	London Borough of Hammersmith & Fulham **CABINET** **12 OCTOBER 2015**
TICKET MACHINE PARKING REPORT	
Report of the Cabinet Member for Environment, Transport and Residents Services : Councillor Wesley Harcourt	
Open Report	
Classification - For Decision **Key Decision: Yes**	
Wards Affected: All Wards	
Accountable Executive Director: Mahmood Siddiqi, Director for Transport and Highways	
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1. EXECUTIVE SUMMARY

1.1. This report provides background on the current state of the Pay & Display ticket machines across the borough. This report also provides details on the current annual cost of operating and maintaining the ticket machines, as well as the comments and complaints received regarding the current system. Five options for the future of ticket machines are provided, with the pros and cons of each addressed.

1.2. Details of the three main types of payment method currently available are provided, as well as some of the main dis/advantages of each. LBHF are currently trialling phone and card payment methods in two CPZs and the results of these trials are used in forecasting the future demand for different Pay & Display methods.

1.3. Officers have formulated several options for the future direction of Pay & Display infrastructure within the borough. This report provides details of how these options would work, the dis/advantages of each, and the financial costs of implementation. The report also provides estimates of what the annual operating costs of these options might be.

1.4. The administration have committed to the review of all existing contracts over fifty thousand pounds. They are also keen for parking to be fairer and support local high streets. Increasing both the accessibility to payment methods and the number of modes accepted will target these policies.

2. RECOMMENDATIONS

2.1. To approve the mixed mode 1 option as the direction for Pay & Display equipment in Hammersmith and Fulham. This will mean purchasing about 400 new ticket machines and removing the existing 1100 ticket machines, as well as offering phone payment across the entire borough.

2.2. To Consult with Businesses in the borough as to whether ticket machines in more commercial areas should offer cash as well as card payments.

2.3. To approve authorisation for the tender process for new Pay & Display ticket machines to be conducted, as well as the maintenance contract for the new machines.

2.4. To delegate to the Cabinet Member for Environment, Transport & Residential Services and the Leader of the Council, the authority to award a framework agreement for a ticket machine purchase and maintenance contract.

3. REASONS FOR DECISION

3.1. The majority of Pay & Display infrastructure has been in place for close to 20 years, meaning many of the ticket machines are past their life expectancy and are now obsolete. In consequence, the machines are more vulnerable to theft, more likely to develop faults and cannot offer the flexibility of more modern machines in terms of the variety of tariffs, the ability to charge per minute and handle a wider range of coins and accept card payment. In the average month about 1500 reports are made of issues with ticket machines from residents, visitors and computer monitoring software. This impacts on both the effectiveness and enforceability of parking controls in the adjacent area.

3.2. LBHF have received numerous comments from residents, businesses and visitors asking for improved payment facilities for parking, including requests for alternative methods of payment.

3.3. The Council have seen a growing issue with vandalism and theft from ticket machines. This has included organised groups targeting ticket machines with coordinated and sophisticated schemes which is estimated to cost the council over £300,000 in lost revenue per year. The proposal would see the removal of cash from ticket machines, helping to mitigate the level of crime and damage currently being caused. The consultation with businesses would help to ensure that the full/partial removal of cash from streets was done with the support of the business community.

3.4. The value of the new contract will exceed the minimum value for a formal tender process to be conducted. Officers will therefore need to complete a full tender process in advance of awarding a contract or initiating planned designs, in order to conform with national guidance on procurement. The contract will affect the entire borough requiring a Cabinet decision.

4. INTRODUCTION AND BACKGROUND

4.1. The London Borough of Hammersmith and Fulham (LBHF), receives a large number of complaints each year through a range of mediums regarding the current state and restrictions of the existing Pay & Display equipment. In an average month about 1500 reports are received regarding ticket machines functionality. These comprise both complaints and reports received from the public, contractors, computer reports and officers (many of the report received are issues that don't affect the end users experience of the machine, but do require council resources to resolve). In April 2015, 1474 complaints were received including, machines not working, no communications with machines, theft and vandalism, as well as a number of other functionality issues. The provision of a new multi layered system offering different payment methods will aim to meet the demands of residents, businesses and visitors alike. It will also aim to reduce the amount of time and cost involved in monitoring and managing the current service.

4.2. There are currently around 1100 Pay & Display ticket machines located across the borough. These ticket machines offer Pay & Display tickets for purchase, which are then valid in any shared use parking bay within the corresponding Controlled Parking Zone (CPZ). All of the current ticket machines have been provided by a single company (the Metric Group), who also currently have an annual contract for the management and maintenance of the machines.

4.3. There are a total of 28 CPZs in the borough. Parking in each of these zones is restricted, meaning that each zone requires Pay & Display ticket machines that are specifically programmed for that zone. All of the Council's CPZs, except for two (A and O) were introduced between 1992-98, with the ticket machines being installed at the same time. This means that the vast majority of the ticket machines are now at least 17 years old (with many others being older than 20 years), and well beyond their original life expectancy.

4.4. At the time the ticket machines were installed, the methods of payment available were more restricted. Payment by cash was the predominate mode of payment at the time, with the internet and mobile phones in their infancy. At the time the Pay & Display machines were installed the cost for half an hour's parking was 20p, at present the rate for half an hour is either £1.10 or £1.40.

4.5. The ticket machines when originally purchased, were expected to last between 10 and 15 years. Many of the machines have now been on street for closer to 20 years and this means that they are more vulnerable to vandalism and theft . At any one time as many as 60 machines can be out of service due to mechanical failures or vandalism. The availability of spare parts for these machines is likely to become increasingly problematic , which will increase the

costs and timescales for repairs. The ticket machines are an important part of the parking controls and without them the ability of Civil Enforcement Officers (CEOs), to effectively enforce controls can be compromised.

4.6. The current ticket machines are maintained by the Metric Group. LBHF has an annual contract for the maintenance of ticket machines, which at present is about £450,000 per year.

4.7. The increase in the amount of cash that each Pay & Display machine collects as a result of the higher rates, has led to an increase in the number of cases of vandalism and thefts. It is difficult to determine exactly how much money is lost to theft however best estimates suggest it is in the region of £300,000 to £350,000 a year. In addition to this the cost of repairing ticket machines damaged by vandalism is estimated at around £20,000 to £30,000 per year.

4.8. There are three main methods of payment currently being used for parking by other London Boroughs. Appendix 1 shows a full list of London boroughs and what methods of payment they currently use. Listed below are the three main methods as well as dis/advantages of each:

4.9. <u>Cash Payment Option</u>

As a type of payment option, this is the most common method for the past twenty years or more. Cash comes in two forms, coins or notes, traditionally ticket machines have only needed to accept coins due to the lower cost of parking. With the rising cost of parking, machines are now more often arranged to accept notes (as of 2013 three London boroughs offered ticket machines that accepted notes). On street Pay & Display machines do not offer the facility to provide change as this would increase the likelihood of theft and require many extra engineer or cashier visits to top up the change:

- Although the technology is improving, many ticket machines are still susceptible to accepting foreign/fake currency. At present it is estimated that between £20,000 and £45,000 of revenue is lost as a result of fake coins/foreign currency.
- Cash collection is required for every machine that accepts cash/notes. The current contract for cash collection is £472,000 per year, to collect and sort the cash from each machine.
- With the recent announcement of the new one pound coin, estimates have been provided for the reprogramming of ticket machines to accept the new coin. It is estimated that it will cost about £120 per machine to reprogram and update them to accept the new coin (this would be a total of £132,000 to convert all 1100 machines).

4.10. <u>Card Payment Option</u>

With the continued increase in credit and debit card use, this payment method has been incorporated into many Pay & Display ticket machines in other London boroughs. With the relatively recent introduction of contactless payment or ‘wave and pay’ technology (for example TfL and underground stations), cards are now more popular than ever as a method of payment:

- The card payment option means that users don't have to worry about having correct change when they go to a ticket machine, unlike with cash.
- The card transaction process requires a high speed internet connection in order to communicate with the credit card providers. This means an ADSL broadband line is required for each machine at a cost of about £35 a month per machine.
- Despite some public perception, the card payment process is secure. There is also no money being stored in the machines which should reduce the incidents of theft and vandalism to the machines.
- The cost of transaction fees for cards is charged either as a percentage of the total transaction, or as a fixed fee per transaction depending on the type of card used. This fee is paid for by the council as part of the service offered.
- When using debit/credit cards a connection and validation process is required with an intermediary. This means there is a risk of card transactions failing due to the card being declined or the transaction timing out. This can cause frustration for users and a potential loss in revenue.

4.11. Phone Payment Option

The introduction of mobile phones and more recently smart phones has seen the creation of phone payment parking. This method allows users to pay for their parking without having to find and use a physical ticket machine. The technology is linked to number plate registration as no physical tickets are produced.

- Users benefit from being able to pay for their parking without leaving the car, and do not have to go searching for a ticket machine.
- The technology allows users to pay for the exact amount of time they want, and alerts them when their time is running out. Users are also able to top up their payment without having to return to the vehicle.
- Phone payment can be restrictive as it excludes anyone who does not have a mobile phone from using the system. As such it would be difficult to run the system without providing an alternative which does not rely on the user having a specific type of technology and is available to everyone.
- As Phone payment can only be offered in conjunction with another payment method at present, it can only be considered an additional option. The London borough of Barnet removed all ticket machines and operated a phone payment only system, however due to legal challenges under equalities law, they were forced to install ticket machines as well. As it is considered an additional option it is possible to pass the transaction charge of the service on to the consumer.

5. CURRENT TRIALS OF PAYMENT TECHNOLOGY

5.1. LBHF are currently trialling both card payment and phone payment parking in two separate trials in order to establish their impacts in a live environment within the borough. These trials are important in determining which payment methods will be most appealing to users in the future and identifying any potential pitfalls of the payment types in the real world.

5.2. The card payment trial began in August 2013 in CPZ K. All of the 29 existing ticket machines were removed and 28 new card payment ticket machines replaced them. The 28 machine were put in the same locations as the previous machines (with one location removed), in order to keep the test environment as similar to the previous arrangement as possible. The new ticket machines only accepted payment by debit or credit card.

5.3. The trial of the card payment ticket machines has been operating for over 18 months, during this time the residents and businesses of CPZ K have also been consulted. The results of the consultation raised some issues with the scheme, however most of these related to the design of the ticket machines and the utilities connecting them. This feedback will be used in the specifications and planning of any new ticket machines in the future.

5.4. The financial records showed that the change from cash to card did not lead to any significant changes in the level of income from CPZ K on a month to month basis. Parking Enforcement report that although there was a short period during the installation where enforcement was stopped, since the installation of the scheme has finished there has not been any significant impact on enforcement as a result of the change in payment method. At present there have been no challenges of PCNs based on the grounds of payment type being offered.

5.5. The Trial of phone payment begun in October 2014 in CPZ E. The trial has been operated in conjunction with the existing Pay & Display ticket machines in order to provide a comparison of the two modes. Initial data shows that about 66% of all transactions in the zone are made by phone payment. A separate paper has been submitted providing further details on the results of the phone payment trial and its potential to be introduced across the borough.

6. ISSUES

6.1. The current ticket machines on street accept correct change coins only. However since they were installed the price of parking has increased from 40p to between £2.40 and £2.80 per hour. This has meant users now need to carry much larger amounts of change in order to pay for their parking.

6.2. The majority of the current ticket machines were installed about 20 years ago. At the time they were installed they had about a 10 - 15 year life expectancy. Due to their age sourcing replacement parts will become increasingly difficult .

6.3. Parking Services have experienced repeated issues with regards to theft and vandalism of the current ticket machines. As the amounts of coins collected

has increased with higher tariffs and increased parking demand, the ticket machines have become an attractive target for theft. LBHF loses an estimate £300,000 to £350,000 a year in theft and spends between £20,000 and £30,000 in repairs to vandalised machines.

6.4. As a public body, the council is required to ensure that any service is inclusive and accessible to all. The ease of use of the system is essential to its successful operation. Users expect a simple and easy process to follow, to obtain their Pay & Display validation. Whichever system is ultimately used it needs to be easy for users to follow and understand.

6.5. Sections 7 to 9 give details of several options that Council officers have investigated regarding the future direction for Pay & Display parking infrastructure across the borough. The factors listed below are important in determining the requirement and acceptability to the user of any option for Pay & Display.

7. A STRAIGHT REPLACEMENT OPTION

7.1. At present there are about 1100 ticket machines across the 28 Controlled Parking Zones. This option proposes that 1007 of the existing ticket machine locations are replaced with new ticket machines. The remaining 93 machines would be removed and not replaced due to current spacing arrangements. Mapping of the current machine locations has identified a total of 93 locations where machines could be removed without causing users to travel more than 80m from any parking space. The 93 locations proposed would also be removed as part of the cost savings of introducing phone payment, which could happen prior to the replacement of the other ticket machines.

7.2. There are no set guidelines on the distance required between ticket machines, or the acceptable distance between a parking space and ticket machine. European guidelines for accessibility recommend that no individual should travel more than 200m to a payment location. There is also no previous ruling from Parking and Traffic Appeals Service (PATAS), stating a maximum distance to travel, although the Council has lost a case on the basis of the nearest machine not being close enough to the location where the car in question was parked. Council officers have therefore taken the approach that when ticket machines are the only method of payment offered, users should be expected to travel no more than 80m from a parking space. This is due to the average walking speed being 1.4m per second, meaning 80m would take approximately 1 minute to walk. This would allow users time to travel to and from the ticket machine and complete a transaction. This distance would also mean that the vast majority of parking spaces are within a visible distance of a ticket machine.

8. RATIONALIZED REPLACEMENT OPTION

8.1. This option aims to optimize the range and placement of ticket machines, in order to reduce the total number required across the borough by maximising

their sphere of coverage. The proposal would mean a total of 800 new ticket machines being required.

8.2. This option would involve closing about 600 of the current ticket machine sites, and about 300 new sites would be used in order to provide appropriate coverage. Under this scheme parking spaces would be no more than 80m from the nearest ticket machine.

8.3. The type of machine installed may require an ADSL telephone line to be installed. This could cause the cost of the new locations to increase due to the need for trenching and installation of the line by contractors.

9. MIXED MODE OPTION

9.1. If a decision was taken to introduce phone payment method as well as ticket machines, this option would allow for a smaller number of ticket machines. As phone payment would mean multiple payment methods are available, this would allow for an increase in the spacing between ticket machines.

9.2. Although no legislation exists regarding payment distance, the precedent has been set that when Phone payment is offered, users can avoid the need to leave the parking space to pay. At present there are no recorded cases or subsequent rules regarding the maximum distance between ticket machines when used alongside phone payment. Officers consider that the phone payment would be accessible by the majority of users, however ticket machines are still required to cater for the remainder. Officers consider 200m to be too far to walk to (this is based on the average person walking 200m in about 2minutes 20seconds, 1.4m/s), purchase a ticket and return to the vehicle within the five minute observation period currently used by Civil Enforcement Officers. It is the opinion of officers that a distance of no more than 120m from parking bay to ticket machine would allow a user to purchase a ticket and return to the vehicle within the observation period.

9.3. The Mixed Mode option involves borough wide coverage of phone payment, as well as a number of ticket machines in each CPZ. This combination allows three sub options outlined below:

- Mixed Mode 1: Phone payment offered along with the removal of all 1100 old ticket machines and the installation of 400 new card only machines in new locations ensuring that parking bays are no more than 120m from a machine.

- Mixed Mode 2: Phone payment offered along with the removal of about 500 existing machines, leaving the remaining machines as the alternative to phone payment. This option would also mean no parking space is more than 120m from a ticket machine.

- Mixed Mode 3: Phone payment alongside 400 new ticket machines that accept card payments, with 100 of these machines also accepting cash payment. Machines would be no more than 120m from a parking bay.

9.4. If the option to keep the existing ticket machines is chosen then the parts from the removed machines could be used in some situations to fix the remaining machines. This option would require more machines to remain on street in order to provide the 120m maximum distance, due to the irregular arrangement and spacing of the current ticket machine locations. This would also not address the issues of theft and vandalism that are currently affecting this type of ticket machine.

9.5. At present the ticket machine manufacturers use a standard model for the machine, regardless of the mode of payment being offered. All the machines are designed to accept the different payment options, and it is a fairly simple case of removing a face plate to make an additional payment method available. This would mean that if a new machine only offered card payment initially, it would not be a difficult process to adapt the machine to accept coins as well.

10. FINANCE FOR THE OPTIONS

10.1. The table below (table 1), details the cost of the hardware involved in each of the options. The primary costs are, the installation of a ticket machine (approximately £560), the removal of a ticket machine (approximately £210), the cost of new signage (approximately £88) and the installation of new posts (approximately £120). The cost of a new ticket machine will depend on the winning tender, however estimates range from £4000 to £4500 per unit, for this evaluation the mid-range value of £4250 per unit has been used.

Table 1: One off cost of each option

	Straight Replacement	**Rationalized Replacement**	**Mixed Mode 1**	**Mixed Mode 2**	**Mixed Mode 3**
New Installations	£563,920	£447,400	£224,000	£0	£224,000
Removals	£231,000	£231,000	£231,000	£105,000	£231,000
Signage	£15,105	£27,965	n/a*	n/a*	n/a*
Posts	£13,200	£28,160	n/a*	n/a*	n/a*
Conversion Cost	£0	£0	£0	£275,000	£0
Total	**£823,225**	**£733,560**	**£455,000**	**£380,000**	**£455,000**
Officer time	£60,000	£60,000	£60,000	£40,000	£60,000
New machines	£4,279,750	£3,395,750	£1,700,000	£0	£1,700,000
Total	**£5,162,975**	**£4,189,310**	**£2,215,000**	**£420,000**	**£2,215,000**

- * The costs associated with signage and posts under either of the options that include phone payment are calculated in part 1 of the pay and display infrastructure report.

- A more detailed breakdown of the costs of each option by CPZ is detailed in Appendix 2-4.

10.2. As well as the capital outlay of each option there are also annual fees associated with each option. Ticket machines require maintenance and utilities to operate, whilst the use of credit/debit cards will involve transactions fees. The Finance Appendix gives a breakdown of the annual costs of each of the options presented.

10.3. The transaction fees for the phone payment are lower than those for card, as the phone provider incorporates this into the overall transaction fee they charge the council, as such they are able to pool all transaction fees from all their clients to negotiate a better rate with the banks/credit card companies.

10.4. Several other London boroughs such as Westminster currently charge the transaction fee for phone payment to user, rather than the Council paying this fee. This means that the individual transaction cost of the service to the Council is zero. As phone payment is being offered as an additional layer of payment it is considered a luxury service and so it is acceptable to pass on the charge to the customer. The transaction charge is normally higher when the user pays compared to the Council due to the inability to pool transactions.

10.5. A number of councils have also cited the cost of damage and maintenance to ticket machines as being a reason to reduce the number they operate, instead using phone payment in these areas. This is useful in areas where machines are repeatedly targeted for theft or vandalism, or where machines revenue generation is less than the cost of operating the machine.

10.6. The newer technology in ticket machines design allows for most new machines to have additional parts added to them at a subsequent date. In CPZ K five of the machines currently being trialled, have recently had the option for cash payment added, more than a year after originally being installed.

10.7. The two trials of card and phone payment technology currently taking place in CPZ K and E have provided useful data on what the split is between the different payment modes when multiple options are offered.

- The phone payment trial in CPZ E and information from other boroughs suggests that once phone payment has been in operation for a couple of months and users have become familiar with the system, about 75% of all transactions take place using this method.

- The trial of card payment technology in CPZ K has produced some interesting results regarding the split between card and cash payment modes. The trial has shown that lower value transactions are mostly paid for by cash, whilst cards are usually used for higher value amounts. As there are more short parking sessions then longer ones in CPZ K, about 60% of all transactions are paid for by cash when both modes are offered at a ticket machine.

11. TIMESCALES AND PROGRAM FOR IMPLEMENTATION

11.1. There are several factors that need to be considered when establishing timescales/ program of works:

- The resources required to remove a ticket machine are extensive and the process takes several hours to remove and reinstate the footway. The installation of the new foundations and security measures for a new ticket machine are also time consuming. These timescales can be further complicated by uncertainties about what is located under the footway e.g. cellars, unmarked utilities.

- Any new ticket machines will need to conform to several specifications (e.g. the height of the card reader), this will mean production time for any custom units is likely to be slower than stock machines. It may also limit the quantity available on a monthly basis to be installed.

- The contractor estimates that approximately forty machines can be removed and decommissioned each month. This includes the complete removal of the pedestal and infill of the site, as well as changes to signage as required.

- As the total expenditure on new ticket machines and the total annual value of the phone payment contract, are both in excess of £174,000 a full tender process would be required. This process will take between two and five months depending on the product required.

11.2. Table 2 gives an estimate of the timescales involved in each of the five proposed options.

Table 2: Estimated timescales for each option

	Like for Like	**Even Distance**	**Mixed Mode 1**	**Mixed Mode 2**	**Mixed Mode 3**
Program design and development	3 months	4 months	3 months	2 months	3 months
Tender process	5 months	5 months	5 months	2 months	5 months
Production of Units	24 - 48 months	18 - 36 months	9 - 18 months	0 months	9 - 18 months
Phased roll out*	30 - 60 months	24 - 48 months	15 - 30 months	15 - 30 months	15 - 30 months
Total	38 - 68 months	33 - 57 months	23 - 38 months	19 - 34 months	23 - 38 months

* The phased roll out process could be conducted at the same time as the production of units, so that new units were being installed in batches each month after production.

11.3. The speed at which new ticket machines can be produced is dependent on the winning tender as each company has provided different estimates on production rate. The specification of the ticket machines could also increase the time for production if the required changes/specifications are complicated to include.

12. TENDER PROCESS

12.1. The tender process for the ticket machines will be undertaken in line with Council policy. This will include using the capital E-sourcing procurement process and abiding by the Public Contracts Regulations 2015.

12.2. Council officers have investigated the option of accessing existing framework contracts for the ticket machines. Neighbouring boroughs with an existing framework contract such as the West London alliance operate ticket machines, however this is only one element of a much larger contract which precludes Hammersmith and Fulham from joining.

12.3. Consideration has been given to the reduced rates potentially available to the council through the use of a framework contract. The ticket machine contract will be a framework agreement. This will allow other boroughs including the Royal Borough of Kensington and Chelsea to access this contract if they wish, particularly as a bi-borough agreement currently operates for ticket machines and their maintenance.

13. EQUALITY IMPLICATIONS

13.1. This report does not propose any changes to the current on street arrangement, as such it is deemed this report in itself does not create any equality issues. However the Council has had regard to its public sector equality duty contained in section 149 of the Equality Act 2010. A complete EIA report will accompany the follow up report that deals with the outcome to the tender and proposed forward programme.

13.2. Implications completed by: (Edward Stubbing, Project Engineer, ext. 4651)

14. LEGAL IMPLICATIONS

14.1. There are no legal implications arising from the proposals in relation to the Road Traffic Regulation Act 1984 under which the power to regulate and charge for on street parking derives.

14.2. Implications verified/completed by: (Adesuwa Omoregie, Solicitor ext: 2297)

15. FINANCIAL AND RESOURCES IMPLICATIONS

15.1. The financial implications of the proposal above have been incorporated within the financial analysis appendix. This modelling/forecasting is a combined

appendix for both phone payment parking report and the ticket machine parking report.

15.2. The appendix shows the capital implementation costs and the annual implications for the revenue budget for all of the pay and display infrastructure options presented. The revenue implications are a combination of additional costs incurred as a result of the introduction of credit and debit card as a method of payment, and savings due to reductions in cash collection, machine maintenance and energy costs. Apart from the straight replacement option, all of the other options will result in a net saving in the revenue budget.

15.3. The option being recommended is mixed mode 1, which proposes a reduction in the number of machines to 400 card only machines and an option to pay by phone. Upfront investment of £3.180m is being requested from the Efficiency Projects Reserve. Annual revenue savings are expected to be £436,768. This gives a payback on the investment over 7.3 years.

15.4. The upfront (capital) investment figure covers the purchase and installation of the new machines, removal of the existing machines and the cost of changing the signage. A full breakdown is shown in the appendix.

15.5. There are additional revenue costs of £572,800 for mixed mode 1, due to the transaction and processing costs for card payments at the machines and those made by phone.

15.6. There is a reduction in existing revenue costs of £1.01m. This is due to cash collection no longer being required and a reduction in the maintenance and energy due to there being fewer machines. This means there is a net overall annual revenue saving of £436,758.

15.7. The impact of theft and vandalism has not been taken into account, but is an issue with the current machines. Reducing the number of machines and having them accept only card payment, should eliminate this problem.

15.8. It is proposed that the upfront (capital) investment of £3.180m be funded from the Efficiency Projects Reserve. The reserve balance was £13.2m at the start of £2015/16 and £9.8m is currently uncommitted. The Council continues to review earmarked reserves so as to ensure adequate funding is provided in the efficiency projects reserve.

15.9. Funding could also be considered through capital resources. But this would potentially impact on debt reduction savings as the council would potentially need to set aside sums (the minimum revenue provision) for debt repayment. . For this investment, this would reduce the net revenue saving by £127,187 and so increases the payback period to 10.3 years.

15.10. The current machines are around 20 years old and reaching the end of their useful lives. Therefore, they will need replacing in the near future. The introduction of a new £1 coin in 2017 will also mean the current machines need adapting to accept the coin.

15.11. The potential saving from this proposal will need to be taken account of within the council's forward financial plans.

15.12. Implications verified/completed by: (Amit Mehta, Principal Accountant, ext. 3394)

16. IMPLICATIONS FOR BUSINESS

16.1. Council officers have received a number of comments and complaints from local businesses regarding the limited modes of payment for Pay & Display parking. The introduction of additional modes should allow visitors more options and easier parking, encouraging more visitors to local businesses.

16.2. The proposed consultation with businesses in the borough will allow officer to determine the level of demand for cash payment. At present it is not known whether businesses will consider the removal of cash beneficial or not, this consultation will help determine what impact there might be when changing the ticket machines. The results will be carefully reviewed to determine whether some ticket machines should continue to accept cash. It should be noted that all new machines will be built with the ability to accept both card and cash and so conversion post installation to accept/ stop accepting either method will be relatively easy.

16.3. Implications verified/completed by: (Edward Stubbing, Project Engineer, ext. 4651)

17. RISK MANAGEMENT

17.1. Fraud and theft risks are noted on the Shared Services Strategic risk register, risk number 13. Paragraph 4.7 highlights the current issues when operating a single cash based system of payment. The report recommendations therefore contribute positively to the management of fraud and theft risk.

17.2. Implications verified/completed by: (Michael Sloniowski, Shared Services Risk Manager, ext. 2587)

18. PROCUREMENT AND IT STRATEGY IMPLICATIONS

18.1. Council officers have investigated the option of accessing existing framework contracts for both phone payment and ticket machines. Neighbouring boroughs with an existing framework contract such as the West London alliance operate phone payment, however this is only one element of a much larger contract which precludes Hammersmith and Fulham from joining.

18.2. Consideration has been given to the reduced rates potentially available to the council through the use of a framework agreement and the participation by other councils. It is for that reason both elements relating to this procurement (a) the phone payment and (b) supply and maintenance of new ticket

machines will be let as framework agreements that other councils can call off from. However, the 2015 Regulations require clear disclosure of all local authorities who have agreed to participate and therefore in the Contract Notice they must be clearly identified. This will allow RBKC to access this contract if they wish, particularly as a bi-borough agreement currently operates for ticket machines.

18.3. Implications verified/completed by: (Alan Parry, Interim Head of Procurement (Job-share), ext: 2581).

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	None		

LIST OF APPENDICES:

Appendix 1
A table showing the other modes of Pay & Display being used by London Boroughs (correct as of 2013).

Appendix 2
The cost per zone for the Like for Like option

Appendix 3
The cost per zone for the Even Distance option

Appendix 4
The cost per zone for the Mixed Mode 1 and 3 options

Appendix 1

	Coin	Notes	Card	Phone
Barking & Dagenham	x		x	x
Barnet			x	x
Brent	x			x
Bromley & Bexley	x			x
Camden	x			x
City of London				x
Croydon	x			x
Ealing	x			x
Enfield	x			x
Greenwich	x			x
Hackney	x			x
Hammersmith & Fulham	x			
Haringey	x			x
Harrow	x			x
Havering	x	x		
Hillingdon	x			
Hounslow	x			x
Islington	x		x	x
Kensington & Chelsea	x			
Kingston	x		x	x
Lambeth	x	x	x	x
Lewisham	x			x
Merton	x			
Newham	x	x	x	x
Redbridge	x			x
Richmond	x		x	x
Southwark	x			x
Sutton	x			x
Tower Hamlets	x			x
Waltham Forest	x			x
Wandsworth	x			x
Westminster	x		x	x

Appendix 2

Straight Replacement Costs

CPZ	Cost of Machines	Cost of Removals	Cost of Installation	TM Signage	No of Machines
A	£280,500	£16,380	£36,960	£990	66
AA	£59,500	£3,570	£7,840	£210	14
B	£80,750	£4,200	£10,640	£285	19
C	£68,000	£3,360	£8,960	£240	16
CC	£63,750	£3,150	£8,400	£225	15
D	£157,250	£8,400	£20,720	£555	37
E	£110,500	£5,250	£14,560	£390	26
F	£182,750	£9,450	£24,080	£645	43
G	£89,250	£4,410	£11,760	£315	21
H	£161,500	£8,820	£21,280	£570	38
I	£195,500	£11,340	£25,760	£690	46
J	£140,250	£7,140	£18,480	£495	33
K	£119,000	£6,090	£15,680	£420	28
L	£123,250	£6,510	£16,240	£435	29
M	£157,250	£7,980	£20,720	£555	37
N	£178,500	£10,290	£23,520	£630	42
O	£114,750	£7,770	£15,120	£405	27
Q	£301,750	£16,170	£39,760	£1,065	71
QQ	£0	£420	£0	£0	0
R	£182,750	£9,660	£24,080	£645	43
S	£131,750	£6,300	£17,360	£465	31
T	£110,500	£5,880	£14,560	£390	26
U	£191,250	£10,290	£25,200	£675	45
V	£382,500	£21,840	£50,400	£1,350	90
W	£344,250	£17,850	£45,360	£1,215	81
X	£89,250	£5,250	£11,760	£315	21
Y	£106,250	£5,250	£14,000	£375	25
Z	£157,250	£7,980	£20,720	£555	37

total	£4,279,750	£231,000	£563,920	£15,105	1007

Appendix 3

Rationalized Replacement Costs

CPZ	Cost of Machines	Cost of Removals	Cost of Installation	TM Signage	No of Machines
A	£246,500	£16,380	£32,480	£2,030	58
AA	£38,250	£3,570	£5,040	£315	9
B	£68,000	£4,200	£8,960	£560	16
C	£63,750	£3,360	£8,400	£525	15
CC	£55,250	£3,150	£7,280	£455	13
D	£131,750	£8,400	£17,360	£1,085	31
E	£93,500	£5,250	£12,320	£770	22
F	£165,750	£9,450	£21,840	£1,365	39
G	£72,250	£4,410	£9,520	£595	17
H	£140,250	£8,820	£18,480	£1,155	33
I	£157,250	£11,340	£20,720	£1,295	37
J	£123,250	£7,140	£16,240	£1,015	29
K	£102,000	£6,090	£13,440	£840	24
L	£89,250	£6,510	£11,760	£735	21
M	£127,500	£7,980	£16,800	£1,050	30
N	£157,250	£10,290	£20,720	£1,295	37
O	£80,750	£7,770	£10,640	£665	19
Q	£238,000	£16,170	£31,360	£1,960	56
QQ	£0	£420	£0	£0	0
R	£136,000	£9,660	£17,920	£1,120	32
S	£89,250	£6,300	£11,760	£735	21
T	£80,750	£5,880	£10,640	£665	19
U	£123,250	£10,290	£16,240	£1,015	29
V	£306,000	£21,840	£40,320	£2,520	72
W	£238,000	£17,850	£31,360	£1,960	56
X	£63,750	£5,250	£8,400	£525	15
Y	£76,500	£5,250	£10,080	£630	18
Z	£131,750	£7,980	£17,360	£1,085	31

total	£3,395,750	£231,000	£447,440	£27,965	799

Appendix 4

Mixed Mode 1&3
Costs

CPZ	Cost of Signs	Cost of Posts	Cost of Installation	No of Signs	TM installs	TM Removals	No of TMs
A	£22,968	£15,840	£11,880	396	£16,240	£16,380	29
AA	£6,264	£4,320	£3,240	108	£2,800	£3,570	5
B	£17,342	£11,960	£8,970	299	£6,720	£4,200	12
C	£11,890	£8,200	£6,150	205	£5,600	£3,360	10
CC	£9,860	£6,800	£5,100	170	£3,920	£3,150	7
D	£22,330	£15,400	£11,550	385	£10,080	£8,400	18
E	£14,210	£9,800	£7,350	245	£7,280	£5,250	13
F	£23,374	£16,120	£12,090	403	£11,760	£9,450	21
G	£7,772	£5,360	£4,020	134	£5,600	£4,410	10
H	£19,488	£13,440	£10,080	336	£9,520	£8,820	17
I	£26,912	£18,560	£13,920	464	£10,080	£11,340	18
J	£23,490	£16,200	£12,150	405	£6,720	£7,140	12
K	£16,414	£11,320	£8,490	283	£6,160	£6,090	11
L	£14,094	£9,720	£7,290	243	£5,600	£6,510	10
M	£16,820	£11,600	£8,700	290	£8,400	£7,980	15
N	£17,458	£12,040	£9,030	301	£7,840	£10,290	14
P	£13,920	£9,600	£7,200	240	£6,720	£7,770	12
Q	£36,250	£25,000	£18,750	625	£14,000	£16,170	25
QQ	£290	£200	£150	5	£0	£420	0
R	£18,908	£13,040	£9,780	326	£6,720	£9,660	12
S	£14,616	£10,080	£7,560	252	£6,720	£6,300	12
T	£12,238	£8,440	£6,330	211	£5,600	£5,880	10
U	£19,314	£13,320	£9,990	333	£8,960	£10,290	16
V	£53,070	£36,600	£27,450	915	£16,240	£21,840	29
W	£35,844	£24,720	£18,540	618	£11,760	£17,850	21
X	£13,224	£9,120	£6,840	228	£6,160	£5,250	11
Y	£16,124	£11,120	£8,340	278	£6,720	£5,250	12
Z	£22,852	£15,760	£11,820	394	£10,080	£7,980	18

Total	£527,336	£363,680	£272,760	9092	£224,000	£231,000	400