

Report – Planning and Transportation Committee

Surplus Arising for On-Street Parking 2015/16 and Utilisation of Accrued Surplus

To be presented on Thursday, 8th December 2016

*To the Right Honourable The Lord Mayor, Aldermen and Commons
of the City of London in Common Council assembled.*

SUMMARY

The City of London Corporation, in common with other London authorities is required to report to the Mayor for London on action taken in respect of any deficit or surplus in its On-Street Parking Account for a particular financial year.

The purpose of this report is to inform Members that:

- the surplus arising from on-street parking activities in 2015/16 was £5.608m;
- a total of £3.366m, was applied in 2015/16 to fund approved projects; and
- the surplus remaining on the On-Street Parking Reserve at 31 March 2016 was £17.229m, which will be wholly allocated towards the funding of various highway improvements and other projects over the medium term.

RECOMMENDATION

That Members note the contents of the report and approve its submission to the Mayor of London.

MAIN REPORT

Background

1. Section 55(3A) of the Road Traffic Regulation Act 1984 (as amended) requires the City of London, in common with other London authorities (i.e. other London Borough Councils and Transport for London), to report to the Mayor of London on action taken in respect of any deficit or surplus in their On-Street Parking Account for a particular financial year.
2. Legislation provides that any surplus not applied in the financial year may be carried forward. If it is not to be carried forward, it may be applied by the City for one or more of the following purposes:
 - (i) making good to the City Fund any deficit charged to that Fund in the four years immediately preceding the financial year in question;
 - (ii) meeting all or any part of the cost of the provision and maintenance by the City of off-street parking accommodation whether in the open or under cover;

- (iii) the making to other local authorities, or to other persons, of contributions towards the cost of the provision and maintenance by them, in the area of the local authority or elsewhere, of off-street parking accommodation whether in the open or under cover;
- (iv) if it appears to the City that the provision in the City of further off-street parking accommodation is for the time being unnecessary or undesirable, for the following purposes, namely:
 - meeting costs incurred, whether by the City or by some other person, in the provision or operation of, or of facilities for, public passenger transport services;
 - the purposes of a highway or road improvement project in the City;
 - meeting the costs incurred by the City in respect of the maintenance of roads at the public expense; and
 - for an “environmental improvement” in the City.
- (v) meeting all or any part of the cost of the doing by the City in its area of anything which facilitates the implementation of the Mayor’s Transport Strategy, being specified in that strategy as a purpose for which a surplus can be applied; and
- (vi) making contributions to other authorities, i.e. the other London Borough Councils and Transport for London, towards the cost of their doing things upon which the City in its area could incur expenditure upon under (i)-(v) above.

2015/16 Outturn

3. The overall financial position for the On-Street Parking Reserve in 2015/16 is summarised below:

	£m
Surplus Balance brought forward at 1st April 2015	(14.987)
Surplus arising during 2015/16	(5.608)
Expenditure financed during the year	6.452
Funds remaining at 31st March 2016 wholly allocated towards the funding of future projects	(17.229)

4. Total expenditure of £3.366m in 2015/16 was financed from the On-Street Parking Reserve, covering the following approved projects:

Revenue/SRP Expenditure :	£000
Highway Resurfacing and Maintenance	1,977
Concessionary Fares and Taxi Card Scheme	511
Off Street Parking Contribution	343
Special Needs Transport	57
Barbican Area Strategy	38
Planting Maintenance	14
Parking Enforcement Plan	11

New Roads and Highway Improvement	11
Crossrail Moorgate Urban Integration	7
Milton Court Highway Works	4

Total Revenue Expenditure	2,973
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Capital Expenditure :

Barbican Podium Waterproofing	312
Barbican Area Strategy - Silk Street	70
Milton Court Highway Works	37
Beech Gardens Soft Landscaping	12
St Giles Terrace & Ben Jonson Highwalk	3
Holborn Circus Area Enhancement	(41)

Total Capital Expenditure	393
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Total Expenditure Funded in 2015/16	3,366
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5. The surplus on the On-Street Parking Reserve brought forward from 2014/15 was £14.987m. After expenditure of £3.366m funded in 2015/16, a surplus balance of £2.242k was carried forward to future years to give a closing balance at 31 March 2016 of £17.229m.
6. Currently total expenditure of some £36.039m is planned over the medium term up to 31 March 2020, by which time it is anticipated that the existing surplus plus those estimated for future years will be fully utilised. This total includes expenditures of £8.092m, £12.203m, £4.765m and £10.979m planned from 2016/17 until 2019/20 respectively, which are anticipated to reduce significantly the surpluses arising in those years.
7. The total programme covers a number of major capital schemes including funding towards the Barbican Podium Waterproofing, Street Lighting Strategy, repairs to Snow Hill Bridge and Holborn Viaduct, Barbican Area Strategy, Minories car park structural monitoring/work, 'Ring of Steel' traffic monitoring infrastructure and various street scene projects as well as ongoing funding of revenue projects including highway resurfacing and road maintenance projects, concessionary fares and taxi cards, special needs transport, and contributions to the costs of Off-Street car parks. The progression of each individual scheme is, of course, subject to the City's normal evaluation criteria and Standing Orders.
8. A forecast summary of income and expenditure arising on the On-Street Parking Account and the corresponding contribution from or to the On Street Parking Surplus, over the medium term financial planning period, is shown below:

On-Street Parking Account Reserve Projections 2015/16 to 2019/20	2015/16 Actual £m	2016/17 Forecast £m	2017/18 Forecast £m	2018/19 Forecast £m	2019/20 Forecast £m	Total £m
Income	(8.4)	(7.5)	(7.6)	(7.8)	(7.9)	(39.2)
Expenditure (<i>Note 1</i>)	2.8	2.9	3.0	3.0	3.1	14.8
Net Surplus arising in year	(5.6)	(4.6)	(4.6)	(4.8)	(4.8)	(24.4)
Capital, SRP and Revenue Commitments	3.4	8.1	12.1	4.8	11.0	39.4
Net in year contribution from/(to) the surplus	(2.2)	3.5	7.5	0.0	6.2	15.0
Deficit/(Surplus) carried forward at 1 st April	(15.0)	(17.2)	(13.7)	(6.2)	(6.2)	
Deficit/(Surplus) carried forward at 31st March	(17.2)	(13.7)	(6.2)	(6.2)	0.0	

Note 1: On-Street operating expenditure relates to direct staffing costs, repair & maintenance of pay & display machines, Indigo contractor costs, fees & services (covering cash collection, pay by phone, postage & legal), IT software costs for enforcement systems, provision for bad debts for on-street income and central support recharges.

9. There is now a combined service for 'Civil Parking & Traffic Enforcement, including the Cash Collection Contract' which has resulted in on-going savings to the operating costs of the On-Street Parking Account.

Conclusion

10. So that we can meet our requirements under the Road Traffic Regulation Act 1984 (as amended), we ask that the Court of Common Council notes the contents of this report and approves its submission to the Mayor of London.

All of which we submit to the judgement of this Honourable Court.

DATED this 17th November 2016.

SIGNED on behalf of the Committee.

Christopher Michael Hayward
Chairman, Planning and Transportation Committee