



Norfolk County Council

Norfolk Parking Partnership Joint Committee

Date: **4 March 2021**

Time: **10:00**

Venue: **Microsoft Teams (virtual meeting)**

To view the meeting online please follow this link: <https://youtu.be/ra3qWGNxug8>

Members of the Committee and other attendees: **DO NOT** follow this link, you will be sent a separate link to join the meeting.

Membership

County Councillors

Cllr Martin Wilby (Chair) *Substitute: Cllr Barry Stone*

District Councillors

Cllr Alison Thomas *Substitute: Cllr Kay Mason-Billig* South Norfolk District Council

Cllr Paul Kunes *Substitute: Cllr Richard Blunt* Borough Council of King's Lynn
and West Norfolk

Cllr Graham Plant
(Vice-Chair) Great Yarmouth Borough Council

Non-Voting District Councillors

Cllr Paul Hewett Breckland District Council

Cllr Eric Seward *Substitute: Cllr Tim Adams* North Norfolk District Council

Cllr Mike Stonard Norwich City Council

Cllr Jo Copplestone *Substitute: Cllr Peter Bulman* Broadland District Council

**For further details and general enquiries about this Agenda
please contact the Committee Officer:**

Hollie Adams on 01603 223029
or email committees@norfolk.gov.uk

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A g e n d a

1. To receive apologies and details of any substitute members attending

2. Minutes

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To confirm the minutes of the meeting held on 19 January 2021

3. Declarations of Interest

If you have a **Disclosable Pecuniary Interest** in a matter to be considered at the meeting and that interest is on your Register of Interests you must not speak or vote on the matter.

If you have a **Disclosable Pecuniary Interest** in a matter to be considered at the meeting and that interest is not on your Register of Interests you must declare that interest at the meeting and not speak or vote on the matter

In either case you may remain in the room where the meeting is taking place. If you consider that it would be inappropriate in the circumstances to remain in the room, you may leave the room while the matter is dealt with.

If you do not have a Disclosable Pecuniary Interest you may nevertheless have an **Other Interest** in a matter to be discussed if it affects, to a greater extent than others in your division

- Your wellbeing or financial position, or
- that of your family or close friends
- Any body -
 - Exercising functions of a public nature.
 - Directed to charitable purposes; or
 - One of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union);

Of which you are in a position of general control or management.
If that is the case then you must declare such an interest but can speak and vote on the matter.

4. Any items of business the Chairman decides should be considered as a matter of urgency

5. Finance Report Update

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A report by the Director of Highways and Waste

Tom McCabe
Head of Paid Services
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Date Agenda Published: 24 February 2021



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Norfolk County Council & District Councils Norfolk Parking Partnership Joint Committee

**Minutes of the Meeting Held on Tuesday, 19 January 2021
at 2pm on Microsoft Teams (virtual meeting)**

Voting Members Present:

Cllr Martin Wilby (Chairman)	Norfolk County Council
Cllr Alison Thomas	South Norfolk District Council
Cllr Paul Kunes	Borough Council of King's Lynn and West Norfolk
Cllr Graham Plant	Great Yarmouth Borough Council

Non-Voting Members Present

Cllr Eric Seward	North Norfolk District Council
Cllr Mike Stonard	Norwich City Council
Cllr Jo Copplestone	Broadland District Council

Officers Present:

Martin Chisholm	Borough Council of King's Lynn and West Norfolk
Alex Cliff	Highway Network and Digital Innovation Manager, Norfolk County Council
David Disney	South Norfolk District Council
Michele Earp	South Norfolk District Council
Ian Gregory	Better parking Strategy Manager, Norfolk County Council
Miranda Lee	Great Yarmouth Borough Council
Andy Watt	Norwich City Council
Tim Young	Project Engineer (Network Policy & Performance), Norfolk County Council

1. Apologies for absence

- 1.1 Apologies were received from Joanne Deverick. Also absent was Cllr Paul Hewett.

1b Election of Vice-Chair

- 1b.1 The Chair nominated Cllr Graham Plant, seconded by Alison Thomas nominated Cllr Plant. Cllr Graham Plant was duly elected as Vice-Chair.

2. Minutes

- 2.1 The minutes of the meeting held on 30 September 2020 were **AGREED** as an accurate record.

3. Declarations of Interests

- 3.1 No interests were declared.

4. Items of Urgent Business

- 4.1 No urgent business was discussed.

5. Traffic Management Act (2004) - Decriminalisation of moving traffic offences

- 5.1 The Joint Committee received the report detailing proposals for implementation, in full, of Part 6 of the Traffic Management Act (TMA), which would provide additional tools with which to manage the way vehicles use the road network, allowing the Council to tackle safety issues for residents that have traditionally been the remit of the police.
- 5.2 The following points were discussed and noted:
- The County Council would be responsible for enforcing moving traffic offences as the Council's Highway Authority
 - The likely impact on the County Council would be reviewed and a policy put together now that a timeline was known from Government. Moving traffic offences were in operation in London already, and their policies would be used to inform this work.
 - This would be a county wide operation and a policy decision would need to be taken on how it would be enforced, with a view to take targeted enforcement where there were particular issues to solve.
 - A Member asked for clarification on why Government had asked for this operation to be carried out separately to the issuing of penalty charge notices (PCNs). The Project Engineer (Network Policy & Performance) **agreed** to seek clarity on this by writing to DfT (the Department for Transport).
 - Cllr Mike Stonard arrived at 14.14
- 5.3 The Joint Committee **RESOLVED**:
1. To **NOTE** the anticipated timeline for the implementation of Part 6 moving traffic offences
 2. To **NOTE** that the rest of Part 6 enforcement is likely to be separate to current Civil Parking Enforcement (CPE) arrangements.
 3. To **NOTE** that the impact on CPE operations, and the NPP will be minimal as a result of this.
 4. That Officers would **write** to DfT to seek clarity on why Government were seeking decriminalisation of moving traffic offences to be carried out separately to the issuing of PCNs

6. 2020-21 Finance Update

- 6.1 The Joint Committee received the report providing an update on the finance of the Norfolk Parking Partnership (NPP) for the financial Year 2020-21, from the budget which was set and endorsed on 5 March 2020 before the onset of the COVID-19 pandemic in the UK.
- 6.2 The following points were discussed and noted:
- The Highway Network and Digital Innovation Manager reported that due to the impact of the pandemic, parking charges in 2020 had reduced and this had contributed to a deficit of £1.296m.
 - The information reported was an estimate, and therefore this position could change over the next three months due changes brought about by the January 2021 lockdown and additional information due to be received from District and Borough Councils and Norwich City Council.
 - A discussion was held about why the Ministry of Housing, Communities and Local Government (MHCLG) grant could not be used to recover losses to the County Council; the Highway Network and Digital Innovation Manager explained that the NPP

budget was held by the County Council on behalf of NPP as it was a separate entity to the Council. Because of this, the budget was not held on the Council's revenue sheet; claims could only be made against budgets on the Council's revenue sheet.

- The Vice-Chair confirmed that Great Yarmouth Borough Council intended to apply for the MHCLG grant to reimburse part of the loss of funding.
- The Highway Network and Digital Innovation Manager confirmed that during the first Covid-19 lockdown in March 2020, some enforcement activity was suspended, however, some enforcement continued, such as helping ambulances access hospitals. Some enforcement officers were redeployed to services helping local communities within District and Borough Councils, such as delivering prescriptions, however these staff costs were met through the NPP budget. Members queried the appropriateness of this funding arrangement and felt that Borough and District Councils should be meeting this cost. It was therefore suggested that the process for staff redeployment during the Covid-19 lockdown may need reviewing to see where costs for redeployed staff should be allocated.
- Martin Chisolm discussed that during the lockdown in March 2020, enforcement of on street restrictions was not suspended; a high visibility presence was required to support with the increase in deliveries and an increased number of cars parked on streets. April was reported as the only month in 2020 where no penalties or PCNs were issued.
- The lack of revenue from pay and display and reduced number of PCNs in 2020 had contributed to the deficit in the budget, although it was reported that some areas had seen an increase in PCNs and resort-level pay and display income due to people holidaying near to home in Norfolk or exercising locally.
- Members thanked enforcement staff for their work during 2020 helping with parking issues.
- Members expressed their concerns around the governance arrangements and the budget, owing to the large deficit being reported. The Highway Network and Digital Innovation Manager discussed that during the first lockdown from March-June 2020, when people were instructed to remain at home, a 30% reduction in traffic was seen which resulted in much reduced enforcement, particularly in Norwich city. When non-essential shops re-opened in June 2020, warning letters were issued rather than returning to full enforcement according to national guidance.
- The appendix on p18 did not give detail on the deficit by each District/Borough/City Council, to enable Members and officers to identify how much to apply for from the MHCLG grant; The Highway Network and Digital Innovation Manager confirmed this information was available and **agreed** to share it with the Members of the Committee.
- The increase in cost of cash collection and maintenance shown in the forecast was noted; the Highway Network and Digital Innovation Manager did not have information on why this had increased but **agreed** to look further into this and report back. Martin Chisolm suggested part of this increase could be caused by purchase of maintenance plans for pay and display machines on Great Yarmouth seafront.
- The Highway Network and Digital Innovation Manager clarified that the NPP Agreement identified Norfolk County Council as responsible for losses incurred by the NPP, however all members of the NPP should take reasonable steps to recover loss of income. The deficit had been reported as a corporate risk on the Council's Covid-19 register and the chief finance officer was aware; the deficit may be met from the Covid-19 fund but the decision for this would rest with the finance officer.
- To help reduce the NPP Deficit, Norwich City Council had already received a successful claim to MHCLG, and Great Yarmouth Borough Council had expressed their intention to put in a claim. Members asked for information on how much may be claimed back from District/Borough Councils from MHCLG and how much this would reduce the deficit. The Highway Network and Digital Innovation Manager **asked** for District and Borough Councils to report back their loss of income to NCC.
- It was noted that Norwich City Council came into the NPP arrangement in April 2020, therefore it was difficult to compare the deficit and forecast for this financial year, 2020-

21, to the last, 2019-20, when their finances were not included. The deficit from Norwich City Council alone was £1.027m; if Norwich City Council was excluded from the forecast, the deficit reported would therefore be approximately £371,000. A table was shown of the forecast budget without Norwich City Council's finances included (see appendix A)

- Andy Watt reported that on-street pay and display income in Norwich was greatly reduced during 2020, and it was anticipated that under 50% of the usual income from this avenue would be received. There had also been a shortfall on PCN income in 2020 and, due to less people visiting the City, there had been a large impact on parking income. The figures for permit parking income were not known at that time but it was not expected there would have been as great an impact on this area by the pandemic; he **agreed** to report back to NCC with the City's latest financial position.
- Norwich City Council had received a £429,000 grant but it was not known at that time how much of this could be taken off of the Norwich City Council NPP deficit; the City Council Officers **agreed** to report back as soon as possible. The Highway Network and Digital Innovation Manager **agreed** to update the budget sheets and circulate when this information was received.
- Members suggested receiving a Q3 prediction at the end of the quarter, with more detail included from the discussions held at the meeting.
- The Vice-Chair **requested** the pay and display and residential parking was shown in separate lines in the next report for clarity.
- The Highway Network and Digital Innovation Manager confirmed that officers were currently working on a business plan for 2021-22 which was planned to be brought to the March 2021 Committee meeting. The biggest impact on the budget for 2020-21 had been from urban areas, so enforcement in these areas may need to be reviewed.
- Members **agreed** to hold an additional meeting to review the business plan in 4-5 weeks' time. The Committee Officer **agreed** to arrange a meeting for this purpose.
- The decriminalisation of moving offences legislation was due to go to Parliament in Summer 2021 and therefore more information on this would not be available to bring to the additional meeting to be arranged.

6.3 The Joint Committee **RESOLVED** to

1. **ASK** that South Norfolk District, King's Lynn Borough, Great Yarmouth Borough and Norwich City Council to submit claims in April 2021 to the Ministry of Housing, Communities and Local Government's (MHCLG) Income Compensation Scheme for lost sales, fees and charges for the amounts as detailed in Appendix A of the report.
2. **AGREE** that regular updates on progress on claims are communicated back to the NPP via the Highway Network & Digital Innovation Manager, in order that forecasts can be updated accordingly.
3. **HOLD** an additional meeting in 4-5 weeks' time

The meeting concluded at 15.40

Chairman



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	Budget 2020/21	Forecast 2020/21	Variance from Budget
Budget for NPP Operations 2020-21			
CPE Operations			
Costs			
Parking Enforcement - Annual Operating costs	726,961	663,949	
Efficiency savings from Annual Operating Costs - Parking Enforcement	0		
Parking Department (NCC) - Annual Operating Costs	80,764	80,764	
Central Processing Unit - Annual Operating Costs	218,500	145,786	
Efficiency savings from Annual Operating Costs - CPU	0		
Capital Contribution (CPE)	59,000	59,000	
Efficiency savings from Annual Operating Costs - Capital Contribution	0		
Total Costs	1,085,225	949,499	-135,726
Income			
On-street Parking Enforcement	-651,889	-315,232	336,657
Subtotal			
(Surplus) / Deficit from CPE	433,336	634,267	
On-Street Pay & Display			
Costs			
Cash Collection and Maintenance	9,956	32,499	
Residents Permit Scheme Costs	14,852		
Total Costs	24,808	32,499	7,691
Income			
Total Income	-525,347	-362,578	162,769
Surplus / Deficit from On-street P&D and Residents Parking Schemes	-500,539	-330,079	
Norwich City Forecasted Surplus/Deficit			
Net Position			
Gross (Surplus) / Deficit from NPP Operations	-67,203	304,189	
Financial Contributions	-35,000	-35,000	
NPP Operations (Surplus) / Deficit	-102,203	269,189	371,392

Norfolk Parking Partnership Joint Committee

Item No: 5

Decision making report title:	Finance Report Update
Date of meeting:	4 March 2021
Responsible Cabinet Member:	Cllr Wilby (Cabinet Member for Highways, Infrastructure & Transport)
Responsible Director:	Grahame Bygrave - Director of Highways and Waste
Is this a key decision?	No
If this is a key decision, date added to the Forward Plan of Key Decisions.	N/A

Introduction from Cabinet Member

Both the NPP (Norfolk Parking Partnership) and separate City CPE (Civil Parking Enforcement) delegated agreement rely on income from pay and display parking, residential permits and penalty charge notices to offset the costs of running the service, as well as providing the necessary enforcement to ensure that parking facilities are used fairly by all members of the public.

2020-21 has been a challenging year with income collected down by £1.8m following three national lockdowns as well as regional restrictions on socialising and travel, all set by central government in order to curb the spread of the COVID-19 virus.

Fortunately support in the form of central government funding, as well as other mitigation measures identified by members of the NPPJC, (Norfolk Parking Partnership Joint Committee) has helped to minimise the impact on the NPP and City CPE accounts. The latest forecast shows that the NPP is now predicted to make a small surplus, and the shortfall in City CPE accounts have been greatly reduced with emergency government funding being used to offset the remaining deficit.

The latest financial position, as outlined by this report, has shown just how reliant our parking services and enforcement activities are on this income, and the profound impact that national government guidelines on social and travel has on our ability to balance the books. It appears that we will achieve a good outcome this year with all your support, however the pandemic is still with us and we must continue work together in this partnership to ensure that we provide value for money for Norfolk.

Executive Summary

Since the previous NPPJC, several positive steps have been taken to mitigate the losses incurred within both the Norfolk Parking Partnership and the separate City Civil Parking Enforcement delegated agreement. Loss of income claims totalling £779,478 have been submitted to the Ministry of Housing, Community and Local Government (MHCLG) department by Great Yarmouth Borough and Norwich City Council's, and a further £250,000 of mitigation measures have been identified in order to reduce the deficit that was reported at the last NPPJC.

As a result of these measures, the latest forecast position for the:

- NPP is a small surplus of £16,754, eradicating the deficit previously reported (-£269,169);
- City CPE accounts indicates a deficit of -£263,849. This is significantly reduced from the previous reported deficit (-£1,027,236). The remaining shortfall will be met using funds from the COVID-19 Recovery Grant provided by central government, meaning that there will be no pressure on County Council revenue budgets to fund this shortfall.

Due to the ongoing uncertainty around how long the current national lockdown will continue for (at time of writing), as well as what further restrictions may be required throughout 2021-22, it has been difficult to provide a firm business plan for this coming year for either the NPP or City CPE accounts. However, three possible scenarios have been presented which demonstrate how volatile the forecast outturn is predicted to be as well as how dependant the outturn is on the type, length and extent of any restrictions imposed by central government in order to curb the spread of the COVID-19 virus.

The MHCLG Loss of Income claim scheme has been vital to the financial position of both the NPP and City CPE accounts in 2020-21. This scheme is due to run until June 2021, the first quarter of 2021-22, and will continue be used for financial support as necessary. Further government guidelines are due to be announced on 22 February 2021, which may provide clarity as to any further steps that may be necessary to support the financial viability of either the NPP or City CPE accounts in 2021-22.

Given the MHCLG scheme runs until June 2021 and has already proven to be successful in mitigating substantial losses, it is proposed that the NPPJC defer the meeting scheduled for 30 March 2021 until mid-May to consider the latest information and guidelines available from central government.

Recommendations

- 1. Review and note the latest financial forecast outturn of the NPP accounts in Appendix A**

- 2. Review and note the latest financial forecast outturn of the City CPE accounts in Appendix B, including the use of a COVID-19 grant to offset the remaining deficit.**
- 3. Agree to defer the next NPPJC until mid-May in order to determine if any further steps are required to secure the financial stability of the NPP and/or City CPE accounts.**

1. Background and Purpose

- 1.1. A Finance Update report was presented to the NPPJC on 19th January 2021 showing the latest forecast outturn position of the NPP accounts for the current financial year.
- 1.2. The ongoing COVID-19 pandemic has resulted in a significant loss of income to the NPP, which is used to offset the cost of running the service across the County. The overall position reported was a forecast deficit of £1.296m, including Norwich City. Balances in reserve are not sufficient to offset this deficit.
- 1.3. The previous finance update report proposed that King's Lynn Borough, Great Yarmouth Borough, South Norfolk District and Norwich City Councils submitted claims to the Ministry of Housing, Communities and Local Government (MHCLG) Loss of Income scheme. This report provides an update on this proposal as well as other measures taken in order to mitigate losses.
- 1.4. Members also requested that the 2021-22 business plan is presented. This information is provided in this report.
- 1.5. Civil Parking Enforcement arrangements in Norwich City are under a separate delegation agreement between Norwich City Council and Norfolk County Council and are not a voting member of the Norfolk Parking Partnership. The budgeting and forecasts for Norwich City in this report have therefore been separated out from the NPP. Hereon any mention of the NPP means all areas except for Norwich City.

2. Proposals

- 2.1. The latest forecast position for the NPP suggests a small surplus. The final outturn may fluctuate slightly from this position however should not differ significantly. If a surplus is produced, this balance will be transferred into the NPP general reserves. If fluctuations result in a deficit, this will be drawn from the NPP general reserves which currently holds a balance of £216,477.
- 2.2. For the City CPE accounts, which is separate to the NPP accounts above, the latest forecast position predicts a deficit of £263,849. Following discussions with the NCC Finance Business Partner it is proposed that this is offset using a COVID-19 Recovery Grant received from central government.

- 2.3. Due to uncertainty around what national/local restrictions will be required throughout 2021-22, changes to the business plan have been deferred. An announcement is expected from central government on 22 February 2021, setting out the exit strategy from the current national lockdown. It is unclear whether this announcement will also detail the likely social/travel restrictions that will be needed throughout this calendar year.
- 2.4. The MHCLG Loss of Income scheme has provided substantial support to the financial viability of the NPP and City CPE accounts in 2020-21 and is due to end in June 2021. It is unclear whether this scheme would be extended if social/travel restrictions are extended beyond this date. It is therefore proposed that the next NPPJC is therefore delayed until mid-May, so that the latest central government guidelines can be considered along with the MHCLG deadline of June to determine if any further mitigation measures are considered necessary.

3. Impact of the Proposal

- 3.1. The NPP general reserve balance are considered sufficient to offset any slight deficit that could reasonably be expected, without needing any further contribution from any NPPJC members, other than that previously agreed and set out in this report.
- 3.2. There are no general reserves for the City CPE following its inception in April 2020 after the Norwich City Highways agreement ended in March 2020. Use of the COVID-19 recovery grant to cover the current forecast deficit will avoid the need to fund from NCC revenue budgets.

4. Evidence and Reasons for Decision

NPP Financial Position for 2020-21

- 4.1 Appendix A summarises the latest forecast financial position of the NPP as detailed below.

MHCLG Loss of Income Claims Update

- 4.2 Norfolk County Council provided a Section 151 request on 24 November 2020 for local councils to submit claims to the Ministry of Housing, Communities and Local Government (MHCLG) for losses in on-street parking. This was supported by the NPPJC on 19 January 2021.
- 4.3 Since the last NPPJC, Great Yarmouth Borough Council have submitted a claim to the MHCLG Loss of Income scheme for losses in pay and display income incurred throughout 2020-21. The value of the claim amounts to £135k against a forecast loss in income of £200k. At the time of writing this report, no confirmation had been received from the MHCLG that this claim had been accepted. If successful, this will offset a significant proportion of the losses in on-street pay and display income.

- 4.4 King's Lynn Borough Council are unable to submit a claim for losses from pay and display revenue in King's Lynn due to the constraints of the MHCLG Loss of Income scheme.
- 4.5 The eligibility rules of the MHCLG Loss of Income scheme allow claims only for losses incurred through a reduction in transactional income from providing goods and services, such as pay and display parking charges. Income generated from penalty charge notices, which is used to offset the cost of enforcement, has been deemed ineligible.
- 4.6 The total value of losses from penalty charge notices income, which cannot be included in the above claims, is £291k for the remainder of the county

Recharges of Personnel on COVID-19 Duties

- 4.7 There have been occasions where local council staff, including some enforcement officers, had been redeployed onto other activities outside of the NPP. At the previous NPPJC, members requested that staff costs were reviewed to identify where it would be appropriate to recharge costs for staff that were redeployed to assist with other duties.
- 4.8 Great Yarmouth Borough Council have identified that £29,860 of costs incurred during Q1 can be recharged, which will be credited to the NPP in Q4 of the current financial year.

Local Council Contributions

- 4.9 In March 2019, it was agreed with Breckland District Council, North Norfolk District Council, Broadland District Council and South Norfolk District Council that they would make a contribution to the NPP to meet 50% of the deficit in running the service, a total of £45k. Due to personnel changes in February/March 2020, these invoices were not raised by Norfolk County Council.
- 4.10 This is in addition to the £35k of contributions for 2020-21 from North Norfolk, Breckland and Broadland District Councils discussed at the 5th March 2020 NPPJC.
- 4.11 These contributions total £80k and invoices have been raised accordingly in February 2021.

Change in Forecast Outturn

- 4.12 Since the last report presented on 19th January, there have been fluctuations in forecast income and costs, resulting in a net reduction in costs of £17k.
- 4.13 This outturn could be further reduced by £59k if the planned budgeted transfer to capital equipment reserves is cancelled as a one-off this year.

Summary of NPP (exc. City) Financial Position

- 4.14 Subject to Great Yarmouth Borough Council's MHCLG claim being successful (£135k), a total of £285,943 of costs have been mitigated through the steps outlined above and summarised in 4.2.5.2 below. The forecast deficit reported at

the previous NPPJC was £269,189, which has now reduced to a surplus of £17k for 2020-21.

4.15	Mitigation Measures	Amount
	MHCLG Income – GYBC (tbc)	£135,000
	Recharge of personnel – GYBC	£29,860
	Local council contributions (2019/20)	£45,000
	Revision in latest forecast outcome	£17,083
	Cancellation of Capital Equipment reserve contribution	£59,000
	Total	£285,943

City NPP Financial Position

- 4.16 The following figures are reported separately to the NPP because Norwich City Council are not members of the NPP. Civil Parking Enforcement in Norwich City is undertaken through a separate delegated functions agreement with NCC, however report to the NPPJC since NCC are responsible for any deficit in the final accounts.
- 4.17 At the previous NPPJC it was reported that Norwich City Council have already successfully claimed from the MHCLG Loss of Income scheme and have received a total of £429k against £711k of losses incurred during Q1 from pay and display revenue.
- 4.18 Norwich City Council have submitted further claims to the scheme, and if successful, will total £644,478, offsetting a significant proportion of loss in income.
- 4.19 A review of staff redeployed onto other COVID-19 activities during this financial year has also been undertaken and £49,259 of staff costs will be credited back to NCC.
- 4.20 Additional income received at the end of 2019-20 totalling £90,020 has also been carried over and credited to NCC following the termination of the previous Norwich City Highways Agency Agreement.
- 4.21 The latest adjustment in forecast income and costs on CPE accounts have resulted in an increase in costs by £20,370.
- 4.22 Subject to Norwich City's MHCLG claims being successful, the costs previously reported that have now been mitigated total £763,387 through the steps outline above and summarised below in 4.2.5.12.
- 4.23 At the previous NPPJC a total deficit outturn of £1,027,236 was reported. The latest outturn is now a deficit of £263,849.

4.24	Mitigation Measures	Amount
	MHCLG Income – Norwich City (tbc)	£644,478
	Recharge of personnel – Norwich City	£49,259
	Additional income carried over from 2019/20	£90,020

Revision in latest forecast outcome	-£20,370 (extra cost)
Total	£763,387

Financial Position for 2021-22

- 4.25 At the previous NPPJC the committee requested to see the draft business plan for 2021-22 presented in this report.
- 4.26 The financial position throughout the current financial year has been proven to be very volatile and challenging to manage, in particular because of the large fluctuations in income from pay and display and penalty charges as a result of the 3 national lockdowns and other local social restrictions put in place by central government in order to control the spread of the COVID-19 disease.
- 4.27 At the time of writing this report, Norfolk was still in its third national lockdown, with all non-essential travel as well as most social mixing banned. Non-essential shops and the hospitality industry are also closed. All these factors play a significant factor in the demand for parking and the need for enforcement, which consequentially has an impact on the level of income received that is used to offset the costs of running Civil Parking Enforcement.
- 4.28 No exit strategy from the current lockdown has yet been announced by central government. Without a plan from central government, it is extremely difficult to present a clear business plan for parking enforcement. An announcement from central government is expected on 22 February 2021; it is unclear whether this announcement will provide enough detail to enable a clear business plan to be produced.
- 4.29 The MHCLG Loss of Income scheme has provided a lifeline to the financial viability of the NPP and City CPE, collectively providing almost £780,000 of compensation for loss income. This scheme is currently due to end in June 2021.
- 4.30 Given the current uncertainty on when and how Norfolk will exit from the current national lockdown and what requirements there will be for further restrictions throughout 2021-22, it is proposed that the NPP and City CPE both continue to provide the same levels of service, with the support from the MHCLG Loss of Income claim for the 1st quarter of 2021-22.
- 4.31 The strategy for the 2nd, 3rd and 4th quarter of 2021-22 will depend on the demand for parking services and enforcement, which is yet to be determined pending central government announcements discussed above.
- 4.32 This report therefore presents three possible scenarios to illustrate how 2021-22 could look under different scenarios, and what need there may or may not be for further interventions to mitigate any forecast loss in income.

Scenario 1: Business As Usual

- 4.33 This assumes that the NPP and City CPE will be able to function as per the normal business plans and is based on;
- All social and travel restrictions being eased before April 2021, including the current national lockdown, and no further restrictions being introduced throughout 2021-22
 - Hospitality, retail and tourism industry resuming to similar levels seen in 2019-20.
- 4.34 Based on making no significant changes to the NPP or City CPE service. The projected outturn, based estimated based on 2019/20 and 2020/21 figures, is;
- £150,000 surplus for the NPP
 - £340,000 surplus for City CPE

Scenario 2: Likely

- 4.35 This scenario assumes that there will be some forms of restrictions on social interaction and travel throughout 2021-22, although not to the same degree as observed during 2020-21.
- Tier restrictions resume for some/most of the year, with hospitality, retail and tourism industries continuing to function albeit with some restrictions on sizes of gatherings.
 - Increased local tourism as a result of continued restrictions on international travel.
 - National lockdown will ease gradually through to June 2021.
 - The MHCLG Loss of Income claim will operate through to June 2021.
 - Non-essential retail will re-open, however with slightly subdued levels due to greater shift of retail sector to online sales.
 - It is assumed that there would be around a 50% increase on 2020-21 parking activity across the county.
- 4.36 Based on making no significant changes to the NPP or City CPE service. The projected outturn, based estimated based on 2019/20 and 2020/21 figures, is;
- £30,000 deficit for the NPP
 - £502,000 deficit for City CPE

Scenario 3: Worst Case

- 4.37 This scenario assumes that there will be further national lockdowns and/or extensive regional restrictions required throughout the course of this year, similar to 2020-21, however with reduced central government support.
- National lockdowns and regional social/travel restrictions imposed for most of the year.
 - MHCLG Loss of Income will not operate beyond June 2021 or continues to operate but with greater emphasis on netting losses.

- Tourism and hospitality industry will be able to operate for parts of the year, including over most of the core summer period.

4.38 Based on making no significant changes to the NPP or City CPE service. The projected outturn, based estimated based on 2019/20 and 2020/21 figures, is;

- £208,000 deficit for the NPP
- £902,000 deficit for the City CPE

4.39 The above scenarios illustrate that it is impossible to reliably plan for a full financial year given the current national uncertainty on how long the current national restrictions will need to continue for, and once relaxed, what further restrictions may be necessary throughout 2020-21.

4.40 It has been proven that the MHCLG Loss of Income scheme has helped to financially support the NPP and City CPE over the past year and this is set to continue until June 2021. For this reason, the NPP and City CPE will continue to follow the 'Likely' scenario for at least the 1st Quarter of 2021-22 and use the MHCLG Loss of Income scheme as necessary. The strategy beyond June 2021 will then be reviewed once national guidelines are available to establish what further action is needed, if any.

5. Alternative Options

5.1. The enforcement and parking services provided by the NPP and/or City CPE could be reduced in order to reduce costs, however as outlined in the 'Likely' scenario above it is anticipated that parking activity could increase above 2019-20 levels as a result of an increase in local travel and tourism, placing greater pressure on parking. A reduction of service in this case would be counter-productive.

6. Financial Implications

6.1. A contribution from the COVID-19 Recovery Grant has been sought to fund the forecast shortfall in the City CPE account.

6.2. King's Lynn Borough, Great Yarmouth Borough, South Norfolk District, Norwich City and Norfolk County Council are asked to ensure that all steps are taken to ensure that future claims can be submitted to MHCLG. This includes ensuring that transactions are included on revenue accounts where possible.

7. Resource Implications

7.1. **Staff:**

None identified

7.2. **Property:**

None identified

7.3. **IT:**

None identified

8. Other Implications

8.1. Legal Implications

None identified

8.2. Human Rights implications

None identified

8.3. Equality Impact Assessment (EqIA) (this must be included)

Not required – report is an update only

8.4. Health and Safety implications

None identified

8.5. Sustainability implications

8.6. None identified

8.7. Any other implications

8.8. None identified

9. Risk Implications/Assessment

9.1. Making any changes to the services provided by the NPP and/or City CPE at this time may result in the

10. Recommendations

10.1. 1. Review and note the latest financial forecast outturn of the NPP accounts in Appendix A

2. Review and note the latest financial forecast outturn of the City CPE accounts in Appendix B, including the use of a COVID-19 grant to offset the remaining deficit.

3. Agree to defer the next NPPJC until mid-May in order to determine if any further steps are required to secure the financial stability of the NPP and/or City CPE accounts.

11 Recommendations

11.1 [NPP Budget Setting 2020-21 – NPP Joint Committee 5th March 2020](#)

11.2 [NPP Finance Update Report – NPP Joint Committee 19th January 2021](#)

Officer Contact

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If you need this report in large print, audio, braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

Norfolk Parking Partnership

Budget 2020/21

Forecast
2020/21

On Street Parking Enforcement		
Annual Operating costs	£726,961	£667,536
Norfolk County Council Annual Operating Costs	£80,764	£80,764
KLBC Processing Unit Annual Operating Costs	£218,500	£138,867
Income		
Enforcement	-£651,889	-£333,685
Redeployment of GYBC CEOs		-£29,860
Enforcement Surplus/Deficit - County	£374,336	£523,622

On-Street Pay & Display & Permits		
Cash Collection, Maintenance and Back Office Costs (Enforcement costs shown above)	£24,808	£32,506
Income		
Pay and Display/Resident Permit Scheme Income	-£525,347	-£357,882
On-Street P&D and Permits - County	-£500,539	-£325,377

NPP Subtotal	-£126,203	£198,246
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External Contributions		
Capital Replacement Fund	£59,000	
District Contribution 2019/20 - Breckland		-£10,000
District Contribution 2020/21 - Breckland	-£10,000	-£10,000
District Contribution 2019/20 - Broadland		-£15,000
District Contribution 2020/21 - Broadland	-£15,000	-£15,000
District Contribution 2019/20 - North Norfolk		-£10,000
District Contribution 2020/21 - North Norfolk	-£10,000	-£10,000
District Contribution 2019/20 - South Norfolk		-£10,000
MHCLG Loss of Income Claim - GYBC (Not confirmed)		-£135,000
Subtotal	-£35,000	-£215,000

Latest Forecast (Surplus)/Deficit Outturn 2020/21

(£16,754)

NPP General Reserves Balance		£216,477
Capital Equipment Reserves Balance		£177,933

Norwich City Council CPE Budget

Budget 2020/21

Forecast
2020/21

On Street Parking Enforcement		
Notice Processing and Back office Costs	£136,037	£113,162
Enforcement costs	£1,458,903	£1,706,717
Costs subtotal	£1,594,940	£1,819,879
Income		
Enforcement	-£752,603	-£371,978
Internal balancing recharge	-£125,558	-£113,162
Staff recharge - COVID-19 duties		-£49,259
Enforcement Surplus/Deficit - County	£716,779	£1,285,480

On-Street Pay & Display & Permits		
Cash Collection, Maintenance and Back Office Costs	£880,424	£592,232
(Enforcement costs shown above)		
Income		
Pay and Display/Resident Permit Scheme Income	-£1,513,263	-£820,769
Dispensations	-£115,000	-£47,080
On-Street P&D and Permits - County	-£747,839	-£275,617

Bus Lane Enforcement		
Maintenance and back office costs	£305,928	£182,774
Income		
Enforcement	-£400,000	-£194,290
Subtotal	-£94,072	-£11,516

City CPE Subtotal	-£31,060	£998,347
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External Contributions		
Additional income c/o from 2019/20		-£90,020
MHCLG Loss of Income Claim (Not confirmed)		-£644,478
Subtotal		-£734,498

Latest Forecast (Surplus)/Deficit Outturn 2020/21

£263,849

Capital Equipment Reserves Balance		£146,000
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