

Norfolk Parking Partnership Joint Committee

Item No.....

Report title:	Annual Report 2015/16
Date of meeting:	29 September 2016
Responsible Chief Officer:	Tom McCabe - Director of Community and Environmental Services
Strategic impact	
<p>Civil Parking Enforcement (CPE) is the local control of on-street parking which can enable consistent, efficient and effective enforcement provision across the county. CPE can assist Norfolk County Council (the Council) to manage traffic and in such a way as to focus on key issues such as highway safety, accessibility and local environment. CPE also has an important role in supporting the local economy and is used to benefit both business and the community as part of a co-ordinated access and spatial strategy.</p> <p>CPE is undertaken in Norfolk by delegation to the Norfolk Parking Partnership Joint Committee (NPP) and is chaired by the Council. There is however a direct impact on the Council's budgets, as the one to whom the Department for Transport (DfT) made the decriminalisation order, if the receipts fail to cover the costs of operating the scheme.</p> <p>Membership of the NPP consists of the Council; Great Yarmouth Borough Council (GYBC); King's Lynn and West Norfolk Borough Council (KLWNBC) and South Norfolk District Council (SNDC).</p> <p>Enforcement itself is undertaken by GYBC, KLWNBC and SNDC as a whole, although it is noted that KLWNBC provides enforcement within the district council areas of West Norfolk, Breckland, Broadland and North Norfolk.</p>	

Executive summary

<p>This report provides the Annual Report for the fourth full financial year of operation of CPE in Norfolk and includes; a draft statistical return as required by the DfT; a summary of the financial accounts for financial year 2015/16; information on changes to legislation affecting CPE since the last annual report and an update on areas of work for NPP since the last Annual Report.</p> <p>In 2015/16 the on street operations of the NPP generated a surplus of £26,628 against a business plan predicted surplus of £96,395 an adverse variance of £69,767.</p> <p>The NPP then took forward a number of parking schemes including the delivery of a new area of Pay and Display (P&D) and permit parking in King's Lynn at a total cost of £133,404 and committed an additional £44,440 to the capital replacement fund.</p> <p>In view of the revised business case projecting increasing annual deficits a Task and Finish Working Group has been convened and will make its recommendations to an additional NPP Joint Committee meeting on 27 October 2016</p>
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Recommendations:

1. That the NPP Joint Committee notes the interim statistical return as presented in this report and authorises the final statistical return to be sent to the DfT on 1 October 2016, in conjunction with Chairman of the Partnership.
2. That the NPP Joint Committee notes the financial position of the NPP as at 31st March 2016.
3. a) The NPP Joint Committee note the on-going financial constraints on the forward programme which prevent any additional schemes being progressed after the completion of the remaining King's Lynn town centre projects.

b) The NPP Joint Committee agree the recommendation to abandon the proposed Tennyson Ave (KR05) residents parking scheme.
4. That the NPP Joint Committee notes that the on-going financial sustainability will be addressed by the recommendations of the task & finish group.

1. Introduction

- 1.1 This Annual Report summarises the financial activity with the NPP trading account during financial year 15/16 and reports the end of year balances in the reserve and capital replacement fund.
- 1.2 The Annual Report also provides an update on progress of various projects and summarises changes to legislation since the last Annual Report.

2. Evidence

2.1 Operational Position (1 April 2015 to 31 March 2016)

- 2.1.1 The draft statistical return for the period 1 April 2015 to 31 March 16 for DfT is shown in Table 1 below. Data provided is the latest interim data available (as at 7 September for King's Lynn & West Norfolk, Breckland, Broadland and North Norfolk, and 1 September for Great Yarmouth and South Norfolk).

Table 1: Interim Statistical Return for period 1 April 2015 to 31 March 2016

	South Norfolk	Great Yarmouth	Breckland	Broadland	North Norfolk	King's Lynn and West Norfolk	County Total (excluding Norwich City)
Number of higher level PCNs served	364 +1	4762	1278	132	1486	4278	12301
Number of lower level PCNs served	508	1792	760	93	1631	869	5147
Number of PCNs paid	773	4854	1674	194	2683	4158	14336
Number of	662	3980	1425	168	2355	3529	12119

PCNs paid at discount rate							
Number of PCNs against which an informal or formal representation was made	132	1247	359	40	523	1112	3413
Number of PCNs cancelled as a result of an informal or formal representation	25	516	151	12	198	408	1310
Number of PCNs written off for other reasons (e.g. CEO error or driver untraceable)	14+1	320	54	3	33	128	553
Number of vehicles immobilised	0	0	0	0	0	0	0
Number of vehicles removed	0	0	0	0	0	0	0

2.1.2 A final statistical return will be compiled on 30 September as required for submission to the DfT. Final statistics for paid/cancelled/written off may therefore change due to progress with individual cases.

2.1.3 Any changes are likely to be very small. Last year, no changes were recorded between the interim data from 9th/15th September and the final submission on 30th September.

2.1.4 In comparison with financial year 14/15 fewer PCNs have been issued. Similar numbers of higher lever PCNs have been issued but lower level PCNs numbers have reduced by 25%. Despite issuing fewer PCNs the number of challenges received were very similar to last year but the number of PCNs cancelled as a result of informal or formal reduced by 200. Overall the number of paid PCNs fell by 1000.

Recommendation 1: It is recommended that the NPP Joint Committee accepts the draft statistical return above and authorises the final statistical return to be sent to the DfT on 1 October.

2.2 Financial Performance

2.2.1 Overall the NPP generated a surplus from operations of £26,628 in 2015/16. This is compared to a proposed surplus in the business plan of £96,395, an adverse variance of £69,767.

2.2.2 The variation compared to the business case can be attributed to:

- realising less revenue in Penalty Charge Notice (PCN) income than predicted;
- higher than predicted costs for managing the residents parking scheme;
- a higher contribution towards highway maintenance than modelled.

However, the issues above were slightly off set by realising greater than predicted income from P&D and residents parking, and having lower than predicted operational costs.

2.2.3 The business plan makes a commitment to an annual contribution to the Capital Equipment Replacement Reserve (equal to 20% of the capital spend to date) to cover future costs. In previous years this contribution has been £43,337. During 15/16 additional assets have been purchased and so this increased the overall capital contribution to £44,440.

2.2.4 In addition the NPP has also previously agreed to allocate spending from the surplus in CPE funds towards the development costs of agreed schemes included in the forward programme. In 2015/16 this included the delivery of the Springwood Permit Parking Area and the South Quay Pay & Display and Permit Parking scheme in Kings Lynn as well as further development work on the Tennyson Avenue Permit Parking Area in Kings Lynn. Total development costs in 2015/16 were £133,404.

2.2.5 The business plan shows income/costs split over the three district council members (GYBC, KLWNBC and SNDC) delivering on-street enforcement as part of the NPP. Table 2 below sets out predicted performance compared to actual performance for each area (including the capital replacement reserve drawdown).

Table 2 NPP Financial Performance 1 April 2015 to 31 March 2016

Civil Parking Operations 2015/16	Plan	Actual	Variance	Comment
King's Lynn & West Norfolk CPE Costs	£463,889	£433,459	-£30,430	Costs lower than planned
King's Lynn & West Norfolk CPE Income	-£454,964	-£336,431	£118,533	Income lower than planned
King's Lynn & West Norfolk CPE Balance	£8,925	£97,028	£88,103	Cost to income ratio worse than planned
South Norfolk CPE Costs	£41,549	£30,115	-£11,434	Costs lower than planned
South Norfolk CPE Income	-£44,522	-£27,672	£16,850	Income lower than planned
South Norfolk CPE Balance	-£2,973	£2,443	£5,416	Cost to income ratio worse than planned
Great Yarmouth CPE Costs	£473,919	£306,505	-£167,414	Costs lower than planned
Great Yarmouth CPE Income	-£356,436	-£199,445	£156,991	Income lower than planned
Great Yarmouth	£117,483	£107,060	-£10,423	Cost to

CPE Balance				income ratio better than planned
Great Yarmouth On Street Pay & Display Costs + Residents	£91,795	£93,264	£1,469	Costs higher than planned
Great Yarmouth On Street Pay & Display and Residents Income	-£422,706	-£475,148	-£52,442	Income higher than planned
Great Yarmouth On Street Pay & Display Balance	-£330,911	-£381,884	-£50,973	Cost to income ratio better than planned
Total from Operations	-£207,476	-£175,353	£32,123	Cost to income ratio worse than planned
NCC parking department	£56,960	£48,725	-£8,235	Costs lower than planned
Sign and Line Maintenance	£54,121	£100,000	£45,879	Higher contribution agreed
Total	-£96,395	-£26,628	£69,767	Cost to income ratio worse than planned
Annual Capital Replacement Contribution	£0	£44,440	n/a	Not included in the original business plan
Total surplus/deficit	-£96,395	£17,812	£114,207	
Forward Programme	£0	£133,404	£133,404	Not included in the original business plan
Final Balance	-£96,395	£151,216	n/a	

2.2.4 Table 3 shows the balance within the NPP since the beginning of CPE on 7th November 2011:

Table 3 Value of CPE Reserve – £ positive/(negative) balance

Norfolk Parking Partnership Balance	2011/12	2012/13	2013/14	2014/15	2015/16
Opening Balance	0	46,419	263,801	197,270	148,106
In Year Surplus	46,419	214,382	33,469	72,048	(17,812)
In Year Contribution to Schemes	0	0	(100,000)	(121,212)	(133,404)
Closing Balance	46,419	263,801	197,270	148,106	(3,110)

2.2.5 The contribution to schemes reflects the costs incurred from planning and implementing agreed schemes from the forward programme (as outlined in 2.2.4). Actions to address this deficit are discussed in section 3 below.

2.2.6 The following table shows the balance on the Capital Equipment Replacement Fund (which was created in 2012/13):

Table 4 Value of Capital Equipment Replacement Fund

Capital Equipment Replacement Fund	2012/13 £	2013/14 £	2014/15 £	2015/16 £
Opening Balance	0	43,337	86,674	130,011
Contribution	43,337	43,337	43,337	44,440
Drawdown	0	0	0	0
Closing Balance	43,337	86,674	130,011	174,451

2.2.7 To date no requests to draw down funds have been made. It is expected that during 17/18 assets will start to require replacement, further discussions will be ongoing with district partners to secure the most cost effective solution in each case.

Recommendation 2: It is recommended that the NPP Joint Committee accepts this report as the financial position of the NPP as at 31st March 2015.

2.3 Changes to Legislation

2.3.1 The Traffic Signs Regulations and General Directions (TSRGD) 2016 came in to force on 22 April 2016 and sets out the framework for the provision of signs and lines on the highway. This 2016 version replaced the 2002 Regulations and has made a number of key amendments affecting parking enforcement;

- Parking Bays no longer need to have both lines and signs. It is for local authorities to decide how best to clearly show motorists who can park where and for how long. For example, local authorities could now decide to show disabled parking bays that operate at all times with just the wording 'DISABLED' on the ground and no upright sign. In turn they may choose to show loading bays with only the upright sign giving the times of operation, rather than also include the wording 'LOADING ONLY' on the ground as this can easily be worn away by large vehicles.
- Local authorities now have more flexibility on the wording permitted on parking bay signs such as 'market days' and 'match days' this aims to make signs smaller and more simple.
- School keep clears no longer need a traffic regulation order to be made enforceable. Instead, if the clearway marking falls within the min and max permitted lengths a sign can be erected which makes the clearway enforceable.

2.4 Blue Badge Infringements

2.4.1 It is a criminal offence to misuse a disabled parking badge. This includes people other than the badge holder taking advantage of the parking concessions provided with the scheme.

2.4.2 To address concerns regarding the fraudulent use of blue badges, the NPP agreed to fund the role of a Blue Badge Investigator who was appointed in April 2016. This has led to the development of an enhanced process for the enforcement of blue badge contraventions, which is intended to protect the

interests of genuinely disabled residents and visitors to Norfolk, whilst preventing fraud.

2.4.3 These proposals have been circulated to members of the Council's EDT Committee and will be tabled at the Strategic Equalities Group (SEG) in October for comment.

2.4.4 It is anticipated that the new procedure will be implemented during November in conjunction with a media campaign raising awareness and promoting compliance.

2.5 NCC Audit Recommendations

2.5.1 In accordance with recommendations from the Council's internal audit procedures an additional resource has been appointed within the Council to provide support to the NPP and enable the delivery of the improvements recommended in the audit report. Following on from this appointment, there have been various developments including adopting an enhanced monitoring system, introducing bimonthly partner liaison meetings, revising and clarifying officer responsibilities and developing operational procedures for some of the delegated functions.

2.5.2 All the recommendations within the report have now either been completed or are in progress with the expectation that all will be complete by March 2017.

2.6 'No Waiting' Cones

2.6.1 In the last Annual Report, the NPP Joint Committee was appraised of a project to develop operational protocols for the storage, placement and removal of 'no waiting cones' which were previously deployed by the police.

2.6.2 Work is still on-going implement a trial of a scheme in Kings Lynn. This would include hiring of cones for special and local events, and enforcement of no waiting cones supported by the appropriate Temporary Traffic Regulation Order and signage.

2.7 Forward programme

2.7.1 In October 2015, it was reported that members had allocated funds of £144,130 over the previous three years for the development of CPE related schemes. The schemes approved for delivery included projects in Kings Lynn, Cromer and Sheringham.

2.7.2 Members agreed at that meeting that work to deliver the projects in Cromer and Sheringham should be placed on hold whilst the financial position was clarified, but that the three projects in Kings Lynn would continue.

2.7.3 During 15/16 two of those three projects have been delivered at a cost of £133,404. Costs to deliver these projects are higher than intended due to unforeseen construction costs at South Quay and officer time managing customer queries during the development and consultation on the proposals.

2.7.4 Both of these schemes are predicted to generate income to the partnership, but as they were not implemented until part way through Q4, the full income and costs for operating and maintaining this scheme will be reflected in the 16/17

accounts. In addition £40k of development cost was received after the end of the 2015/16 accounting period and therefore these costs will be reflected in 16/17.

- 2.7.5 The overall funding position for CPE means the delivery of the forward programme during the first part of 2016/17 will need to be constrained to the finalisation of the remaining Kings Lynn scheme (development of the KR04 residents parking zone around Tennyson Avenue) and a 6 month review of the recently implemented South Quay scheme which was agreed during the delivery of the scheme.
- 2.7.6 Proposals to provide a fifth area of residents parking within Kings Lynn covering Tennyson Ave, King George V, Princess Way and Milton Ave (KR05) were advertised during July/Aug 16. There was a 90% response rate to the consultation with strong views being expressed both for and against the scheme.

In summary; across the four roads in the zone 59% of respondents were opposed to the scheme, and 41% were in favour. The majority of residents of Tennyson Road were in favour of the scheme and a suggestion has been made that the scheme be implemented in part.

Residents' parking schemes are developed in accordance with the principle that areas considered for residents parking should large enough to provide reasonable kerb space to accommodate the majority of residential demand. If not, there is limited benefit in purchasing a permit, and not only will the scheme not realise any benefits but it is also likely to not be financially viable. The four roads together fit with this principle, separating out and progressing with a part scheme does not as there would be more demand from eligible properties than space to accommodate them on the highway.

The recommendation therefore is that this scheme is abandoned.

- 2.7.6 The review of the South Quay scheme is on-going. A positive meeting was held in May with stakeholders including residents and business owners. NCC Officers are now working up amendments to improve and enhance the scheme, with a view to extending the maximum length of stay permitted and implementing an overnight charge to help evening business trade and give nearby residents more flexibility for overnight parking.
- 2.7.8 Delivery of the above scheme will conclude a period of traffic management change within Kings Lynn aimed at improving the vitality of the town centre and/or alleviating conflict between residents and all day visitor/commuter parking.
- 2.7.9 Delivery of any further traffic management improvements within Kings Lynn will be considered alongside town centre changes led and/or funded by external partners with the expectation being that any agreed traffic management changes would be funded through any development scheme.

Recommendation 3: It is recommended that;

- a) The NPP Joint Committee note the on-going financial constraints on the forward programme which prevent any additional schemes being progressed after the completion of the remaining Kings Lynn town centre projects.**
- b) The NPP Joint Committee agree the recommendation to abandon the proposed Tennyson Ave (KR05) residents parking scheme.**

2.8 Review of Delegated Functions Agreement

2.8.1 Amendments to the Delegated Functions Agreement (the Agreement) were agreed at the March meeting of the Joint Committee. This amending agreement has now been sealed by both GYBC and KLWNBC and is currently with SNDC awaiting sealing.

3. Financial Implications

3.1 The long term business case has been reworked and shows an increasing deficit from operations. The current 5 year predictions are shown below
£Surplus/(Deficit):

	2015/16	2016/17	2017/18	2018/19	2019/20
2015/16 Outturn for Partnership	(151,228)				
Total for Norfolk Parking Partnership	(151,228)	(15,400)	(37,384)	(79,534)	(121,853)
Opening Balance in Partnership	148,106	(3,122)	(18,522)	(55,906)	(135,440)
Closing Balance in Partnership	(3,122)	(18,522)	(55,906)	(135,440)	(257,292)

Note – the business case dates from before the close of the 2015/16 accounting period, and so there is a £12 variance between the reported balance for 15/16 and the actuals at the end of the financial year.

3.2 In light of the projected future deficits, a Task and Finish Working Group has been convened and will make its recommendations to an additional NPP Joint Committee meeting on 27 October 2016.

Recommendation 4: That the NPP Joint Committee notes that the on-going financial sustainability will be addressed by the recommendations of the task & finish group

4. Issues, risks and innovation

4.1 There is a financial risk as mentioned in Section 3 above, without mitigation the NPP faces an increasing operational deficit.

4.2 The capital programme no longer provides funding for traffic management schemes. The Council has resolved that these small scale interventions should be funded from any CPE surpluses through the forward programme. With the forward programme placed on hold until the financial situation is resolved this leaves the Council and the NPP without a means to fund either small scale traffic management schemes or schemes to address areas where enforcement is currently not possible, such as pavement parking or areas covered by prohibition of motor vehicles orders, but not waiting/loading restrictions.

5. Background

- 5.1 This is the fourth Annual Report of the NPP, covering the year from April 2015 to March 2016. A summary of this report, if agreed by the NPP Joint Committee, will be sent to the DfT.
- 5.2 The CPE scheme business case is based on the premise that any on-street income generated through PCN, P&D or permit charging is retained and offset against the cost of the service. In addition, where there is a surplus, this can be used to support parking operation and the Council's responsibility as local Highway Authority under section 122 of the Road Traffic Regulation Act 1984 (RTRA) which may include transport initiatives supporting parking operations in accordance with section 55 of the RTRA. This does not affect the revenue generated through off-street car parks, which are owned by district councils who continue to exercise their own controls.
- 5.3 To date, all surpluses from CPE operations have been allocated by the Partnership to the on-going development of CPE in Norfolk (outside Norwich), and to additional funding for the maintenance of assets.
- 5.4 A main benefit of CPE is that the local control of on-street parking can enable consistent, efficient and effective enforcement provision across the county, thereby assisting the traffic authority to use its network management duty in such a way as to focus on key issues such as highway safety, accessibility and local environment. Consequently, CPE can be used to benefit both business and the community, to introduce/enforce Traffic Orders and to set up new measures as may be identified in the Parking Principles and the Traffic Management Programme.
- 5.5 More fundamentally, CPE ensures at least an essential level of enforcement.
- 5.6 The NPP began operations on 7th November 2011. Since that date the financial performance has significantly differed from the projection, as shown in Table 6 below.

Table 6: Financial performance of CPE Operations, £ Surplus/(Deficit)

	2011/12 £	2012/13 £	2013/14 £	2014/15 £	2015/16 £	Total £
Business Case	(6,975)	138,522	124,397	109,991	96,395	419,233
Actual	46,419	214,382	33,649	72,048	(17,812)	348,686
Difference	53,394	75,860	(90,748)	(37,943)	(114,207)	(113,644)

- 5.7 In September 2014 the NPP Joint Committee resolved to ask officers to produce a timescale of progress achieved so far and to develop a revised business case for the next five years, and bring this back to the NPP Joint Committee.
- 5.8 The revised business case showed an increasing annual deficit as decreasing levels of predicated income deviated from stable or slightly increasing (with inflation) costs.
- 5.9 On receipt of this report the NPP Joint Committee convened a member led task and finish group to determine a way of stabilising the finances and continuing to operate on a cost neutral basis. From this task and finish group a number of efficiency measures and Key Performance Indicators were developed together with an interim budget for 16/17 pending further work on the long term solution.

Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

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