

Committee(s):	Date(s):	Item no.
Finance	10 th December 2013	
Planning & Transportation	14 th January 2014	
Court of Common Council	16 th January 2014	
Subject: Surplus Arising for On-Street Parking 2012/13 and Utilisation of Accrued Surplus		For Information
Report of : The Chamberlain		Public

Summary

1. 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.
2. The purpose of this report is to inform Members that:
 - the surplus arising from on-street parking activities in 2012/13 was £4.227m;
 - a total of £4.164m, was applied in 2012/13 to fund approved projects; and
 - the surplus remaining on the On-Street Parking Reserve at 31st March 2013 was £14.500m, which is wholly allocated towards the funding of various highway improvements and other projects over the medium term.
3. It is recommended that Members 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.

2012/13 Outturn

3. The overall financial position for the On-Street Parking Reserve in 2012/13 is summarised below:

	£m
Surplus Balance brought forward at 1st April 2012	(14.437)
Surplus arising during 2012/13	(4.227)
Expenditure financed during the year	4.164
Funds remaining at 31st March 2013, wholly allocated towards the funding of future projects	(14.500)

4. Total expenditure of £4.164m in 2012/13 was financed from the On-Street Parking Reserve, covering the following approved projects:

Revenue Expenditure :	£000
Highway Repairs and Maintenance	1,202
Off Street Parking Provision	551
Concessionary Fares and Taxi Card Scheme	501
Parking Enforcement Plan	80
Special Needs Transport	24
Planting Maintenance	17
Cheapside Stage 4A	5
New Roads and Transport	1
Bryer Court Pond Waterproofing	(54)
Total Revenue Expenditure	2,327
Capital Expenditure :	
Transport Improvements – Milton Court	700
Farringdon Street Bridge Repairs	601
Barbican Podium Waterproofing	493
St Giles Terrace	116
Pedestrian Way-Finding Signage	14
Silk Street	10
Queen Street Pilot Project	5
Carter Lane	5
Southwark Bridge Area	1
Barbican Area Strategy	1
Cheapside Strategy	(109)
Total Capital Expenditure	1,837
Total Expenditure Funded in 2012/13	4,164

5. The surplus on the On-Street Parking Reserve brought forward from 2011/12 was £14.437m. After expenditure of £4.164m funded in 2012/13, a balance of £63k was carried forward to future years to give a closing balance at 31st March 2013 of £14.500m.
6. Currently total expenditure of some £34.1m is planned over the medium term up to 31st March 2017, 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 £7m, £8.2m, £9m and £9.9m planned from 2013/14 until 2016/17 respectively, which are anticipated to exceed significantly the surpluses arising in those years. The total programme covers a number of major schemes including funding towards the Barbican Podium Waterproofing, repairs to Farringdon Street Bridge and Snow Hill Bridge, Lime Street access works and various street scene projects (e.g. around Milton Court) as well as ongoing funding of highways and road maintenance projects. The progression of each individual scheme is, of course, subject to the City's normal evaluation criteria and Standing Orders.

7. 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 2012/13 to 2016/17	2012/13 Actual £m	2013/14 Forecast £m	2014/15 Forecast £m	2015/16 Forecast £m	2016/17 Forecast £m	Total £m
Income	(8.8)	(9.0)	(8.9)	(8.9)	(8.9)	(44.5)
Expenditure (<i>Note 1</i>)	4.6	3.9	4.0	4.1	4.1	20.7
Net Surplus arising in year	(4.2)	(5.1)	(4.9)	(4.8)	(4.8)	(23.8)
Capital, SRP and Revenue Commitments	4.1	7.0	8.2	9.0	9.9	38.2
Net in year contribution from/(to) the surplus	(0.1)	1.9	3.3	4.2	5.1	14.4
Deficit/(Surplus) carried forward at 1 st April	(14.4)	(14.5)	(12.6)	(9.3)	(5.1)	
Deficit/(Surplus) carried forward at 31st March	(14.5)	(12.6)	(9.3)	(5.1)	0	

Note 1: On-Street operating expenditure relates to direct staffing costs, repair & maintenance of meters, VINCI 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.

8. Currently a tender evaluation report for the award of a combined service for 'Civil Parking & Traffic Enforcement, including the Cash Collection Contract' is being considered by Members, which if agreed, will provide on-going savings to the operating costs of the On-Street Parking Account.

Conclusion

9. 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.

Consultees

10. The Comptroller & City Solicitor has been consulted in the preparation of this report and his comments have been included.

Background Papers

11. Final Accounts 2009/10; Road Traffic Regulations Act 1984; Road Traffic Act 1991; GLA Act 1999 sect 282.
12. Final Accounts 2012/13

Contact Officer

Chamberlain's Department – *simon.owen@cityoflondon.gov.uk*