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|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| <b>Committee(s)</b>                                                                                                     | <b>Dated:</b>                                                                                                                    |
| Planning & Transportation<br>Finance<br>Streets and Walkways Sub<br>Court of Common Council                             | 1 <sup>st</sup> February 2022<br>15 <sup>th</sup> February 2022<br>15 <sup>th</sup> February 2022<br>10 <sup>th</sup> March 2022 |
| <b>Subject:</b><br>Annual On-Street Parking Accounts 2020/21 and Related<br>Funding of Highway Improvements and Schemes | <b>Public</b>                                                                                                                    |
| <b>Which outcomes in the City Corporation's Corporate<br/>Plan does this proposal aim to impact directly?</b>           | n/a                                                                                                                              |
| <b>Does this proposal require extra revenue and/or<br/>capital spending?</b>                                            | N                                                                                                                                |
| <b>If so, how much?</b>                                                                                                 | n/a                                                                                                                              |
| <b>What is the source of Funding?</b>                                                                                   | n/a                                                                                                                              |
| <b>Has this Funding Source been agreed with the<br/>Chamberlain's Department?</b>                                       | n/a                                                                                                                              |
| <b>Report of:</b><br>The Chamberlain                                                                                    | <b>For Information</b>                                                                                                           |
| <b>Report author:</b><br>Simon Owen, Chamberlain's Department                                                           |                                                                                                                                  |

### Summary

The City of London 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 2020/21 was £10.138m;
- a total of £5.712m, was applied in 2020/21 to fund approved projects; and
- the surplus remaining on the On-Street Parking Reserve at 31st March 2021 was £47.125m, which will be wholly allocated towards the funding of various highway improvements and other projects over the medium term.

### Recommendation

Members are asked to:

- Note the contents of this report for their information before submission to the Mayor for 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 for 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:
  - a) making good to the City Fund any deficit charged to that Fund in the 4 years immediately preceding the financial year in question;
  - b) 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;
  - c) 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;
  - d) 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.
  - e) 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
  - f) 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 (a)-(e) above.
3. In the various tables of this report, figures in brackets indicate expenditure, reductions in income or increased expenditure.

## 2020/21 Outturn

4. The overall financial position for the On-Street Parking Reserve in 2020/21 is summarised below:

|                                                                                                        | £m            |
|--------------------------------------------------------------------------------------------------------|---------------|
| Surplus Balance brought forward at 1st April 2020                                                      | 42.699        |
| Surplus arising during 2020/21                                                                         | 10.138        |
| Expenditure financed during the year                                                                   | (5.712)       |
| <b>Funds remaining at 31<sup>st</sup> March 2021, wholly allocated towards funding future projects</b> | <b>47.125</b> |

5. Total expenditure of £5.712m in 2020/21 was financed from the On-Street Parking Reserve, covering the following approved projects:

| <b>Revenue/SRP Expenditure:</b>                    | <b>£000</b>    |
|----------------------------------------------------|----------------|
| Highway resurfacing, maintenance & enhancements    | (2,121)        |
| Off-Street car parking contribution from reserves  | (1,122)        |
| Concessionary fares & taxi card scheme             | (502)          |
| City Streets COVID 19 – phase 3                    | (386)          |
| West Smithfield Area Public Realm & Transportation | (351)          |
| Bank Junction experimental safety scheme           | (172)          |
| Special needs transport                            | (61)           |
| Aldgate maintenance for Open Spaces                | (40)           |
| City Wayfinding Signage/Legible London             | (18)           |
| London Wall car park waterproofing and repairs     | (3)            |
| Holborn Viaduct & Snow Hill pipe-subways           | (2)            |
| Thames Court footbridge                            | 10             |
| <b>Total Revenue/SRP Expenditure</b>               | <b>(4,768)</b> |
| <b>Capital Expenditure:</b>                        |                |
| Street lighting project                            | (436)          |
| Traffic enforcement CCTV                           | (201)          |
| Bank Junction improvements (All Change at Bank)    | (163)          |
| Barbican Podium waterproofing – phase 2            | (102)          |
| Holborn Viaduct & Snow Hill pipe-subways           | (26)           |
| City Wayfinding Signage/Legible London             | (11)           |
| Baynard House fire safety                          | (4)            |
| Highways Management System                         | (1)            |
| <b>Total Capital Expenditure</b>                   | <b>(944)</b>   |
| <b>Total Expenditure Funded in 2020/21</b>         | <b>(5,712)</b> |

6. The surplus on the On-Street Parking Reserve brought forward from 2019/20 was £42.699m. After expenditure of £5.712m funded in 2020/21, a surplus balance of £4.426m was carried forward to future years to give a closing balance at 31st March 2021 of £47.125m.

7. Currently total expenditure of some £92.1m is planned over the medium term from 2021/22 until 2025/26 (as detailed in Table 1), by which time it is anticipated that the existing surplus plus those estimated for future years will be fully utilised.
8. The total programme covers numerous major capital schemes including funding towards the Barbican podium waterproofing; Bank Junction permanent improvement scheme; Holborn Viaduct & Snow Hill pipe-subways repairs; Baynard House fire safety; City Wayfinding Signage/Legible London; Traffic Enforcement CCTV; City Streets COVID-19; West Smithfield area public realm & transportation project; St Paul's gyratory; Minorities car park structural building report; Dominant House footbridge repairs; London Wall car park waterproofing, joint replacement & concrete repairs; London Wall car park ventilation, electrics, lighting & fire alarms; Fire safety at the car parks; Lindsey Street Bridge strengthening; Climate Action Strategy Cool Streets and Pedestrian Priority; and Beech Street. The progression of each individual scheme is, of course, subject to the City's normal evaluation criteria and Standing Orders.
9. The programme also covers ongoing funding of future revenue projects, the main ones being highway resurfacing, enhancements & road maintenance projects; concessionary fares & taxi cards; contributions to the costs of Off-Street car parks; special needs transport; and annual maintenance of Aldgate.
10. 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:

| <b>Table 1<br/>On-Street Parking Account Reserve<br/>Projections 2020/21 to 2025/26</b> | <b>2020/21<br/>Actual<br/>£m</b> | <b>2021/22<br/>Forecast<br/>£m</b> | <b>2022/23<br/>Forecast<br/>£m</b> | <b>2023/24<br/>Forecast<br/>£m</b> | <b>2024/25<br/>Forecast<br/>£m</b> | <b>2025/26<br/>Forecast<br/>£m</b> | <b>Total<br/>£m</b> |
|-----------------------------------------------------------------------------------------|----------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|---------------------|
| Income                                                                                  | 15.1                             | 14.1                               | 13.3                               | 13.6                               | 13.9                               | 14.1                               | 84.1                |
| Expenditure (Note 1)                                                                    | (5.0)                            | (4.5)                              | (4.7)                              | (4.8)                              | (5.0)                              | (5.0)                              | (29.0)              |
| <b>Net Surplus arising in year</b>                                                      | <b>10.1</b>                      | <b>9.6</b>                         | <b>8.6</b>                         | <b>8.8</b>                         | <b>8.9</b>                         | <b>9.1</b>                         | <b>55.1</b>         |
| Capital, SRP and Revenue Commitments                                                    | (5.7)                            | (10.0)                             | (26.6)                             | (35.1)                             | (10.8)                             | (9.6)                              | (97.8)              |
| <b>Net in year contribution (from)/ to surplus</b>                                      | <b>4.4</b>                       | <b>(0.4)</b>                       | <b>(18.0)</b>                      | <b>(26.3)</b>                      | <b>(1.9)</b>                       | <b>(0.5)</b>                       | <b>(42.7)</b>       |
| (Deficit) / Surplus cfwd at 1 <sup>st</sup> April                                       | 42.7                             | 47.1                               | 46.7                               | 28.7                               | 2.4                                | 0.5                                |                     |
| <b>(Deficit) / Surplus cfwd at 31<sup>st</sup> March</b>                                | <b>47.1</b>                      | <b>46.7</b>                        | <b>28.7</b>                        | <b>2.4</b>                         | <b>0.5</b>                         | <b>0.0</b>                         |                     |

*Note 1: On-Street operating expenditure relates to direct staffing costs, current Saba enforcement 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.*

11. A reduction in income is forecast from 2021/22 onwards, mainly relating to ongoing reductions in business operating following COVID-19 and future projections of motorist's compliance. There are also reductions in expenditure following Departmental savings on the parking operator enforcement contract costs due to reduced staff required during COVID-19 lockdown and reduced trade. Further additional savings from the new parking contract retender awarded from 1<sup>st</sup> April 2022 will also need to be phased into future expenditure projections.

## **Conclusion**

12. 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, which would then be submitted to the Mayor of London.

## **Background Papers**

13. Road Traffic Regulations Act 1984; Road Traffic Act 1991; GLA Act 1999 sect 282.
14. Final Accounts 2020/21.

## **Report author**

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