

Bath & North East Somerset Council

MEETING/ DECISION MAKER:	Cllr Clarke, Cabinet Member for Transport	
MEETING/ DECISION DATE:	On or after 14 Jan 2017	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2934
TITLE:	Pay and Display Machine Upgrade	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: None		

1 THE ISSUE

- 1.1 This report outlines the strategic requirement to update the Council's parking Pay and Display machines within both car parks and on street to accept the new £1 and £2 coins being released by the Royal Mint.
- 1.2 Further improvements are necessary to update the existing card payment mechanisms to ensure they are fully compliant with PCI-DSS (Payment Card Industry – Data Security Standards) regulations and improve customer service.

2 RECOMMENDATION

The Cabinet Member is asked to;

- 2.1 Approve the commencement of the procurement project to update the Pay and Display machines by granting full approval of the £67k capital budget in financial year 2016/17.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The Pay and Display machines currently take approximately £6.5M in income per annum and are critical to the delivery of both the Parking Service and the Council budgets as a whole.
- 3.2 The upgrades can only be undertaken by the Original Equipment Manufacturer as no other companies offer coin validators for the specific machines. Therefore we are unable to find alternative suppliers within the market place.
- 3.3 The project will be managed by Parking Services Staff with input from specialist support from services where required. Upgrades will be undertaken on site with each machine being visited and the coin validator and the Chip and Pin terminal updated as required.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 An Equalities Impact Assessment has been undertaken for this project and no specific adverse impacts have been identified.

5 THE REPORT

- 5.1 This report outlines the requirement to update the Pay and Display machines both within the car parks and on street, updating the coin validators and software to accept new £1 and £2 coins being released by the Royal Mint to update coin types to prevent fraud.
- 5.2 Further improvements are necessary to the Pay and Display machines to update the card payment PIN mechanisms to ensure they are fully compliant with the PCI-DSS (Payment Card Industry – Data Security Standards) regulations and improve customer service. The PCI Council was founded in 2006 by American Express, Discover, JCB International, MasterCard and Visa Inc to prevent and protect customers from fraud and is the standard to which all must adhere to take any card payments.
- 5.3 The new UK £1 coin will enter circulation in March 2017 with the £2 coin to follow in due course. The Royal Mint is producing more than 1.4 billion of the new coins and they will be widely distributed. Currently, two thirds of the income generated by Pay and Display machines is in £1 coins.
- 5.4 We currently have 156 Pay and Display machines in use from 2 separate manufacturers and all will need to be upgraded for the new coins. However only 19 have card reading technology and will also require modifications to be made.
- 5.5 The current Pay and Display machines are upgradeable for new payment methods, e.g. Chip & PIN bank card payment with contactless option and can be upgraded to accept contactless payments. A separate project is running to identify the opportunities to reduce the number of machines over time but due to the low cost per machine of the upgrade it is recommended that all are updated now due to the high number of transactions that occur. Furthermore, when machines are removed the parts from them will be used to ensure remaining machines continue to function and reduce ongoing maintenance costs.
- 5.6 In regard to card payments, PCI DSS Version 3.1 was retired on 31 October 2016. The full set of changes related to PCI DSS version 3.2 were published in May 2016. The new requirements introduced in the PCI DSS will be considered best practices until 31 January 2018. Starting 1 February 2018 it becomes a requirement to take any payment.
- 5.7 However, between 31st October 2016 and 1st February 2018, any terminal not updated to the new standard will need to be manually updated as the manufacturer is not supporting the old standard. This introduces a risk which is not acceptable as this will result in terminals being unable to process card transactions necessitating the removal of the terminal to avoid negative customer experiences and subsequent reputational damage.

6 RATIONALE

- 6.1 The proposal is to address an operational issue and protect the data of customers.

7 OTHER OPTIONS CONSIDERED

- 7.1 Do nothing – considered as low numbers of coins will be in circulation at start. This was rejected as access to payment methods is critical to ensure that levels of transactions are retained to protect income. Without the upgrade of credit card units further access channels will be removed.
- 7.2 Upgrade coin validator but do not upgrade credit card unit – considered as cost of units is significant (but overall cost is not as it is only 19 machines). However this may reduce the numbers of users within the car park as credit card options remain popular especially amongst those who do not use mobile phone solutions.
- 7.3 Upgrade credit card unit but don't upgrade coin validator – rejected as numbers of new shape coins will likely increase quickly due to volumes of coins in circulation as this denomination.

8 CONSULTATION

- 8.1 The business case and provisional approval for the project was agreed by the Divisional Directors Group on the 13th December 2016.
- 8.2 The Council's Strategic Director of Place and Section 151 Officer have had the opportunity to input to this report.

9 RISK MANAGEMENT

- 9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

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Background papers	<i>None</i>
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