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## Rescue Plan for 2023/24 and Service Transformations

### **3PR – the three parking rules, educational scheme near schools.**

The 3PR officer left during 2022 and the vacant post has been saved. Due to the vacancy saving, the 3PR scheme has been suspended for the time being as part of the Rescue Plan.

### **Other vacant posts**

The data analyst left during 2022 and the vacant post has been saved. This work is significantly reduced, and less data analysis will be available to the Partnership.

The Client and Contract Manager and Group Development Manager are also leaving, due to promotion outside the service, in early 2024.

The budgets for these posts have also been frozen whilst they are vacant and will be dealt with in the forthcoming Service Transformation. Work will be covered by other managers wherever possible, with a reduction in activity being necessary in some areas.

### **Park Safe Schools – cameras**

The Park Safe Schools camera pilot project has been remarkably effective in reducing contraventions of the school yellow zig-zag markings. In excess of all predictions, these cameras can reduce contravention levels by 82% within 6-8 weeks of installation. It was originally thought that the compliance might take up to two school terms. This unexpected reduction has impacted on the viability of the scheme, as cameras need to be moved more regularly to new areas.

Costs involved have increased to the point where this important service cannot currently be sustained. The cost of moving cameras, installing new posts and configuration of the services required to provide coverage has become significantly more expensive over the last three years – part of this is due to working at height, and the contractor's costs have increased significantly.

To reduce the costs associated with moving and operating Park Safe Schools cameras, it is proposed to temporarily halt the School Park Safe camera service until schemes similar to the June 2020 model can be designed and implemented to ensure better compliance in the whole area around schools and better cover costs involved. Any future fixed camera service will be on a smaller scale than before.

### **Impact of Salary increases**

Salary negotiations concluded in Colchester applying the National Joint Committee amounts of £1,925. This additional cost is above the budgeted 4% for 2023/24. In addition, the unprecedented social shift caused by the pandemic, very large increases in costs due to high inflation, increased supplier costs, overheads and the salary increases have all contributed increased costs to the operation. The budget for 2024/25 has been set against this background and has shown the need for further transformation in the Service.

### **Service Transformations**

A Transformation began and the consultation closed in December 2023. This first round recommended the removal of two posts from the structure. Looking at future budgets, that project alone does not go far enough, and a further Transformation consultation will be necessary to help control costs further, with the control of up to £650k of service costs (equivalent to eleven posts with overheads and on-costs). The consultation for this second Transformation will begin in early February 2024 (with some staff messaging during late January) and will reset the core NEPP Operational Service and its cost base to be ready for the next three to five years.

### Delivering Traffic Regulation Orders

Each year, as and when funding allows, a programme of works is proposed to the Joint Committee consisting of up to 36 schemes (i.e. 6 per District). With some uncertainty over funding of late, the most recent round of schemes has been postponed.

#### 2023/24 Scheme Applications for delivery in 2024/25

At the November 2023 Joint Committee there were £42.0k worth of schemes not yet approved. This did not include Harlow schemes; with those the total was £65.8k. Included in this amount are some 'self-financing' schemes. The total without considering schemes that are 'self-financing' is £44.1k. Some additional self-financing schemes have been requested since this.

'Self-financing' means where schemes can generate an income such as Resident Parking schemes, where first-year permit sales are in excess of the start-up costs (see the RoI section). Patrol time will need to be paid for out of future income if a step change is found to be required in the number of patrolling CEOs needed.

The self-financing schemes in the current draft programme are awaiting approval. It is recommended that the self-financing (and any other schemes paid for from outside finances) are approved and progressed.

Other schemes have a cost which needs to be to be budgeted. Within the budget for 2024/25, is an amount of £42.0k for new schemes.

It is hoped that fresh clarity with the budget will allow Members to approve a selection of (but maybe not all) the schemes requiring funding, which are compliant with the Policy, to recommence (in part, at least) the future work programme by committing to the budgeted spend in the year 2024/25.

It is of note that this £42.0k budget cannot quite cover the entire £44.1k worth of schemes in the draft programme, which are not self-financing, so a selection process may be necessary to reduce the number of schemes in the draft programme down to a list of those which can be afforded, for decision.

Even schemes that are not initially self-financing do eventually have an income, but this is trivial, and would only cover the cost of any extra patrols if a step change in numbers of officers deployed is required.

#### Self-financing Applications for delivery in 2024/25

*Received up to 31 July:-*

£13k worth of self-financing resident parking schemes (paid for by an income from Permits sold (which has not been not budgeted for, so is new income), or paid delivery through district (there are 3 of these schemes).

*Received since 31 July :-*

An additional £5.6k worth of self-financing schemes has been requested (and will also be paid for via new Permits sold).

These are scheme applications from the public and Districts – they are proposals from the 2023/24 year, for implementation using 2024/25 budgets, and not the schemes in the Rescue Plan.

#### Sign & Line Maintenance

£25k has been included in the new budget for sign and line maintenance. There is a very high risk that deferring maintenance would impact on the ability to deliver the patrol and enforcement service.

## **Alternative Inward Funding**

There are also options for applicants and Districts to self-fund (full recovery) any Traffic Regulation Order schemes – and this would accelerate the process for those schemes.

These schemes may not meet the criteria – but would be carried out and need to meet all the costs in implementation.

## **Return on Investment – example parking schemes**

As an indication, in a Residential Parking Area, only 28 permits (depending on location) would need to be sold to pay for providing the scheme, then ongoing income would be available to fund patrols and maintenance year-on-year.

For a non– income-generating scheme, around 53 PCNs would need to be issued to pay for the scheme, before paying for any of those patrols, follow-up, or overheads. These types of schemes have very extended pay back timescales (many years) and need to be funded by budget up front.

A budget has been allowed for within 2024/25 to cover Traffic Regulation Order schemes which have previously been brought before Committee but postponed.

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## **Rescue Plans 2023/24 & 2024/25**

### **Rescue Plan 2023/24**

During the year several initiatives have been implemented to keep control of service costs – such as the vacancy freeze highlighted above.

These have been successful at controlling costs but have not gone far enough to ensure the long-term viability of the Partnership's finances. A twin-track approach of investigating new income streams and transforming the service to reduce costs is underway.

The service transformation is described elsewhere. The Rescue Plan for the future involves investigating new areas of parking which require other controls, a by-product of which is income.

These schemes have a modest start-up cost, which will need to be paid for from the first year's income. Income has been forecast in line with the standard NEPP model.

### **New On-Street Parking – 'Rescue Plan 2024/25' Schemes**

Twenty-one new on-street parking places have been identified in phases 1 and 2, which would generate an income of between £140k and £190k after start-up costs.

A further set of on-street parking in phase 3 has been identified and located within Colchester (within 600m of Resident/shared use bays). This could generate an income of between £23k and £25k.

There is a further list of schemes also possible, in phase 4, as part of the implementation of Uttlesford's Parking Strategy.

### **Delivering the 'Rescue Plan 2024' schemes**

The *Traffic Regulation Order* and *Additional On-Street Paid Parking* Reports detail new schemes which are proposed to manage traffic in the more highly sensitive roadside areas. A by-product of this would mean a yield of around £140k (lower estimate) after start-up costs in-year (with no VAT in on-street locations).

This income would go to help cover future operating cost increases, and has been included in the draft budget, to cover salary and

inflationary costs which have been identified as continued risks over the life of the Agreement.

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## Other Income

### Annual Increases

Essex expects at least an inflationary increase annually.

NEPP missed deciding Resident Parking increases between 2020 and 2023 when the Joint Committee didn't decide the recommendations put before Committee in 2020, and only decided at a second meeting in 2023 a larger inflationary increase to residents parking, from late August.

This delay may have cost as much as £200k p.a. in lost income between 2020 and 2023.

### Resident Parking

An uplift based on inflation for 2023/24 was decided in June 2023 and implemented after governance timescales and statutory consultation in late August 2023.

Further increases and a harmonisation in prices (ahead of inflation) were agreed in 2023 and will be implemented annually up to 2026/27.

### Pay & Display/Pay to Park

A proposal is made to uplift roadside charges by 20p over the local parking fee. With in excess of 200,000 stays annually to be managed, this is worth £41k p.a.

### MiPermit – Convenience Fee

Convenience Fees of 17p could be introduced for MiPermit cashless parking to cover transaction fees and other processing costs and this would be worth c.£15k p.a.

However, it is recognised that a 20p tariff uplift is also being recommended and almost all payment transactions are through

MiPermit at the roadside, reducing the convenience factor here, and therefore implementation of the Convenience Fee is not recommended at the current time.

The National Parking Platform might sweep up, and provide a resolution for, all of these fees in future. A paper on the National Parking Platform was circulated to Client Officers during 2023.

### Permit Booking Fee or equivalent

There is a cost to providing the Permit system through MiPermit – c.£1.18 for annual permits or c.10p per visitor permit (a total of c.£75k p.a.) as part of the automated service.

This could be offset by either adding a booking fee/convenience fee, or adding this amount onto the annual permit price.

A booking/convenience fee would be simplest to implement, but it is not yet clear if the supplier can offer this service.

This is therefore not proposed to be implemented due to the other increases already planned. These costs must be kept in mind when preparing future fees and charges reviews and could instead be added to the tariff of fees and charges.

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## Other work

The NEPP Group has offered to work in partnership with a neighbour in district in another county.

There are also some other Partnerships which NEPP manages with Parishes and prospectively other areas which have been under negotiations.

Full costs will be recovered in all Partnership arrangement

Districts may fund parking schemes if they wish to.

## The NEPP Agreement

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### Understanding differences in the North Area

It is acknowledged by Essex that there are Structural differences between SEPP and NEPP, with costs increasing in NEPP due to its largely rural nature, with deficits in all but two of the districts – precisely the same situation as when NEPP was formed 13 years ago.

It is important to know where these deficits are, but impossible for every District to manage its own, as there isn't enough scope in each place to support a Recovery Plan.

Some rural areas are, simply, too rural.

Covid hit, then inflationary factors have been present since then – which have all damaged the Partnership in different ways and for different reasons.

NEPP budgets can only keep pace with inflation if new income is forthcoming, and/or the cost base is reduced and kept under control, for it is unlikely that the penalty charge level will increase in value in the foreseeable future.

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### Contracts Register

Current Tenders cover outside work placed with suppliers:–

Software and Hardware system, including electronic payments and permits	Chipside Ltd Awarded 01/04/2020 (5 years to 2025)
Sign and Line Maintenance	DAT Images Requires review 2024
Cash Collection	G4S Requires review 2024
Ad-hoc Parking consultancy contracts	Parking Perspectives (2023)  Parking Matters (2022)

### Part 3: Business Plan; Programme of Works for 2024/25

Implement a Rescue Plan sufficient to maintain a non-deficit position, provide funding for the works programme, to pay off historic deficit, and rebuild the Reserve Fund.	The Rescue Plan and Transformation to support future operations is contained within this document and the Table below.	Throughout 2024/25 FY.
Carry out service Transformation to ensure costs are reduced in line with the Rescue Plan.	Sets up service cost base for next 5 years and make c.£400k savings after costs.	Q1/Q2 2024/25
Monitor the recovery from the Pandemic.	Report on parking trends as seen.	Ongoing
Maintain an operational focus on attendance levels.	To ensure maximum deployment.	Ongoing
Continue to operate the service within the Parking Management Policy and Statutory Operational Guidance	For good operational governance.	Ongoing
Monitor Key Performance Indicators for the service	Key Performance Indicators are reported in the Operational and Annual Reports, published online	Reported quarterly
Operate the service against data from the system.	Continually apply most resources to the areas of most need.	Ongoing
Operate the Inter-Agency Agreements with Braintree, Colchester, Harlow and Uttlesford for off-street car parks.	Maintain existing relationships and continue to develop new Partnerships.	Ongoing
Review ongoing contractual arrangements (tenders) to ensure best value in all areas.	Implement and maintain contracts for services above the threshold. G4S and DAT to be reviewed in 2024.	Ongoing
Carry out a prudent programme of essential maintenance works during the summer months.	To ensure key signs and lines remain substantially compliant with the regulations within budget.	Q2/Q3 2024/25
Continue to develop the School Park Safe Camera Zones.	Better implement schemes around schools where enhanced schemes may be self-funding.	As appropriate

Contribute to the Colchester Master Plan, Estate Plan and Structures Projects, and Uttlesford Parking Strategy Project.	Off-street works.	Ongoing
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