

**Decision Session – Executive Member for  
Economy & Transport**

**11 July 2023**

Report of the Director of Environment, Transport and Planning

**Decision to consider a consultation to propose the removal of cash payments from the parking estate.**

**Summary**

1. This report is to seek a decision by the Executive Member for Economy and Transport to agree to a consultation on the removal of cash payments to pay for parking across the car parking estate.
2. This leads on from the Full Council budget decision in March 2021 to explore the removal of cashless payments across the parking estate, where latterly the budget savings associated with this in terms of cash collections costs, were taken.
3. This report is to follow on from this process and consult on the removal of cash payments across the parking estate. At the end of the consultation a further report on the findings will be brought to the Executive Member for consideration.

**Recommendations**

**4. The Executive Member is asked to: -**

- i. Approve, Option 1, the proposal to consult members of the public to move to cashless payment methods across the parking estate then bring back to a future Executive Member Decision Session for decision to acknowledge the consultation findings and move to cashless payment methods

Reason: In order for the Executive Member to make an informed decision and balance up the benefits and disbenefits to drop the acceptance of cash payments across the parking estate, leading on from the March 2021 budgetary decision.

## Background

5. Over the last several years the Council has seen a steady decline in cash payments being made for car parking, where during and post Covid times the use of cash as reduced to about 14% of the total amount of payment methods and forecast to reduce even further based on current trends.
6. Many of the old pay and display machines only accept cash, that has led to the encouragement to pay by cash in these locations. However, since the roll out of pay by phone across the on-street locations we have seen most of these locations take more through pay by phone than cash. For financial years 2022/23 this equated to £113k in cash for on street machines but £223k in pay by phone payments. A summary table is below showing what was taking through each payment method over the last 3 financial years:-

Table 1

	<b>Cash</b>	<b>Phone</b>	<b>Card</b>		<b>Total</b>	<b>Cash</b>	<b>Phone</b>	<b>Card</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>		<b>£'000</b>			
<b>2020/21</b>	663	918.0	1,106		2,687	25%	34%	41%
<b>2021/22</b>	1,044	2,474	3,449		6,967	15%	36%	50%
<b>2022/23</b>	970	3,113	3,915		7,999	12%	39%	49%

7. If agreed this consultation would be taken forward as soon as possible through the normal council consultation process, which will be online, supported by any communications as CYC Communications recommend.
8. Engagement will be undertaken with the Council's Access Officer and the equalities groups to ensure if cash payments were to be stopped the full impacts can be considered e.g., people who are less inclined to use card, contactless or pay by phone payment methods. The initial EIA is included as **Annex A**.
9. Note that through the pay by phone system, customers can also speak to an operator to pay for parking over the phone as well as the use of Paypoints which are available to allow customers to pay for their parking with cash where the Paypoint sign is displayed.

10. Another reason to consider cashless payments is that over the last few years we have seen a number of attacks, both planned and taken by chance, on parking ticket machines to steal the cash in them. Recently damage and theft of a pay and display machine at Scarborough Hospital was recorded. Therefore, a cashless policy would eliminate any risks of thefts or damage associated with the stealing of cash.
11. Maintenance of the machines accepting cash is also higher than those that take card/contactless only. This is due to the coin and paper cash selectors wearing down and often getting coin jams, which result in a call out and increase wear and tear of this component in machines. Card and contactless only machines are also cheaper to purchase and maintain. While it is harder to come up with a precise figure Parking Services spent about £25k on spare parts where the older machines do require more attention and spare parts that are no longer manufactured. Maintenance is done through our 1 FTE electrician. While spare parts will be needed on newer machines, it is envisaged this will be reduced by three quarters.
12. Cash collection costs would also be eliminated were we pay on average £45k per annum for cash collection and reconciliation, which doesn't take account of staff time to check and reconcile parking payments against the coins and paper cash taken not to mention the reduction in vehicles travelling around to collect the cash and the congestion and environmental impacts this creates.
13. Given many of our pay and display machines are well over 25 years old the decision to go cashless will inform the specification and procurement of new upgraded machines, but also help inform a decision to reduce the number of machines we have where the takings are less than £10k per annum which would mean it is not worth the council's efforts to keep them running.
14. The procurement of new machines is also informed on the 3G communication network being planned to be turned off over the next few years, starting this year, depending on each network provider. Many of the on-street machines, including some in the car parks, are well over 25 years old and as a result are not able to be upgraded where the data connection is used to download new tariffs and upload payment information from these machines.
15. A procurement exercise will also bring in other savings including access to the network where at the moment each machine cost £210 per annum

to be linked to the network so it is expected these costs will be significantly reduced through this exercise.

16. Nationally most Local Authorities are considering moving to a cashless system for their parking and where most have a mixture as York has now. Gloucester, for example, that is likely to move to cashless. However, the Executive Member is reminded that there is a digital strategy, set under the 2014 Administration to digitise its services, which has led to the cooperate decision to not accept cash payments from customers in its buildings. In addition, the decision was made in the 2021 Council budget to explore cashless parking payments, so this report is also informed by these political decisions.

## **Consultation**

17. It is proposed that the consultation on moving to cashless would be done via the council website and specific consultation through the York Access group, which in turn will help to update the Equality Impact Assessment.
18. The Executive Member may also wish to see this consultation extended so should feel free as part of this report to suggest what other method(s) should be considered.

## **Options**

### **Option 1**

19. Approve to the proposal to consult members of the public to move to cashless payment methods across the parking estate then bring back to a future Executive Member Decision Session for decision to acknowledge the consultation findings and move to cashless payment methods.
20. This decision request is in line with the budgetary decision made in 2021 and the clear reduction in use of cash and the ongoing cost to use cash, and to come back to the Executive Member with the consultation results that will then ask for a decision to move to cashless across the parking estate. Reason: the lack of cash being used now against the direct and indirect costs to the council for accepting cash payments, including the costs of cash collection, maintenance of ticket machines and risk of theft.
21. In addition, the decision to go cashless will impact on other work around the procurement of new parking ticket machines where the specification

will state whether these are contactless/card only or they have to accept cash. As well as the age of many of the machines being over 25 years old, as the report states, the 3G network being turned off will impact on these older machines that can operate on 3G or 2G networks.

## **Option 2**

22. The alternative is not to proceed with the consultation. In this case the issue of the budget decision in 2021 would be fed into the budget process for 24/25 for resolution. The shortfall is currently being picked up by a surplus income above budgeted income projections in car parking income. This cannot be relied upon as mitigation in the long term.

## **Analysis**

23. The report is clear of the financial benefits to go cashless but as the decision is simply to consult on this there are no disadvantages of this, but this will be a factor in the next report and the decision to adopt a cashless payment policy. However, it should be noted that this decision to explore going cashless and subsequently agreed to the cash collection savings to be taken following the budgetary decision in 2021, that the ground for moving to a cashless system has been set.
24. Information from the Government is also useful and a factor in taking this work forward, where the Department for Transport produces information and statistics in relation to driving license holders.
25. In the 5 years from 2015 to 2019, an average of 74% of people in England had a full driving licence. The percentage of people with a driving licence went up from 71% to 74% during the period covered by this data.
26. In relation to ages of driving license holders in 2019 the following % of the population, by age group, had a full driving license:
- 17-20 years – 35% hold a full driving licence
  - 21-29 years – 62% hold a full driving license
  - 30-39 years – 79% hold a full driving license
  - 40-49 years – 86% hold a full driving license
  - 50-59 years – 86% hold a full driving license

- 60-69 years – 85% hold a full driving license
  - 70 years plus – 67% hold a full driving license
27. This helps show those age groups who are likely to use card, contactless or pay by phone options, hold the majority of licences in these age groups and is a growing indication showing more of these drivers are likely or at least be able to use cashless payment methods than those in the highest age group who will vary between cash and cashless use.
28. Where motorists have disabilities, the council provides a disabled blue badge parking scheme. In the UK there are 2.44m blue badges issued to motorists in the UK that enables the holder to park for free at all pay and display locations in York, as well as other restrictions such as marked disabled bays, resident parking zones and up to 3 hours on double yellow lines. This negates the need for those with a blue badge having to pay for their parking, so going cashless would not be an issue for blue badge holders.
29. The website Statista states that in 2018 95% of UK adults own a mobile phone. It is likely that this number has increased in the last three years. Many of the 5% who do not own a phone have disabilities that would entitle them to a disabled blue badge or concessionary bus pass.
30. 98% of the population own a bank debit or credit card (a link to this information can be found here: [SUMMARY-UK-Payment-Markets-2021-FINAL.pdf \(ukfinance.org.uk\)](#)). Also, according to Statista, as of October 2019, 83% of credit and debit cards in the UK had contactless payment function. It is understood that this increased to approx. 88% as of June 2021, according to [www.ukfinance.org.uk](#).
31. In view of the high percentages of mobile phone users and bank debit/credit card holders it does not seem unreasonable to expect customers to pay using this method in view of the theft risk keeping high volumes of cash on street creates.

## **Council Plan**

32. This section should explain how the proposals relate to the Council's 3 key priorities, as set out in the Council's Plan 2019-23 (*Making History, Building Communities*) and any other key change programmes.

## **Implications**

### **Financial**

33. If adopting a cashless policy across Parking is agreed then there will be significant cost savings resulting in the following: -
- Removal of the cash collection service
  - Elimination of theft of cash from machines and damage to machines
  - Reduction in maintenance and coin jams in machines
  - Removal of circa 60% of ticket machines, resulting in further savings in maintenance and use of these machines
  - Reduction /elimination of costs to download and upload data from machines.
34. If not agreed, the issue of the budget decision in 2021 will need to be picked up. The shortfall is currently being picked up by a surplus income above budgeted income projections in car parking income.

### **Human Resources (HR)**

35. None

### **One Planet Council / Equalities**

36. None in this report but if adopting a cashless policy across Parking is agreed then there will likely be impacts on those who use cash to pay for their parking. While this will be picked up in the consultation and EIA it should be considered cash use has dropped significantly and other services linked to vehicle ownership, such as paying for your insurance and tax are online services that don't accept cash.

### **Legal**

37. None in this report but if adopting a cashless policy across Parking is agreed then there may be implications under the Equalities Act that need to be considered and informed by the consultation and EIA.

### **Crime and Disorder**

38. None in this report but if adopting a cashless policy across Parking is agreed then this will eliminate any theft of cash or damage to machines.

## **Information Technology (IT)**

39. None in this report but if adopting a cashless policy across Parking is agreed then this will inform procurement of new machines that will not only bring cost savings but better able to capture data from the machines and more accessible to officers remotely.

## **Property**

40. None in this report but if adopting a cashless policy across Parking is agreed then there will likely be a reduction in assets (machines) to maintain.

## **Risk Management**

41. There are no risks with this report or its recommendations given this is asking to go to consultation. Note that a decision not to proceed with the consultation and not proceed with cashless parking in whole or in part will come with a budgetary risk.



## Contact Details

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**Report  
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**Date** 03/07/2023

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**For further information please contact the author of the report**

## Annexes

Annex A Cashless parking project – EIA