



North Essex Parking Partnership

Joint Committee On-Street Parking

Grand Jury Room,
Colchester Town Hall
High Street, Colchester
CO1 1PJ

22 June 2023 at 1.00pm

The vision and aim of the Joint Committee are to provide a merged parking service that provides a single, flexible enterprise of full parking services for the Partner Authorities.

Information for Members of the Public

Access to information and meetings

- You have the right to observe meetings of the Joint Committee, including those which may be conducted online such as by live audio or video broadcast / webcast. You also have the right to see the agenda (the list of items to be discussed at a meeting), which is usually published five working days before the meeting, and minutes once they are published. Dates of the Joint Committee's future meetings are available here: <https://north.parkingpartnership.org/joint-committee/>.
- Occasionally certain issues, for instance commercially sensitive information or details concerning an individual, must be considered in private. When this is the case an announcement will be made, the live broadcast will end, and the meeting will be moved to consider the matter in private.

Have Your Say!

- The Joint Committee welcomes contributions from members of the public at most public meetings. For online/hybrid meetings of the Joint Committee, a written contribution of no longer than 500 words may be submitted to democratic.services@colchester.gov.uk, before noon on the working day before the meeting date.
- Members of the public may also address the Joint Committee directly, for up to three minutes, if they so wish. If you would like to know more about the Have Your Say! arrangements for the Parking Partnership's Joint Committee, or request to speak, please email: democratic.services@colchester.gov.uk

If you wish to address the Joint Committee directly, or submit a statement to be read out on your behalf, the deadline for requesting this is noon on the working day before the meeting date.

North Essex Parking Partnership

Terms of Reference of the Joint Committee

The role of the Joint Committee is to ensure the effective delivery of Parking Services for Colchester Borough Council, Braintree, Epping Forest, Harlow, Tendring and Uttlesford District Councils, in accordance with the Agreement signed by the authorities in 2022.

Members are reminded to abide by the terms of the legal agreement: “The North Essex Parking Partnership Joint Committee Agreement 2022 ‘A combined parking service for North Essex’ ” and in particular sections 32 and 33.

Sub committees may be established. A sub-committee will operate under the same terms of reference.

The Joint Committee **will be responsible for** all the functions entailed in providing a joint parking service including those for:

- Back-Office Operations
- Parking Enforcement
- Strategy and Policy Development
- Signage and Lines, Traffic Regulation Orders (function to be transferred, over time, as agreed with Essex County Council)
- On-street charging policy insofar as this falls within the remit of local authorities (excepting those certain fees and charges being set out in Regulations)
- Considering objections made in response to advertised Traffic Regulation Orders (as part of a sub-committee of participating councils)
- Car-Park Management (as part of a sub-committee of participating councils)

The following are **excluded** from the Joint Service (these functions will be retained by the individual Partner Authorities):

- Disposal/transfer of items on car-park sites
- Decisions to levy fees and charges at off-street parking sites
- Changes to opening times of off-street parking buildings
- Ownership and stewardship of car-park assets
- Responding to customers who contact the authorities directly

The Joint Committee has the following specific responsibilities:

- the responsibility for on street civil parking enforcement and charging, relevant signs and lines maintenance and the power to make relevant traffic regulation orders in accordance with the provisions contained within the Traffic Management Act 2004 and the Road Traffic Regulation Act 1984

Strategic Planning

- Agreeing a Business Plan and a medium-term Work (or Development) Plan, to form the framework for delivery and development of the service.
- Reviewing proposals and options for strategic issues such as levels of service provision, parking restrictions and general operational policy.

Committee Operating Arrangements

- Operating and engaging in a manner, style and accordance with the Constitution of the Committee, as laid out in the Agreement, in relation to Membership, Committee Support, Meetings, Decision-Making, Monitoring & Assessment, Scrutiny, Conduct & Expenses, Risk and Liability.

Service Delivery

- Debating and deciding
- Providing guidance and support to Officers as required to facilitate effective service delivery.

Monitoring

- Reviewing regular reports on performance, as measured by a range of agreed indicators, and progress in fulfilling the approved plans.
- Publishing an Annual Report of the Service

Decision-making

- Carrying out the specific responsibilities listed in the Agreement, for:
 - Managing the provision of Baseline Services
 - Agreeing Business Plans
 - Agreeing new or revised strategies and processes
 - Agreeing levels of service provision
 - Recommending levels of fees and charges
 - Recommending budget proposals
 - Deciding on the use of end-year surpluses or deficits
 - Determining membership of the British Parking Association or other bodies
 - Approving the Annual Report
 - Fulfilling obligations under the Traffic Management Act and other legislation
 - Delegating functions.

(Note: the Committee will not have responsibility for purely operational decisions such as Staffing.)

Accountability & Governance

- Reporting to the Partner Authorities, by each Committee Member, according to their respective authorities' separate arrangements.
- Complying with the arrangements for Scrutiny of decisions, as laid out in the Agreement
- Responding to the outcome of internal and external Audits

**North Essex Parking Partnership
Joint Committee Meeting – On-Street**

Thursday 22 June 2023. Meeting to be held at Colchester
Town Hall, High Street, Colchester CO1 1PJ

Agenda

Attendees

Executive Members:-

Cllr Mick Barry (Tendring)
Cllr Tom Cunningham (Braintree)
Cllr Martin Goss (Colchester)
Cllr Neil Hargreaves (Uttlesford)
Cllr Sam Kane (Epping Forest)
Cllr Dan Land (Essex County)
Cllr Nicky Purse (Harlow)

Officers:-

Richard Block (Colchester)
Jason Butcher (Parking Partnership)
Jake England (Parking Partnership)
Jo Heynes (Essex County Council)
Amelia Hoke (Epping Forest)
Owen Howell (Colchester City Council)
Mike Kelly (Harlow)
Angela Knight (Uttlesford)
Hayley McGrath (Colchester City Council)
Andrew Nepean (Tendring)
Samir Pandya (Braintree)
Richard Walker (Parking Partnership)
Danielle Wood (Parking Partnership)

Introduced by Page

- 1. Election of Chairman**
- 2. Election of Deputy Chairman**
- 3. Welcome & Introductions**
- 4. Apologies and Substitutions**
- 5. Declarations of Interest**
The Chairman to invite Councillors to declare individually any interests they may have in the items on the agenda.
- 6. Have Your Say**
The Chairman to invite members of the public or attending councillors if they wish to speak either on an item on the agenda or a general matter.
- 7. Minutes** **7-16**
To approve as a correct record the draft minutes of the Joint Committee meeting held on 16 March 2023.
- 8. Urgent Items**
The Joint Committee will consider any urgent items of business raised.

Continues overleaf

North Essex Parking Partnership

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| 9. Financial Report
This report updates the Committee on the financial trends and issues in 2023/24 for the Parking Partnership and provides some additional background information for 2022/23. | Richard Walker | 17-32 |
| 10. Permit Fees and Charges 2023-24
This report asks the Committee to decide upon an implementation date for the Fees and Charges which were agreed at the last meeting. | Richard Walker | 33-36 |
| 11. NEPP Annual Governance Review and Internal Audit Report
The report considers the Governance Review and Internal Audit of the North Essex Parking Partnership for the year 2022/23. | Hayley McGrath | 37-54 |
| 12. Annual Review of Risk Management Report
This report concerns the 2023/24 Risk Management Strategy and current strategic risk register for the partnership. | Hayley McGrath | 55-68 |
| 13. Obstructive Parking
Verbal update on the situation regarding potential future changes relating to obstructive/pavement parking. | Richard Walker | N/A |
| 14. Forward Plan 2023-24
To note the North Essex Parking Partnership Forward Plan for 2023-24. | Owen Howell | 69-74 |

**NORTH ESSEX PARKING PARTNERSHIP
JOINT COMMITTEE FOR ON-STREET PARKING**

**16 March 2023 at 1.00pm
Braintree District Council Offices, Causeway House,
Bocking End, Braintree CM7 9HB.**

Members Present:

Councillor Richard van Dulken (Braintree District Council)
Councillor Richard Freeman (Uttlesford District Council)
Councillor Kane (Epping Forest) [Vice-Chairman]
Councillor Dan Land (Essex County Council) [Chairman]
Councillor Alex Porter (Tendring District Council)

Substitutions:

There were no substitutions at the meeting.

Apologies:

Apologies were received from:
Councillor Goss (Colchester Borough Council)
Councillor Stacy Seales (Harlow District Council)

Also Present:

Richard Walker (Parking Partnership)
Jason Butcher (Parking Partnership)
Rory Doyle (Colchester City Council)
Jake England (Parking Partnership)
Jo Heynes (Essex County Council) [Attended remotely via Zoom]
Amelia Hoke (Epping Forest District Council)
Owen Howell (Colchester Borough Council)
Michael Kelly (Harlow District Council)
Samir Pandya (Braintree District Council)
Ian Taylor (Tendring District Council)

137. Have Your Say

Mr Richard Risdon attended and, with permission from the Chairman, addressed the Joint Committee to raise his concerns regarding the way the Partnership had conducted the processes relating to decisions made relating to potential installation of parking restrictions on Purlieu Way, Theydon Bois. Mr Risdon claimed that the process had wronged him and fellow proponents of introducing a parking restriction. This included the ignoring of an initial survey, carried out by Mr Risdon, which indicated 79% of residents supported introducing parking restrictions, and the widening of the NEPP's own survey to include Harewood Hill. Mr Risdon claimed that the original approval of the Traffic Regulation Order [TRO] for the restrictions had been later countermanded and withdrawn by officers in 2020/21, and alleged that the Joint Committee had not been consulted. Mr Risdon complained that a subsequent report commissioned by the NEPP had covered the arguments put forward in favour of restrictions but had compiled statistics which had been used to argue that there was no case for restrictions. Mr Risdon argued that there continued to be a parking problem on Purlieu Way and challenged the Joint Committee decision from 19 December 2022 [to cancel the introduction of parking restrictions] and the survey methodology used to consult with residents prior to that meeting, held to answer a call-in of the decision to approve a pilot eighteen-month restriction. Mr Risdon complained that he had not been notified of the JPC meeting held on 19 December 2022, and had thus been excluded, along with fellow petitioners for a TRO. Mr Risdon further raised concern that a number of objections presented on 19 December 2022 came from Harewood Hill residents, and that two statements were made by occupants of the same household on Purlieu Way. Mr Risdon requested that the Committee declare that the survey held in December 2022 be declared invalid and that a new survey be agreed between himself and the NEPP Group Manager, to be conducted in October 2023.

Mr Richard Kempley attended and, with permission from the Chairman, addressed the Joint Committee to raise his concerns regarding the NEPP not proceeding with implementing parking restrictions on The Summit, Loughton. Parking by non-residents was causing problems for residents, including by obscuring motorists' vision, and had led to 90% of residents recording their support for restrictions, which then further increased, with parking issues continuing to get worse. Mr Kempley argued that the cost of restrictions should not be a greater concern than safety, regarding statements that the scheme would not be self-financing, asked why an alternative restriction had not been considered and suggested an alternative which could be brought in. Mr Kempley stated that much of the problem was from parking of vehicles by the staff of Woodcroft Hall School, which did not have its own car park, and which had apparently told staff to park in The Summit. Mr Kempley explained that the 'Have Your Say' link on the NEPP website was not functioning and asked the Joint Committee to review its decision.

Ms Sue Griffiths attended and, with permission from the Chairman, addressed the Joint Committee to request parking restrictions be introduced on The Summit, Loughton and to raise concerns as to how the NEPP had approached the subject. 25 of 27 households on The Summit had participated in a petition, in December 2022, calling for parking measures to be introduced and Ms Griffiths criticised the lack of transparency and due process. Problems were exacerbated by car cleaning vans which used The Summit to wash cars parked by non-residents. Ms Griffiths related that NEPP officers had advised that residents should park on their driveways rather than seek restrictions, even though other parts of Loughton were already covered by parking restrictions. Ms Griffiths had been told initially by a NEPP officer that the restrictions were to proceed, but was later told that objections had been received and the scheme withdrawn. Ms Griffiths had been told by the NEPP that notices and letters had been used to inform residents, but she explained that she and other residents had not received anything.

The Clerk read out a statement from Mr Nigel Conway, who had written to complain that recent changes in the area had led to an excessive parking problem develop in The Summit, Loughton, with many vehicles using it as a car park for the local school. This could cause problems for emergency vehicle access and car cleaning of non-resident cars in the road exacerbating this. The NEPP had previously been contacted concerning a residents' parking scheme, with a NEPP consultation claiming that letters had been sent to all residents about the application, however Mr Conway stated that these had not been received by anyone. Proof was requested that the sending of these letters had been implemented, and Mr Conway complained that the process had been abused. A full consultation was requested, and Mr Conway asked that this be confirmed in writing.

The Clerk read out a statement from Mr Ivan Browne, who wrote regarding the parking situation on The Summit, Loughton. Mr Browne noted the proposals in 2022 for parking restrictions on Baldwins Hill, off which The Summit is located, to manage parking issues. Mr Browne described the problems caused by parking on The Summit relating to the local school, and to walkers (following 'pay and display' being introduced to forest car parks, as well as parking by patrons at the local pub. Mr Browne described extreme congestion being caused, as well as dangerous parking, especially on corners, making access difficult for emergency vehicles or refuse collection vehicles to pass by. Problems continued to increase and Mr Browne voiced concern that residents had not been consulted, and that residents had not received any letters or written confirmation relating to the situation on Baldwins Hill. The application for restrictions on The Summit had been turned down and no explanation given, which caused Mr Browne to question whether the correct processes had been followed, due to a lack of transparency in decision making by the NEPP. As the situation was worsening, Mr Browne requested that a new consultation process be started with residents of The Summit, to find the best way to manage parking there. Mr Browne noted that the 'Have Your Say' link on the website was not currently functioning.

Richard Walker, Group Manager, responded to the statements regarding The

Summit, Loughton, explaining that the process for introducing TROs was tightly regulated and required consultation after they were approved. If objections were then received, these would then have to be addressed, where valid. The wider TRO which had been proposed for Baldwins Hill was then described. Jason Butcher, Group Development Manager, explained that the Baldwins Hill TRO had been approved by the Joint Committee in October 2021, and it was expected that this would increase the use of The Summit for parking by non-residents. It was normal process to letter drop details of proposed TROs to local residents, and on 24 March 2022 the proposal was advertised. 72 objections were received regarding the proposal for parking restrictions on Baldwins Hill, so a much smaller scheme was then proposed for the few properties on that road which did not have off-street parking. Therefore, it was not considered necessary for related scheme in The Summit to proceed. It was noted that 11 objections had been received to the initial proposal of parking restrictions on The Summit.

The Group Project Manager explained that a new TRO for permit parking in The Summit would be possible, if requested and brought back to the Joint Committee for consideration, but cautioned that any scheme was not likely to be self-financing.

138. Minutes

Owen Howell, Clerk to the Committee, explained a non-substantive amendment made to the minutes, to better reflect the views given by the Joint Committee member from Epping Forest, relating to Purlieu Way, Theydon Bois.

RESOLVED that the minutes of the meeting held on 19 December 2022 were approved as an accurate record, with the aforementioned amendment.

139. Urgent Item

A member of the Joint Committee raised concerns regarding the Partnership's financial situation and requested that a standing item be on every Joint Committee agenda to show the financial position. The member alleged that the Partnership could potentially be operating with a budget deficit for the year closer to £1m than to the level estimated by officers. The Chairman explained that the Partnership's financial position would be covered in the following item.

140. Permit Fees and Charges

Richard Walker, Group Manager, introduced and explained the report, which took the place of the usual financial statement, which was included on the agenda for each Joint Committee meeting. This report had a tighter focus on a combination of factors. Cost of living issues, inflation, a number of pay rises imposed and increased salaries to address recruitment problems had affected the Partnership's financial position. Increased costs had also been encountered relating to commencing new areas of business.

With reserves currently standing at £337k, the NEPP's projected budget deficit at year end of 2022-23 was given as around £680k. This would leave a deficit of around £350k if all reserves were used to address the deficit.

The Group Manager explained the terms of the current NEPP Agreement, which directed that, for districts where deficits were built up, action plans would be drawn up, brought to the Joint Committee for approval and put into action. If deficits still remained after two years, the next action would be to increase contributions from each partner authority.

The possibility of a deficit was foreseen and had led to the discussion on 19 December 2022 of the merit of looking at the levels of fees and charges. That Joint Committee meeting approved an examination of the subject. The methodology used to calculate new price levels was explained, as were the effects of inflation on the costs experienced by the NEPP.

The Joint Committee were presented with the projected financial implications of two options for raising the fees and charges [either by the Retail Price Index [RPI] or the Consumer Price Index [CPI]] and of then harmonising the levels of fees and charges across all partner authorities. The figures shown were explained, including the cumulative effects expected on the NEPP's finances over future years. The Group Manager recommended that the Joint Committee approve Option One, which would see an increase in fees and charges by CPI for the remainder of 2022-23, followed by harmonisation for future years.

The Joint Committee asked questions regarding forecasts for the future and what projections were held regarding the expected capacity for new TROs in the future. The Group Manager underlined that the NEPP could not guarantee any new TROs would be possible if the Joint Committee did not approve an increase in fees and charges. The difficulty in forecasting financial implications, not least because new schemes usually entailed increased costs and income.

The Joint Committee discussed what kind of remedial actions could be taken to address deficits occurring for individual local authorities. The Group Manager explained that the NEPP Agreement did not specify actions to take in such situations, but an 'all in it together' approach continued to be pursued in seeking amendments to fees and charges. The alternative would be to view and set pricing, local authority by local authority.

The Joint Committee discussed the options given and whether the recommended Option One would allow the NEPP to eradicate the forecast deficit in its budget. The Group Manager agreed that this was the view of officers and explained the legal requirements on the Partnership regarding budget deficits, with the Partnership having two further financial years to address a budget deficit which occurs. A Committee member suggested that Option Two [raising fees and charges by RPI] should be engaged, to ensure any deficit is addressed.

The Group Manager was asked about performance measures and metrics used by the NEPP to assess its performance, answering that the NEPP participated in national benchmarking, and specific benchmarking against Norfolk and Gloucestershire. The NEPP performed well compared to the Gloucestershire service, with both gaining around £34 from each Parking Charge Notice [PCN] issued. Norfolk has sought advice from the NEPP and the NEPP maintained an issue rate of PCNs which was similar to the national average.

The Group Manager addressed comments from a Joint Committee member who argued against the issuing of third resident parking permits to wealthy households, and for increasing the prices of second and third permits, especially where there was limited on-street parking for residents. The Group Manager explained that one of the proposed changes was to make it harder for people to 'game' the system by continually changing, online, the vehicle to which permits applied, in an attempt to allow multiple cars in one household to use the same permit. It was confirmed that households could purchase a second permit for a second vehicle, with a third permit being at the discretion of the individual local authority. Colchester had previously barred any issuing of third permits for households, which was an option open to each local authority partner.

A Joint Committee member noted the income stream provided to the NEPP by the payment of PCNs and asked for information on the trend in PCN income over the past year. Jake England, Group Operating Manager, explained that the budget had forecast around £2.2m in income from payments of PCNs issued, which had been the level achieved before the pandemic. The NEPP was looking to see if an increased efficiency in use of data and Civil Enforcement Officers [CEOs] could lead to more effective enforcement operations. It was confirmed that the banding of levels at which PCN value was set was set by national government and could not be varied by the NEPP, which already set its PCN charges at the top of each band. Change in PCN bands was not expected in the near future.

A Joint Committee member asked for detail as to new areas of business which had been highlighted as contributing to the deficit. The Group Manager explained that one of the main developments had been the setting up of the Digital Team, including a pilot project using camera placements in Dovercourt and Winstree Road [Stanway, Colchester]. These had been very successful in pushing behaviour change in the areas in which they were used. Costs had come from installing and then moving cameras to new areas, following improvements in parking behaviour where they had been used. Issues continued to arise outside schools and the new service and cameras helped the NEPP to conduct enforcement in more places. It would take some time to optimise the cameras' placement and movement, but costs would diminish once that was achieved. It was not possible to say what pressure this would put on the deficit until a full year of operations had occurred. The cost of the whole unit could be given, but it was not yet possible to separate out the costs only associated with the new use of cameras at school sites.

The Group Manager was asked why this increase in fees and charges was needed, given that the budget presented for approval by the Joint Committee on 19 December 2022 had been described to the Committee as being balanced for 2023-24. A Joint Committee member stated that they had doubted the budget was a balanced one, and gave a view that the deficit would likely be closer to £1m for 2023-24, potentially leading to partner authorities needing to contribute more money to eradicate the deficit. The member complained that there were no accounts or accounting data to examine, given that the NEPP partners would be liable for any deficit, and that his requests for accounts had not been met. The member gave his view that on-street and off-street operations in the NEPP should be done by separate officers and challenged officers' projections for PCN income in the coming year, suggesting that the Joint Committee should not approving the recommendations until more accounting information was provided by the NEPP to its member local authorities. The member stated that residents could vote to remove parking permit schemes, if permit prices were raised and suggested that the NEPP shrink its operations to reduce costs, including a halt on recruitment.

The Group Manager addressed the points made, pointing out that when the NEPP budget for 2023-24 was drafted, there was no indication that additional pay rises would be introduced [such as via the pay agreement agreed between the lead authority and the union Unison]. In an uncertain and chaotic economic environment, this could not be predicted. Updates had been provided to the partner local authorities' client officers [COs], with the COs agreeing with how the NEPP would address this situation, and agreement being given as to how permit prices would be reviewed. If the fees and charges for permits remained unchanged, the Group Manager argued that it was more likely that the budget deficit would increase.

The member raising concerns stated that it was the Group Manager's job to predict what would happen in the future and asked why the NEPP was in the current position. The Chairman noted that different members of the Joint Committee potentially had different interpretations of the situation and noted the wealth of data and information presented within the report before the Joint Committee, noting that ways to present data in a more easily understandable format should be looked at.

Jo Heynes, Interim Head of Network and Safety [Essex Highways] explained that much work had been carried out on the budget by Essex County Council [ECC] with the NEPP Group Manager and his colleagues. All aspects of the budget had been challenged, and the option presented was the most balanced option found to address the expected deficit which had recently arisen. The Interim Head of Network and Safety underlined that the additional costs which had arisen, especially the staff-based costs, were entirely outside the control or ability of the Group Manager to predict. Increasing fees would be unpopular, but ECC was confident that this was a good option to enable the NEPP to recover its financial position. It was noted that permit fees and charges had been static for a long time. Rory Doyle, Strategic Director [Colchester City Council [the lead authority]], addressed the challenge to

provide a greater level of operational financial detail, stating that the level provided was usually sufficient, but pledging to work with the other partners to provide more detail for assurance. The member who had expressed dissatisfaction with the lack of budget information provided asked why the NEPP and ECC had been working together without involving all of the partner local authorities within the NEPP. The Interim Head of Network and Safety explained that the NEPP exercised powers delegated to it by ECC, which was why ECC was invested in ensuring that the Partnership remained sustainable and was focussed on its long-term sustainability.

The Chairman summarised the concern that had been raised by one member, regarding a perceived element of confusion and concern regarding what could be thought of as over-optimism regarding income from PCN payment. There was a need to ensure that all partners could see and understand the finances of the NEPP.

Questions were asked and clarification given as to the projections and information contained within the report's tables, such as the fees and charges to which increases would relate. If increases were approved for 2023-24, the increased rates would not go into effect until June, followed by full years of increased rates, showing why Table 1 showed projections for the initial part year increase, followed by cumulative full-year increases for the years to follow.

RESOLVED by the JOINT COMMITTEE that: -

- (a) The relevant permit prices, fees and charges be raised in line with Option One within the report presented and in line with the Consumer Price Index;
- (b) Permit prices, fees and charges be harmonised across the local authorities within the North Essex Parking Partnership for the year 2024/25 onward, as described within the report;
- (c) An administration charge be introduced for making a change to a vehicle registration mark on any permit.

The Joint Committee voted to reject the recommended introduction of a transaction fee of 10p per transaction to cover the cost of the On-Street MiPermit Pay to Park, and Visitor Permit services.

The Joint Committee was offered a range of implementation dates/windows for the increase in relevant permit prices, fees and charges, as had been approved by the Joint Committee at this meeting. Proposals were put to the Joint Committee, in turn, for implementation between weeks commencing 29 May and 12 June 2023, or implementation 'now', or implementation in June/July 2023. The three options put forward were rejected by the Joint Committee.

141. 'No Stopping' Cones Policy Report

Jason Butcher, Group Development Manager, presented the report and explained the charges proposed. One Joint Committee member queried whether the pricing would cover all costs. The Group Development Manager explained how the service worked, with staff often able to deliver to customers by providing cones from satellite sites, rather than home base. Officers had used their best estimates to set prices and the Joint Committee could set new increased prices if it wished to do so. Currently there was no charge levied on the borrowing of cones from the NEPP. Each lost cone cost the NEPP around £10.

RESOLVED by the JOINT COMMITTEE that the proposed temporary 'No Stopping' cones policy be approved.

142. TRO Scoring Methodology Report

Jason Butcher, Group Development Manager, introduced this item and the main differences between the proposed methodology and that which was currently in use. The changes were to tighten the process for future TROs.

A Joint Committee member asked for an extra line to be added, to show whether the local parish council/s supported the TRO, stating that ideally this would include a points weighting, if possible. The Group Development Manager agreed that an extra line could be added but explained the concern that, if it were assigned a score, this would be outweighed by other criteria.

The Group Development Manager answered questions and explained that the new methodology would make it easier to make judgements on scoring.

RESOLVED that the JOINT COMMITTEE approves the proposed new TRO application scoring methodology.

143. Obstructive Parking

Richard Walker, Group Manager, confirmed that there was no news regarding this issue. A Committee member noted that he often received complaints regarding obstructive parking.

144. Forward Plan 2022-23

RESOLVED that the Joint Committee notes and approves the North Essex Parking Partnership Forward Plan for 2022-23, and the amended two meeting dates for the

2023-24 year, which had been altered so as to avoid clashes with meetings of the South Essex Parking Partnership.



North Essex Parking Partnership

Joint Parking Committee

Meeting Date:	22 June 2023
Title:	Finance Report and Budget Update
Author:	Richard Walker, Head of Parking
Presented by:	Christine Belgrove & Richard Walker

This report updates the Committee on the financial trends and issues in 2023/24 for the Parking Partnership, and provides some additional background information for 2022/23.

1. Recommended Decision(s)

- 1.1. To note the financial position and out-turn for 2022/23, and the work ongoing to keep the service on track and bring operations within budget in 2023/24.

2. Reasons for Recommended Decision(s)

- 2.1. For good governance and to ensure the effective future operation is possible within budgets and to help maintain the work programme of the Partnership.

3. Supporting Information – Last Financial Year

- 3.1. There is an amplified discussion of the pressures and impacts on the budget and financial position contained in the background paper.
- 3.2. Upon first inspection, it would appear that the Salary Budget has performed well against its budget, however this is masking what would otherwise be savings, had it not been for the unforeseen pay increases, with an additional backdated award to front line staff, and other starting pay increases brought in to attract more staff during recruitment.
- 3.3. Any saving in salary due to vacancy savings would usually have been used to offset the associated drop in income; however, there is a still gap in income caused by the difficulty in recruiting to full establishment, with any offset being lost in salary increases – the first for many years.
- 3.4. Income performance dipped from between May until January, with forecasts accordingly adjusted at P11 to predict a year-end out-turn of c.£681k deficit which, – with the addition of the positive £108k required in the budget importantly *after* Reserves had been used – would have meant a forecast deficit in-year of £452k.
- 3.5. However, with new recruits in place and fully trained, plus the impact of the 2022 Transformation to the service now complete (with the new supervisory level staff now fully trained and also patrolling), it was pleasing to see a turn-around in the last two months of the financial year with a return to more normally expected levels of income.
- 3.6. This late shift has also benefitted from the year-end creditor (calculated during P12/13 – for those penalties issued late in the year but not yet paid, to ensure the credit for the expected

income is kept within the correct financial year) being greater than expected due to this improvement in deployment.

- 3.7. The earlier dip in penalty charge issue rate had also reduced the necessary provision for bad debt, with a reduction that benefitted the account in P13. The draft out-turn (after all Reserves are included) is a draft deficit of £188k, which will be carried forward for one year to give time for plans drawn up under Agreement Appendix E to have an impact.
- 3.8. Whilst still a deficit – is a notably significant improvement over forecasts in P11 and will go some way to allay fears from some quarters that the trend in the financial position was becoming uncontrollable. The Plan however has begun to work and will be kept under close review.
- 3.9. The usual references to inclement weather disrupting or impacting services, and therefore income forecasts, should be noted.

4. Current Financial Year – 2023/24

- 4.1. Managers of the Operational Service now have advanced efficiency plans in place, and a further backup plan, which will be called upon in order to help maintain the service against budgets and keep costs within forecasts in 2023/24. See background paper for information.
- 4.2. It is pleasing to report that a strong start has been made in 2023/24, with income in P1 above pre-pandemic levels, partly from greater deployment of recruited officers and partly from the impact of moving school park safe cameras to new locations, helping effect a change to driver behaviour – and with a by-product of some additional income on the digital side of the operation.
- 4.3. Having all three camera cars in use for longer has also impacted performance positively. This however must be able to be carried throughout the year for the finances to remain on track. The impact of bank and school holidays, and gradual improvement in compliance at the new camera sites will need to be monitored.
- 4.4. In the current financial year, there is a need to make substantial savings, efficiencies, or extra income over the previous year to erode the draft £569k in-year deficit (£461k + £108k net budget), since there are no more Reserves to be used. This year's budget nets to £0.
- 4.5. It is pleasing to report a good start financially in the paragraphs above – and this, combined with the paring back of the maintenance budgets, with the important decision to start the revised fees and charges (worth £276k in the part year) to be made, would have the finances start to get back on track. After breaking even, a new Reserve Fund is then the first amount needing to be built.
- 4.6. There remains a risk around overheads where additional services were expected, but these will be offset to their own accounts upon commencement of those services. Any delays will have a consequent impact on accounts though.

5. Alternative Options and Risk Management

Failure to balance budgets in accordance with the forecast and estimates.	Fails to balance NEPP finances	£336.9k Reserves to be called upon, with an effort to re-build an appropriate Reserve Fund again from 2023/24 onwards, in accordance with the Agreement.
		Fees and Charges uplift implementation decision delayed from March to June meeting.
		Authorities in deficit will be required under Appendix E of the Agreement, to produce a plan to reduce the deficit in their account to zero within 12 months.
		Appendix F Article 2.1.2 states that all authorities will be responsible to cover any remaining deficit in equal shares if it is not able to be contained within the Annual Business Plan.
To reduce future budgets in order to offset increased costs	Fails to balance NEPP Finances	A reduction in service (particularly maintenance) has been planned into the forecast, to bring the 2023/24 account to break-even. Additional work from outside is to be taken on across the group, to offset JPC account overheads.

6. Standard References

- 6.1. Other than set out above, there are no particular references to the Development Plan; publicity or consultation considerations; or financial; equality, diversity and human rights; community safety; health and safety or risk management implications

Background Papers

North Essex Parking Partnership - *Budget Issues and Resolutions*

Appendix

	A	B	C	D	E	F	G	NYR	
2022/2023 - Period 13 (as at 24/05/23) - not yet final <i>Provisional Outturn</i>	2021/2022 Last Year	2022/2023 Current Year	2022/2023 Current Year	2022/2023 Current Year	2022/2023 Current Year	2022/2023 Current Year	2022/2023 Current Year	2023/24 New Year	Notes
	Actual	Actual to date	Budget to date	Variance to date	Forecast outturn	Annual budget	Projected variance	Budget	
On-street Account									
Direct costs									
Expenditure									
Employee costs:									
Management	88	97	87	9	97	87	9	199	Parking Services Mgt Team staff costs and management a/c
CEOs & Supervision	1,325	1,331	1,327	4	1,325	1,327	(2)	1,406	CEOs & Supervisor staff & costs; small vacancy u/spend
Back Office	421	434	442	(7)	435	442	(7)	419	Back Office staff costs
Business Development	0	0	0	0	0	0	0	132	
Data Led Services	226	355	281	74	354	281	73	342	
TRO's	164	175	47	128	169	47	122	188	TRO team staff costs
Premises / TRO Maintenance costs	313	230	208	22	225	208	17	135	R&M budget (seasonal: small expenditure anticipated)
Transport costs (running costs)	50	65	28	37	59	28	30	28	Fuel, public transport etc
Supplies & Services	737	411	471	(60)	532	471	60	506	General expenditure; includes ParkSafe car IT & TRO costs
Third Party Payments	19	35	56	(21)	41	56	(15)	38	Chipside and TEC bureau costs
	3,342	3,133	2,948	186	3,236	2,948	287	3,393	In Year Service expenditure total
Income									
Penalty Charges (PCNs)	(1,908)	(1,722)	(2,295)	573	(1,861)	(2,295)	434	(2,258)	PCNs - revised due to CEO deployment (£1,965 Last Yr) - weather
Fines (Blue Badge/Permits)	0	0	(30)	30	0	(30)	30	(25)	Likely to be issued a PCN than fined - Rev Prot'n income more likely above
Parking Permits/Season Tickets	(913)	(923)	(861)	(62)	(918)	(861)	(57)	(943)	Visitor Permits - includes new areas and 2nd permit fee increase last yr
Parking Charges (P&D etc)	(292)	(336)	(280)	(56)	(314)	(280)	(34)	(375)	Pay & Display - includes additional area and new fees Feb 2023
Other income	(27)	(135)	(35)	(100)	(35)	(35)	0	(247)	Misc - other works undertaken - billed at end of work, inc adjustment in this draft
	(3,140)	(3,116)	(3,500)	385	(3,127)	(3,500)	373	(3,848)	In Year Service income total
Total Direct Costs	202	17	(552)	571	109	(552)	660	(455)	In Year Service net expenditure
Total Non-direct Costs	447	444	444	0	444	444	0	455	Corporate costs added (see table)
Sub total (in year operation)	649	461	(108)	571	553	(108)	660	0	
	577				Forecast		In-year swing		
from Reserve	72	381							
	31	188	Draft Position						
									after use of Reserves adjustment, but prior to confirmation of recharges (not final, but at 24/05/2023; expected wk2/Jun)

North Essex Parking Partnership

Background Paper: *Budget Issues and Resolutions*

Introduction

Budgeting for the year 2022/23 took place in September-October 2021. The fiscal landscape was significantly different at that time than was being felt in late 2022/early 2023. Both CPI and RPI measures were around 2.5% to 3%, and forecasting was made on the assumption that this was to continue. This has impacted on forecasting vs. the budget set so much earlier, with impacts – particularly in salaries – that could not have been reasonably foreseen.

Budgeting for the year 2023/24 took place in September – October 2022, when it was only just becoming clear that the rate of inflation was increasing – albeit then only slightly, with no discernible trend – after a very long period of sustained low inflation. At the time CPI and RPI were only around 3% - 4%. See charts below.

There had not been any appreciable salary increases for a number of years, and staffing budgets had remained static. In addition, budgets for fees and charges had also remained static; incidentally, the level set by the Secretary of State for PCNs has not changed since 2015 (when some of the charges *reduced*) – and none has been changed in any scale since before 2007.

The number of PCNs issued during the year started at an expected level, then dipped as recruitment issues were felt. Towards the end of the year the rate of issue picked up once again, and in the last two months of the financial year the issue rate increased above expectations.

Impacts on Operations – Employment & Deployment: When a different number of PCNs are issued across the year than the budget projection, then areas impacted include the allowance for bad debt, and any debtor amount may be different from the expectation. With more knowledge of the changes in trend, the effects of any changes to issue rate could now be predicted sooner in the financial year.

The number of staff employed and at work (and therefore deployed onto patrol duties) will have an impact on this figure. If the number of staff employed is lower than expected, then a saving would usually be made in the salary budget, which can offset any deficit in the income budget. We would call these 'transitional vacancy savings'.

In times of inflation, salary increases have an impact on the transitional vacancy savings able to be used to offset income, as these are instead taken up filling any unforeseen shortfall in the salary budget.

In addition to this, recruitment has been particularly challenging, especially at the beginning of the 2022/23 financial year, with competition in the job market between different sectors – particularly those which had emerged during the pandemic which were competing for similar staff resources.

Operational staffing issues are delegated to the Lead Authority, and the decision was taken to increase the starting salary for the Partnership's Civil Enforcement Officers (which make up the majority of staff employed by NEPP, alongside a large number of

other front-line staff on similar grades – a statistic which will soon become relevant) – so that the starting salary for an Officer was in the centre of the banded salary structure and not at the entry point. This also impacted on some recent starters, who were moved up the scale to be equitable.

In addition, salaries are negotiated locally by the lead authority, Colchester City Council. In light of the growing inflationary pressures and what has been reported as a ‘cost of living crisis’, employees were awarded a pay rise. This amounted to 4.5% for the front line workers, and 2.5% for managers. This amount had not been budgeted in the 2022/23 accounts.

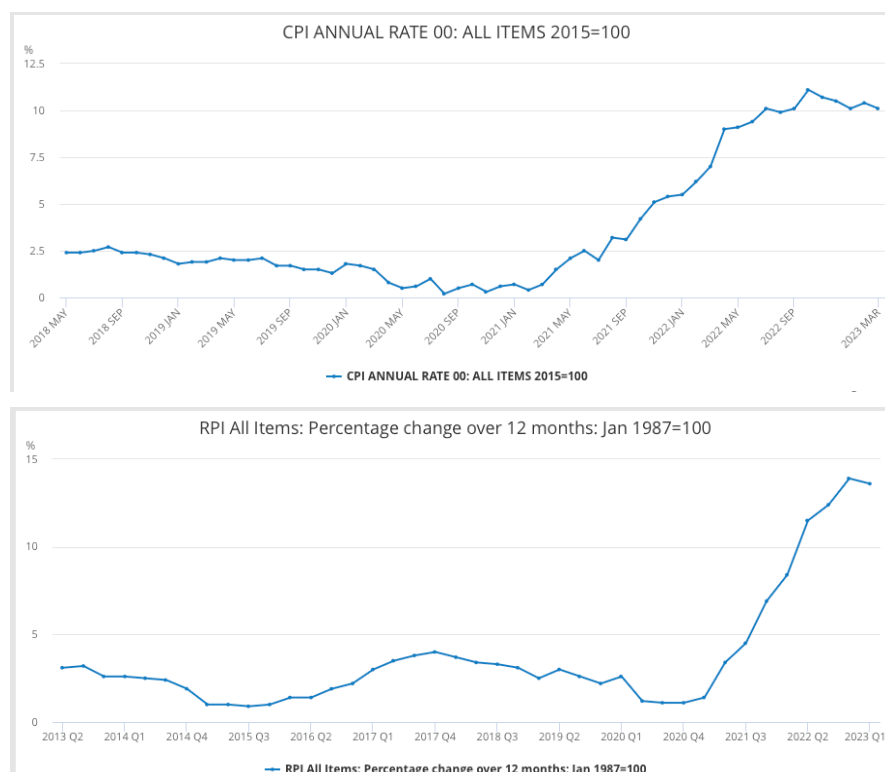
In addition, a late additional pay award was made, during December 2023, to front line staff, of up to an extra £1925 per person, mirroring the National Joint Committee payments made by other authorities. This was backdated to April 2023 and paid with the January pay. This amount had not been budgeted in the 2022/23 accounts.

This leaves the Partnership’s salary cf. income budgets in a deficit situation, even after taking transitional saving, leaving us without the ability to offset any income budgets.

In the new financial year, it may be necessary to budget a sizable pay increase. Presently an allowance has been made, with a little flexibility in the overall budgets where an additional £300k over 2022/23 figures has been set aside for additional officers starting later in the year, and for pay increase allowances.

An illustration of the impact of inflation (CPI and RPI) is shown below, as is a table showing the impacts on expectations during the year as they related to forecasts, monthly actuals, and the out-turn.

Charts 1 & 2 – CPI, RPI



PCN and debtor/creditor impact; Year End (P13) adjustments

In the time after closure, the year-end debtor has been added, and an adjustment has been made for the amount of bad debt outstanding.

At the end of the financial year, accountants have added the amount of debt owed by customers at the end of the period but not yet collected (i.e., the year-end debtor), and have adjusted the records to account for the fact that some of this debt may not ever be collected (i.e., the bad debt outstanding). This adjustment is necessary for NEPP financial statements to accurately reflect its financial position and performance.

The year-end debtor was larger than forecast, and bigger than expected, at £305k (£273k Foot Patrols + £32k CCTV). This reflects the increase in activity at the end of the year as a result of increased deployment.

Bad debt allowances have reduced because, overall, the Partnership issued fewer PCNs across the full year (it was still a lower figure than previous years, despite the upturn towards the end of the year). The amount of bad debt at closure was £109k (£121k for foot patrols – reducing; less £13k for CCTV – where an increase in provision was made). Bad debt is accounted for in the Reserve balances.

Main areas impacting on the service during 2023/24.

Changes already made, TRO budget:

- Mitigations already planned include the reduction of the TRO budget for maintenance and new schemes – and to keep a firm lid on expenditure. During the surplus years, a number of additional schemes had been completed and a large amount of additional work had been completed during the pandemic. In addition some of the pandemic regulations had been reduced once the need for social distancing had been removed.
- At the height, up to £650k expenditure p.a. was undertaken. In the last financial year, expenditure was up to £450k. In the new year, the expenditure has been capped at a total of £320k, with around £140k available for signs and lines maintenance and new schemes. This represents a vast reduction in expenditure.

Other mitigations:

- A transition in the operations took place during January 2022. A review of the success of this, and any mitigation to cover for the late arrival of other services from Essex CC will be planned, as follows.
- Vacancy savings will be taken whenever non-front line staff leave.
- Plans B and C concern the NEPP Transition Review which is being communicated to staff during May and early June, which sets out further efficiency measures that will be taken depending upon the state of the finances at P3.

Plans for 2023/24, and beyond

Review and restructure budget:

Started by reviewing the budget and identifying areas where costs can be reduced. This includes renegotiating contracts with suppliers, reducing non-essential spending, and cutting back on overheads.

Increase income:

Realistic income targets based on the organisation's current revenue streams and opportunities for growth.

Monitoring income and expenses:

Regularly monitoring income and expenses continues to ensure that the organisation stays on track within its forecasts. Adjustments will be made as necessary to keep expenses under control and income monitored.

Implement CPI/RPI adjustments:

Implementing the CPI (Consumer Price Index) adjustment to fees and charges will help cover any increases in costs.

Identify new income streams:

Opportunities to generate new revenue streams, such as new partnerships with other authorities and restructuring the parish partnerships are underway, which will all help offset the overall group's overheads. These partnership help bring in additional funding to cover the deficit and support the organisation's long-term growth.

Communication:

The financial monitoring will continue to be part of the Joint Committee Reporting in future.

A Look at the Budget – out-turn and forecasting

General Issues

Looking at the Budget Analysis, it appears that many of the expenditure areas, especially staffing, have out-turned very near to the budget. However, there are many underlying issues that are not apparent from the data. A brief discussion of these areas follows in the paragraphs below.

We can also learn from the closed year about forecasting – especially the swings in debtor and bad debt totals, which only get summed in P13. With each passing year, more is learnt about the operation, and this will lead to better forecasting in future years, by including these as products of the PCN issue rate each month, now the impacts of these issues are clear.

Risk and Impacts

There is a risk of the 'other work' not being transferred in the timescale expected this year. It had been expected to offset the 'other' budget area to separate accounts and reduce the risk to the On-Street account – where 'other work' is being accounted for in the On-Street account at present – this work will be transferred to a different

direct service account offsetting the risks when these services are transferred and started.

Other in-year impacts have also been felt, and some of these are only temporary. The nature of these issues is discussed below, and the temporary issues are indicated – along with many other points of note – in **Table 2**, in the Appendix. These will only have impacted once and will not recur.

These temporary and transformational issues had an underlying impact of £92k in 2022/23. One-off costs amounted to £186k in expenditure, and a likely equivalent value in foregone PCN income, due to recruitment issues.

Importantly, if the £186k one-off costs had not occurred, the Joint Committee account would still be in surplus.

Other issues will however carry throughout the lifetime of the Agreement, and must be planned for, in most cases requiring a saving or efficiency to offset ongoing costs. To this end both savings and transformation are planned in order to ensure that the budget is kept to. Presently an additional £290k has been allowed for in the 2023/24 budget to cover inflationary and one-off pay award costs. It may be that a higher-than-expected pay increase is awarded, leading to a further £130k of costs, but this is not yet clear. The 'possible future impact' column therefore shows £420k vs. £290k budgeted for this.

The most severe of the interventions is in the TRO function, where maintenance will all but cease for FY 2023/24, reducing expenditure from c.£450k. to £140k – out of the overall budget of £329k, (balance for which includes paying staff) by carrying out only the scheme of new works in the Agreed Future Works Programme.

Staff Issues

During the year, if any savings are made, these would usually offset any decrease in income due to lower deployment. However, pay rises and a difficult year for recruitment have taken away this benefit that would normally have offset any drop in income.

The decision was made to raise the starting point for new staff to part way through the grade; normally there would be a progression from the starting point on the scale. Revising the starting point also affected a number of staff who were below the new point. This move attracted some new officers to the available posts, although there's some lag between new recruits starting and being trained in the full role.

During the year, a pay increase was made to staff. Most Partnership staff are on the front-line grades. These staff received an uplift of 4.5%. Other staff received 2.5%.

Towards the end of December, a further increase was made, to bring into line the pay award with the National Joint Council settlement. This meant that the front-line staff grades (only) received an additional £1925; most Partnership staff are on front-line grades.

These are shown in the table below. In addition, several one-off costs were realised in 2022/23, amounting to £75k; redundancy costs of £12k were in the forecast, but these have been moved out of scope, to the Off-Street account where they were incurred.

Transformation, offsetting overheads and other work

NEPP has plans in place to adapt to the changing market position. Throughout its history, NEPP has transformed the group to enable resources to be available for new and reallocated work, and now is no different.

The operational services underwent transformation in January 2022 to set up for the possibility for other services to be delegated. In the event, this has been delayed, and some other issues have coincided (discussed above).

NEPP will remain agile and has already planned to revisit the transformation process to ensure that its resources match priorities and funding for 2023/24, with an emphasis on matching the digital services structure to the available work. Some other work for parishes and other authorities is also available, and this will serve to offset the group overheads.

Possible impacts must also be considered, and – whilst £146k has been allowed for in the budget – a further £74k of costs may be realised and need to be offset if other work planned does not pass to the Partnership during the year. Plans for a further transformation will offset this cost when it becomes clear at what stage any additional services (e.g. increased digital services) might begin.

It is likely that – at the time of commencement – these services would pass to a parallel account, with their cost and income to balance each other, thereby reducing the risk, and offsetting the overhead of these resources.

Supplies & Services

Some one-off supplies and services costs were evident during 2022/23, amounting to additional expenditure of £111k; this was offset by £22k one-off savings. Most expensive of these was a single £88k cost to upgrade CCTV systems.

TRO Service

Some additional costs in the provision of maintenance of signs and lines were evident. These amounted to £114k over budget. Plans for 2023/24 include the reduction of the total maintenance spending to no more than £140k, including all new work. For some recent years this total spend has been above £650k, mostly due to schemes introduced and altered during the pandemic.

These costs were forecast to be £139k but actual out-turn was £150k over budget. For 2023/24 (and probably beyond), these costs will be curtailed, and have been budgeted accordingly. In 2023/24 for instance, a saving of £310k is proposed over previous spending.

Transport

Some additional costs (£35k) have been felt due to fuel inflation. The budget has been revised for 2023/24, but a careful watch will be needed on these costs. Move to alternative energy (e.g. Electric Vehicles) will also help diversify the risk.

Income

Income from penalty charges (PCN) was below forecast; this is due to the earlier issues with recruitment, which led to the increase in starting salary for officers

(CEOs). A lag is always apparent between recruitment and full operation for new officers due to the amount of formal and on-the-job training necessary.

New CEOs who started during late 2022 were working by themselves by early 2023, and an upturn in the PCN issue rate was starting to be seen towards the end of the financial year. Income from these PCNs is also subject to a delay in payment until reminder letters can be sent within the regulations.

Other income fared a little better than budgeted due to the increase in pay to park kerbside and a small second permit resident permit price increase. A larger inflation-based increase was approved at the March Joint Committee Meeting, and a decision is pending on when to bring this in. A part-year has been budgeted in the revised forecast for 2023/24.

A greater amount of flexibility has been built into the budget for 2023/24, both in the allowance for employing more officers, and/or offsetting any increase in pay (although this must also be kept under close review), and the link through transitional vacancy savings made, into the income budget (which was instead exhausted by the backdated pay increases in 2022/23).

Uplifts to income for 2023/24 (inflation) and beyond (through harmonising fees and charges) is summarised in the table which was presented to the Joint Committee in March 2023, approved and awaiting a decision on implementation. A starting date of June has been allowed for in the budget.

Reserves & Projects

The last in the previously-agreed work programme for projects is now concluded. There are no further surplus-funded projects in the pipeline.

Opening the year, NEPP Reserves stood at c.£337k. When applied, in P13, the Reserve balance, in accounting terms, will be boosted by the difference between the bad debt reduction and the spend on the last of the surplus-funded projects. The balance of £381k, and other savings and transfers of £113k will however be exhausted by unbudgeted costs and consequences of those costs, experienced in-year 2022/23.

Forecast and Budget vs. Actual (out-turn)

A further part of the work for the budget in 2023/24 was to look back at the accuracy of budget setting and forecasting during the year 2022/23, for the time from the start of the new Agreement. The extension of the old Agreement also had some impacts.

There have been major changes in the financial landscape in-year, and moreover since the budget setting exercise for last year, during September/October 2021. At the time the budget was set there had been no pay increases of substance for several years, and at that time inflation was running at around 2%.

Within a few months, and within the financial year, no-one would have reasonably foreseen such a seismic shift in the financial landscape. NEPP is fortunate to be able to call upon its Reserves to offset some of the issues felt, but once exhausted will need to be re-built. A plan to do this is now in operation and is to be assisted by increases to charges for permits and other fees and charges, reported above.

A summary of the underlying impacts on the budget in-year for 2022/23 is given above and this is shown in the red column in Table 2 in the Appendix. These are the moves within the accounts for the year and explain in more detail what is shown in summary in the Analysis table (Table 1) in the Appendix.

An examination of the forecasting is also shown, with impacts in the purple column. Forecasts differed in a couple of areas, namely that in the forecast it was predicted that the TRO costs would be higher than actually found, and PCN income would be less impacted than it was – although this is offset by increases in the debtor and bad debt amounts, and a saving on other income, meaning that the forecast made during December, January and February was £99k more pessimistic than actual.

A summary of the final out-turn position against the budget is shown in the orange column. The draft forecast out-turn at P12/13 (subject to final recharges being made) was c.£188k deficit, after all Reserves and debt adjustments have been accounted for. An update to this in mid-June with finalised recharges included will show the final amount after all Reserves have been used.

Adjustments in contributions for one-off work are also handled during the P13 accounting period. This has also led to a late swing in the accounts.

Lessons from the exercise

It can be seen that a large shift occurs during the final accounting month (P13) where a number of debt and bad debt issues become clear from trends, and forecasts are made.

NEPP will attempt to forecast these impacts through the year, based on the PCN issue rate and advise of any deviation from expectations.

Other lessons learned are from CPI and RPI monitoring and leaving sufficient overhead in the budget to account for pay increases.

Preparing the service structure to take on other work, when there is a lag to the other work being transferred and therefore providing an income to offset the costs is another area of learning.

Having effective plans to mitigate any delays to expected start dates, or to offset increases in salary or dips in deployment both impacting service performance, has caused NEPP operations to have contingency plans to help keep the accounts and forecasts in line.

Being very clear about the need to keep fees and charges increases in line with inflation – to keep income in line with costs – and making very clear statements in reports and for decisions on the need to implement changes without delay, are also lessons learned.

Appendix – Table 1 (Analysis) – **draft** P13 out-turn (t.b.c.) (final expected mid-May).

	A	B	C	D	E	F	G	NYR	Notes
2022/2023 - Period 13 (as at 24/05/23) - not yet final	2021/2022 Last Year	2022/2023 Current Year	2022/2023 Current Year	2022/2023 Current Year	2022/2023 Current Year	2022/2023 Current Year	2022/2023 Current Year	2023/24 New Year	
<i>Provisional Outturn</i>	Actual	Actual to date	Budget to date	Variance to date	Forecast outturn	Annual budget	Projected variance	Budget	
On-street Account									
Direct costs									
Expenditure									
Employee costs:									
Management	88	97	87	9	97	87	9	199	Parking Services Mgt Team staff costs and management a/c
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Supplies & Services	737	411	471	(60)	532	471	60	506	General expenditure; includes ParkSafe car IT & TRO costs
Third Party Payments	19	35	56	(21)	41	56	(15)	38	Chipside and TEC bureau costs
	3,342	3,133	2,948	186	3,236	2,948	287	3,393	In Year Service expenditure total
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Fines (Blue Badge/Permits)	0	0	(30)	30	0	(30)	30	(25)	Likely to be issued a PCN than fined - Rev Prot'n income more likely above
Parking Permits/Season Tickets	(913)	(923)	(861)	(62)	(918)	(861)	(57)	(943)	Visitor Permits - includes new areas and 2nd permit fee increase last yr
Parking Charges (P&D etc)	(292)	(336)	(280)	(56)	(314)	(280)	(34)	(375)	Pay & Display - includes additional area and new fees Feb 2023
Other income	(27)	(135)	(35)	(100)	(35)	(35)	0	(247)	Misc - other works undertaken - billed at end of work, inc adjustment in this draft
	(3,140)	(3,116)	(3,500)	385	(3,127)	(3,500)	373	(3,848)	In Year Service income total
Total Direct Costs	202	17	(552)	571	109	(552)	660	(455)	In Year Service net expenditure
Total Non-direct Costs	447	444	444	0	444	444	0	455	Corporate costs added (see table)
Sub total (in year operation)	649	461	(108)	571	553	(108)	660	0	
	577				Forecast		In-year swing		
from Reserve	72	381							Red is surplus = to be added to reserve. Black is deficit, to remove from Reserve
	31	188	Draft Position						after use of Reserves adjustment, but prior to confirmation of recharges (not final, but at 24/05/2023; expected wk2/Jun)

Appendix – Table 2

North Essex Parking Partnership	2022/23			2023/24		Notes
	underlying impacts	forecast vs actual	out-turn vs budget	pos. future impacts	provision in budget	
Staff Issues						
Increase in starting band; uplift to match	£ 17	£ -	£ -	£ -		
4% inflationary salary increase, April 2022	£ 107	£ -	£ 6	£ 250	£ 120	£120k allowance + additional F&C
NJC £1925 uplift (backdated), applied in Dec.	£ 164	£ -	£ -	£ 170	£ 170	depends on settlement
One-off contractual issues	£ 16	£ -	£ -	N/A	N/A	One-off
One-off redundancy	£ 17	£ -	£ -	N/A	N/A	One-off (budgeted but a/c in Off St.)
One-off TUPE settlement issues	£ 59	£ -	£ -	N/A	N/A	One-off
	£ 380	£ -	£ 6	£ 420	£ 290	
Offsetting overheads						
Awaiting work from ECC (camera sites)	£ 74	£ 73	£ 74	£ 107	£ 107	Awaiting information; will review
ECC work not started (country parks)	£ -			£ 69		Understood to be progressing
ECC work not started (on street parking)	£ -			£ 39	£ 39	Awaiting information; will review
	£ 74	£ 73	£ 74	£ 215	£ 146	
Supplies & Services						
Upgrades - SEA cctv equipment	£ 88			N/A	N/A	One-off
Toilets update	£ 6			N/A	N/A	One-off
Extra maintenance	£ 17			N/A	N/A	One-off
Comms and marketing - saving	£ (7)			N/A	N/A	One-off
ICT saving	£ (15)			£ -	£ -	New lone worker equipment due
	£ 89	£ -	£ -	£ -	£ -	
TRO Service						
Spending on programme	£ 114	£ 139	£ 150	£ (310)	£ (310)	Maint. Reduction; new schemes only
	£ 114	£ 139	£ 150	£ (310)	£ (310)	
Transport						
Increased costs (inflation)	£ 33	£ 30	£ 35			
	£ 33	£ 30	£ 35	£ -	£ -	
PCN Income - overall						
PCN shortfall (see summary below)	£ 624	£ 467	£ 573	£ -	£ 295	Low rate overall. extra nr. year end
	see summary below:					
Income - foot patrols - summary						
PCN shortfall before debtor	£ 846	£ 694	£ 796			Recruitment issues.
Debtor	£ (273)	£ (260)	£ (273)			19% shortfall, usually offset by
Bad debt adjustment	£ (121)					vacancy savings. Unrealised.
	£ 452	£ 434	£ 523	£ -		
Income cctv cars - summary						
PCN - shortfall - Park Safe Cars	£ 9	£ 9	£ 9			Three cars now operating
Debtor	£ (20)	£ (31)	£ (30)			All bad debt handled in Reserves
Bad debt adjustment	£ 11					
	£ 0	£ (22)	£ (21)	£ -		
Income cctv fixed cameras - summary						
PCN - shortfall - Park Safe Cameras	£ 74	£ 74	£ 73			Largest issue is with fixed cameras
Debtor	£ (12)	£ (19)	£ (2)			88% shortfall due to not moving
Bad debt adjustment	£ 2					Cameras at new sites April 2023
	£ 64	£ 55	£ 71	£ -		
Other income						
Permits, Visitor Permits & Dispensations	£ (90)	£ (57)	£ (62)	£ (454)	£ (364)	Combined uplift of increases tbc.
Pay to Park (kerbside)		£ (34)	£ (56)		£ (90)	Also planned or 3 further years
	£ (90)	£ (91)	£ (118)	£ (454)	£ (454)	
Projects - last in series						
Project funds - parking strategy and 3PR costs	£ 64	£ 59				£64k to Reserve (A), less bad debt
Transition - underspend	£ (85)	£ (85)	£ (85)			
	£ (21)	£ (26)	£ (85)	£ -	£ -	
Transfer from Reserves	£ (337)	£ (337)	£ (382)	£ -	£ -	Bad Debt. Note A
Other transfers/other income/savings	£ 35	£ (15)	£ (112)	£ (100)	£ (100)	
	£ (302)	£ (352)	£ (494)	£ (100)	£ (100)	
Out-turn	£ 902	£ 240	£ 141	(deficit)	£ (133)	surplus - req'd to build £400k Reserve



North Essex Parking Partnership

Joint Parking Committee

Meeting Date:	22 June 2023
Title:	Permits, Fees and Charges Report – implementation
Author:	Richard Walker, NEPP Group Manager
Presented by:	Richard Walker

This report asks the Committee to decide an implementation date for the Fees and Charges which were agreed at the last meeting.

1. Recommended Decision(s)

- 1.1. To implement the Fees and Charges, decided at the last meeting, with immediate effect.

2. Reasons for Recommended Decision(s)

- 2.1. For good governance and to ensure the effective future operation is possible within budgets and to help maintain the work programme of the Partnership.

3. Supporting Information

- 3.1. A plan to bring permit and other fees and charges for the Parking Partnership back into line with costs was presented to and agreed at our March 2023 meeting, with various options for implementation. It was noted at the time that there had been no increase to many of the prices since 2017, and a decision had been put off before to return to after the pandemic.
- 3.2. Option 1 for year 1 plus Option 3 for years 2, 3, & 4 was decided, where Option 1 represents an inflationary increase at the rate of the Consumer Price Index (CPI) rate c.10% (at the time of writing) for all permits in the current year, and Option 3 being a plan for harmonising permit prices across all areas over three subsequent years.
- 3.3. In lieu of Option 1, an alternative Option 2 was given for year 1 – an increase at the rate of the higher Retail Price Index (RPI) rate c.13% (at the time of writing) – but was not selected.
- 3.4. The Fees and Charges that were decided included:-
 - fees for first permits; fees for second permits, fees for additional and visitor permits;
 - fees for exemption certificates, season tickets and dispensations; and
 - administrative charges for other services.
- 3.5. The Background Paper contains details of the Fees and Charges that were agreed, with Option 1 (which is a CPI-based increase) plus three subsequent years' plan, for permit price harmonisation, being selected.
- 3.6. At the time however, an *implementation date* could not be agreed, and it is this which is now to be decided. The patrolling, maintenance and upkeep of the residential permit schemes and their administration is funded directly from receipts from the schemes and to continue to be viable, need to keep up with the costs of provision.

3.7. It is therefore recommended that the fees and charges decided at the last meeting need to be implemented with immediate effect.

4. Statistical Information & The Economy

4.1. The Office for National Statistics measures for the Consumer and Retail Price Indices (CPI and RPI) have been increasing since February 2021 and have remained consistently high in 2023. The measures stand at 10.1% (annual) and 13.5% (annual) respectively at the time of writing (mid May 2023), with CPI (annual) having been as high as 11.1% in October and RPI 14% in November 2023.

4.2. Energy, Supplies and Services, and particularly Employee costs have risen severalfold during the last year, and the Parking Partnership has not escaped these increases.

5. Alternative Options and Risk Management

Failure to decide a further uplift to fees and charges to balance budgets in accordance with the forecast and estimates produced by the Treasurer.	Fails to balance NEPP finances	Appendix E states that any total deficit in relation to a specific partner authority not exceeding £15k shall be carried forward to the next year (i.e. a total of no more than £105k in one year – presumed to be Part 1)
		Under Article 37.1, any Authority may give 12 months’ notice to leave the Partnership by giving one year’s notice coincident with the end of a financial year. Appendix E shall apply at the point of notice.
		Authorities in deficit will be required under Appendix E of the Agreement, to produce a plan to reduce the deficit in their account to zero within 12 months.
		Appendix F Article 2.1.2 states that all authorities will be responsible to cover any remaining deficit in equal shares if it is not able to be contained within the Annual Business Plan.
To cease parts of the service and invoke costs such as redundancy	Fails to balance NEPP Finances	A cessation of any part of the service would bring with it significant additional costs and is unlikely to close the budget gap in time to avoid the clauses of Appendix E and F being invoked.

6. Standard References

6.1. Other than set out above, there are no particular references to the Development Plan; publicity or consultation considerations; or financial; equality, diversity and human rights; community safety; health and safety or risk management implications

6.2. An Equality Impact Assessment for the operations is set out at this link:

<https://www.colchester.gov.uk/north-essex-parking-partnership-parking-permits-and-associated-services/>

Appendix

Fees and Charges decided for the Parking Partnership for the period 2023/24 – 2026/27

Table 1 – impact on budget of Fees and Charges to be implemented:-

Yield	Decided Oct 2022 Implemented 06/02/23	Decided March 2023 Decision to be implemented	THEN Future Years' harmonisation (full years) Decision to be implemented		
	2022/23	2022/23 (part year)	2023/24	2023/24	2024/25
Year-on-year	£90k	£276k (part year)	£356k	£251k	£248k
Then, cumulative (against 2022 base)	£90k	£367k (subsequent years)	£815k	£1,066k	£1,314k

Table of Prices - Agreed pricing strategy to 2022 and proposed strategy

current fees

Fees decided at the March 16 2023 Meeting. The date for implementation was not agreed; that to be decided at next meeting.

Number of permits of each type

Braintree Area						
Scale of Existing Charges	2022	2023	2023/24	2024/25	2025/26	2026/27
Resident Permit	£55.00	£55.00	£62.00	£65.00	£70.00	£75.00
Second Resident Permit (where available)	£85.00	£90.00	£100.00	£107.00	£118.00	£125.00
Third Resident Permit	£110.00	£120.00	£134.00	£139.00	£150.00	£150.00

Number of each

Colchester Area						
Scale of Existing Charges	2022	2023	2023/24	2024/25	2025/26	2026/27
Resident Permit	£68.00	£68.00	£76.00	£78.00	£78.00	£78.00
Second Resident Permit (where available)	£88.00	£90.00	£100.00	£108.00	£119.00	£125.00
Third Resident Permit						
Business Permit - Annual	£470.00	£ 480.00	£534.00	£ 551.00	£ 557.00	£ 563.00
Business Permit - 3 months	£120.00	£ 122.00	£136.00	£ 141.00	£ 143.00	£ 145.00
Dedham Exemption Certificate	£ 25.00	£ 25.00	£ 28.00	£ 30.00	£ 31.00	£ 32.00
Colchester & Tendring Womens Aid Permit	£105.00	£ 105.00	£117.00	£ 122.00	£ 124.00	£ 126.00
Colchester High School Permit	£ 38.00	£ 40.00	£ 45.00	£ 47.00	£ 48.00	£ 49.00
Hamilton School Permit	£105.00	£ 105.00	£117.00	£ 122.00	£ 124.00	£ 126.00
Kingswode Hoe School Permit	£105.00	£ 105.00	£117.00	£ 122.00	£ 124.00	£ 126.00
Walsingham Road resident season ticket - Yearly	£208.00	£ 210.00	£234.00	£ 242.00	£ 245.00	£ 248.00
Walsingham Road resident season ticket – 6 months	£104.00	£ 105.00	£117.00	£ 122.00	£ 124.00	£ 126.00
Motorcycle						

Number of each

Highway Order for Harlow Area						
Scale of Existing Charges	2022	2023	2023/24	2024/25	2025/26	2026/27
Resident Permit	£43.00	£43.00	£48.00	£56.00	£63.00	£75.00
Second Resident Permit (where available)	£90.00	£95.00	£106.00	£110.00	£120.00	£125.00
Third Resident Permit	£120.00	£130.00	£145.00	£157.00	£150.00	£150.00

Number of each

Highway Order for Tendring Area						
Scale of Existing Charges	2022	2023	2023/24	2024/25	2025/26	2026/27
Resident Permit	£63.00	£63.00	£70.00	£72.00	£74.00	£75.00
Second Resident Permit (where available)	£85.00	£90.00	£100.00	£107.00	£118.00	£125.00
Third Resident Permit	£100.00	£110.00	£123.00	£135.00	£150.00	£150.00

Number of each

Highway Order for Uttlesford Area						
Scale of Existing Charges	2022	2023	2023/24	2024/25	2025/26	2026/27
Resident Permit	£70.00	£70.00	£78.00	£80.00	£80.00	£80.00
Second Resident Permit (where available)	£103.00	£105.00	£117.00	£122.00	£124.00	£125.00
Third Resident Permit	£170.00	£180.00	£200.00	£200.00	£200.00	£200.00

Number of each

Highway Order for Epping Forest Area						
Scale of Existing Charges	2022	2023	2023/24	2024/25	2025/26	2026/27
Resident Permit	£55.00	£55.00	£62.00	£65.00	£70.00	£75.00
Second Resident Permit (where available)	£88.00	£90.00	£100.00	£107.00	£118.00	£125.00
Third Resident Permit	£170.00	£180.00	£200.00	£205.00	£205.00	£205.00
Business Permit - Annual	£454.00	£ 454.00	£505.00	£ 521.00	£ 527.00	£ 533.00
Business Permit - 3 months		£ 130.00	£145.00	£ 150.00	£ 152.00	£ 154.00
Business Permit - 1 month		£ 50.00	£56.00	£ 58.00	£ 59.00	£ 60.00

Number of each

All areas where available						
Scale of Existing Charges	2022	2023	2023/24	2024/25	2025/26	2026/27
Visitor Permits pack of 10 (paper permits) up to 24hr	£ 25.00	£ 30.00	£ 34.00	£ 36.00	£ 37.00	£ 38.00
Visitor Permits - MiPermit (digital system) 24-hour	£ 12.00	£ 12.50	£ 14.00	£ 16.00	£ 17.00	£ 18.00
Visitor Permits - MiPermit (digital only) 6-hour	£ 6.00	£ 6.00	£ 7.00	£ 8.00	£ 9.00	£ 10.00
Trader's Permit (annual) - valid all areas of NEPP	£220.00	£ 210.00	£234.00	£ 242.00	£ 245.00	£ 248.00
Discretionary permit(s) (subject to conditions) (eg Carer)	£ 30.00	£ 30.00	£ 34.00	£ 36.00	£ 37.00	£ 38.00
Dispensation/Suspension Permit – First Day	£ 25.00	£ 25.00	£ 28.00	£ 30.00	£ 31.00	£ 32.00
Dispensation/Suspension - other days (up to 7 days)	£ 12.00	£ 12.50	£ 14.00	£ 16.00	£ 17.00	£ 18.00

Number of each

All areas where available						
Scale of Existing Charges	2022	2023	2023/24	2024/25	2025/26	2026/27
Administration charge for Replacement for lost or stolen permit	£ 24.00	£ 25.00	£ 28.00	£ 30.00	£ 31.00	£ 32.00
Administration charge for Vehicle Registration Mark change			£ 5.00	£ 8.00	£ 9.00	£ 10.00
Administration charge for Vehicle Registration Mark change			£ 5.00	£ 8.00	£ 9.00	£ 10.00



North Essex Parking Partnership

Meeting Date: 22 June 2023
Title: Annual Governance Review and Internal Audit
Author: Hayley McGrath, Corporate Governance Manager, Colchester CC
Presented by: Hayley McGrath

The report considers the Governance Review and Internal Audit of the North Essex Parking Partnership for the year 2022/23.

1. Recommended Decision(s)

1.1. The Joint Committee is requested to:

- note the Annual Governance Review of the North Essex Parking Partnership (NEPP), and;
- review and comment on the attached Internal Audit report for the North Essex Parking Partnership.

2. Reasons for Recommended Decision(s)

2.1. The service is provided by the lead authority on behalf of the partners, and it is therefore appropriate that the Joint Committee is provided with assurance that the service is being appropriately managed.

3. Background Information

- 3.1. Previously the Accounts and Audit regulations required the Joint Committee to annually review the service's internal control arrangements and complete a governance statement and a small bodies return. The minimum turn-over limits have been raised and the service no longer has a duty to complete these items.
- 3.2. However, it is felt appropriate that the Joint Committee is still provided with assurances about the effectiveness of the internal control arrangements and the internal audit review forms a significant part of the review.
- 3.3. All audit reports are given one of four assurance ratings – no assurance, limited assurance, reasonable assurance or substantial assurance. This is based on the number and severity of the recommendations. A guide to assurance levels and recommendations is set out at Appendix 1.

4. 2022/23 Governance Review

- 4.1. The small bodies return required the Committee to confirm that the service had complied with several areas of governance. Therefore, the governance review has assessed the following areas:
- An adequate system of internal control was maintained, including measures designed to prevent and detect fraud and corruption.
 - Risks were appropriately assessed and controlled.
 - Accounting records and control systems were subject to an effective system of internal audit.
 - Appropriate action was taken in respect of any external and internal audit recommendations.
- 4.2. Many of the systems that the Partnership uses are managed by Colchester City Council and are subject to their internal control procedure and review processes. Colchester City Council has a duty to produce an Annual Governance Statement, and this indicates that an effective system of control was in operation during 2022/23.
- 4.3. The joint agreement expired at the end of March 2022. Formal approval of the new agreement, by all partners, was not achieved until three months after the start of the year. This has not caused any significant impact on the control systems during the year, however there were some challenges to the operating policies of the partnership, and these are being reviewed and reported to the committee going forwards.
- 4.4. The financial pressures on the partnership have been greater during the year than originally budgeted for. The budget is set seven months ahead of the financial year and there have been additional costs during the year that were not accounted for, including the review of lower grade salaries to bring them in-line with national pay scales and higher than anticipated inflation rates. This, alongside a decision not to increase some charges has resulted in financial reserves having to be used to cover the shortfall.
- 4.5. The Parking Partnership has a risk management process, which is supported by a strategy and risk registers. The joint committee receive a separate assurance report on risk management.
- 4.6. Overall, there are adequate systems of control in place in the North Essex Parking Partnership.

5. 2022/23 Audit Review

- 5.1. The last annual partnership audit was carried out in December 2022 and the final report was issued in January 2023. A copy of the full report is attached at Appendix 2.
- 5.2. There were two level 2 recommendations, and one level 3, which resulted in a reasonable assurance rating, which was the same as the previous year. The recommendations related to:
- Updating the policies on the NEPP website and republishing (level 2)
 - Monitoring and control of the forecasted budget deficit (level 2)
 - Monthly updating of the PCN reconciliation (level 3)
- 5.3. The recommendations were accepted and have been actioned.
- 5.4. As well as the specific audit of the partnership, the audit of Colchester City Council's key financial controls includes sampling partnership transactions.

- 5.5. This assess the systems and controls in place within the financial systems of the Council, including bank payments, reconciliations and payment authorisations, to confirm that these are operating adequately, effectively and efficiently.
- 5.6. The Key Financial Controls audit did not identify any concerns relating to Parking Partnership transactions.
- 5.7. The audit reviews of the partnership have consistently achieved a reasonable assurance rating for several years. It was agreed last year that the full audit of the partnership is carried out every other year, with the accounting transactions assessed in between, as long as it continues to achieve a minimum of a reasonable assurance rating.
- 5.8. Therefore, as the full audit in 2022/23 has achieved a reasonable assurance, a light touch audit will be carried out in the current financial year, 2023/24, with a full review in 2024/25.

6. Conclusion and Recommendations

- 6.1. There were no significant governance issues raised during the year and the audit process did not highlight any areas of concern that affect the overall control arrangements of the Partnership.
- 6.2. The review has demonstrated that the governance arrangements for the Partnership continue to be effective.
- 6.3. Members are asked to review and comment on the governance processes and internal audit reports.

7. Standard References

- 7.1. Having considered consultation, equality, diversity and human rights, community safety, health and safety and risk management implications, there are none that are significant to the matters in this report.

8. Appendices

- 8.1 Appendix A: Key to Assurance Levels
Appendix B: Internal Audit report for North Essex Parking Partnership 2022/23

Key to Assurance Levels

Assurance Gradings

Internal Audit classifies internal audit assurance over four categories, defined as follows:

Assurance Level	Evaluation and Testing Conclusion
Substantial	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Recommendation Levels

Internal Audit categories recommendations according to their level of priority as follows:

Priority Level	Staff Consulted
1.	Urgent. Fundamental control issue on which action should be taken immediately.
2.	Important. Control issue on which action should be taken at the earliest opportunity.
3.	Routine. Control issue on which action should be taken.
OEM	Operational Effectiveness Matter. Items that would be best practise / improvements but do not impact on the effectiveness of the controls.



Internal Audit

FINAL

Colchester Borough Council

Assurance Review of Parking Services Income Partnership

2022/23

December 2022

Executive Summary

OVERALL ASSESSMENT

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

N/A

KEY STRATEGIC FINDINGS

- Parking services policies are available on North Essex Parking Partnership (NEPP) website, however some of the documents are due for review.
- At the end of September 2022, NEPP reported actual deficit to date of £888k compared with budgeted deficit to date of £388k, a negative variance of £501k.
- Sample testing of 20 parking complaints found that all were allocated to officers who investigated the complaints, and all complaints were closed before the 28-day deadline.
- An up-to-date partnership agreement is in place for North Essex Parking Partnership Joint Committee.

GOOD PRACTICE IDENTIFIED

- The Joint Committee met on a quarterly basis to discuss parking related matters.
- Client officer meetings with representatives from all partner authorities took place prior to the Joint Committee meeting.

SCOPE

The audit reviewed parking policies & procedures, accounting for income, joint committee, management information, cash collection processes, debt management, enforcement, and complaints.

ACTION POINTS

Urgent	Important	Routine	Operational
0	2	1	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>Parking services policies are available on North Essex Parking Partnership (NEPP) website and some of the policies and procedures on the website are as follows:</p> <ul style="list-style-type: none"> • Penalty Charge Notice Cancellation dated 2015 • Enforcement & Discretion Policy updated in 2015 • Parking Operational Protocol updated in 2016 • Permit, Administration, Customer Care & Complaints Policy updated in 2015 • Policy and Operational Procedural Guidelines for the use of body worn CCTV Cameras. The document is not dated. <p>It is noted that these policies are dated, and review/updating is required.</p>	<p>The policies on the NEPP website are overdue for review. The policies and procedures be reviewed, updated and uploaded to the NEPP website.</p>	2	<p><i>The updating of Parking policies is a massive undertaking and once drafted have to be approved by the JPC before final versions can be published. A number of policies are currently under review and will be taken to the JPC for approval as and when the agenda allows. This is an on-going process. Many policies have not changed due to the nature of the topic and so haven't needed to be updated.</i></p>	<p>Ongoing through 2022-23 and next FY.</p>	<p>Group Manger, Group Operational Manager, Group Development Manager and Business Manager</p>

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
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2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
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3	ROUTINE	Control issue on which action should be taken.
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	Monthly report showing actual performance against budget is prepared and sent to NEPP. As at end of period 6, NEPP reported actual deficit to date (including non-direct cost) of £888k compared with budgeted deficit to date of £388k, a negative variance of £501k.	Actions should be taken to address the actual deficit to date, which exceeds the planned deficit by £501k.	2	<p>Firstly, the MyBudget forecasting process for NEPP is not yet completely rationalised, and has had a trend of over-reporting negative variances, partially due to the debtor/creditor affecting PCN Income, allowance for bad debt changes during the Pandemic and carried forward project work from Reserves being paid in-year, plus changes during and since the Pandemic, especially around forecasting Resident Parking Income.</p> <p>Secondly, the Essex Joint Committee Agreement for Parking (from 1 July 2022) states that the On Street Parking Fund will include separate entries for Business as Usual and, separately, the TRO function.</p> <p>This is being reflected in the reporting to the Joint Committee.</p>	Accountant informed of the new reporting requirements. Budget Managers within NEPP have been briefed on the financial situation.	Budget Managers

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	Chipside (the software provider for the parking system) performs a monthly reconciliation of PCNs. It is noted that the reconciliation is not up to date and was done up to end of September 2022.	The PCN reconciliation be prepared and updated on a monthly basis.	3	<i>The PCN reconciliation is done on a monthly basis but there is a delay in the service provider reconciling their end and sending it over to us – once received it is processed and actioned accordingly. Oct 2022 is in as reports had a variance and Novembers was not ready for processing at the time the audit was undertaken.</i>	<i>Monthly updated and reconciled - ongoing</i>	<i>Business Manager</i>

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No Operational Effectiveness Matters have been raised.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in place	1	-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	Out of scope	-	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	2, & 3	-

Other Findings



The North Essex Parking Partnership (NEPP) have policies and procedures in place for the services rendered by the Partnership. It was confirmed that the policies and procedures are on the NEPP website and are accessible by members of the public. The Parking Management Policy is the key policy, and it is available on the NEPP website. The policy is in two parts and part one cover the long-term plans and main priorities while part 2 cover partnership parking framework, key priorities, policy framework, scope and benefits of parking management and operational priorities. The policy was updated in 2019. It is noted in the Policies Background paper that 'Change to the regulations governing Civil Parking Enforcement (CPE) is not a common occurrence, and Policies have remained largely static since the last major change in 2015'



The Parking Partnership Development plan is in place and covers the period 2018 - 2022. It was confirmed that the plan was approved by the Joint Committee in December 2016. The Development sets the scene for operations between 2016 and 2022. It outlines the plans for the services for the period 2016/17 up to 2022.

Other Findings



The North Essex Parking Partnership (NEPP) is a council-run organisation which brings together all street-based parking services in North Essex. The service is a partnership between Essex County Council and six district/borough councils:

- Braintree District Council
- Colchester Borough Council - who are the lead authority for the partnership
- Epping Forest District Council
- Harlow Council
- Tendring District Council
- Uttlesford District Council

An up-to-date partnership agreement is in place for North Essex Parking Partnership Joint Committee. The agreement is dated 2022 and a review of the document confirmed that it was accepted by the seven councils involved in the partnership.



There is an annual budget in place and monthly report including actual performance against budget is prepared by the Finance Business Partner. A review of the report for quarter 2 notes that annual budgeted income for the year is £3,492,000 and total budgeted cost is £3,048,000 leading to a net breakeven situation after non direct cost of £444k. Forecast outturn surplus is however £45,000, after non direct cost. On 17th March 2022, the Joint Committee agreed (in principle) the Base Budget for the 2022-2023 Financial Year.



Monthly report showing actual performance against budget is prepared and sent to NEPP. The Finance report to end of second quarter was presented to the Joint Committee on 27th October 2022. A review of the minutes of meeting of the Joint Committee held in October 2022 confirmed that the Finance Report to end of period 6 2022/23 was presented by the NEPP Group Manager to the Joint Committee.



A schedule on contribution invoices is generated on a monthly basis by the Accounts Receivable department and invoices raised and sent out to members of the partnership on a quarterly basis. Sample testing of eight invoices selected from the AR periodic schedule found that invoices were raised by the Accounts Receivable Team and sent to the Councils in the partnership on a timely basis. Payments have been received from the Councils tested.



Penalty Charge Notices (PCNs) is one of the major sources of income to NEPP. The PCNs are uploaded to the Chipside Parking system and all details relating to the PCNs i.e., Device number, vehicle details, location, reason for PCN, penalty charged, where notice was placed, payment received and status of the PCN.

Sample testing of 25 PCNs selected across the financial year found that all required details are included on the system and payments have been received for 12 of the 25 PCNs tested, seven were cancelled and six were overdue for payment and still open.



Chipside (the software provider for the parking system) performs a monthly reconciliation of PCNs. Income received is reconciled with the PCNs on a monthly basis. A reconciliation is performed by the Council of the figures received from Chipside against the amount banked and the contra file (source data) to ensure all income due has been received from Chipside. A review of the reconciliation spreadsheet noted that where differences were identified in the reconciliation process, these are investigated and explained. The reconciliations were prepared by the Office Manager and countersigned by the Business Manager. It is noted that the reconciliation is done up to end of September 2022

Other Findings



Monthly financial reports, including budget variance and forecasts are provided by the Council's Finance Team to the Assistant Director for Environment and Parking Business Manager. Quarterly operational reports (which will make up the annual report) are prepared and includes service overview, on street parking, off street parking, number of parking permits issued, number of parking permits extended, Percentage of issued PCNs which were challenged at the informal stage, People and performance, work programme and other relevant information such as parking projects. It was confirmed that the quarterly operational reports for the last quarter of 21/22 is on the NEPP website.



A schedule is in place for permit fees including residential and non-residential zones. The price permit for the year 2021 - 2022 was presented to and approved by the Joint Committee on 25th June 2020. The committee was asked to approve permit prices for financial years up to 2022.

It is noted that the Joint Committee did not increase prices for 2022/2023 and prices remained static at the 2021/2022 prices. However, in March 2022, the Joint committee made the following changes to the parking permit fees:

- Approved the changes to some permit prices to the end of 2021/2022 and the current NEPP Agreement.
- Approved changes to some permit prices for the financial year 2022/23 under the new NEPP Agreement, in principle, and subject to the new Agreement being confirmed.



A third-party cash collection contractor, G4S, is responsible for the collection of cash from car parking machines. There is a contract in place with G4S and a review of the contract confirmed that it was signed by representatives of CBC and G4S. The contract however expired four years ago as it covers the period 6th October 2014 to 30th November 2016.

The Parking Technical Manager confirmed that the Council has been operating on a 3-month rolling basis with the Contractor and no new agreement is in place. The Senior Procurement Consultant confirmed that the existing G4S contract for cash collection is a rolling contract that can be terminated by either party giving 3 months' notice. A tender was done last year but the outcome was unsuccessful. It was confirmed that the tender will be revisited at some point.



Daily reports of cash collected from carpark machines are prepared by G4S and sent to NEPP. Receipts printed from the carpark machines detailing amounts collected are also given to NEPP.

Daily reconciliation of the CALE report (operating software for the car parking machines) with the G4S report, for both cash and contactless Pay and Display machines, is done by a member of the Parking Team and countersigned by the Parking Business Manager.

A Bulk Cash reconciliation is also carried out to reconcile income collected by G4S with income banked. A review of the Bulk Cash reconciliation confirmed that the reconciliation is up to date and latest reconciliation was done in November 2022.

Sample testing of eight daily cash collections selected from each month from April to November confirmed banking was done on a timely basis by G4S.



NEPP receives income from revenue streams, including MiPermit, Car park income and PCNs. MiPermit enables the Partnership to accept electronic payments for pay & display car parking, residents and visitor permits, and season tickets. It was confirmed that the MiPermit, Chipside/PCN incomes and cash income collected by G4S is reconciled on a daily basis as part of the Bulk Cash reconciliation process.



The Parking Technical Manager maintains the car park pay points key cabinet log. The car park name, car park machine and key number are included in the log. The location of each key is also included in the key cabinet log.

Keys held by the staff members of the Parking team are noted under the names of the staff members and access to the keys are restricted to the Parking services staff members.

Other Findings



The process for recovering unpaid PCNs is documented on NEPP's website. The process is as follows:

- If there is a PCN debt that has not been paid, the local authority or a Magistrates' court issues a warrant of control or liability orders. This starts the process to recover the money.
- NEPP pass over the warrant to the Bailiffs; Jacobs, Equita or Newlyn and the Bailiffs add £75.00 and issue an Enforcement Notice to the debtor within 7 days of the instruction.
- The time frame for the compliance stage is set at 21 days and this means an Enforcement Agent cannot visit the debtor until day 22, however during this time the debtor will be sent more letters, texts, emails and receive telephone calls. If a debtor has multiple instructions outstanding £75.00 can be added to each warrant.
- On Day 22, an Enforcement Agent can visit the address of the debtor and a fee of £235.00 is added, this is in addition to the £75.00 'Compliance Stage' fee. £235.00 can ONLY be added once, even when multiple warrants are outstanding. An Enforcement
- If the debt is not paid by the end of the Enforcement Stage, then possessions may be sold. This can include the debtor's own vehicle. An additional fee of £110 can also be added to the amount owed. Additional costs for storage, auctioning, etc can also be applied but are limited and must be approved by the court.

It was confirmed that a total of 7686 PCNs valued £833,576 was passed to the Bailiffs between the period 1st April to date (21st November 2022). The sum of £30,780.41 was recovered by the Bailiffs in the same period.



There is a Debt Cancellation Policy in place which notes that when a PCN has reached the stage where it is to be registered at the at the County Court, it then becomes classed as a debt. The debt is registered with TEC and an Order of Recovery is sent to the debtor. If the debt is not paid, the PCN will be passed to the Bailiffs for recovery. NEPP works with three Bailiffs (Equita, Jacobs and Newlyn and there is a Service Level Agreement in place with the Bailiffs. The agreement commenced from August 2018 and does not have an ending date.



NEPP use CBC's complaints policy and procedure as CBC is the lead authority in the Partnership. The Complaints policy and procedure can be found on CBC's website. Complaints are managed via SharePoint and are assigned an investigating officer. Complaints received should be investigated and a reply issued with 28 days, as per the Council Complaints Policy

A total of 32 parking complaints were received from April 2022 to date. Sample testing of 20 complaints found that all 20 complaints were allocated to officers who investigated the complaints, and all complaints were closed before the 28-day deadline.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	Sustainability The impact on the organisation's sustainability agenda has been considered.	Out of scope	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	Out of scope	-	-

Other Findings



The NEPP Joint Committee aims to provide a merged parking service that provides a single, flexible enterprise of full parking services for the Partner Authorities and ensure the effective delivery of Parking Services for respective partners.

The Joint Committee meets on a quarterly basis and have done so this year. It was confirmed that the Committee met in March, June and October 2022. Relevant issues such as Forward Plan 2022-23, Financial Update and parking issues (Obstructive Parking), Traders' Permit pricing review were discussed at the meetings.



Client officer meetings take place with representatives from all partner authorities. The meetings take place prior to the Joint Committee and an action log is maintained to document key decisions and points made at the meetings.

A review of action logs for the meeting held in June and October 2022 noted that the meetings were attended by representatives of all the seven Councils and key issue such as financial updates, forward plans, risk management review, North Essex Parking Partnership Update and other issues related to the partnership were discussed at the meetings.

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed, and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed, and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed, and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	24 th October 2022	24 th October 2022
Draft Report:	2 nd December 2022	9 th December 2022
Final Report:	12 th December 2022	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	Colchester Borough Council		
Review:	Parking Services Income Partnership		
Type of Review:	Assurance	Audit Lead:	Olufolake Mustafa

Outline scope (per Annual Plan):	The audit reviewed parking policies & procedures, accounting for income, joint committee, management information, cash collection processes, debt management, enforcement, and complaints.		
Detailed scope will consider:	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Sustainability: The impact on the organisation's sustainability agenda has been considered.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	
Requested additions to scope:	(If required then please provide brief detail)		
Exclusions from scope:			

Planned Start Date:	21/11/2022	Exit Meeting Date:	30/11/2022	Exit Meeting to be held with:	Christine Belgrove
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SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	Current year



North Essex Parking Partnership

Meeting Date:	22 June 2023
Title:	Annual Review of Risk Management Report
Author:	Hayley McGrath, Corporate Governance Manager, Colchester CC
Presented by:	Hayley McGrath, Corporate Governance Manager, Colchester City Council

This report concerns the 2023/24 Risk Management Strategy and current strategic risk register for the partnership

1. Recommended Decision(s)

1.1. The Joint Committee is requested to:

- endorse the Risk Management Strategy for 2023/24, and
- agree the Strategic Risk Register, subject to any requested amendments.

2. Reasons for Recommended Decision(s)

- 2.1. Risk Management is the control of business risks in a manner consistent with the principles of economy, efficiency and effectiveness. It is an essential corporate governance process that ensures that both the long- and short-term objectives of the organisation are achieved and that opportunities are fully maximised.
- 2.2. It is essential that the service operates an effective risk management process which provides an assurance to all partners that it is being properly managed. As required by each partner's own code of corporate governance.

3. Supporting Information

- 3.1. Risk Management is not about eliminating risk, as this would limit the ability of the service to develop and deliver its ambitions. Its purpose is to recognise the issues that could affect the achievement of objectives and develop actions to control or reduce those risks.
- 3.2. An effective risk management process is a continuous cycle of identification, controlling, monitoring and reviewing of potential risk issues.
- 3.3. For the NEPP this is governed by a strategy for managing risk that sets out the roles and responsibilities of the joint committee and officers. It also defines the types of risk, the processes to be followed and the review arrangements.
- 3.4. The main document is the risk register which captures details relating to both strategic and operational risks and the actions to be undertaken to control those risks. The strategic risks are reported to the joint committee and the operational risks are managed by the service.

4. Review of the Risk Management Strategy

- 4.1. The strategy should be reviewed annually to ensure that it is still relevant to the service and that it meets the governance objectives. Therefore, a review has been carried out and the draft strategy for 2023/24 has been attached at appendix 1 for approval.
- 4.2. It is felt that the strategy continues to meet the needs for the service, however the ownership responsibilities have been updated to reflect the change in management structure at Colchester City Council and to strengthen the role of the partnership Client Officers.

5. Review of the Risk Register

- 5.1. The register is attached at appendix 2, this sets out the strategic risks, which are scored for impact and probability, enabling the risks to be ranked, so that resources can be directed to the key areas.
- 5.2. The register was last reported to this committee in June 2022. The register has since been reviewed with the Head of Parking and then by the partnership client officers to ensure that it continued to reflect the issues faced by the service.
- 5.3. Following the review by client officers the following changes are recommended for consideration by the committee (comments in red on the register):
- 5.4. Remove risk 1.22 – relating to the expiry of the partnership agreement, as this has now passed.
- 5.5. Change the wording of risk 1.23 – to reflect the impact of not altering the charging structure sufficiently to meet increasing costs.
- 5.6. Addition of a risk, 1.24, relating to future salary increases over and above income levels.
- 5.7. Addition of a risk, 1.25, reflecting the potential impact of not being able to return the service to a breakeven point by the end of the financial year.
- 5.8. The operational risks are managed by the service and currently the highest operational risks relate to the possibility of an officer or member of the public incurring a serious injury and an interruption to the IT that is required to deliver the service.
- 5.9. It is requested that this committee reviews the remaining strategic risks to ensure that they still reflect the issues faced by the service and that they are appropriately scored.

6. Standard References

- 6.1. Having considered consultation, equality, diversity and human rights, community safety, health and safety and risk management implications, there are none that are significant to the matters in this report.

Appendices

Appendix A – North Essex Parking Partnership Risk Management Strategy 2023-24

Appendix B – North Essex Parking Partnership Strategic Risk Register June 2023

RISK MANAGEMENT STRATEGY

This document outlines the Partnership's commitment to managing risk in an effective and appropriate manner. It is intended to be used as the framework for delivery of the Risk Management function and provides guidance for officers to ensure that managing risk is embedded in all processes.

INTRODUCTION

The Service undertakes that this strategy will promote and ensure that:

1. The management of risk is linked to performance improvement and the achievement of the Partnership's strategic objectives.
2. Members of the committee and Senior Management of the Partnership own, lead and support on risk management.
3. Ownership and accountability are clearly assigned for the management of risks throughout the Partnership.
4. There is a commitment to embedding risk management into the Partnership's culture and organisational processes at all levels including strategic, project and operational
5. All members and officers acknowledge the importance of risk management as a process, by which key risks and opportunities are identified, evaluated, managed and contribute towards good corporate governance.
6. Effective monitoring and reporting mechanisms are in place to continuously review the Partnership's exposure to, and management of, risks and opportunities.
7. Best practice systems for managing risk are used throughout the Partnership, including mechanisms for monitoring and reviewing effectiveness against agreed standards and targets.
8. Accountability to stakeholders is fully demonstrated through periodic reviews of the Partnership's risks, which are reported to the committee.
9. The Risk Management Strategy is reviewed and updated annually in line with the Partnership's developing needs and requirements.

Endorsement by Chairperson of the Committee

“The North Essex Parking Partnership is committed to ensuring that risks to the effective delivery of its services and achievement of its overall objectives are properly and adequately controlled. It is recognised that effective management of risk will enable the Service to maximise its opportunities and enhance the value of services it provides to the community. The North Essex Parking Partnership expects all officers and members to have due regard for risk when carrying out their duties.”

signature required

WHAT IS RISK MANAGEMENT

Risk Management is the control of business risks in a manner consistent with the principles of economy, efficiency and effectiveness. It is an essential performance management process to ensure that both the long- and short-term objectives of the Service are achieved and that opportunities are fully maximised.

Risk Management is not about eliminating risk, as this would limit the ability of the service to develop and deliver its ambitions. Its purpose is to recognise the issues that could affect the achievement of the objectives and develop actions to control or reduce those risks. Acknowledgement of potential problems and preparing for them is an essential element to successfully delivering any service or project. Good management of risk will enable the Service to rapidly respond to change and develop innovative responses to challenges and opportunities.

‘The Good Governance Standard for Public Services’ issued by The Independent Commission on Good Governance in Public Services states that there are six core principles of good governance including ‘Taking informed, transparent decisions and managing risk’. The document goes on to state ‘Risk management is important to the successful delivery of public services. An effective risk management system identifies and assesses risks, decides on appropriate responses and then provides assurance that the chosen responses are effective’.

Appendix A outlines the risk management process.

OWNERSHIP

The responsibility to manage risk rests with every member and officer of the partnership however it is essential that there is a clearly defined structure for the co-ordination and review of risk information and ownership of the process.

The following defines the responsibility for the risk management process within the joint parking service:

Joint Committee – Overall ownership of the risk management process and endorsement of the strategic direction of risk management. Responsible for periodically reviewing the effectiveness of the risk management process.

Head of North Essex Parking Partnership – Embedding a risk management culture in the service. Advising the Joint Committee on strategic risks and ownership of the service's operational risks

Head of Governance, Colchester City Council - Responsible for co-ordination of the risk management process, co-ordinating and preparing reports and providing advice and support.

All Partner Client Officers – Reviewing the risk management process and identified risks, to ensure that the process meets the requirements of their authority and that their authority has an opportunity to comment on, and influence, risk identification and outcomes.

All Employees – To understand and to take ownership of the need to identify, assess, and help manage risk in their individual areas of responsibility. Bringing to the management's attention at the earliest opportunity details of any emerging risks that may adversely impact on service delivery.

Internal Audit, External Audit and other Review Bodies – Annual review and report on the Service's arrangements for managing risk, having regard to statutory requirements and best practice. Assurance on the effectiveness of risk management and the controls environment.

THE WAY FORWARD

Aims & Objectives

The aim of the service is to adopt best practices in the identification, evaluation, cost-effective control and monitoring of risks across all processes to ensure that risks are properly considered and reduced as far as practicable.

The risk management objectives of the North Essex Parking Partnership are to:

- Integrate risk management into the culture of the service
- Ensure that there are strong and identifiable links between managing risk and all other management and performance processes.
- Manage risk in accordance with best practice
- Anticipate and respond to changing social, environmental and legislative requirements
- Prevent injury, damage and losses and reduce the cost of risk
- Raise awareness of the need for risk management by all those connected with the delivery of services.
- Ensure that opportunities are properly maximised through the control of risk.
- Reduce duplication between services in managing overlapping risks and promote 'best practise'.

Strategic Risk Management

Strategic risks are essentially those that threaten the long-term goals of the partnership and therefore are mainly based around meeting the objectives of the Service Agreement. They may also represent developing issues that have the potential to fundamentally effect service provision, such as proposals to dramatically change County Council arrangements.

Operational Risk Management

Operational risks are those that threaten the routine service delivery and those that are associated with providing the service. These could include damage to equipment and Health and Safety issues.

Links

It is essential that risk management does not operate in isolation to other management processes. To fully embed a risk management culture, it has to be demonstrated that risk is considered and influences all decisions that the service makes. It is essential that there is a defined link between the results of managing risk and the following:

- Service Delivery Plan
- Revenue and Capital Budgets
- Annual Internal Audit Plan

Action Required

The following actions will be implemented to achieve the objectives set out above:

- Embedding a risk register that identifies the strategic and operational risks and outline the actions to be taken in respect of those risks.
- Considering risk management as part of the partnership's strategic planning and corporate governance arrangements
- Ensuring that the responsibility for risk management is clearly and appropriately allocated
- Maintaining documented procedures for managing risk
- Maintaining a corporate approach to identify and prioritise key services and key risks across the partnership and assess risks on key projects.
- Maintain a corporate mechanism to evaluate these key risks and determine if they are being adequately managed and financed.
- Establish a procedure for ensuring that there is a cohesive approach to linking the risks to other management processes
- Including risk management considerations in all committee reports
- Ensure appropriate risk management awareness training for both members and officers.
- Establishing a reporting system which will provide assurance on how well the service is managing its key risks and ensures that the appropriate Members and officers are fully briefed on risk issues.
- Preparing contingency plans in areas where there is a potential for an occurrence to have a significant effect on the partnership and its business capability.
- Regularly reviewing the risk process to ensure that it complies with current national Governance Standards and Best Practice.

REPORTING & REVIEW

To ensure that the risk management process is effective it will need to be measured and reported to the Joint Committee at least annually, with a six-monthly interim review by the Head of Parking.

The results of the Joint Committee reviews should be fed into the risk reporting process for each partner to ensure that each Authority has the necessary evidence to provide assurance for their own governance requirements.

Appendix A

The Risk Management Process

Risk Management is a continual process of identifying risks, evaluating their potential consequences and determining the most effective methods of controlling them and / or responding to them. The risks faced by the Service are constantly changing and the continual process of monitoring risks should ensure that we can respond to the new challenges. This process is referred to as the risk management cycle.

Stage 1 – Risk Identification

Identifying and understanding the hazards and risks facing the service is crucial if informed decisions are to be made about policies or service delivery methods. There is detailed guidance available on how to identify risks which includes team sessions and individual knowledge. Once identified a risk should be reported to the Head of Parking who will consider its inclusion on the relevant risk register. If the risk is identified in between register reviews, then it is reported to the Risk & Resilience Manager for information and the Head of Parking is responsible for managing the risk.

Stage 2 – Risk Analysis

Once risks have been identified they need to be systematically and accurately assessed. If a risk is seen to be unacceptable, then steps need to be taken to control or respond to it.

Stage 3 – Risk Control

Risk control is the process of taking action to minimise the likelihood of the risk event occurring and / or reducing the severity of the consequences should it occur.

Stage 4 – Risk Monitoring

The risk management process does not finish with the risk control procedures in place. Their effectiveness in controlling risk must be monitored and reviewed. It is also important to assess whether the nature of the risk has changed over time.

**North Essex Parking Partnership Risk Register
DRAFT FOR DISCUSSION**

Version 14 – June 2023

STRATEGIC RISKS

RISK No.	RISK	CONSEQUENCE	CONTROLS	BY WHOM	REVIEW	SCORE	Workings		Previous Workings	
							P	I	P	I
1.3	There's a change in political will of a partner that leads to them resetting their strategic priorities, which impacts on the arrangements for the partnership.	Decrease in service provision.	Ensure that performance of the partnership is appropriately reported back to each authority and the effects of withdrawing are understood.	Parking Partnership Manager	January 2024	8	2	4		
1.10	The partnership is subject to a major legal challenge relating to policy decision.	High financial impact of defending action. Reputation loss Reduction or withdrawal of services	All policy decisions are made in line with legal powers.	Chair of the joint committee	January 2024	4	1	4		
1.15	Investment in innovation does not provide a return that matches or exceeds the investment.	Loss of financial stability and partners lose confidence in the arrangements. The Service is not able to keep pace with competitors in off street parking and cannot meet customer expectations.	Ensure that there is a robust business case for all new investment, that considers all of the options and potential failures, with financial modelling of all scenarios. Development of formal monitoring processes for all investment - that identifies deviancies to the business plan at an early stage.	Chair of the Joint Committee	January 2024	6	2	3		

RW/HJM
TO BE AGREED BY COMMITTEE: 22/06/23
NEXT REVIEW: January 2024

**North Essex Parking Partnership Risk Register
DRAFT FOR DISCUSSION**

Version 14 – June 2023

RISK No.	RISK	CONSEQUENCE	CONTROLS	BY WHOM	REVIEW	SCORE	Workings		Previous Workings	
							P	I	P	I
1.21	Insufficient investment in embedding innovative technology in to the service, including developing the service to reflect the advances in sustainable travel.	Opportunities to deliver service efficiencies and improvements are missed.	New technology opportunities should be monitored and assessed on a cost/benefit basis.	Parking Partnership Manager	January 2024	6	3	2	2	2
1.22	The partnership agreement expires on 31 March 2022 and heads of terms of the new agreement have been drawn up. However, the specific impacts on the partnership, such as treatment of any surpluses, are still to be defined and could have a detrimental impact on the service Remove?	Delivery of future projects could be impacted if the terms of the agreement are not in line with those anticipated. A failure of a partner to agree the new arrangements in a timely manner could lead to the service not being able to operate.	Ensure that there is continued engagement with ECC and the interests of the NEPP are fully understood. Development of a high-level timeline to show the key dates for the processes needed for agreeing/approving the new NEPP Agreement, to be shared with all members and regularly monitored.	Parking Partnership Manager	January 2024	8	2	4		

RW/HJM
TO BE AGREED BY COMMITTEE: 22/06/23
NEXT REVIEW: January 2024

North Essex Parking Partnership Risk Register
DRAFT FOR DISCUSSION

Version 14 – June 2023

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RISK No.	RISK	CONSEQUENCE	CONTROLS	BY WHOM	REVIEW	SCORE	Workings		Previous Workings	
							P	I	P	I
1.23	Council contributions are not rising sufficiently, or ability to come to a decision on fees and charges, fails to meet current and future financial challenges, including inflation rates, continued increases in service delivery costs and potential reduced income as the public look to decrease the costs of living impacts.	Decrease in service provision / failure of the partnership. Stranded costs to be covered by the remainder of the partners. Inability to invest in the future of the service. Missed opportunities.	Ensure that member authority representatives fully understand the partnership agreement and are involved in the budget setting of each authority. Financial performance is stringently monitored, and deviancies reported to the partnership for action.	Chair of the Joint Committee	January 2024	15	3	5		
1.24	Salary increases outstrip ability to provide income to cover costs	Salary increases rise at a rate above the agreed fees and charges, or at a rate that outstrips ability	Ensure that Members are aware of financial position and consequences of late or no decisions.	Chair of the Joint Committee	January 2024	15	3	5		

RW/HJM
TO BE AGREED BY COMMITTEE: 22/06/23
NEXT REVIEW: January 2024

**North Essex Parking Partnership Risk Register
DRAFT FOR DISCUSSION**

Version 14 – June 2023

		to gain income, leading to deficit								
1.25	Inability to return service from previous deficit to break-even or surplus by financial year end, or planned service additions fail to materialise to offset costs and overheads with any income.	Likely deficit. If deficit remains after the following financial year then Partners will be asked to contribute to cover or and clear any deficit.	Prompt and detailed financial monitoring. Detailed operational plans from Lead Authority. Timely decision-making.	Chair of the Joint Committee	January 2024	15	3	5		

IMPACT TABLE

	Very Low	1	Low	2	Medium	3	High	4	Very High	5
Probability	<10%		10 – 25%		25 – 50%		50 – 75%		>75%	
Impact	Minimal - no interruption to service delivery < £10k		Minor - temporary disruption to service delivery £11k - £25k		Significant - interruption to part of the service £26k - £75k		Severe – full interruption to service delivery £76k - £100k		Catastrophic – complete service failure £100k<	

Minimum Score = 1 Maximum Score = 25
Low risk = 1 – 4 Medium Risk = 5 – 12 High Risk = 13 – 25

RW/HJM
TO BE AGREED BY COMMITTEE: 22/06/23
NEXT REVIEW: January 2024

North Essex Parking Partnership Risk Register
DRAFT FOR DISCUSSION

Version 14 – June 2023

Removed Items

No	Risk	Date removed	Last score
	A partner is not represented at a meeting or a suitable member from that authority has not attended, or the meeting is not quorate. (removed June 20)	June 20	2
1.2	A partner resets their strategic priorities to meet future funding challenges which impacts on the arrangements for the partnership.	June 22	6
1.4	Preferences of members dictates the direction of the meeting.	June 17	
1.5	Relationship between senior management and the committee deteriorates	June 17	
1.6	Lack of partnership support for shared targets.	June 19	
1.7	ECC review results in fundamental changes to the service	June 16	
1.8	Decisions are taken on a political basis as opposed to being considered on their own merits.		
1.9	Potential future financial challenges, of reduced income and increased costs, are greater than expected.	June 22	10
1.11	Income decisions are based on outdated financial data		
1.12	Lack of agility responding to business need and demand, based on historical data in cttee reports.	June 20	4
1.13	Central Government changes, from minor operational adjustments through to fundamental policy decisions, affect the ability of the partnership to deliver programmed services and meet its published financial and operational targets.	June 22	4
1.14	Selective media reporting of policy changes affects the ability of the partnership to deliver services.	June 20	6
1.16	Introduction of new £1 coin	June 17	
1.17	Withdrawal of ECC funding (prior to review)	June 17	
1.18	The partner review of off-street parking arrangements could result in major changes to the arrangement	June 18	
1.19	The Senior Management review at Colchester Borough Council will result in a new lead officer (& client officer) for the service.	June 18	
1.20	The impacts of the COVID-19 pandemic will be far reaching on the partnership for a significant period of time.	June 22	20

RW/HJM
TO BE AGREED BY COMMITTEE: 22/06/23
NEXT REVIEW: January 2024



North Essex Parking Partnership

Meeting Date: 22 June 2023
Title: **Forward Plan 2023-2024**
Author: Owen Howell – Democratic Services, Colchester City Council
Presented by: Owen Howell – Democratic Services, Colchester City Council

This report concerns the 2023-24 Forward Plan of meetings for the North Essex Parking Partnership.

1. Recommended Decision(s)

- 1.1 To note and approve the North Essex Parking Partnership Forward Plan for 2023-24.
- 1.2 To consider whether to alter the start times for Joint Committee meetings, if this would be more convenient for members of the Joint Committee.

2. Reasons for Recommended Decision(s)

- 2.1 The forward plan for the North Essex Parking Partnership Joint Committee is submitted to each Joint Committee meeting to provide its members with an update of the items scheduled to be on the agenda at each meeting.

3. Supporting Information

- 3.1 The Forward Plan is reviewed regularly to provide an update on those items that need to be included on future agendas and incorporate requests from Joint Committee members on issues that they wish to be discussed. Additional items can be added at the Joint Committee's request, and when issues which arise during the year require consideration by the Joint Committee.

4. Meetings; start times and venues for 2023-24

- 4.1 Meetings of the Joint Committee have been held at 1pm for a number of years now, with this time best suiting the membership in the year this time was set. We have received a request from one member of the Joint Committee to look at potentially changing this start time, possibly to move to evening meetings, in order to better cater to the demands on Joint Committee members who are balancing membership with the demands of their careers. The Joint Committee is therefore invited to consider whether to change the start times for its meetings.
- 4.2 The revolving hosting of Joint Committee meetings by the Partnership local authorities means that the next meeting is to be hosted by Tendring District Council at 1pm on 26

October 2023 at Clacton Town Hall. Hosting authorities will abide by any health and safety measures required by law at the time they are held.

5. Appendices

6.1 Appendix A: NEPP Joint Parking Committee Forward Plan 2023-24.

**NORTH ESSEX PARKING PARTNERSHIP (NEPP)
FORWARD PLAN OF WORKING GROUP AND JOINT COMMITTEE MEETINGS 2023-24**

COMMITTEE / WORKING GROUP	CLIENT OFFICER MEETING	JOINT COMMITTEE MEETING	MAIN AGENDA REPORTS	AUTHOR
Joint Committee for On Street Parking	8 June 2023, 10am Microsoft Teams - online	22 June 2023 1.00pm, Venue: Colchester Town Hall, High Street, Colchester	Annual Governance Review and Internal Audit Annual Review of Risk Management NEPP Financial Update Fees and Charges 2023-24 Obstructive Parking Update Forward Plan '23/24	Hayley McGrath (CCC) Hayley McGrath (CCC) Richard Walker/ Lou Belgrove (PP) Richard Walker (PP) Richard Walker (PP) Owen Howell (CCC)
Joint Committee for On Street Parking	12 October 2023, 10am Microsoft Teams - online.	26 October 2023 1.00pm, Venue: Clacton Town Hall, Clacton-on-Sea, CO15 1SE	Technical report and Traffic Order Scheme Prioritisation Financial Report Obstructive Parking Update Forward Plan '23/24	Jason Butcher (PP) Richard Walker/ Lou Belgrove (PP) Richard Walker (PP) Owen Howell (CCC)
Joint Committee for On Street Parking	7 December 2023, 10am Microsoft Teams - online	21 December 2023 1.00pm, Venue: Council Chamber, Epping Forest District Council CM16 4BZ	NEPP Financial Update Obstructive Parking Update Forward Plan '23/24 and' 24/25 Dates	Richard Walker/ Lou Belgrove (PP) Richard Walker (PP) Owen Howell (CCC)

COMMITTEE / WORKING GROUP	CLIENT OFFICER MEETING	JOINT COMMITTEE MEETING	MAIN AGENDA REPORTS	AUTHOR
Joint Committee for On Street Parking	7 March 2024, 10am Microsoft Teams - online	21 March 2024 1.00pm, Venue: Harlow Civic Centre, The Water Gardens, College Square, Harlow CM20 1WG	NEPP Financial Update Obstructive Parking Update Forward Plan '23/24	Richard Walker/ Lou Belgrove (PP) Richard Walker (PP) Owen Howell (CCC)
Joint Committee for On Street Parking	6 June 2024, 10am Microsoft Teams - online	20 June 2024 1.00pm, Venue: Colchester Town Hall, High Street, Colchester	Annual Governance Review and Internal Audit Annual Review of Risk Management NEPP Financial Update Obstructive Parking Update Forward Plan '24/25	Hayley McGrath (CCC) Hayley McGrath (CCC) Richard Walker/ Lou Belgrove (PP) Richard Walker (PP) Owen Howell (CCC)

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