car park maintenance reporting and first line management and maintenance of the car park machines.
- 1.5** The enforcement is currently managed under section 76 of the Traffic Management Act 2004 parking regulations. All machines must meet this regulation and the Tewkesbury Borough Council Parking Order 2015 and any subsequent versions.
- 1.6** The current revenue cost of the management of the machines includes maintenance, cash collection and general servicing costs i.e. tickets, is approximately £16,500 per annum - £6,800 for quarterly service visits, £9,000 for cash collection and processing and £700 for parts and tickets for the machines.

## **2.0 REPLACEMENT PAY AND DISPLAY MACHINES**

- 2.1** The proposal is to replace the ageing stock of 18 pay and display machines across all the car parks. The proposed new machines will include the following functions:
- Contactless payment and cash options.
  - Live data of machine faults and usage.
  - Remote access to alter the tariffs and displays.
  - Full audit details of who have accessed the machines to service the units and empty the cash.
  - Solar operated with electric connection as a back up.
  - Fully programmable to issue double pay and display tickets and can be operated as a ticketless option.

Officers will look to providers to demonstrate value added functionality of the machines such as the ability to read discount cards for local discretionary schemes.

- 2.2** There are a number of machine providers that offer an end to end product which includes the provision of the physical machine, ongoing maintenance, processing and management of the card payments.
- 2.3** With the machines having remote access and back office connectivity, the number of machines that are required can be rationalised reducing the capital expenditure and ongoing maintenance costs. Therefore, the current provision of 18 machines could be reduced to as little as 12 with the smaller car parks only having 1 machine due to the quick response to faults and the payment option of Ringo.

**2.4** The capital cost per machine ranges from £5,000 to £6,500 per unit installed with annual maintenance and software costs ranging from £4,000 per annum to £9,500 per annum. The average electronic transaction fee is 15p per transaction.

Savings will be generated directly through a reduction in cash processing fees and the internal resources required to maintain and manage the machines. Data will be available via remote access negating the need to visit the machines on a monthly basis.

Any savings made to the proposed capital expenditure, either through machine rationalisation or reduced procurement costs, will be returned to capital balances. The 2021/22 revenue budget will be amended to reflect the change in ongoing cost base.

**2.5** Should the Council agree to this capital request, it is envisaged that the new machines could be installed and operational in time for the start of the new financial year.

### **3.0 OTHER OPTIONS CONSIDERED**

**3.1** Two other options have been considered:

- not to replace the machines – the machines are at the end of their useful life resulting in frequent issues and a scarcity of replacement parts. The cost of maintenance is continually increasing, and the machines are unable to process card payments.
- Remove the machines entirely and rely on the cashless parking systems - only 40% of users currently take this option and a large number of individuals still wish to use a physical machine for payment.

### **4.0 CONSULTATION**

**4.1** The Parking Strategy Review Working Group and stakeholders in Winchcombe and Tewkesbury have been consulted all of which are very supportive of additional payment methods being introduced in the car parks. The recommendations in this report were originally going to be put forward in a new Parking Strategy but the impact of Coronavirus has delayed this. The need for replacement machinery however remains and therefore Members agreed to support the replacement proposals as a separate report to the strategy.

### **5.0 RELEVANT COUNCIL POLICIES/STRATEGIES**

**5.1** Car Parking Strategy.

### **6.0 RELEVANT GOVERNMENT POLICIES**

**6.1** None.

### **7.0 RESOURCE IMPLICATIONS (Human/Property)**

**7.1** Replacement of machines as detailed within the report.

### **8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**

**8.1** The machines are powered by solar and reduce the number of maintenance visits required to the machines reducing the overall carbon footprint.

**9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)**

**9.1** A procurement exercise will be completed in line with the 2015 procurement rules which will demonstrate best value.

**10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**

**10.1** None.

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**Background Papers:** None.

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**Appendices:** None.