

Rother District Council

Report to: Cabinet

Date: 9 October 2023

Title: Cash Payment Options in Rother District Council (RDC) Car Parks

Report of: Deborah Kenneally - Head of Service Neighbourhood Services

Cabinet Member: Councillor Timpe

Ward(s): All

Purpose of Report: To set out options for parking payment methods in Rother District Council car parks and consider moving the cash payment option from pay and display machines to local PayPoints.

Decision Type: Key

Officer

Recommendation(s): It be **RESOLVED:** That the Director - Place and Climate Change be authorised to:

- 1) relocate the cash payment option from RDC 'pay and display' machines to local PayPoints, subject to the outcome of the budget consultation; and
- 2) promote the new cash payment locations by directing customers choosing to pay with cash to the nearest PayPoints.

Reasons for Recommendations:

1. To support delivery of the medium-term financial stability programme in delivering services in a more effective and efficient manner.
2. To aid the Council's carbon reduction targets as cash is currently collected three times per week from the majority of car parks.
3. The number of customers paying cash when parking in RDC car parks has fallen year on year since 2020 and is currently at its lowest level to date. The current cash collection contract costs the Council circa £30,000 per annum.
4. A new cash collection contract is likely to be more expensive due to inflationary increases.

Introduction

1. This report proposes that the Council relocates the facility for customers to pay by cash at Council owned car park 'pay and display' machines to nearby PayPoints when the current cash collection contract ends in 2024.

2. The Council operates 24 chargeable car parks, 17 of which currently offer a cash payment option via the pay and display machines, alongside card payment options (both contactless and non-contactless), and RingGo (automated telephone line, mobile phone application, or cash or card payment at a PayPoint (usually a local shop)). The remaining 7 car parks do not have 'pay and display' machines and payments are by the RingGo option only.
3. Cash collection levels have consistently fallen since COVID-19 which encouraged many people to move away from using cash and to use alternative payment methods. Currently, the breakdown across the district for car park payments is 40% RingGo, 30% cash, and 30% credit/debit card system.
4. Cash collections for quarter 1 2022-23 totalled £108,962. For quarter 1 2023-24, cash collections totalled £81,313 which equates to a 25% year on year reduction. This quarter has been selected for comparison as it avoids making comparisons during the period of disruption during the COVID-19 pandemic and takes into account changes made since February 2023 to a more simplified credit/debit card payment process in car parks.
5. Parking tariffs have not increased in most Rother District car parks since 2015 and are only likely to increase over the coming years due to inflationary pressures. Data shows that customers paying higher tariffs are more likely to pay by card or RingGo than by coin. In car parks such as Camber Central and Camber Western where tariffs are the most expensive, the percentage of those paying cash during the 2023 summer season was 2.3%, with 59.3% paying by RingGo and 38.4% paying by credit/debit card.
6. The current cash collection contract value is £30,000 per annum and it is due to end on 31 August 2024, with an option for an earlier termination date of 31 March 2024. For all options considered below, the implementation date is proposed as 31 March, but there is the option to postpone the implementation of any changes to 31 August 2024, or alternatively procure a new cash collection contract.
7. With contract uplifts and high inflation rates it is likely that procuring a new contract will cost approximately 10-15% more per annum by 2024. The current contract was procured in conjunction with Eastbourne and Hastings Councils to ensure the best value for money and should either or both choose not to renew it is likely that this would further increase the cost of a new contract. The majority of car parks with a cash payment option receive cash collection visits from the contractor three times per week under the current contract terms and there are 34 pay and display machines across 17 car parks.

Options Considered:

8. **Option 1: Relocate the cash payment option from pay and display machines in Council owned car parks to local PayPoints** – this will enable the Council to meet the savings target of £30,000 per annum and would aid the Council's carbon reduction targets by reducing travel to and around the district by the cash collectors, saving approximately 5-6 tonnes of CO2 per annum.
9. The coin mechanism would need to be removed from 34 pay and display machines across the district. There would be a one-off cost associated with this of approximately £9,500. Signage will need to be updated at a total cost of circa £500. There will also be additional credit card transaction fees due to the

increased number of transactions. If all customers who currently use the cash option switch to card payments this equates to an additional £1,000 fee per annum, and this fee may be lower as it is likely that some customers will switch to the RingGo options.

10. RingGo is happy to support these changes with additional signage promoting the mobile application and PayPoints (card and cash payments) at no cost to the Council. Detailed maps such as those in Appendix 1 (pages 7-11) can be erected in car parks to aid customers who wish to pay by cash.
11. It is recognised that this approach will be less convenient to some customers. An Equality Impact Assessment has been completed and has identified that vulnerable customers such as those who are technologically excluded or who do not have access to mobile phones or credit/debit cards would be unable to pay by cash to park within the car park. All car parks which currently have a cash payment option in Bexhill, Battle, and Rye have a PayPoint within 0.2 miles, and car parks in Camber have a PayPoint within 0.4 miles (N.B. the pay and display machines do not take notes so car parks with higher tariffs such as Camber see proportionally fewer visitors paying cash). There is a 10-minute grace period given to motorists upon arrival to enable them to pay to park. Customers do not have to return to their vehicle to display a ticket if they choose to pay at a PayPoint, therefore the current grace period should be sufficient.
12. Although officers do not recommend this, Councillors may wish to consider extending the grace period to 15 minutes. The consequence of extending the grace period will lead to inefficiency in enforcement should customers overstay or not buy a ticket as each vehicle would need to be observed by the enforcement officer for a minimum period of 15 minutes. This will potentially reduce the number of car parks enforcement officers can visit each day and therefore the number of Notices to Pay issued.
13. At present, Blue Badge holders who are in receipt of certain benefits – higher rate mobility component of Personal Independent Payment, those registered blind and those in receipt of a war pension - can apply for permits which enable them to park in any Rother District Council car park, and in any bay, without paying a parking fee therefore these customers would be unaffected by any changes to cash payment methods within car parks.
14. Signage within car parks and communication using the Council's My Alerts and social media platforms would be a key part of relocating cash payments alongside promoting other options such as parking permits which provide a more cost-effective alternative for regular parkers. The Council is currently procuring a digital permit management system which will allow customers to purchase more flexible, shorter duration permits.
15. Providing a cash payment option for parking at local PayPoints rather than within car parks is already in place or in the process of being adopted in a number of council areas including Brighton and Hove, Oxford, Slough, York, and half of the London Boroughs.
16. It is proposed to include this proposal for consideration in the budget consultation in Autumn 2023.

17. **Option 2: Procure a reduced cash collection contract from April 2024 for De La Warr, Mount Street and Upper Market car parks** - Procuring a reduced cash collection contract in 2024 would enable the Council to keep cash payment options in some car parks but this would not meet the savings target nor achieve the desired carbon emissions savings.
18. Between April 2022 and March 2023, there were 181,630 cash transactions in Rother District Council owned car parks. Three car parks account for half of the total number of cash transactions as follows:

Car Park	Number of cash transactions	Number of credit/debit card transactions	Number of RingGo transactions	Percentage of visitors choosing to pay cash
Mount Street (Battle)	48,470	22,425	46,255	41%
De La Warr (Bexhill)	30,538	32,013	50,039	27%
Upper Market (Battle)	11,721	9,062	14,083	34%

19. It may also be useful to note that Mount Street and Upper Market car parks are the only charged for car parks within the district where a 1hour stay is the most popular tariff. The most popular tariff in the remaining car parks is 1-3 hours (or 1-2 hours in De La Warr). 62% of visitors to Upper Market and 53% of visitors to Mount Street select a 1hour tariff and pay a £1 fee. The average percentage of visitors selecting a 1hour tariff across all RDC car parks is 33%. These short stays are more likely to be paid for by cash due to the value of the transaction.
20. A considerable proportion of the cash collection costs are “fixed costs” e.g., insurances, business overheads etc. so removing individual sites or reducing frequencies would not necessarily result in significant savings and a smaller contract is likely to attract fewer interested tenders.
21. **Option 3: Procure a new cash collection contract from August 2024 for all existing payment machines on similar terms as the current contract** – This would not meet the financial stability programme as no savings would be achieved and a new contract is likely to be more expensive than the current contract. With contract uplifts and high inflation rates it is likely that procuring a new contract will cost 10-15% more per annum by 2024. The current contract was procured in conjunction with Eastbourne and Hastings Councils to ensure the best value for money and should either or both choose not to renew it is likely that this would further increase the cost of a new contract. Although environmental aspects would be included as part of a procurement process, the Council may not achieve as much carbon savings with this option.
22. **Officer Recommendation: Option 1** – From 1 April 2024 officers recommend the Council relocates cash payments for parking in Council owned car parks to nearby PayPoints. All other payment methods, including credit/debit card payments (both contactless and non-contactless), automated telephone line and mobile phone application payments, will be unaffected.

Conclusion

23. The use of cash payments in car parks continues to reduce as customers turn to using 'contactless'/card payments and RingGo payments. Relocating the ability to pay by cash to local PayPoints will enable customers to continue to pay for parking by cash, remove the need for a new cash collection contract, and so support the Council in its financial stability programme and carbon emissions reduction.

Financial Implications

24. The financial implications have been discussed with the Section 151 Officer and accounts department and detailed within the report. A recommendation to discontinue the cash collection contract from car parks, saving the Council circa £30,000 per annum, is included in the medium-term financial stability plan.
25. The coin mechanism would need to be removed from 34 pay and display machines across the district. There would be a one-off cost associated with this of approximately £9,500. Signage will need to be updated at a total cost of circa £500. There will also be additional credit card transaction fees due to the increased number of transactions. If all customers who currently use the cash option switch to card payments this equates to an additional £1,000 fee per annum, and this fee may be lower as it is likely that some customers will switch to the RingGo options. RingGo is happy to support these changes with additional signage promoting the mobile application and PayPoints (card and cash payments) at no cost to the Council.

Sustainability Implications

26. It is crucial that the Council's medium-term budget position is considered when making this decision.

Environment

27. Ceasing to use a cash collection contractor may aid the Council's carbon reduction targets by reducing travel to and around the district for the purposes of cash collection, saving approximately 5-6 tonnes of CO2 per annum.

Risk Management Implications

28. An Equality Impact Assessment has been completed and for customers who choose to pay by cash, payment at a local PayPoint is a viable alternative.
29. There is a risk that relocating cash payments to local PayPoints will not be supported by Central Government due to the potential equalities impact, but officers consider this is mitigated by clearly highlighting the available option of PayPoints, and by continuing to provide credit/debit card (both contactless and non-contactless) payment options in most car parks.

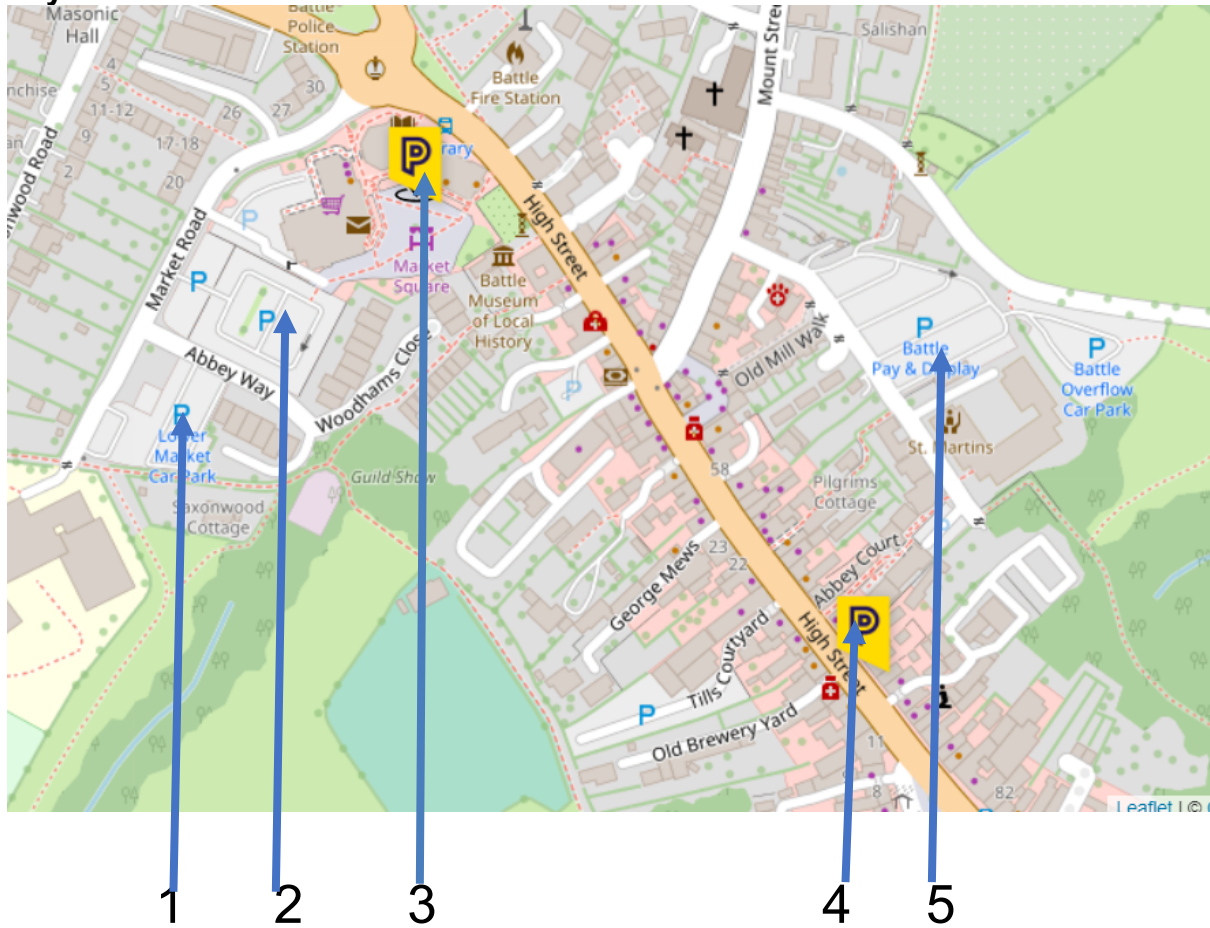
Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	Yes
Crime and Disorder	No	Consultation	Yes
Environmental	Yes	Access to Information	No
Sustainability	Yes	Exempt from publication	No
Risk Management	Yes		

Chief Executive:	Lorna Ford
Report Contact Officer:	Deborah Kenneally / Lynsey Goodwill
e-mail address:	Deborah.kenneally@rother.gov.uk / lynsey.goodwill@rother.gov.uk
Appendices:	Appendix 1 – Nearest PayPoints to RDC Car Parks
Relevant Previous Minutes:	None
Background Papers:	None
Reference Documents:	None

Nearest PayPoints to Rother District Council car parks with pay and display machines:

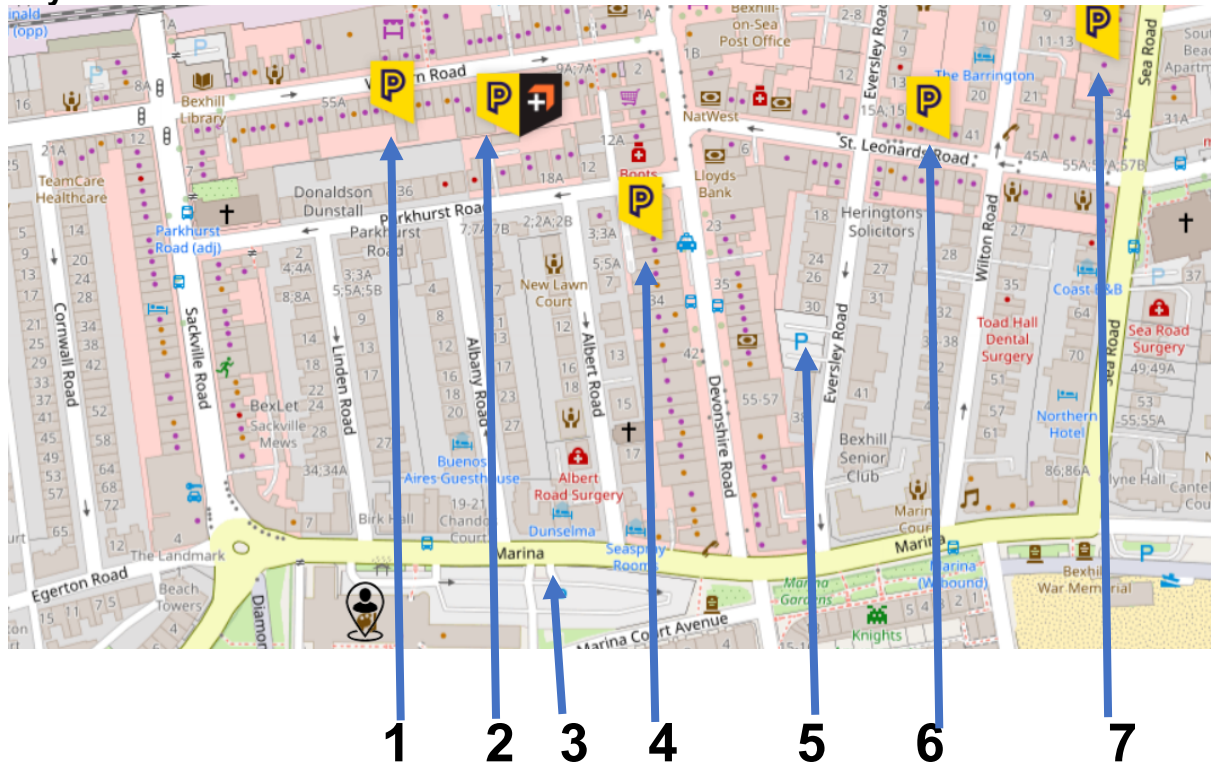
Car Park Name	Car Park Postcode	Name of Nearest PayPoint	PayPoint Postcode	Distance to PayPoint
Lower Market	TN33 0XB	Jempsons	TN33 0XB	<0.1 miles
Mount Street	TN33 0EG	Jempsons	TN33 0XB	0.08 miles
Upper Market	TN33 0XB	Jempsons	TN33 0XB	<0.1 miles
De La Warr	TN40 1DP	Co-Op	TN40 1AS	0.14 miles
Eversley Road	TN40 1HE	Co-Op	TN40 1AS	0.05 miles
Little Common	TN39 3TG	Finest Mini-Mart	TN39 4PE	0.17 miles
Manor Barn & Gardens	TN40 2JA	Manor News	TN40 2HE	0.15 miles
Camber Central	TN31 7RH	BJ's on the Beach	TN31 7RJ	0.09 miles
Camber Western	TN31 7RB	BJ's on the Beach	TN31 7RJ	0.36 miles
Bedford Place	TN31 7LP	Costcutter	TN31 7LP	<0.1 miles
Cinque Ports Street	TN31 7AN	Jempsons Budgeons Rye	TN31 7AB	0.09 miles
Gibbet Marsh	TN31 7DT	Premier	TN31 7BH	0.16 miles
Lucknow Place	TN31 7LP	Costcutter	TN31 7LP	<0.1 miles
Rye Sports Centre	TN31 7ND	Jempsons Budgeons Rye	TN31 7AB	0.15 miles
The Strand	TN31 7DB	Jempsons Budgeons Rye	TN31 7AB	0.18 miles

PayPoints in Battle



1. Lower Market car park
2. Upper Market car park
3. Jempsons (nearest PayPoint to Mount Street, Lower Market and Upper Market car parks)
4. Co-Op Battle (alternative Pay Point)
5. Mount Street car park

PayPoints in Bexhill



1. Crown Express (alternative PayPoint)
2. Western Road Store (alternative PayPoint)
3. De La Warr car park
4. Co-Op (nearest PayPoint to De La Warr car park)
5. Best One (alternative PayPoint)
6. One Stop (alternative PayPoint)

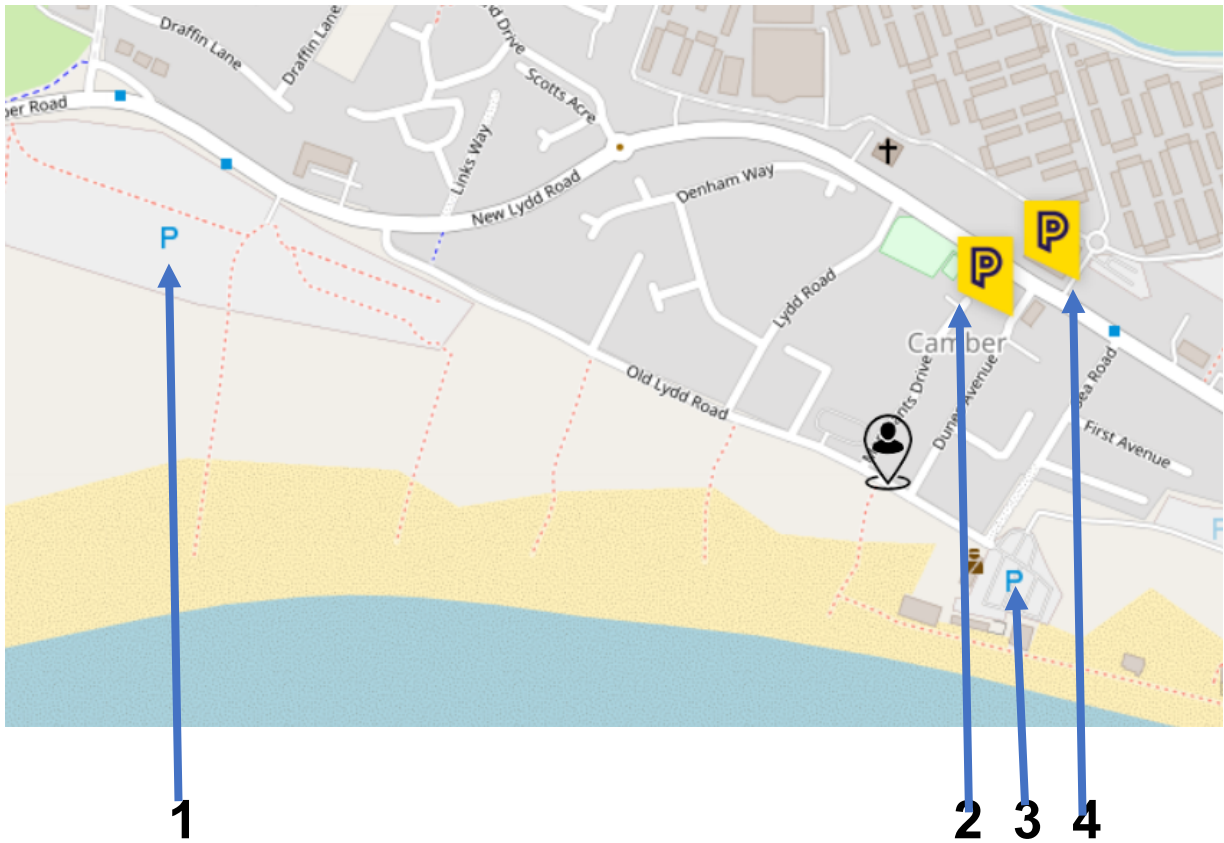
Pay Points in Little Common and Bexhill Old Town

1. Little Common car park
2. Finest Mini-Mart (nearest PayPoint to Little Common)
3. Manor News (nearest PayPoint to Manor Gardens)
4. Manor Barn and Gardens car park



Pay Points in Camber

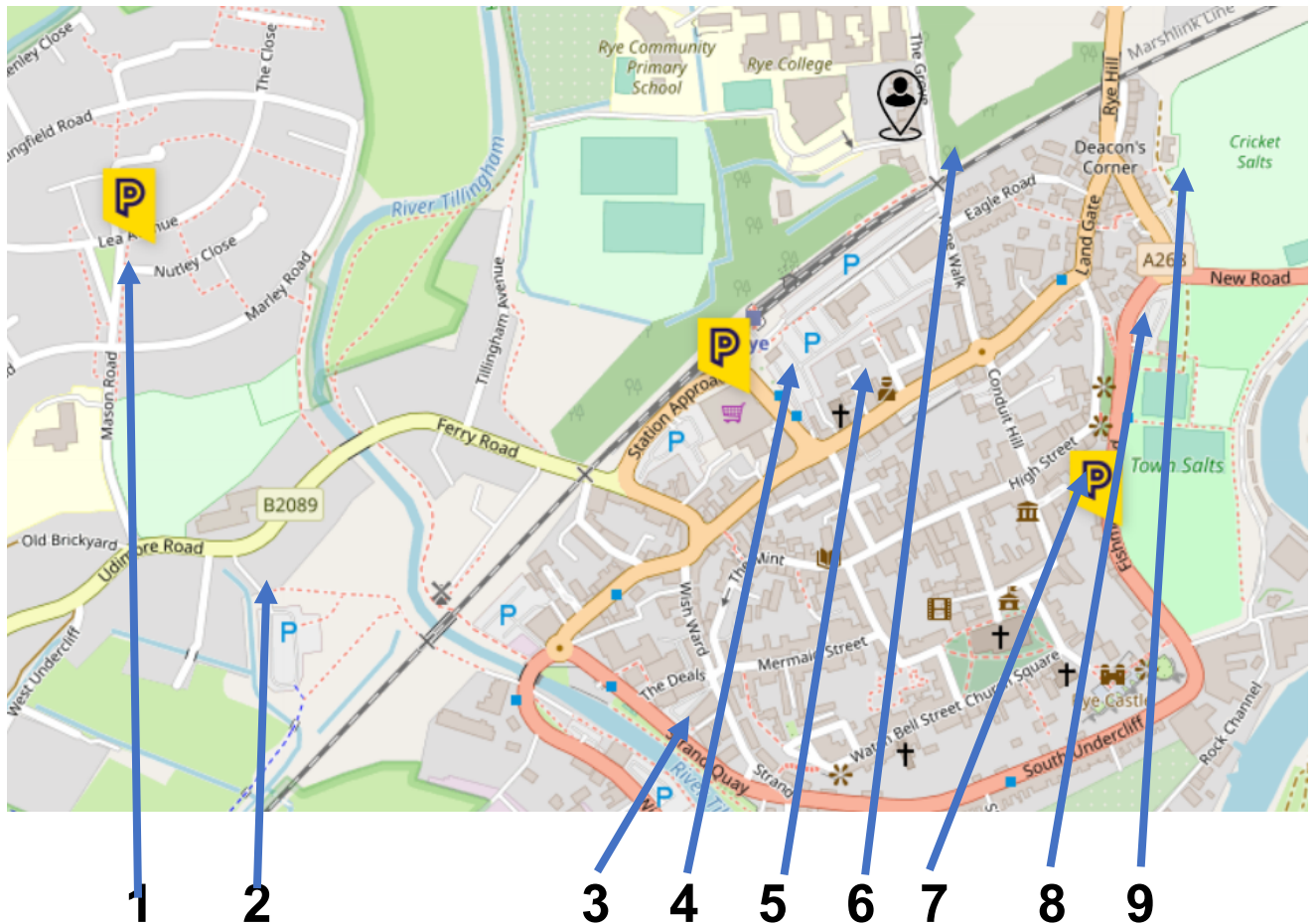




1. Camber Western car park
2. BJ's on the Beach (nearest PayPoint to Camber Central and Camber Western car parks)
3. Camber Central car park
4. Pontins Camber Sands (alternative PayPoint)

N.B. Camber Western car park is the only car park in the district where the nearest PayPoint is further than 0.2 miles away. Please note however that only 2.3% of visitors to Camber as a whole (and 2.9% of the visitors to Camber Western car park) during the 2023 summer season have chosen to pay by cash.

PayPoints in Rye



1. Premier (nearest PayPoint to Gibbet Marsh car park)
2. Gibbet Marsh car park
3. The Strand car park
4. Jempsons Budgeons Rye (nearest PayPoint to Rye Sports Centre, The Strand and Cinque Ports Street car parks)
5. Cinque Ports Street car park
6. Rye Sports Centre car park
7. Costcutter (nearest PayPoint to Bedford Place and Lucknow Place car parks)
8. Lucknow Place car park
9. Bedford Place car park