

Agenda Item No: 8

Report to: Charity Committee

Date of Meeting: 9 December 2013

Report Title: Credit Card Payment for Parking

Report By: Richard Homewood
Director of Environmental Services

Purpose of Report

To seek approval for funding to upgrade / replace pay and display machines in Foreshore Trust car parks to accept payment by credit card.

Recommendation(s)

- 1. That the Charity Committee approve the funding for the upgrade / replacement of pay and display machines in Foreshore Trust car parks to accept payment by credit / debit card and revise the Spending Plan to incorporate this expenditure.**
- 2. That officers be requested to continue to investigate pay on foot (exit) options and other alternative payment methods.**

Reasons for Recommendations

To make it easier for customers to pay for parking in Foreshore Trust car parks and address the concerns of local businesses who are repeatedly asked for change.

Introduction

1. Historically pay and display ticket machines in car parks have accepted cash (coins) only and as charges have increased, the amount of loose change required to pay for parking has also increased significantly.
2. Every year the Council receives complaints from local businesses regarding the public repeatedly asking for change to pay for parking and these complaints have increased as prices have gone up.
3. In the past change machines have been investigated but these are expensive to buy and maintain, requiring regular attendance to empty and restock them. They are also an increased security risk in exposed locations such as the Foreshore Trust car parks.
4. An alternative is to upgrade / replace the pay and display machines with machines that will accept payment by credit/debit cards as well as coins.
5. Officers have investigated this and it is proposed that in each Foreshore Trust car park two machines are replaced with machines that can accept credit/debit cards as well as coins. The proposed new machines will also have the facility to give verbal instructions in a choice of four languages. The other machines would continue to accept coins only but signs would be displayed directing customers to the credit card machines.
6. Whilst these machines will offer an improved level of customer service and flexibility, officers have previously been asked to investigate pay on foot or pay on exit as an alternative. Whilst the cost of modifying the layout of car parks and installing new barrier systems to facilitate pay on foot is significantly higher than the current credit/debit card payment proposals, officers will continue to evaluate it as a longer term option and further improved customer service and report back at a later date.
7. Officers will also continue to investigate the practicality and cost of other alternative payment methods such as payment by mobile telephone etc.

Financial Implications

8. The one off capital cost of replacing four pay and display machines will be just under £15,000.
9. There are also ongoing fixed costs for terminal service charges and variable costs for payment processing which will be dependent upon the number and percentage of payments made by credit / debit cards and the split of such payments between the two types of cards. These charges are difficult to predict but on an assumption that 20% of the current number of transactions are made by credit/debit card and we assume a 50/50 split the estimated annual costs would be in the region of £8,000. Clearly if a higher proportion of motorists pay by credit/debit card this cost will increase.

10. The transaction fee for payment by debit card is higher than that for credit cards and is a fixed rate. If debit cards are used to pay for short stays we will therefore lose a significantly higher proportion of our income. In some other credit/debit card transactions, retailers impose a minimum spend such as £5. On lower payments the transaction fee would be a significant proportion of the payment and would result in a significant loss We would therefore suggest that payment by credit/debit card is restricted to longer stays of say three hours or more (£3.90 in the summer). or payments of more than £4. It is for these longer stays that motorists normally have insufficient change.
11. Whilst there is no guarantee that installing these new machines will generate significant additional income, they will certainly provide a better facility for the customer and address the concerns of local businesses pestered by people asking for change. They might well, however encourage longer stays as people would not have to have a large quantity of coins to pay for their stay.

Wards Affected

Castle, Old Hastings

Area(s) Affected

Central Hastings, East Hastings

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	No
Environmental Issues	No
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	Yes
Local People's Views	Yes

Background Information

Officer to Contact

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