

SOUTH ESSEX PARKING PARTNERSHIP JOINT COMMITTEE

15 December 2022

AGENDA ITEM 9

Subject	Business Plan for 2023/24
Report by	South Essex Parking Partnership Manager

Enquiries contact: Nick Binder, Parking Partnership Manager, 01245 606303,
nick.binder@chelmsford.gov.uk

Purpose	
This report seeks the Joint Committee's approval of the South Essex Parking Partnership Business Plan 2023/24.	
Options	
The Joint Committee can approve, reject or amend the Business Plan.	
Recommendation(s)	
1.	That the Joint Committee approves the attached Business Plan for 2023/24 and the four specific recommendations listed below:
	<ul style="list-style-type: none"> ▪ agree the 2023/24 budget and proposed actions and objectives ▪ agree to write off all specific Parking Authority deficits, including those over £35,000, should they arise. ▪ agree to maintain a reserve of £400,000 for financial year 2023/24 ▪ approve the risks identified and the action plan to address the top three risks in Appendix B.

Consultees	Lead officers from each of the Partner Authorities as set out in Appendix B of the Joint Committee Agreement 2022.
-------------------	--

1. Introduction

- 1.1 Clause 23.12 of the 2022 Joint Committee Agreement sets out that the Treasurer shall prepare an annual budget, as part of the Annual Business Plan, to be presented to the Joint Committee for consideration, challenge and approval in accordance with the budgetary timetable of the Lead Authority.
- 1.2 The Business Plan 2023/24 (Appendix A) provides the proposed annual budget and the business aims and objectives the Partnership sets out to achieve in the forthcoming year.

2 Business aims and objectives

- 2.1 Section 2, page 3 of the Business Plan sets out the long-term business aims and objectives of the Partnership and how they link into the requirements of the Traffic Management Act 2004.

3 Budget for 2023/24

- 3.1 The Budget has been based on the annual performance of the Partnership since its introduction in April 2011. The business model has been developed each year to ensure that the parking enforcement operational costs and the Traffic Regulation Order (TRO) operational costs are fully funded by the Partnership account. In addition, the business plans have enabled the Partnership to maintain a reserve of £400,000 and produce an operational fund to invest back into essential areas of the operation without the need for any additional or capital funding from Partner Authorities.

2020 had been an unprecedented year with the Covid-19 pandemic and this had created a degree of uncertainty with the outcome of the 2020-21 and 2021-22 financial account and the future operational model. More recently high levels of inflation increased operational costs and overheads along with staff pay increases has added further pressure on the budget. This budget for 2023-24 has been set considering all these factors.

- 3.2 Section 3.1, page 6 of the Business Plan details the proposed budget for the 2023/24 parking enforcement operation. The total direct and indirect expenditure is estimated at £2,031,800 and the total income is estimated to be £2,529,500.
- 3.3 Section 3.3, page 7 of the Business Plan shows the expected costs of £168,200 for the operational staffing resource of the TRO function.
- 3.4 A detailed breakdown of allocation of salaries and an explanation of the factors used to allocate total direct and indirect costs are contained as Appendix A on page 19 of the Business Plan.
- 3.5 Section 3.4, page 8 sets out the new arrangements, consisting of three parts, for how the surplus will be managed under the new joint committee agreement which commenced on 1 April 2022.

3.6 Maintaining a reserve

- 3.7 It is an important part of the development of the business plan to consider the level and purpose of any reserves held by the Partnership. An assessment of the level of reserves will need to consider factors such as the risks facing the Partnership and the capacity to deal with in year budget pressures and other unforeseen events.

However, there is no precise methodology to establish the correct level of reserves and this is a matter for judgement for the Partnership's Treasurer to propose to the Joint Committee.

Considering the impact of the account and loss of income during the Covid-19 pandemic and the uncertainty on how the account will perform as normality returns, it had been agreed when entering into the new Joint Committee Agreement that a reserve of £400,000 would be maintained.

It is recommended that the level of reserve remains at £400,000 for financial year 2023/24.

3.8 Estimated outturn position for 2023/24

- 3.9 The estimated outturn position for 2023/24 by applying the new surplus management arrangements is as follows

The Business plan estimates that the Partnership can expect a surplus in the region of £497,700 from the parking enforcement account

Part 1: £400,000 reserve already maintained – carry forward from SEPP operational account.

From the estimated £497,700 outturn position, £428,000 will cover the TRO operational costs, the maintenance of sign and lines and the funding for innovation identified in part 2 of the arrangement. The remaining £67,700 will contribute to the new Strategic Partnership Panel, identified in Part 3 of the surplus sharing arrangement

4 Business objectives for 2023/24

- 4.1 Section 4, page 11 of the Annual Business Plan provides the business objectives and actions the Partnership aims to achieve in 2023/24. These objectives link into the longer term aims and objectives of the Partnership. The main area of focus will be to monitor the effects of the business recovery and adjust the business case to ensure service provision meets demand.

4.7 The Operational Fund

- 4.8 Any operational fund carried forward into the new joint committee agreement is not subject to the new surplus management arrangements and will remain the full responsibility of the SEPP Joint Committee to invest into schemes which are in accordance with Section 55 of the RTRA 1984.

Section 4.3 page 16 provides the current financial position of the SEPP operational fund and amounts remaining to complete the outstanding areas of spend and maintain the agreed reserve.

5 Review of Risks to the Partnership

- 5.1 A requirement of the annual business planning process is to review the risks to the Partnership. It is important that these risks are regularly monitored and the action plan implemented to ensure that the long-term business objectives are not compromised.

The risks have been updated to reflect the new joint committee agreement working arrangements.

Appendix B, page 25, provides the identified risks and the updated Risk Action Plan.

It is recommended that the Joint Committee approve the risks identified and the action plan to address the top three risks.

6 Contract Register

- 6.1 The Partnership should ensure that key contractual arrangements are monitored annually to enable adequate time to be allowed to re-tender as appropriate. It is an important part of the business planning process that a contracts register should be monitored, to ensure that sufficient consideration is given to key contracts, expiry dates and ongoing requirements.

The table in section 6 page 17 provides details of the key contracts and expiry dates and current actions required

7 Summary

The business objectives for 2023/24 have been set to ensure the Partnership maintains the current level of performance and continues to provide a high level of service delivery.

The financial position of the Partnership and the budget set for 2023/24 has ensured that the enforcement operation, the TRO function and the funding for the signs and lines maintenance can be fully funded from the Partnership account with sufficient reserves to cover any shortfalls should they arise.

For financial year 2023/24 it is estimated that there will be £200,000 funding available for the maintenance of signs and lines and new TROs.

This Annual Business Plan sets out four key recommendations for approval by the Joint Committee.

- agree the 2023/24 budgets and proposed actions and objectives
- agree to write off all specific Parking Authority deficits, including those over £35,000, should they arise.
- agree to maintain a reserve of £400,000 for financial year 2023/24
- approve the risks identified and the action plan to address the top three risks in **Appendix B**.

List of Appendices

Appendix A South Essex Parking Partnership Business Plan 2023/24

Background Papers

The South Essex Parking Partnership Joint Committee Agreement 2022