

London Councils' Transport and Environment Committee

Thursday 10 December 2015

2.30pm in the Conference Suite, London Councils, 59½ Southwark Street, London, SE1 0AL

Labour Group: Meeting Room 4, at 1.30pm (1st Floor)

Conservative Group: Meeting Room 1, at 1.30pm (1st Floor)

Contact Officer: Alan Edwards

Telephone: 020 7934 9911

Email: Alan.e@londoncouncils.gov.uk

Agenda item	
1	Declarations of Interests*
2	Apologies for Absence & Announcement of Deputies
3	Overview of Vehicle Electrification
4	TfL and Borough Bus Service Engagement (John Barry, Head of Network Development – Buses, TfL)
5	Future of Ultra Low Emission Zone (ULEZ) & Low Emission Zone (LEZ) (Introduced by Alex Williams and Sam Longman, TfL)
6	Chair's Report
7	Freight Update
8	Concessionary Fares 2016/17 Settlement and Apportionment
9	Proposed TEC Revenue Budget and Borough Charges 2016/17 – For Decision
10	Minutes of the TEC Executive Sub Committee held on 24 November 2015 (for noting)

11	Minutes of the TEC Main Meeting held on 15 October 2015 (for agreeing)	
	<p>Part Two: Exclusion of the Press and Public (Exempt)</p> <p>To resolve that the press and public be excluded from the meeting during discussion of the following item(s) of business because exempt information, as defined in Paragraph 3 (information relating to the financial or business affairs of any particular person, including the authority holding the information) of Part 1 of Schedule 12A of the Local Government Act 1972 is likely to be made known at the meeting</p>	
E1	Exempt Minutes from the TEC Main Meeting held on 15 October 2015	

Declarations of Interest

* If you are present at a meeting of London Councils' or any of its associated joint committees or their sub-committees and you have a disclosable pecuniary interest* relating to any business that is or will be considered at the meeting you must not:

- participate in any discussion of the business at the meeting, or if you become aware of your disclosable pecuniary interest during the meeting, participate further in any discussion of the business, or
- participate in any vote taken on the matter at the meeting.

These prohibitions apply to any form of participation, including speaking as a member of the public.

It is a matter for each member to decide whether they should leave the room while an item that they have an interest in is being discussed. In arriving at a decision as to whether to leave the room they may wish to have regard to their home authority's code of conduct and/or the Seven (Nolan) Principles of Public Life.

*as defined by the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012

If you have any queries regarding this agenda or are unable to attend this meeting, please contact:

Alan Edwards

Governance Manager

Tel: 020 7934 9911

Email: alan.e@londoncouncils.gov.uk

TEC Declarations of Interest 10 December 2015

Freedom Pass Holders/60+ Oyster Cards

Cllr Wesley Harcourt (LB Hammersmith & Fulham), Cllr Alan Smith (LB Lewisham), Cllr Jill Whitehead (LB Sutton), Cllr Caroline Usher (LB Wandsworth) and Michael Welbank (City of London)

North London Waste Authority

Cllr Dean Cohen (LB Barnet), Cllr Phil Jones (LB Camden), Cllr Daniel Anderson (LB Enfield), Cllr Feryal Demirci (LB Hackney), Cllr Claudia Webbe (LB Islington), and Cllr Clyde Loakes (LB Waltham Forest)

Western Riverside Waste Authority

Cllr Wesley Harcourt (LB Hammersmith & Fulham) and Cllr Jenny Brathwaite (LB Lambeth)

East London Waste Authority

Cllr Lynda Rice (LB Barking & Dagenham), Cllr Robert Benham (LB Havering), Cllr Ian Corbett (LB Newham) and Cllr Baldesh Nijjar (LB Redbridge)

South London Waste Partnership

Cllr Kathy Bee (LB Croydon), Cllr Nick Draper (LB Merton) and Cllr Jill Whitehead (LB Sutton)

London Waste & Recycling Board

Cllr Clyde Loakes (LB Waltham Forest)

Car Club

Cllr Julian Bell (Chair – LB Ealing), Cllr Feryal Demirci (LB Hackney) and Cllr Claudia Webbe (LB Islington)

Thames Regional Flood & Coastal Committee (RFCC)

Cllr Lynda Rice (LB Barking & Dagenham)
Cllr Dean Cohen (LB Barnet)
Cllr Tim Coleridge (RB Kensington & Chelsea)
Cllr Alan Smith (LB Lewisham)
Cllr Nick Draper (LB Merton)
Cllr Darren Merrill (LB Southwark)
Cllr Daniel Anderson (LB Enfield))

London Cycling Campaign

Cllr Feryal Demirci (LB Hackney)

London Councils' Transport and Environment Committee

Overview of Vehicle Electrification Item No: 3

Report by: Andrew Luck **Job title:** Transport Manager
Date: 10 December 2015
Contact Officer: Andrew Luck
Telephone: 020 7934 9646 **Email:** andrew.luck@londoncouncils.gov.uk

Summary: This report advises members of the current situation with regards to the electric vehicle (EV) charging infrastructure in London, the options available and any potential future developments in the sector.

Recommendations: The Committee is asked to:

- Note the comments of this report.

Background

1. Over the last year there has been a considerable shift in the provision of and plans for electric vehicle recharging facilities in London. The report highlights what is on offer now and gives a brief summary for each of the options available for London boroughs with respect to EV charging infrastructure, and outlines some of the future plans.
2. What has become clear in London is that increased competition in the market and varying demands means that there will be more than one charging solution. The vision for charging infrastructure in London, as set out in London's bid to the Office for Low Emission Vehicles City Scheme bid, is for the following networks and solutions to meet London's charging demands:
 - Commercial public charging networks, such as Source London and the POLAR network, will provide 'top up', destination-based charging for private and business users, for example in shopping centres and leisure complexes. Boroughs may have more than one of these networks operating in their area.
 - Rapid charging provision, primarily targeted at commercial operations, will address the barrier to commercial ULEV uptake by providing charging solutions for fleets with intensive duty cycles.
 - Residential charging – to address the key barrier of the lack of off-street parking which limits the uptake by private users. To streamline the complex and costly process and minimise the demands on individual borough resources, it is

proposed that a new borough-led partnership with Transport for London (TfL) is established.

3. What is important is that this is managed effectively to ensure that there is sufficient growth in the sector, allowing ambitions for EVs in London to be realised without over-burdening the boroughs.
4. Whilst focussing on the current commercial offers to boroughs, London Councils is also working with TfL and GLA to understand how boroughs can best provide cost-effective, public sector-run, residential charging infrastructure for those without off-street parking. The next steps section of this paper outlines the current work on this, emerging from the City Schemes bid submitted in October.

Source London

5. Source London is a London-wide electric vehicle charge point network, which was introduced by the Mayor and TfL in 2011.
6. BluepointLondon Limited (BPL), a subsidiary of the Bollore Groupe, became the operator of Source London on 1 September 2014 when they took over from TfL. In order to make the scheme more efficient BPL proposed a variation to the existing terms of the Pan London Scheme (PLS) agreement. Two Member Briefings were produced in 2015 advising of the proposed variations and clarifying the proposals.
7. There are currently two types of agreement that exist between boroughs and BPL:
 - The Pan London Scheme agreements that exist from 2011. This currently includes the boroughs of: Barking and Dagenham, Bromley, City of London, Ealing, Haringey, Harrow, Hillingdon, Hounslow, Kingston, Lambeth, Merton, Redbridge, Wandsworth, Westminster
 - The Pan London Scheme agreement from 2014 (boroughs that have signed the variation agreement) which includes: Greenwich, Kensington and Chelsea, Lewisham, Hackney, Hammersmith and Fulham, Southwark, Sutton and TfL.
8. BPL has indicated that six of the 14 boroughs yet to sign the variation agreement are in the process of doing so.
9. Whilst Brent and Camden opted out as partners of Source London, charging points owned by these boroughs remain accessible to Source London members. Both these boroughs are negotiating terms with BPL.
10. There are over 1,400 charging points located across 27 borough partners and 39 private partners, and a planned extension in those boroughs that have signed the variation agreement of at least another 300 additional bays by mid-2016. The majority of new locations will offer three or four bays with a charge point at each bay. It is likely therefore that some of these bays will be EV only, and some will allow parking for non EVs. BPL has also confirmed that there will be an additional 500 bays with private partners introduced next year. Future plans include the installation of further charge points in London to bring the total to 6,000 by 2018, and an advanced booking system.
11. BPL has indicated that once a borough signs the variation agreement, all non-operational charge points will be repaired or replaced within 3 months of the signing date at no cost to the borough. Currently the advised timescales are possible if BPL is able to utilise the

permitted development route, but longer if they have to go through the planning process. This can extend this time by up to three months. Therefore the average time in those is currently five months.

12. BPL has confirmed that they will bear all costs relating to the installation, the cost of the electricity and the communications costs. Boroughs will also gain access to both fixed and variable revenue fees each year as well as live usage management information.
13. A key plan for BPL is to finalise a green energy partner for Source London so that the scheme is associated with sustainable energy.
14. Customers using the Source London network would require a separate RFID card or app to utilise the POLAR network as the systems are not currently interchangeable. However, the options for pay as you go would reduce this requirement.
15. There are future plans for BPL to introduce a tariffs or user charging mechanism in 2016 for EV charging. No details regarding the planned cost for users of this charge or when charges will be introduced have been formally not been announced.
16. For further details please see <https://www.sourcelondon.net/>

Chargemaster PLC

17. Chargemaster were established in 2008 and are the largest manufacturer, supplier and operator of electric vehicle charging equipment in the UK, and currently manufacture 2,000 charging units per month at their plant near Luton. They currently have 15,000 public and workplace charging points across the UK and over 18,000 domestic charging units.
18. Chargemaster operate the POLAR network which is currently the largest charging network in the UK with over 4000 charging points nationally. In London there are 300 publically available charge points within eight boroughs. Around 250 of these are currently within the Source London network which will in all likelihood leave this network before the end of December 2015. There is a commitment to add a further 1000 charge points in London over the next 18 months.
19. Chargemaster is currently offering to replace any existing faulty charge points free of charge in all London boroughs. Boroughs will own the unit and the parking space whilst Chargemaster pay for the electricity, maintenance and communications costs. All units would have a Pay As You Go facility and all would be linked to the POLAR network. Any existing Chargemaster charge points owned or controlled by Chargemaster would be removed from Source London and operated in the POLAR network.
20. Chargemaster offer a range of charging infrastructure including rapid charging points, which are not currently offered by Source London.
21. Chargemaster also offer a pay as you go option called 'POLAR Instant' which does not require an RFID card, and is therefore open to anyone. This can be accessed by downloading a smart phone app and registering as a user.
22. The POLAR network is not directly interchangeable with the Source London network. However pay as you go options using the above app provide flexibility for EV users.
23. For further information please see <http://www.chargemasterplc.com/>

POD Point

24. POD Point is a UK based charge point supplier who developed and launched the first of their own charge points in 2009. Prior to the revised Source London variation agreement they had 130 units across boroughs in London.
25. POD Point is currently offering to replace any borough owned POD Point electric vehicle charging points (of any age or condition) with a brand new twin charging point at zero cost to the borough. This would be applicable for any charge point outside of the Source London network and would include a brand new unit, the swap out of the old unit, the disposal of the old unit, all data fees, and ongoing support for the life of the unit which is currently seven years. The only cost to the borough will be the supply of the electricity, which is no change from the current situation. POD Point include a 1:5 support SLA with all units, which means a one day remote fix SLA if a unit is not functioning correctly, and a five day swap SLA for units that cannot be fixed if required.
26. The offer includes free borough access to their online charge point management system which will allow boroughs to monitor their POD Points and collate management information.
27. It should be noted that any offer to replace equipment would not be applicable to those boroughs that have signed the Source London variation agreement.
28. POD Point has indicated that they are looking to work with any borough that wishes to expand their charge point offering, and is currently involved in a number of discussions of this nature. There are a range of options that can be discussed regarding any potential future expansion, including whether the charging will be free to use or pay as you go, and whether the borough wishes to enter into a profit share or not.
29. POD Point has introduced a scheme called Open Charge which allows drivers to utilise a phone app instead of an RFID card. RFID cards are often unpopular with users, and are not seen as ideal in a competitive market with a variety of suppliers as users would require a number of different RFID cards. Open Charge is fully operational, but does need a change to the hardware on older charge points as it does not operate on the RFID equipment.
30. For further information, please see <http://pod-point.com/>

Rapid Charging Infrastructure

31. It is clear that a range of different types of charging infrastructure will be need across London to both meet demand and cater for differing charging requirements.
32. The existing charging infrastructure in London is primarily 3kW or 7kW. This can typically charge a vehicle in 3-7 hours. The availability of rapid charging in London, which can charge a vehicle in 30-60 minutes, is extremely limited. This represents a challenge to high mileage and intensive use vehicle fleets where the traditional charging infrastructure does not meet the sector's requirements. Rapid charging provides the ability to charge during the course of the working day, minimising any operational downtime.

33. Research indicates that 150 rapid charge points would be required by 2018 to support zero emission capable taxis, private hire and commercial fleets. By 2020 it is estimated that at least 300 rapid charge points will be required if vehicle adoption rates follow an accelerated curve.
34. There are some issues with increasing the rapid charging infrastructure:
- Difficulty in securing sites;
 - Availability of sufficient power supply and the cost of electricity grid infrastructure upgrades;
 - High initial capital costs from charge point installation means that currently returns on investment will only be realised over longer periods e.g. 8-10 years
35. In parallel TfL are developing plans for a procurement partner to finance, install, operate and maintain rapid charging points at agreed location. This is known as the 'concession model'. Through managing the deployment of rapid charging, TfL can help unlock private sector investment by overcoming the two key barriers which are currently preventing the expansion of private investor/operator models:
- Securing suitable locations for hosting installation of charge points, particularly in the urban environment
 - Additional infrastructure costs incurred where upgrades are required to electricity supply infrastructure.
36. TfL has commenced engagement with boroughs and the private sector to identify possible locations for the development of rapid charging infrastructure to support new electric taxis, private hire and other commercial fleets. Potential locations would include on street locations (e.g. for taxis at taxi ranks) and off street charging 'hubs'. Much of the approach to site identification and agreement is likely to mirror that adopted for Cycle Hire docking stations. TfL is also examining its own property portfolio and the Red Route network.
37. The costs of additional electricity supply infrastructure upgrades are also a barrier to deployment. To help overcome this, TfL is also working with UK Power Networks to streamline the process for electricity network capacity assessments and upgrades.
38. Initial locations will be identified by summer 2016 and the concession contract will be awarded in autumn 2016, with deployment of the first rapid charge points in summer 2017.

LB Hounslow/Ubitricity Trial

39. One of the barriers for increased EV vehicle uptake in London is the provision of charging infrastructure in residential areas without off street parking, where existing parking demands are high. It is often seen as difficult to justify the introduction of charging infrastructure that may have a knock-on effect of reducing the number of residents' parking spaces without sufficient demand, and it is difficult to get the demand without the provision of the charge points. Whilst OLEV offers a grant for up to 75 per cent of the capital costs of a residential charge point, the small number of requests means that it is difficult to make a business case for installing a charge point.
40. The London Borough of Hounslow is trialling a scheme with German charging infrastructure partner Ubitricity, and has currently installed two prototype sockets in the borough. One is wall mounted at the Civic Centre. The second - perhaps more interestingly - is in an existing lamp column and used by a resident.

41. Ubitricity is able to retrofit a socket to any suitable existing street light infrastructure without the need to fully replace. This takes 30 minutes to complete and keeps installation costs to a minimum. The power output is able to produce 4.6kW (23v, single phase 20A) which has less impact on the grid. There are also current developments looking to increase the power output to a 7kW output.
42. The current unit price is approximately £300 for the socket and £450 for the Smartcable. All of the complicated technology is in the Smartcable which houses an electricity meter and all of the data communications components which allows the process for billing and reimbursement to occur. The sockets will only work with a Smartcable so nothing will happen if you plug a 'standard' charging cable into the socket. For the trial the cable is owned by Hounslow, but there is flexibility in the future so that cables could be purchased by the borough and leased to residents, or purchased by residents once the infrastructure has been installed
43. LB Hounslow has estimated that to make the project worthwhile, you would need 80-100 sockets and 50 cables. What is beneficial is that there is little or no change required to on street parking infrastructure, and the initial 'over supply' of sockets in street lights could be a significant driver in the purchase of electric vehicles by residents.
44. LB Hounslow has indicated that there has been some interest from other residents, and a number of boroughs. So far, whilst the technology is proving reliable there are a number of legal and regulatory questions regarding EV charging which need to be addressed before a wider roll out can be undertaken. It should also be stated that at the time of writing the product is not fully available to the market.
45. For further information please see <https://ubitricity.com/en/start>

BT Fleet (a subsidiary of BT Group)/ EMS Powerstar

46. London Councils were approached by British Telecom Fleet (BT Fleet) some months ago about the feasibility of utilising existing BT Fleet infrastructure to create both on and off street charging points. Initial considerations surrounded the charging of BT Fleet's own vehicles as they sought to significantly increase their electric fleet, but further examination of the charging infrastructure market meant that there was scope to role this out to non BT vehicles as well.
47. BT Fleet is currently working with EMS Powerstar to create a rapid charging point that incorporates additional features. Currently in the early design phase, BT Fleet is looking to introduce a basic trail unit in Ipswich with the infrastructure situated in one of their car parks. This would allow BT Fleet to charge their own vehicles, but would also allow for some charging for their customers. Once this phase has been fully tested and the technology has proved itself BT Fleet would look at the wider opportunity and scope to utilise existing street furniture, including old phone boxes and junction boxes which already have a power supply.
48. Initial designs are based on the size of an average bus stop and could include:
 - Rapid charging
 - Solar Power charging
 - Seating
 - Advertising space
 - Phone charging and Wi-Fi

- Real time data access/reporting
- Payment mechanism.

BT Fleet has indicated that the above will be assessed as the project moves forward.

49. BT Fleet has identified that there are potential issues with securing locations on street, and some locations would not be suitable due to the possible size of the infrastructure. BT Fleet believes that there is significant scope for the infrastructure to be housed in off street public and private car parks and commercial and business premises.
50. BT Fleet has indicated that the system will also offer the ability to claim Grid Tie incentives, which means there is an ability to supply electricity to the grid on demand.
51. Further information on the developments of this scheme will be forwarded to boroughs as a when information is available.
52. For further information see <https://ems-uk.org/emsc-uk-ltd-company-profile/>

Next steps

53. This paper has outlined the current offers, and some of the potential future options, but what are some of the current next steps.

Draft strategic Charging Infrastructure Location Guidance

54. Action 2 in the ULEV Delivery Plan is to: 'Publish guidance on charging infrastructure locations, based on research and stakeholder insight'. This action was set in recognition that boroughs and charge point network operators need more strategic support to help to understand where charging infrastructure will be needed. This will be crucial in ensuring all investment in charging infrastructure is effective in meeting the needs of London's future ULEV users.
55. TfL has been undertaking a programme of technical research to understand the various types of ULEV users and their charging needs, including residents, taxis, private hire, commercial fleets and car clubs. The research is now being brought together into this one guidance document to inform boroughs, charge point network operators and other stakeholders looking to deploy charging infrastructure in London. The guidance will be advisory, not mandatory.
56. TfL is currently working on a draft which will be shared with boroughs for comment from January.

OLEV Go Ultra Low City Scheme

57. Members will be aware of the opportunity to share £35m in funding from the Go Ultra Low Scheme competition.
58. London has submitted a full bid (as outlined in the report to TEC on 15 September 2015) which asks for £20m for four work streams:
 - EV charging infrastructure in residential areas

- EV charging infrastructure at car club bays
 - Rapid charging infrastructure to support commercial fleets
 - Locally developed Neighbourhoods of the future
59. The decision on the funding will not be made until later this year, but if the bid is successful there would need to be significant further discussions on the options available in London, and it is likely that some of these discussions may feature many of the aspects described above.

London-wide Residential Charging Delivery Partnership

60. The OLEV City Schemes bid provided the platform for the development of a proposed London-wide delivery partnership for deploying residential charging infrastructure in a more coordinated and cost-effective way. The proposed partnership between boroughs and TfL could help streamline applications for charging infrastructure and consolidate the knowledge and resources across the boroughs. It would offer a valuable centre of expertise with the capacity to manage installation requests, the installation process and ongoing maintenance.
61. The proposal was developed for the bid and at present it assumes a significant level of funding input from OLEV. Given the appetite from boroughs to find an alternative solution to the current process for residential charging, if this funding is not secured, we will look at other options, including working with OLEV on other ways to access their current residential charging funding pot. We understand that the current application process (responding to individual requests from residents with proof of EV purchase) and its challenging installation deadlines are seen as too resource intensive for many boroughs to be able to consider.
62. London Councils is in the process of convening a working group of boroughs to develop the legal and financial detail of this proposal.

Conclusions

63. The above information is not exhaustive, and it is clear that there will be other companies wishing to enter this competitive market. What the information above provides are details of what is happening now, the options available for boroughs, and what developments there may be in the future.
64. It is clear that to meet the targets on air quality and increase the uptake of EVs to the levels set out in the Mayors Ultra Low Emission Vehicle Delivery Plan for London, that a range of charging options will be required with more than one solution.
65. London Councils believes that all networks should be easy to use, integrated and compatible with each other. In future the integration of near field communications technology into the charging infrastructure allowing the use of personal debit/credit cards to access the network would be more beneficial, as the carrying of multiple RFID cards does not make charging simpler for the user. It would also be sensible for any mobile app or network map to describe the whole network, rather than individual pieces run by specific companies. London Councils will be working with all key stakeholders to encourage and develop such joined up thinking.

Financial Implications

66. There are no financial implications arising from this report.

Legal Implications

67. There are no legal implications to London Councils arising from this report.

Equalities Implications

68. There are no equalities implications to London Councils arising from this report.

Recommendations

69. The Committee is asked to:

- Note the comments of this report.

London Councils' Transport & Environment Committee

TfL and Borough Bus Service Engagement

Item No: 04

Report by: John Barry

Job Title: Head of Network Development
- Buses, Transport for London

Date: 10 December 2015

Contact Officer: Keith Elliott, Consultation Officer, TfL

Telephone: 020 3054 4871

Email: keithelliott2@tfl.gov.uk

Summary:

This paper has been prepared for the Transport and Environment Committee (TEC) of London Councils to provide a high level update on TfL's series of meetings with boroughs regarding bus network and bus priority development.

The paper sets out the background to TfL's new approach to strategic bus engagement with boroughs and the impact of the first round of meetings.

Recommendations:

The committee is asked to:

- Note the update.

Developing engagement on the bus network and bus priority

The strategic context

1. London's bus network carries around 2.4 billion passengers a year, making it the most-used form of public transport in London. Bus ridership has grown by 60 per cent over the past decade. Demand is expected to increase further as London's growth continues, with around 2.6 billion passengers per year forecast for 2020/2021.
2. The network is continuously changed to maintain and enhance its reliability, capacity and connectivity. This is part of an overall approach to quality including improving customer service and augmenting environmental performance. TfL and the boroughs work together to consider how London's development will affect future bus demand, using information from a range of sources such as the planning system.
3. London's bus priority infrastructure has been developed over many years in support of reliable services. In addition to bus lanes it can take many forms including: traffic-signal priority; bus-only access points; bus gates; and bus stops protected from parking and loading. Boroughs take a leading role in developing and implementing schemes with around four-fifths of bus mileage on borough-controlled roads.
4. This paper updates the Committee on a specific programme to enhance strategic engagement between TfL and boroughs about the development of the network and the development of bus priority. The programme has delivered two main initiatives to date: (1) a series of strategic engagement meetings with individual boroughs; and (2) bus network seminars to which all boroughs are invited.

Strategic engagement meetings

5. The meetings are usually attended by a borough cabinet member and senior staff. TfL is usually represented by the Head of Network Development for Buses and the Head of Consultation. The main objectives are to review how TfL and the borough are prioritising work on network planning and the development of bus priority.
6. Twenty-three borough meetings have taken place at the time of writing. Feedback has been positive, with boroughs welcoming TfL's commitment to partnership working and stating that increased understanding of our strategic approach will assist their own planning work. Some themes are apparent:
 - Strong support for provision of a high-quality bus network
 - Ways of dealing with the challenge posed by population growth, for example the role of buses in responding to and supporting residential development, or interaction with strategy for additional high schools and colleges
 - The interaction between buses and the street environment, for example where town centre enhancements are being considered
 - How buses support air quality strategies
 - Ways to ensure that bus priority funds are invested, particularly to move towards delivery of schemes in suburban growth areas and pinchpoints.

7. All these topics are, of course, already the subject of various programmes and initiatives. However, participants to date have tended to agree that there is added value in taking an overview at senior level to assist with prioritisation of work commitments.

Bus network seminars

8. The first seminar in October 2014 focused on bus priority and network development. The second took place on 11 November 2015, addressing the themes of customer service and environmental performance. They were attended by London Assembly members, councillors, borough officers, interest groups and TfL staff working on the bus network.
9. Feedback indicates delegates found the sessions useful and that they would consider attending another seminar in 2016.
10. The 2015 seminar highlighted the steps being taken to improve the environmental performance of the bus fleet. All TfL buses will meet Euro IV standard for particulate matter and oxides of nitrogen by 2015, with 1700 hybrid buses in the fleet by 2016. Wandsworth Council described how air quality in Putney High Street has significantly improved as a result of collaboration with TfL to provide cleaner buses. Boroughs asked about plans for future deployment of hybrids and the impacts of the planned Ultra Low Emission Zone.
11. Investments to develop the customer care skills of bus drivers were also discussed. This includes working with bus operators on driver training and communications to improve service delivery. Operator Tower Transit provided concrete examples of the way it is improving the customer experience through staff initiatives.

Conclusions and next steps

12. Both parts of the programme have been welcomed by participants. The round of strategic engagement meetings should be complete by March 2016 and it is currently intended to commence a second round later that year, subject to a review. A third bus network seminar is planned for late 2016. A further update for this committee will form part of the review process.

Recommendations

The committee is asked to:

- Note the update.

Legal implications for London Councils

None as a direct result of this paper.

Financial Implications for London Councils

None as a direct result of this paper.

Equality implications for London Councils

None as a direct result of this paper.

List of appendices to this report:

Appendix 1 - Bus Network and Priority Development Meetings (Round 1)

Appendix 1: Bus Network and Priority Development Meetings (Round 1)

Inner London Boroughs

City of London	22/01/15
Camden	03/02/16
Greenwich	06/11/15
Hackney	09/12/14
Hammersmith and Fulham	30/07/15
Islington	To be arranged
Kensington and Chelsea	24/02/15
Lambeth	19/06/15
Lewisham	12/11/15
Southwark	16/07/15
Tower Hamlets	06/10/15
Wandsworth	23/09/15
Westminster	29/01/15

Outer London boroughs

Barking and Dagenham	11/06/15
Barnet	13/01/16
Bexley	04/02/15
Brent	21/04/15
Bromley	To be re-arranged
Croydon	01/12/14
Ealing	26/11/15
Enfield	To be arranged
Haringey	15/10/15
Harrow	To be arranged
Havering	24/03/15
Hillingdon	To be arranged
Hounslow	18/09/15
Kingston upon Thames	10/03/15
Merton	To be re-arranged
Newham	10/03/15
Redbridge	03/12/15
Richmond upon Thames	23/07/15
Sutton	23/04/15
Waltham Forest	22/05/15

London Councils' Transport & Environment Committee Executive

Future of Ultra Low Emission Zone (ULEZ) and Low Emission Zone (LEZ) Item no: 05

Report by: Simon Roberts **Job title:** Principal Policy Advisor, Transport for London

Date: 10 December 2015

Contact Officer: Sam Longman

Telephone: 020 3054 7120 **Email:** samlongman@tfl.gov.uk

Summary:

The Ultra Low Emission Zone (ULEZ) will come into effect from September 2020. In its consultation response London Councils requested that the Mayor and TfL work with boroughs to develop proposals for an expanded ULEZ.

This report outlines the progress and work to date looking at the feasibility of options for expanding ULEZ and/or tightening the London-wide Low Emission Zone (LEZ).

Recommendations:

The Committee is asked to:

- Note and comment on the report

The Future of ULEZ/LEZ

Summary of existing ULEZ proposals

1. The Ultra Low Emission Zone (ULEZ) will be introduced on 7 September 2020. The ULEZ will operate 24 hours a day, 7 days a week in the same area as the current Congestion Charging zone (CCZ). All cars, Private Hire Vehicles (PHVs), motorcycles, vans, minibuses, buses, coaches and heavy goods vehicles (HGVs) will need to meet exhaust emission standards (ULEZ standards) or pay a daily charge to travel within the zone in addition to any applicable Congestion Charge or Low Emission Zone daily charge. The standards and charges are set out in the table below.

Vehicle type	ULEZ standards	Daily charge (if the vehicle does not meet the ULEZ standard)
Motorcycle, moped and similar vehicles	Euro 3	£12.50
Car or small van (Petrol)	Euro 4	£12.50
Car or small van (Diesel)	Euro 6	£12.50
Larger van or minibus (Petrol)*	Euro 4	£12.50
Larger van or minibus (Diesel)*	Euro 6	£12.50
HGV**, bus or coach	Euro VI ¹	£100

*Vehicles with a gross weight of 3.5 tonnes or less

**Lorries and specialist vehicles of more than 3.5 tonnes gross weight

2. In addition, London-wide licencing requirements have been set for Taxi and Private Hire Vehicles (PHV) to accelerate the update of “Zero Emission Capable” (e.g. plug-in hybrid) vehicles within these fleets.

Background to work on expansion

3. In their responses to the ULEZ consultation, a number of boroughs requested variations to and expansion of the ULEZ boundary. London Councils requested that the Mayor and TfL work with London boroughs who wished to see the ULEZ expanded into their areas.

¹ Please note that engine standards for heavy vehicles are denoted by Roman numerals I-VI , and light vehicles by Arabic numerals 1-6

4. Sir Peter Hendy, then Commissioner of TfL, wrote to the chair of London Councils Transport Environment Committee on 9 May committing TfL to undertake feasibility work this year to understand how an expanded ULEZ after 2020 could be delivered and work with London local authorities to:
 - a) review all suggestions for amendments to the ULEZ boundary;
 - b) consider options to be assessed, driven by air quality impacts, implementation and compliance costs and the general workability of options;
 - c) undertake high level assessment of options, alongside other possible measures (e.g. tightening the standards for the London-wide Low Emission Zone);
 - d) feedback findings to stakeholders later this year, including London Councils, before undertaking more detailed assessment and modelling of a short list of options; and
 - e) report findings of the detailed assessment work to stakeholders in early 2016, for discussion about the next steps, although this will be influenced by a new Mayor from May 2016.

Engagement group

5. Following this, TfL organised an engagement event on 30 July, attended by officers representing TfL, GLA, London Councils and 23 boroughs. As a result of this meeting, it was agreed to set up an engagement group with a smaller number of boroughs to ensure close working and assist in the development of options as the work progressed.
6. The group comprises of 12 representatives, a mixture of transport and air quality officers, spread across Sub Regional Transport Forums and Air Quality Cluster Groups. Boroughs are responsible for disseminating information to colleagues via these forums.
7. The guiding principles, membership and agreed terms of reference for the engagement group are contained in Appendix A.

Initial Options assessment

8. A long list of possible options for the future of LEZ and ULEZ in relation to the guiding principles has been discussed between TfL and the engagement group. This has led to the following boundary options being discounted :
 - a) **Borough boundaries:** General agreement that the location of borough boundaries are not generally understood by the wider non-resident population and do not easily follow the road network. As such they are not suitable for this purpose;

- b) **All Trunk Roads** (i.e. a scheme that applies to A-roads, rather than an area): Potentially would lead to diversions of vehicles to parallel residential streets moving the problem elsewhere;
 - c) **All Non-Trunk Roads (cell approach)**: This would exclude the roads with the most significant air pollution issues; and
 - d) **The Congestion Charging Western Extension Zone boundary**: It was felt that this would cause confusion in relation to the existing CCZ and there was not any air quality related reason why this part of inner London should be incorporated into a zone instead of any other.
9. Based on an initial assessment and discussion with the engagement group, a shorter list of proposals is being taken forward for further consideration. This is focussed around options for a strengthened London-wide Low Emission Zone from 2020 onwards, an expanded ULEZ boundary from 2023 onwards and/or stronger standards from 2025.
10. The following options comprise the list for further discussion. A map of the boundary options is contained in Appendix B.

2020

- LEZ – Euro VI standard for heavy vehicles (HGV's, Coaches and Buses).
- LEZ – Euro VI/6 standards for heavy vehicles and diesel large vans.

2023

- North/South circular – ULEZ standards for all vehicles N/S circular – Euro VI/6 standards for heavy vehicles and diesel large vans.
- N/S circular – Euro VI standards for heavy vehicles.
- LEZ - Euro VI/6 standards for all vehicles (except petrol, Euro 4).
- LEZ – Euro VI/6 standards for heavy vehicles and diesel large vans.
- LEZ – Euro VI standards for heavy vehicles.

2025

- CCZ– Hybrid standard for light vehicles.
- CCZ – Near Zero standard for light vehicles.
- N/S circular – Euro 6/VI standards for all vehicles (except petrol, Euro 4).
- N/S circular – Euro VI standards for heavy vehicles.
- N/S circular – Euro 6/VI standards for heavy vehicles & diesel large vans.
- LEZ - Euro 6/VI standards for all vehicles (except petrol, Euro 4).
- LEZ – Euro 6/VI standards for heavy vehicles and large vans.
- LEZ – Euro VI standards for heavy vehicles.

11. Further consideration is being given as to whether schemes could be linked to the vehicle age as opposed to Euro standards.

Other considerations

Defra NO₂ action plan

12. Defra recently launched its consultation on draft updated National Air Quality Plans, established a national framework of Clean Air Zones.
13. The GLA response to Defra advises that TfL and the boroughs are considering appropriate options for the future of LEZ/ULEZ and that this is a matter for the next Mayoral administration and will be subject to consultation. It also states that local authorities will require funding, support and a national retrofit standard or scheme to deliver a Clean Air Zone. Further guidance and clarification from Defra around Clean Air Zones is expected in early 2016.

Defeat devices and real world driving emissions

14. TfL acknowledges the concerns that have been raised regarding the recent admission by Volkswagen that it has installed 'defeat devices' to manipulate emissions test results in 11 million vehicles worldwide. As part of our efforts to develop ULEZ, TfL tested the emissions of a number of Euro 6/VI cars and goods vehicles over a London drive cycle, representing how vehicles drive in 'real-life' in London. This indicates that, although for light diesel vehicles the official limits are exceeded, there are significant reductions in NO_x when compared to earlier Euro standards.
15. There is also evidence that the Euro VI standard for heavy vehicles is proving highly effective under real world driving conditions. This difference in how vehicles emit in urban environments compared to when tested on the legislative cycle is taken into account within our modelling. The use of defeat devices, whilst concerning, does not affect our modelling assumptions and expected benefits of schemes such as ULEZ.

Next Steps

16. This work will provide important groundwork for the future direction of ideas for expanding ULEZ. Whilst the list for further consideration does not constitute a finalised list or endorsement of any particular proposal at this stage, the Engagement Group will continue to further refine and analyse proposals. This will lead to the identification of a shorter list of options to take forward for detailed investigation, including quantification of possible emissions savings from proposals, assessment of the likely costs for vehicle owners and operators and TfL and survey work to determine the likely impact on traffic levels. Consideration will also be given at this stage to charge levels, discounts and exemptions.
17. This work will be the subject for consideration by a new Mayoral administration. A future mayor may wish to consider how these schemes might fit with various road

charging based schemes that currently operate in London or could operate in the future, how they would complement each other or evolve to create a single coherent scheme.

18. Further updates can be provided to TEC early next year..

Recommendations

The Committee is asked to:

- Note and comment on the report.

Appendix A: Membership and Terms of Reference for the Engagement Group

The engagement group will engage and discuss with TfL on the best approach to undertake the expanding ULEZ or tightening LEZ feasibility work and agree how boroughs, TfL, the GLA and London Councils will work together on this. In particular it will:

- Explore the feasibility of expanding ULEZ and/or tightening LEZ.
- Consider different boundary options, vehicle standards, charge levels, timings, enforcement options, costs as well as, the impacts both positive and negative.
- Develop a 'short list of options' to be considered as part of more detailed feasibility work.
- Advise TfL on future policies and strategies during the next Mayoralty and beyond.

When considering the ULEZ the following objectives and guiding principles have been set;

Objectives:

Encourage, through the use of a daily charge, a shift to lower emitting vehicles in order to:

- Reduce emissions of NO_x and in turn reduce concentrations of NO₂ within the zone
- Contribute towards reducing CO₂ and PM exhaust emissions from road transport in London

Guiding principles:

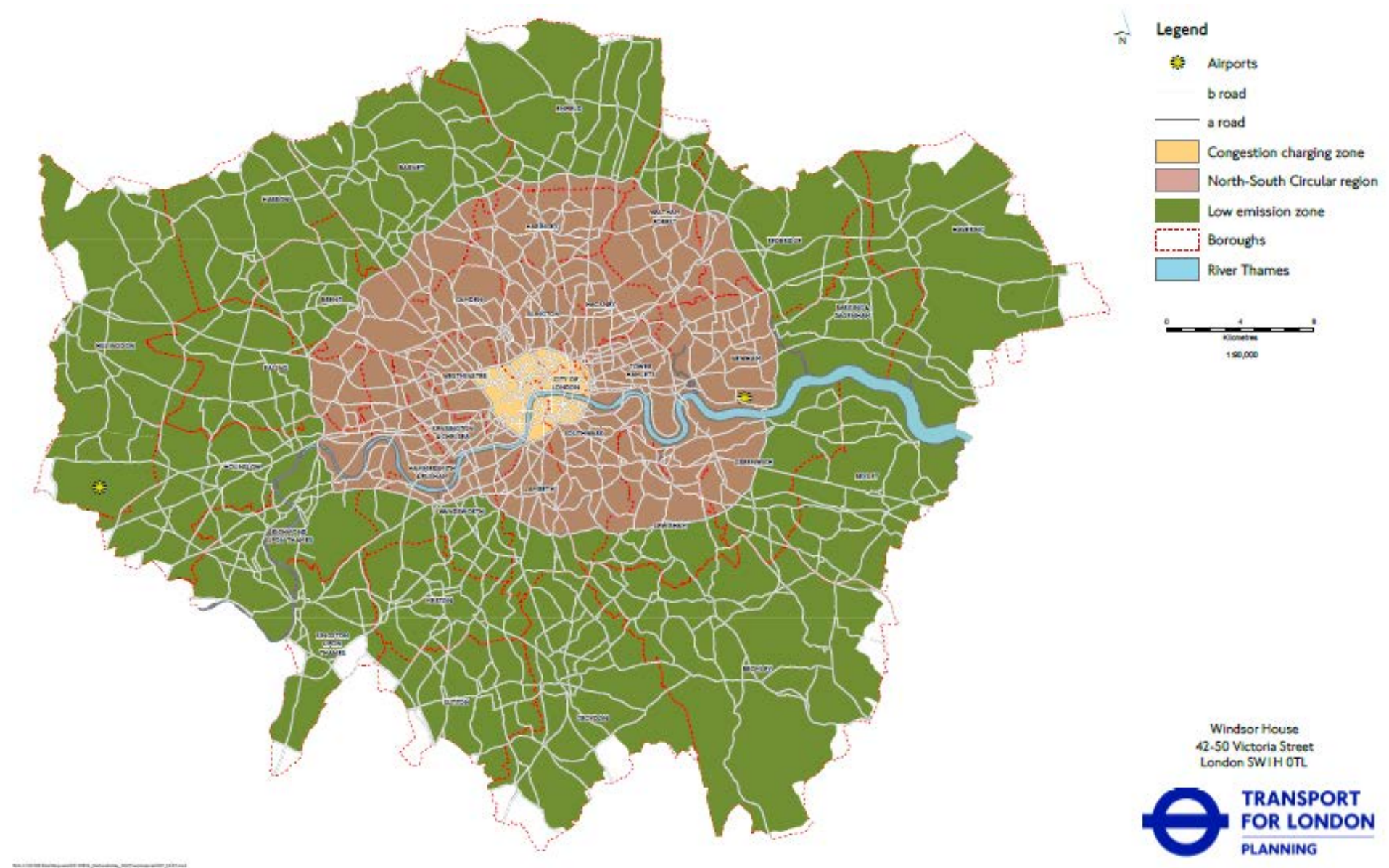
- Boundaries need to take into account the road network and 'navigability'.
- Options should avoid 'moving the problem elsewhere' and displacement effects should be fully considered.
- Options should be easy to understand, both in-terms of boundary and the standard, given existing road user charging schemes in place.
- Options should clearly state what groups, if any, will be exempt or discounted. This is particularly important when it comes to residents of the zone.
- Options should consider the impact on congestion.
- Options are in addition to and should be consistent with the confirmed Ultra Low Emission Zone (ULEZ) in central London.
- Options are in addition to or include a tightening of the existing London-wide Low Emission Zone (LEZ).

The following are represented on the engagement group:

- TfL
- GLA
- London Councils
- London Borough of Brent
- London Borough of Croydon (representing the South London Air Quality Cluster Group)
- London Borough of Enfield
- London Borough of Hackney
- London Borough of Hammersmith and Fulham

- London Borough of Lambeth (representing Central Air Quality Cluster Group)
- London Borough of Richmond (representing the West London Air Quality Cluster Group)
- London Borough of Waltham Forest –(representing the North and East London Air Quality Cluster Group)
- Royal Borough of Greenwich
- Royal Borough of Kensington & Chelsea

Appendix B: Map of potential boundary options



London Councils' Transport & Environment Committee

Chair's Report

Item no: 6

Report by: Katharina Winbeck **Job title:** Head of Transport and Environment
Date: 10 December 2015
Contact Officer: Katharina Winbeck
Telephone: 020 7934 9945 **Email:** Katharina.winbeck@londoncouncils.gov.uk

Summary This report updates Members on transport and environment policy since the last TEC meeting on 15 October 2015 and provides a forward look until the next TEC meeting on 17 March 2016.

Recommendations Members to note this report.

Updates included in this report:

- Annual meeting with Chair of London Councils
- Six-monthly meeting with CELC leads
- CSR Announcements

Transport

- Round table with Transport Minister (20 October)
- TEC Executive
- Response to TfL's Private Hire Regulations Review
- Meeting between TEC Chair, vice-chairs and TfL Commissioner (3 December)
- Highways Obstructions
- OLEV bid update
- London Councils event on Planning for Opportunity Areas
- Freedom Pass Re-Issue

Environment

- Launch of the draft London Sustainable Drainage Action Plan

- Meeting with Murad Qureshi, Assembly Member
- Thames Regional Flood and Coastal Committee - levy setting and officer capacity
- Launch of Recycle for London
- Response to Defra's air quality consultation
- London Waterways Commission report on flood gates along the River Thames
- Penalty Charge Notice levels – Secretary of State confirmation of levels
- Green Infrastructure Taskforce update

Forward Look

- Forthcoming meetings and consultations

Introduction

1. This report updates Members on London Councils' work on transport and environment policy since the last TEC meeting on 15 October 2015 and provides a forward look until 17 March 2016.

Annual Meeting with Chair of London Councils

2. I had my annual Portfolio Holder meeting with Jules Pipe, Chair of London Councils on 17 November. We discussed progress achieved over the past year and agreed on our priorities for the next year. The priorities remain grouped around encouraging further collaboration to enable boroughs to continue to ensure the effective and efficient delivery of vital services that residents use and value. London Councils will priorities the following;
 - Ensuring borough views are reflected in the relevant regional strategies, particularly the London Plan, Mayor's Transport Strategy and Mayor's Environmental Strategy, including a waste strategy
 - Revisit and build on the research London Councils has undertaken with regards to challenges around waste management to prepare London's answer to Defra's harmonisation agenda and improve the efficiency of current arrangements
 - Lobby Government and the new Mayor to bring forward compliance in London with EU limit values for air quality, including work on the ULEZ, the Renewable Heat Incentive, decentralised energy, cleaning up the taxi and bus fleets, encourage take up of ultra-low-emission vehicles, reduce congestion on London's road and explore further the role of car clubs.
 - Explore London Councils role in procuring air quality monitoring stations across London
 - Continue the good working relationship between TEC and the Thames Regional Flood and Coastal Committee (Thames RFCC)
 - Improve the knowledge and understanding of flooding, the role of Sustainable Urban Drainage Systems (SUDS) and other green infrastructure amongst London Members and officers
 - Continue to represent the interests of boroughs on the RE:NEW Sponsors Board and any subsequent boards that may be set up by a new Mayor
 - Ensure borough views are integral to the new Local Implementation Plan (LIP) arrangements

- Making the case for boroughs to have greater say in the rail franchises that are awarded in their areas and ensuring that devolution of rail services to TfL does not result in significant increases in Freedom Pass costs
- Continue to explore funding sources for maintaining London's assets and services to an excellent standard

Six-monthly meeting with CELC leads

3. I met with the CELC (Chief Executive) leads for Transport and Environment at London Councils on 5 November. We discussed the work of both the Policy and Services directorates of London Councils. On the transport side we discussed Freedom Pass, car clubs, Taxi card, parking penalties, the capitalisation of LIPs, freight and Crossrail 2. On the environment we discussed the new Mayor's Environment Strategy, flooding, Recycle for London, the Recycling Guarantee, the RE:NEW programme, the Comprehensive Spending Review and devolution, and the Green Infrastructure Taskforce.

Comprehensive Spending Review

4. The government is providing £11 billion of support for transport infrastructure in London, helping to deliver Crossrail 2, new trains on the London Underground, station upgrades, new buses, and a network of Cycle Superhighways. Construction will begin on HS2 during the Parliament, and the Spending Review confirms a funding envelope of £55.7 billion in 2015 prices, which will deliver HS2 from London to Birmingham by 2026.
5. There is support for key regeneration schemes in London, including:
 - delivery of the new Olympicopolis cultural and university quarter in the Queen Elizabeth Olympic Park
 - £97 million to fund a new Thameslink station at Brent Cross
 - £55 million to extend the London Overground from Barking to Barking Riverside
 - bringing together the publicly owned land around the Old Oak Common HS2 station into single control
6. The cuts in department budgets for DfT, DECC and Defra were 37%, 22% and 15% respectively. In addition, funding was announced for energy research in nuclear, shale and low carbon energy, £2.3bn to protect 300,000 homes from flooding and £3bn for the protection of national parks and forests.
7. The capital funding for the DfT will increase by 50% to £61bn. This will enable construction to start on HS2, spending of £13.4bn on the Roads Investment Strategy and over £5bn on roads maintenance, £300m for cycling and a £300m infrastructure development pot from which Crossrail 2 can apply for funding. The government is retaining the diesel supplement in company car tax until 2021, in anticipation of EU-wide testing procedures which will ensure new diesel cars meet air quality standards.
8. The government will increase funding for the Renewable Heat Incentive to £1.15 billion in 2021 while reforming the scheme to improve value for money, aiming to deliver savings of almost £700 million by 2020-21.
9. The government will spend more than £600 million between 2015-16 and 2020-21 to support uptake and manufacturing of ultra-low emission vehicles (ULEVs) in the UK; keeping the UK on track for all new cars to be effectively zero emission by 2040. This investment will save 65 million tonnes of carbon and help deliver the answer on urban air quality.

Transport

Round table with Lord Ahmad, Transport Minister with responsibility for Transport in London (20 October)

10. Lord Ahmad invited stakeholders from London Councils, TfL, London industry and commerce and Crossrail to a breakfast roundtable discussion on;
 - Aviation
 - Crossrail / Crossrail 2
 - Tube and Rail expansion
 - Transport challenges faced in London Councils
11. I confirmed our support for both Crossrail and Crossrail 2, highlighting the significant amount of stamp duty Treasury would receive once these schemes have gone live; pressed the necessity of further investment in London's transport infrastructure to support current estimated population growth and highlighted the need for further incentives for an ultra-low vehicle revolution.

TEC Executive

12. The Executive has met once since the last TEC Main meeting, in November.
13. The Executive received an updated on the London Sustainable Drainage Action Plan that is currently out for consultation. Given London Councils involvement at officer level in drafting the current Plan, London Councils will not issue a response to the draft but encourages all individual boroughs to submit their individual responses. An e-mail to this effect has been sent to all TEC members.
14. The Executive also received a draft consultation response to TfL's Private Hire Regulations Review; more details on this can be found below.

Response to TfL's Private Hire Regulations Review

15. London Councils will respond to this consultation from TfL on the private hire industry. It was discussed at TEC Executive where the Executive decided it did not support TfL's proposals regarding a 5 minute wait between having a booking accepted and the vehicle accepting a passenger or not allowing operators to show vehicles as available for immediate hire. TEC Executive also decided it wanted to see the licensing of in-venue operators retained, though subject to greater enforcement from TfL and more effort to raise public awareness of the need to pre-book a vehicle. TEC Executive supported a longer pre-booking period of 14 days that operators should provide to passengers wanting to book a vehicle in advance.
16. These will be reflected in the consultation response, which will be signed off by the Chair and Vice-Chairs of TEC prior to the consultation deadline.

Meeting between TEC Chair and Vice-Chairs and TfL Commissioner

17. The Vice Chairs and I are scheduled to meet with Mike Brown on 3 December, after this report is published. Agenda items include discussing the outcome of the Comprehensive Spending Review and its implications for TfL's (and therefore borough) funding; an update on the freight work; the Social Needs Transport Review; an update on the Staffing and Skills Initiative which London Councils is working on with TfL; and an update on Freedom Pass costs.

Highways Obstructions

18. London Councils issued a member briefing on tackling highways obstructions on 21 October. This will have been received by any members who have indicated an interest in transport or environment.
19. The Officer Advisory Panel on Transport (OAPT) had a presentation from TfL regarding Operation Clearway. TfL are extending their zero tolerance approach beyond the 20 areas they had previously targeted, and will be looking to work with boroughs on this.

OLEV bid update

20. OLEV is still hoping to make a decision on bids received this side of Christmas, however it may slip further into early 2016.

London Councils event – Planning for Opportunity Areas

21. This event was held on 3 November and well attended by members and senior officers. The half day event focused on different types of infrastructure needed in developments – including digital, education and green infrastructure; and speakers came from a range of organisations, including boroughs, TfL, the NHS, Old Oak and Royal Park Development Corporation and the GLA. The event was chaired and opened by Cllr Clare Kober, London Councils' Deputy Chair and Lead for Infrastructure. I spoke at the event about one of Ealing's opportunity areas, Southall.

Freedom Pass 2016 Re-issue

22. Members are asked to note in respect of the 2016 Freedom Pass re-issue that:
 - Reminder letters will be despatched over 3 days from 6 January 2016.
 - As in 2015, older person pass holders can renew on-line or by post.
 - New passes will be issued as soon as pass holders have responded.
 - Boroughs are reminded that they must complete eligibility assessments of disabled person pass holders by 31 January 2016.

Environment

Launch of the draft London Sustainable Drainage Action Plan

23. On 29 October I attended the launch of the draft London Sustainable Drainage Action Plan, which has been developed by Drain London, of which London Councils is a member. The Action Plan sets out the key sectors that can be influenced to increase the take-up of sustainable drainage across the capital.
24. The event was held at the Derbyshire Street Pocket Park in Tower Hamlets which incorporates sustainable drainage into the design.
25. The launch was covered by ITV News and the press article, including my quote, can be read here: <http://www.itv.com/news/london/2015-10-29/flooding-heat-map-shows-areas-at-risk-by-2050/>

Meeting with Murad Qureshi, Assembly Member

26. I met with Murad Qureshi, London Assembly Member on 10 November to discuss air quality and respective environmental priorities. We discussed ULEZ expansion, the Green Infrastructure Taskforce, electric vehicles and flooding.

Thames Regional Flood and Coastal Committee (Thames RFCC)

Levy setting

27. At its meeting on 25 November 2015 the Thames RFCC voted to increase the flooding levy that all Lead Local Flood Authorities pay by 1.99%. Boroughs will need to ensure this is reflective in their budget planning for 2016/17.

Officer capacity

28. As highlighted previously, the Thames RFCC has been considering over the last few months how to boost capacity in Lead Local Flood Authorities in terms of developing projects for the capital programme.
29. It has decided to recruit up to 12 officers to work across the Thames catchment area (which is all of London as well as Surrey, Hertfordshire, Oxfordshire, parts of Essex and the Midlands) and the intention is to begin recruitment in January 2016. Cllr Nick Draper (LB Merton, representing the South West partnership) is a London member on the Project Board, as is the Senior Flood and Water Management Officer from Kensington and Chelsea. London Councils, the GLA, Thames Water and the Environment Agency, together with a member and an officer representative from a unitary and county authority are also on the Project Board.

Launch of Recycle for London

30. Resource London has launched a rebranded Recycle for London campaign, which encourages Londoners to recycle 'Just one more thing'. Boroughs have access to a series of artwork which they can use, and the Recycle for London website includes a search function which enables people to identify where they can recycle items, as well as web links to their council's recycling pages so they can find out about the service their borough offers. Resource London secured good press coverage of a survey of Londoners' recycling habits. The Recycle for London website can be viewed at: <http://www.recycleforlondon.com/>.

Response to Defra's air quality consultation

31. London Councils submitted a response to Defra's consultation on draft plans to improve air quality on 6 November. This is in response to the recent UK Supreme Court ruling that the UK government needs to deliver a new plan on how to tackle breaches of EU air quality standards. Our main points to the consultation were;
- The proposals do not strike an appropriate balance between national and local action. The Government should give more consideration to what can be achieved through national policy, legislation and financial instruments.
 - Government should undertake a full review, across departments, of the ways in which it is able to drive improvements in air quality. We suggest that action should be considered in the areas of transport, planning and energy efficiency.
 - The Government must work with other EU Member States to ensure that Euro 6 vehicles are meeting the required emissions reductions in real world driving conditions.
 - A strategic approach to the identification of Clean Air Zones is required.
 - The Government should provide support to reduce emissions related to the existing operations of nationally important infrastructure that is located in London, such as Heathrow Airport.

32. The full response can be found on our website - <http://www.londoncouncils.gov.uk/our-key-themes/environment/air-quality>

London Waterways Commission report on flood gates along the River Thames

33. I have received a letter from the Chair of the London Waterways Commission highlighting the Commission's concern about the condition of gates, steps and landing places along the River Thames. In 2010 the London Waterways Commission commissioned a survey of the gates and steps along the 15 riparian authorities in London and the five outside London, along the River Thames. The report is attached at Appendix A of this report for the authorities concerned to review.
34. London Councils officers are liaising with colleagues at the Environment Agency to ensure a co-ordinated response.

Penalty Charge Notice levels – Secretary of State confirmation of levels

35. At its last meeting TEC set penalty levels for builders' skips penalty charge notices under the London Local Authorities Act 2007 and 2013.
36. As required by law, we wrote to the Secretary of State who had one month to register an objection with the penalties set. As this time period has now passed with no correspondence from the Secretary of State, London's highways authorities are now able to adopt the powers if they choose to do so.

Green Infrastructure Taskforce update

1. On 9 December at the London Infrastructure Conference, the Green Infrastructure Taskforce will launch its report, "Natural Capital".
2. It sets out a Vision for green infrastructure by 2050 and explores the range of benefits that green infrastructure can provide for the city. It gives a series of recommendations, including the appointment of a Green Infrastructure Commissioner, investigating funding opportunities for green infrastructure, and updating the All London Green Grid.
3. We will discuss the report in more detail at our next TEC meeting in March 2016.

Forward Look

December 2015

- 9 – Infrastructure 2050 event at the GLA, including launch of Green Infrastructure Report
- 23 – TfL's Private Hire Regulations Review consultation closes
- 25 December – 3 January London Councils' offices closed

January 2016

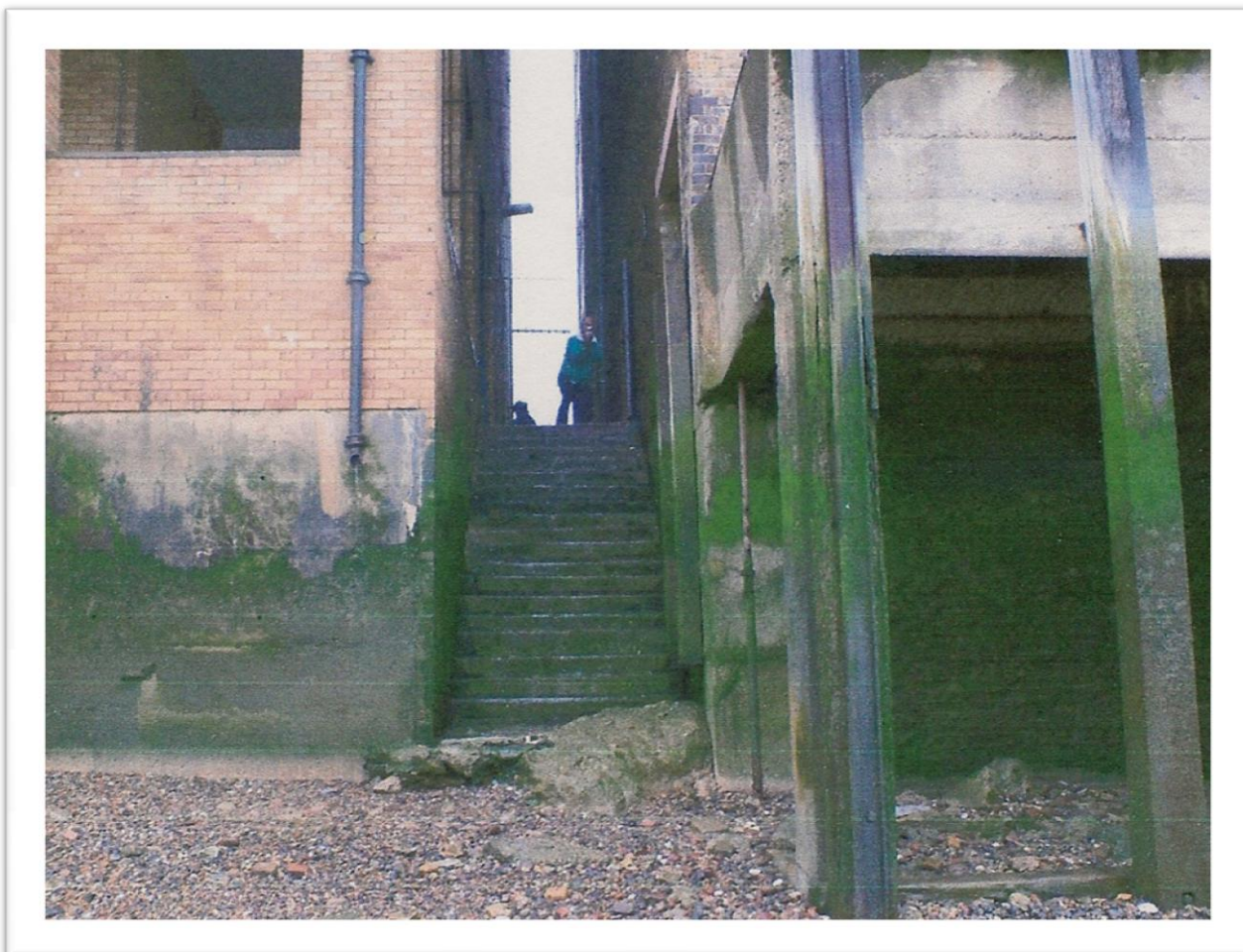
- 8 – Crossrail 2 consultation closes
- 8 – National Infrastructure Commission Call for Evidence closes

February 2016

- 11 – TEC Executive
- 25 – TEC Chair and Vice-Chairs meeting with TfL Commissioner

March 2016

- 17 – TEC Meeting



ACCESS TO THE RIVER THAMES
STEPS, STAIRS AND LANDING PLACES
ON THE TIDAL THAMES

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ACCESS TO THE RIVER THAMES

Steps, stairs and landing places on the tidal Thames

INTRODUCTION

In 1995 the Port of London Authority published a report under the above title, which “contains the first comprehensive survey of these facilities , their condition and status and addresses their usage”.

As a member of the River Thames Society’s Central Tideway and Estuary Branch I thought it would be useful to compile a similar survey to see what had happened during the last fifteen years. Following the PLA’s method, I visited all the sites listed and describe their current condition and accessibility.

Sites are on listed on a borough basis, covering the fifteen London riparian authorities and the five in Essex and Kent, working from the tidal limit at Teddington to the Estuary. I tried to observe sites from the land and river, but this was not always possible due to development or inaccessibility – a few I could not trace.

I have not covered the history or ownership of the access points but it is important to maintain their status and condition for present and future river users. Information about any changes would be appreciated in order for the entries to be kept up to date.

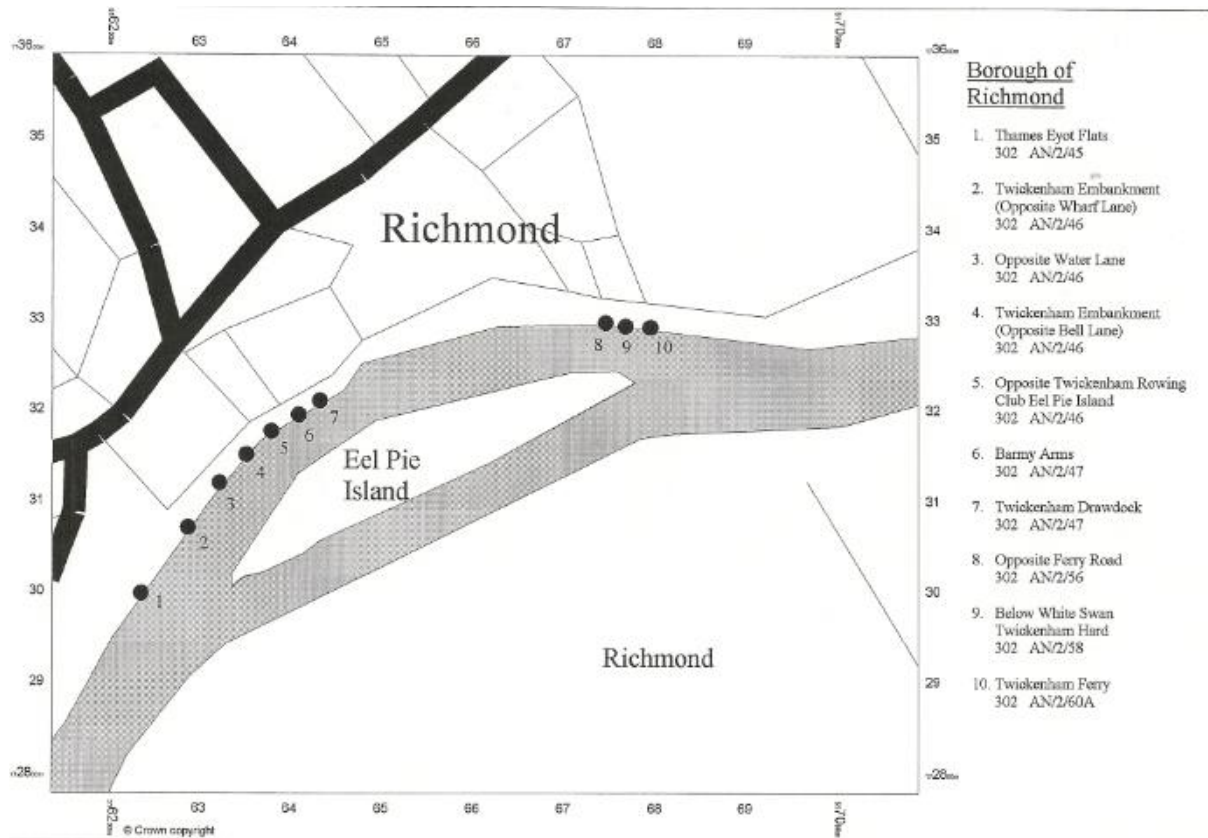
Thanks are due to the PLA, members of the Hurlingham Yacht Club, other RTS members and to the many people along the way who helped with the project. My wife Jo made sense of my notes and presented them in an accessible form, as did Francesca Rödel who made up for my lack of computer skills.

Peter Finch
44 Hazel Road
London
NW10 5PP
Sailor1057@aol.com
020 8969 9941
.

December 2010

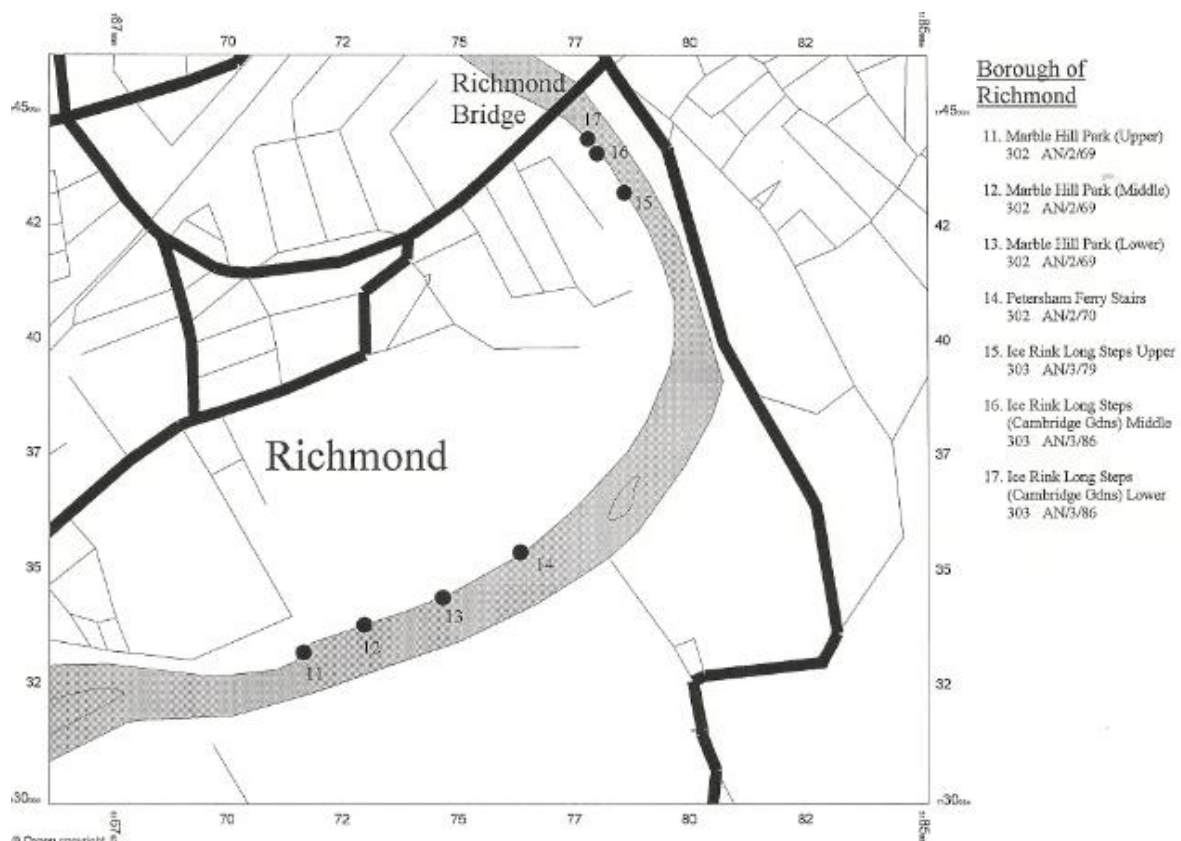
RICHMOND UPON THAMES

NORTH BANK



- 1. Thames Eyot Flats - 2 flights in good condition, access possible through grounds of flats.**
- 2. Twickenham Embankment (opposite Wharf Lane) - stairs - good condition and access.**
- 3. Opposite Water Lane - stairs, downstream of bridge to Eel Pie Island, good condition and access.**
- 4. Twickenham Embankment (opposite Bell Lane) - stairs - good condition and access.**
- 5. Opposite Twickenham Rowing Club - Eel Pie Island - 2 sets stairs – good condition and access.**

6. Barmy Arms - stairs – good condition and access.
7. Twickenham Drawdock - good condition and access.
8. Opposite Ferry Road - drawdock in reasonable condition, good access.
9. Below White Swan, Twickenham Hard - aka Swan Hard - drawdock, good condition and access.
10. Twickenham Ferry - poor condition, chain across entrance, marked “Private Property”.



11. Marble Hill Park (Upper) - there are two flights of stairs at edge of gardens, upstream of Hammerton’s Ferry, both good condition and access.
12. Marble Hill Park (Middle) - could this be 2nd flight of 11 above? Otherwise, no trace.

13. Marble Hill Park (Lower) - stairs opposite path to House, good condition and access.

14. Petersham Ferry Stairs - good condition and access.

15. Ice Rink Long Steps Upper - good condition and access.

16. Ice Rink Long Steps (Cambridge Gardens) Middle - good condition and access.

17. Ice Rink Long Steps (Cambridge Gardens) Lower - reasonable condition, good access.

NB. None of the following are shown on map.

18. Drawdock upstream of Richmond Bridge - good condition and access.

19. Willoughby Road - Drawdock - good condition and access.

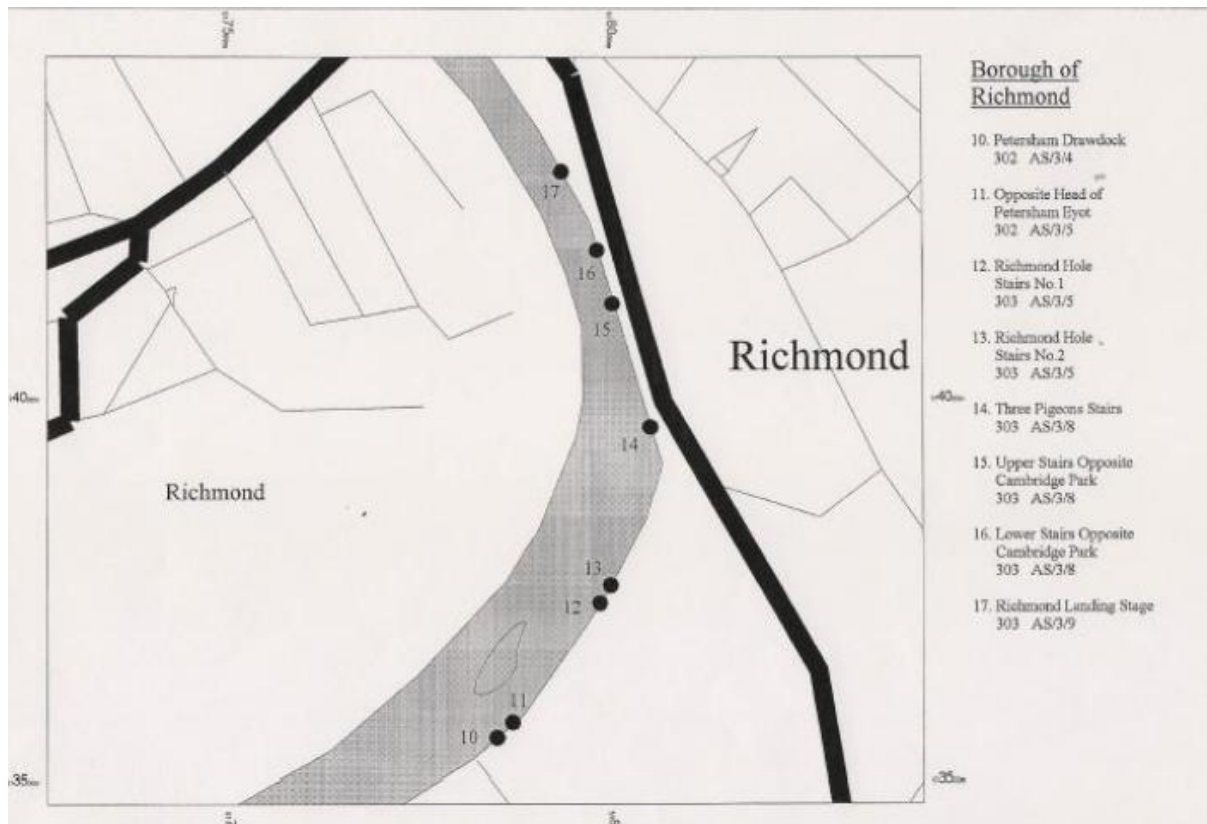
20. Duck's Walk - at rear of Sea Cadet hut is boat slip, with 2 sets of metal steps that access a footpath, open dawn to dusk.

21. Ranelagh Drive - stairs - good condition and access.

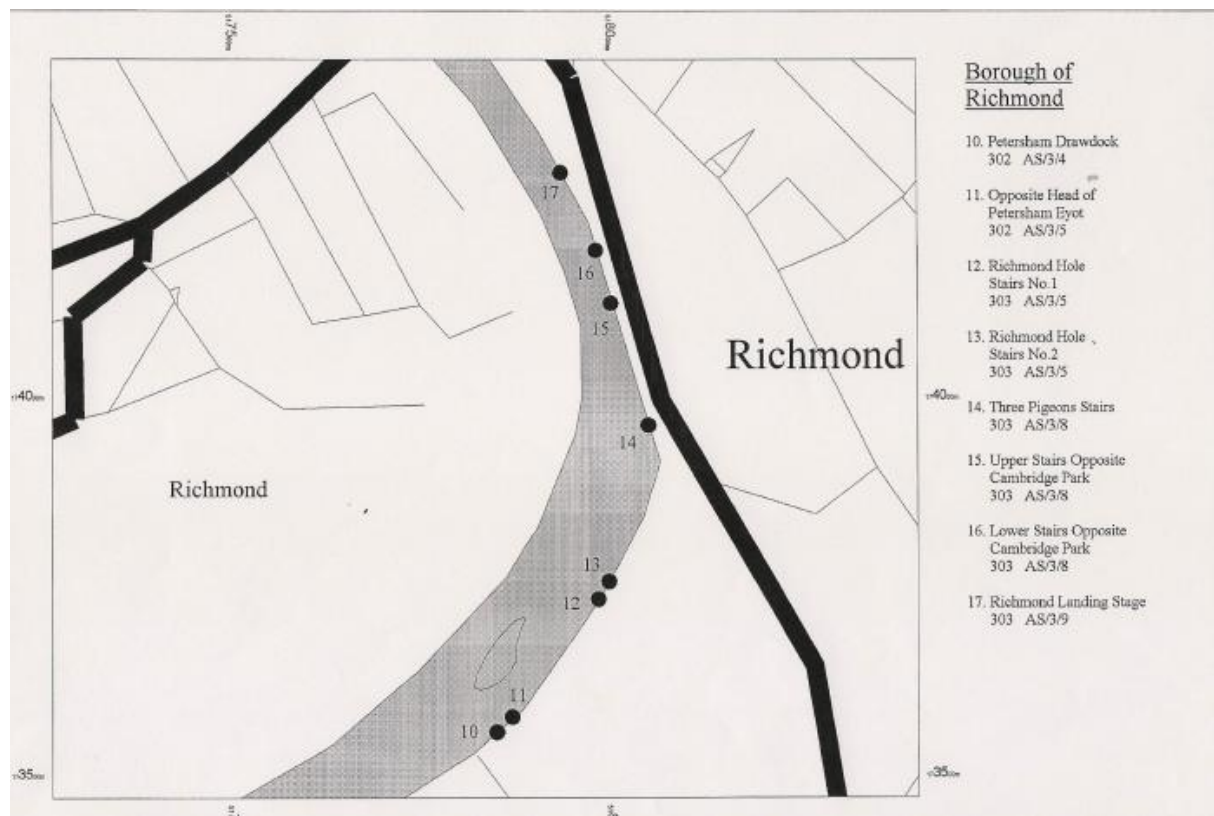
22. Three flights stairs between Richmond Lock Bridge and River Crane - good

23. condition (with some vegetation) and access.

SOUTH BANK



1. Thames Young Mariners - stairs - good condition and access.
2. Opposite Chillingworth Eyot (Swan Island) - stairs - reasonable condition, good access.
3. Opposite Radnor Gardens - stairs - reasonable condition, good access.
4. Opposite Thames Eyot Flats - stairs – good condition and access.
5. Opposite Eel Pie Island - stairs – poor condition, good access.
6. Twickenham Ferry Steps - poor condition, some steps broken, good access.
7. Ham Landing Stages - good condition and access.
8. Hammerton's Ferry - stairs – good condition and access.
9. Ham House - stairs – good condition and access.



10. Petersham Drawdock - reasonable condition, good access.

11. Opposite head of Petersham Eyot - stairs – good condition and access,

12. Richmond Hole Stairs No.1 - good condition and access.

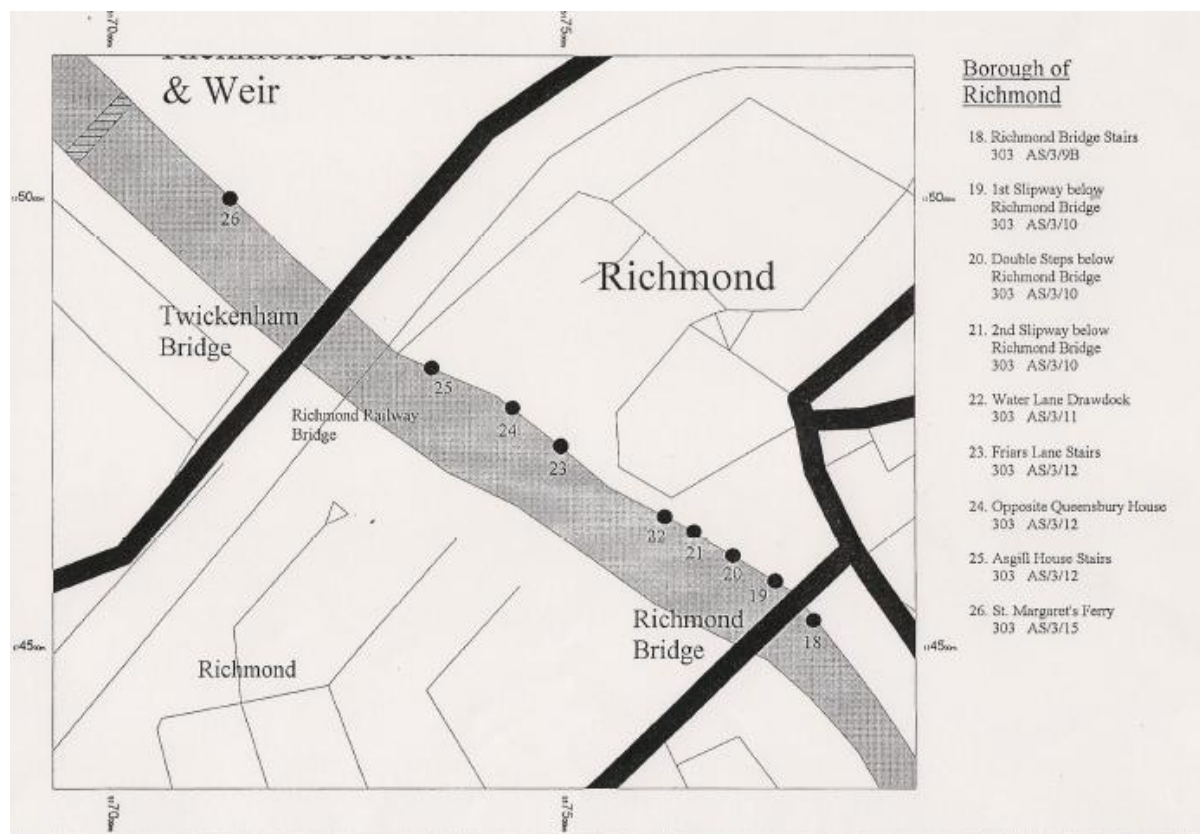
13. Richmond Hole Stairs No.2 - good condition and access.

14. Three Pigeons Stairs - good condition and access.

15. Upper Stairs opposite Cambridge Park - good condition and access.

16. Lower Stairs opposite Cambridge Park - good condition and access.

17. Richmond Landing Stage - reasonable condition and good access.



18. Richmond Bridge Stairs - good condition and access.

19. First Slipway below Richmond Bridge - good condition and access.

20. Double Steps below Richmond Bridge - good condition and access.

21. Second Slipway below Richmond Bridge - good condition and access.

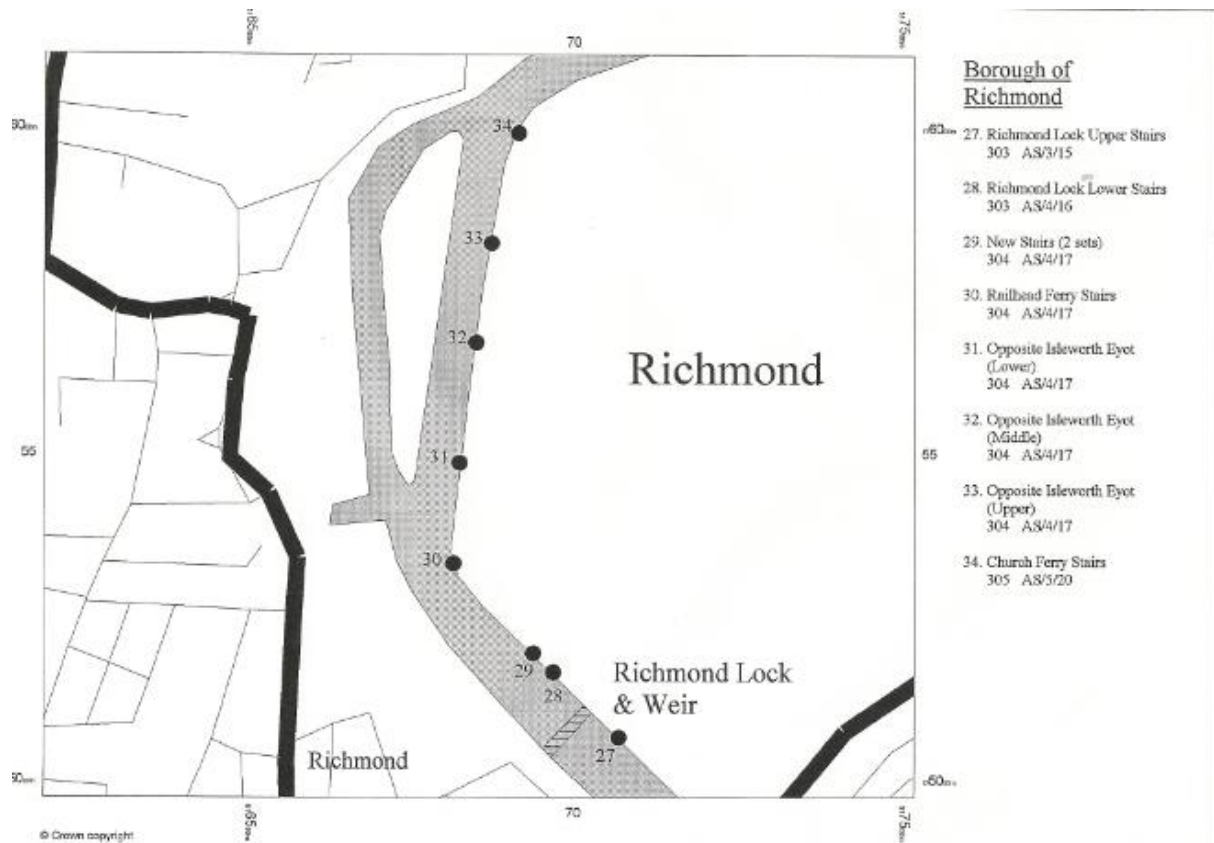
22. Water Lane Drawdock - reasonable condition, good access.

23. Friars Lane Stairs - good condition and access.

24. Opposite Queensbury House - stairs - good condition and access.

25. Asgill House Stairs - good condition and access.

26. St. Margaret's Ferry - stairs - good condition and access,



27. Richmond Lock Upper Stairs - good condition and access.

28. Richmond Lock Lower Stairs - good condition and access.

29. New Stairs (two sets) - good condition and access.

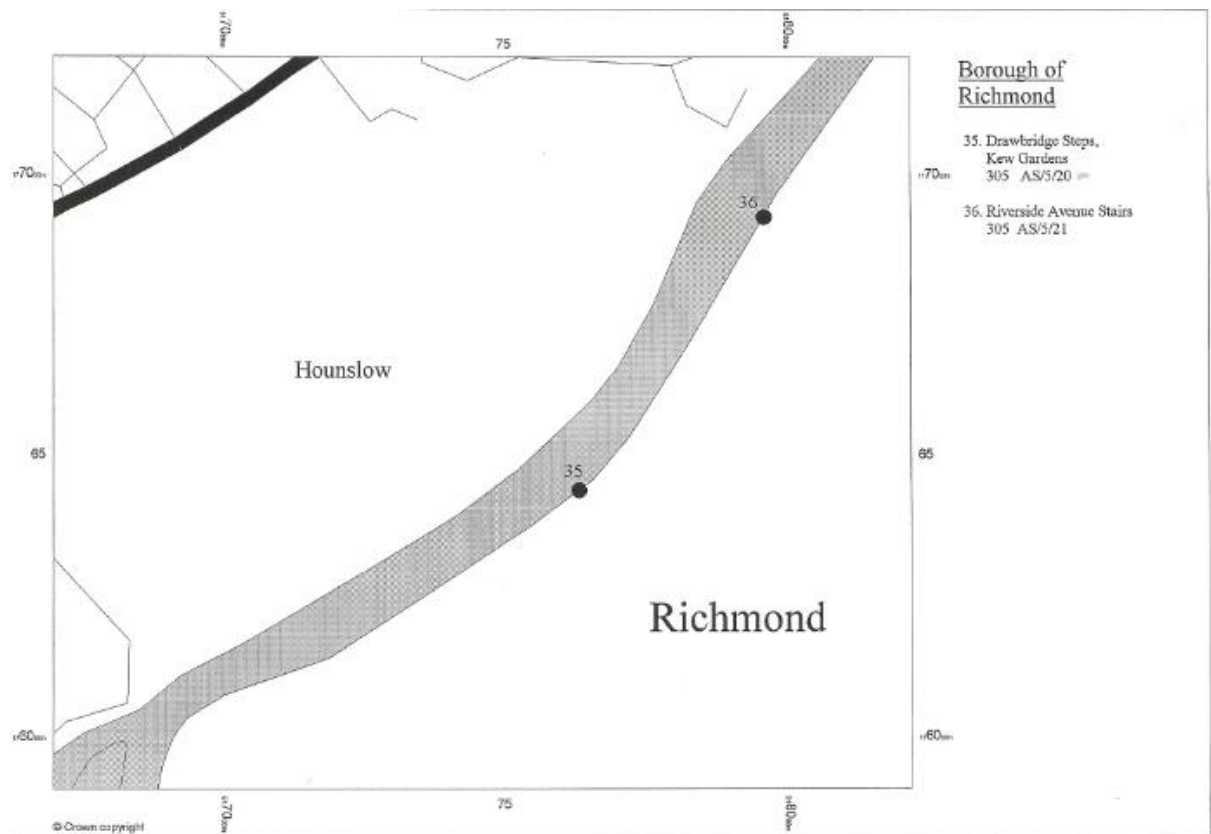
30. Railhead Ferry Stairs - good condition and access from River, overgrown on bank.

31. Opposite Isleworth Eyot (Upper) - good condition and access.

32. Opposite Isleworth Eyot (Middle) - good condition and access.

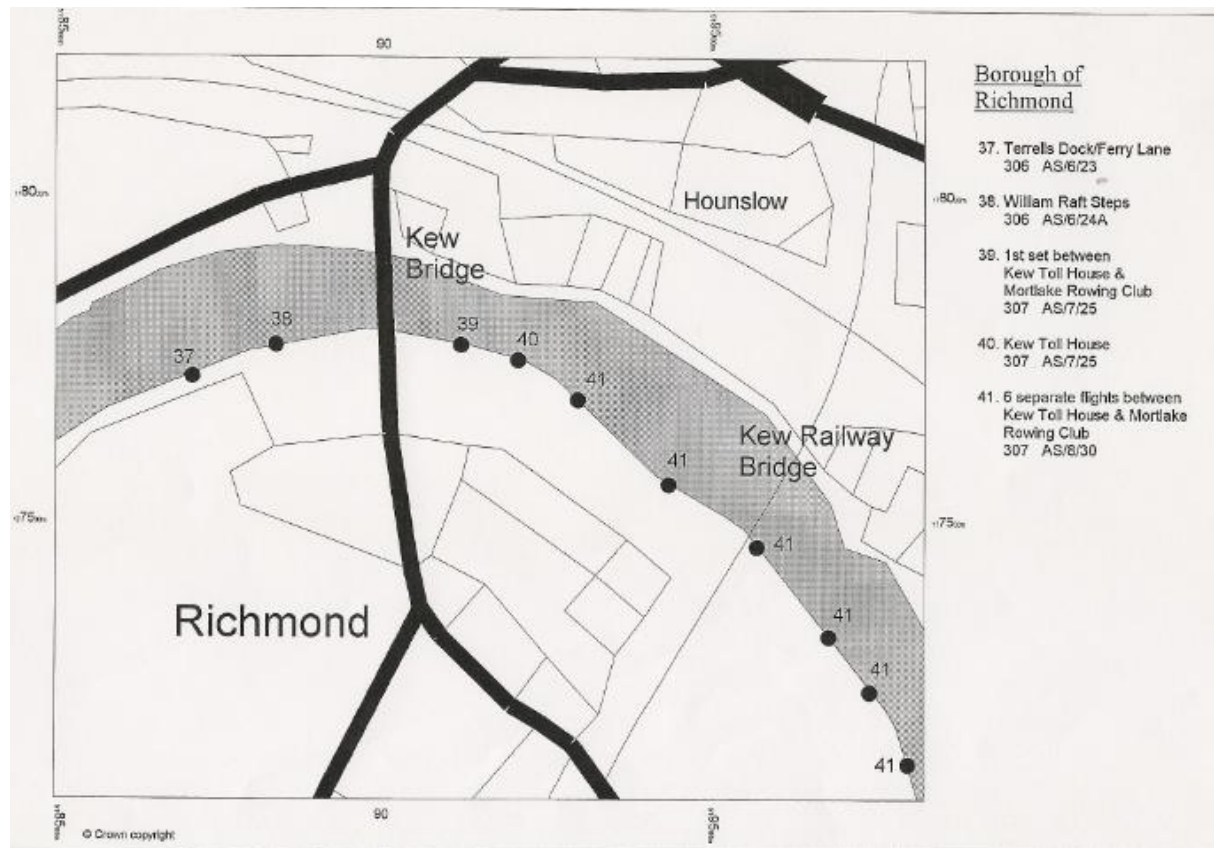
33. Opposite Isleworth Eyot (Lower) - good condition and access.

34. Church Ferry Stairs - good condition and access.



35. Drawbridge Steps (Kew Gardens) - reasonable condition, good access.

36. Riverside Avenue Stairs - good condition and access.



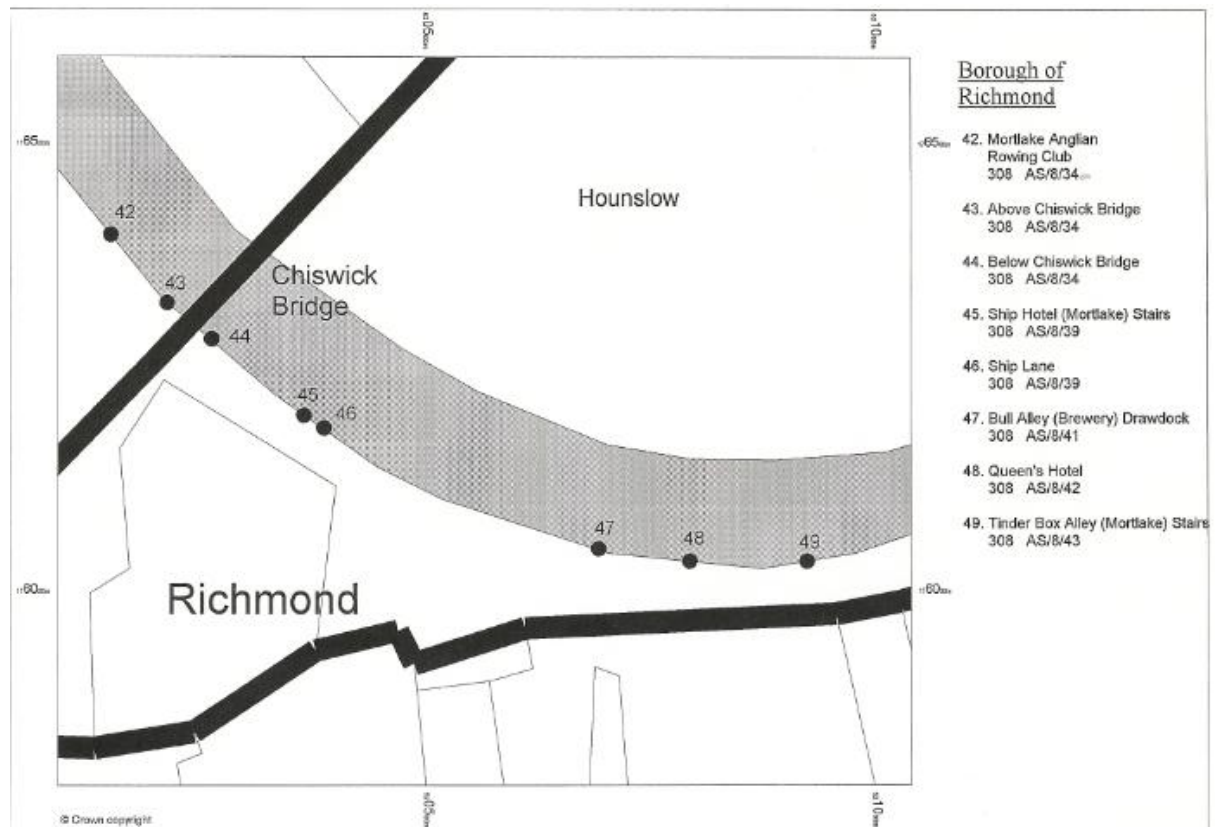
37. Terrells Dock / Ferry Lane - stairs - good condition and access.

38. William Raft Steps - good condition and access.

39. First set between Kew Toll House and Mortlake Rowing Club - good condition and access.

40. Kew Toll House – good condition and access.

41. Six separate flights between Kew Toll House and Mortlake Rowing Club – all good condition and access.



42. Mortlake Anglian Rowing Club - stairs - good condition and access.

43. Above Chiswick Bridge - stairs - good condition and access.

44. Below Chiswick Bridge - stairs - good condition and access.

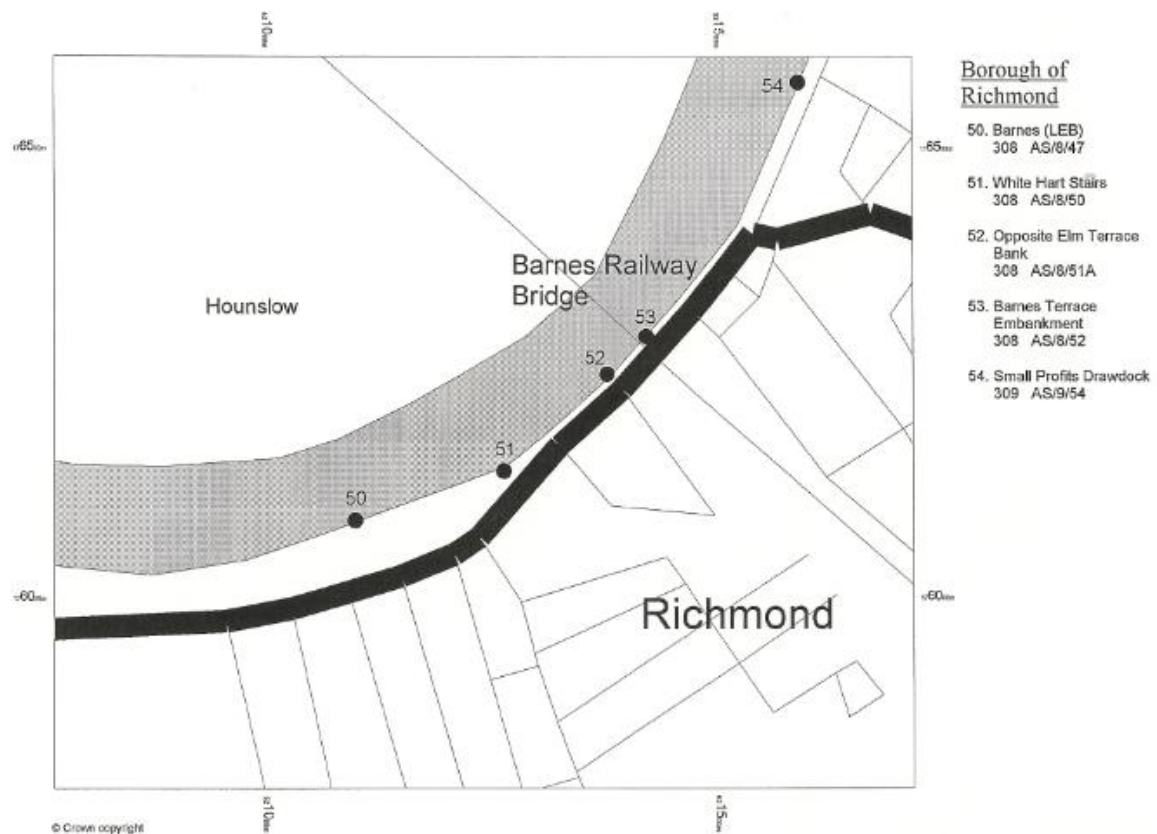
45. Ship Hotel Stairs - good condition and access.

46. Ship Lane - stairs - reasonable condition and access.

47. Bull Alley (Brewery) Drawdock - poor condition, access barred by wall and boards – chained and locked.

48. Queen's Hotel - stairs - poor condition, good access.

49. Tinder Box Alley - stairs - good condition and access.



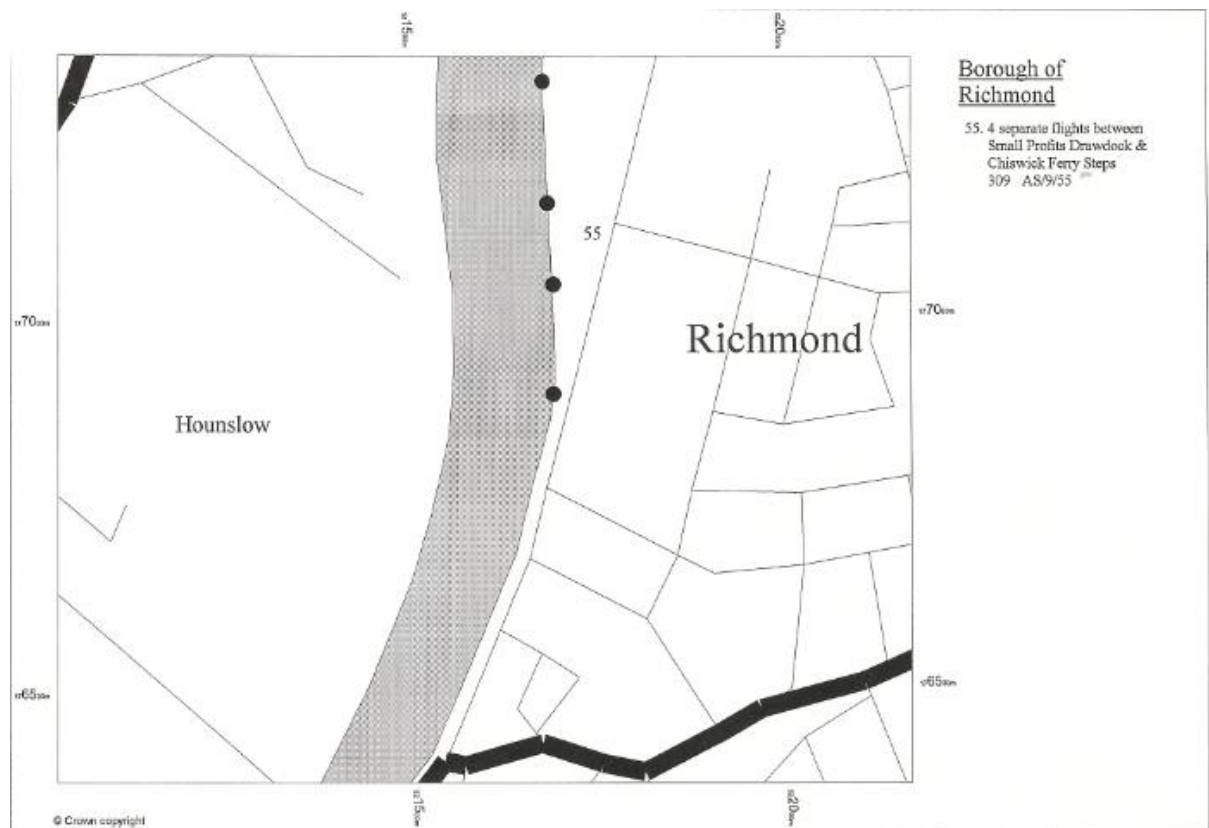
50. Barnes (LEB) - stairs - good condition, but rather overgrown and good access.

51. White Hart Stairs - good condition and access.

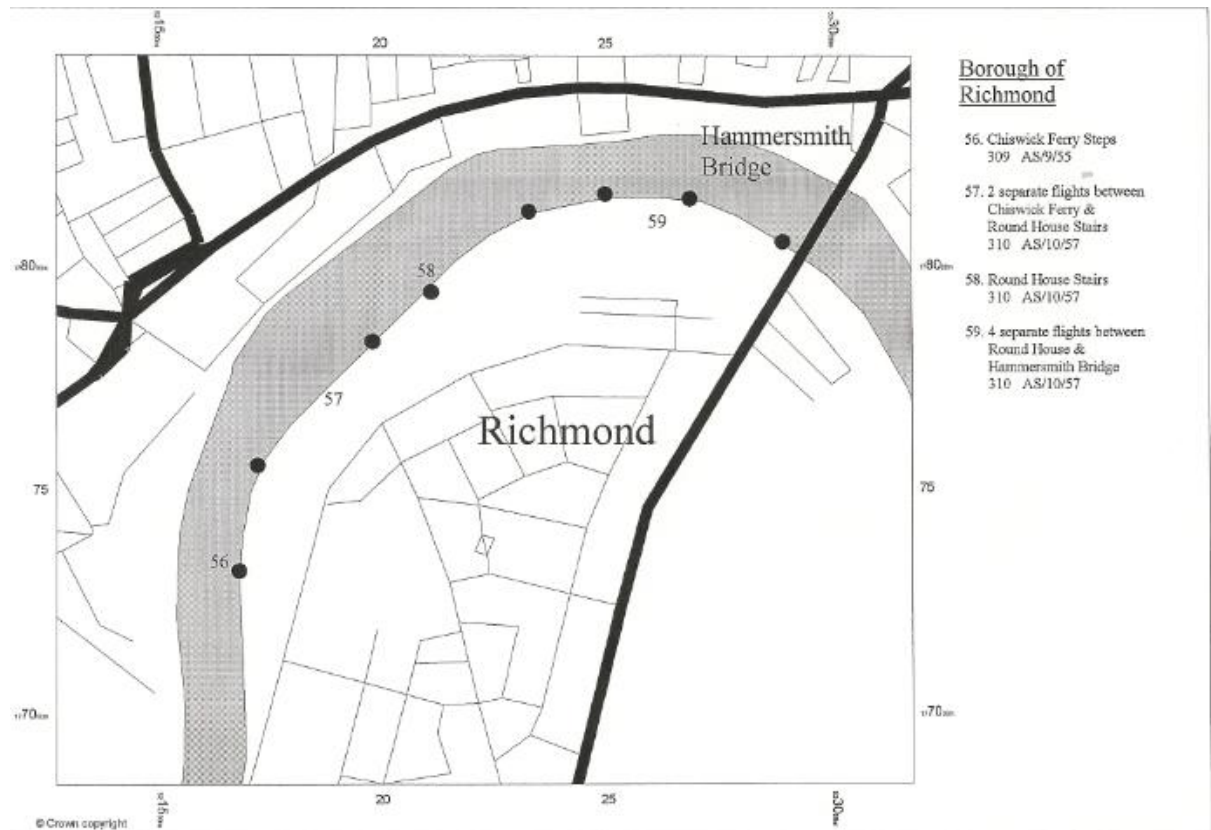
52. Opposite Elm Bank Gardens - stairs - good condition and access.

53. Barnes Terrace Embankment - stairs - good condition and access.

54. Small Profits Drawdock - good condition and access.



55. Four separate flights of stairs between Small Profits Drawdock and Chiswick Ferry Steps - three in good condition, one has broken steps, all good access.

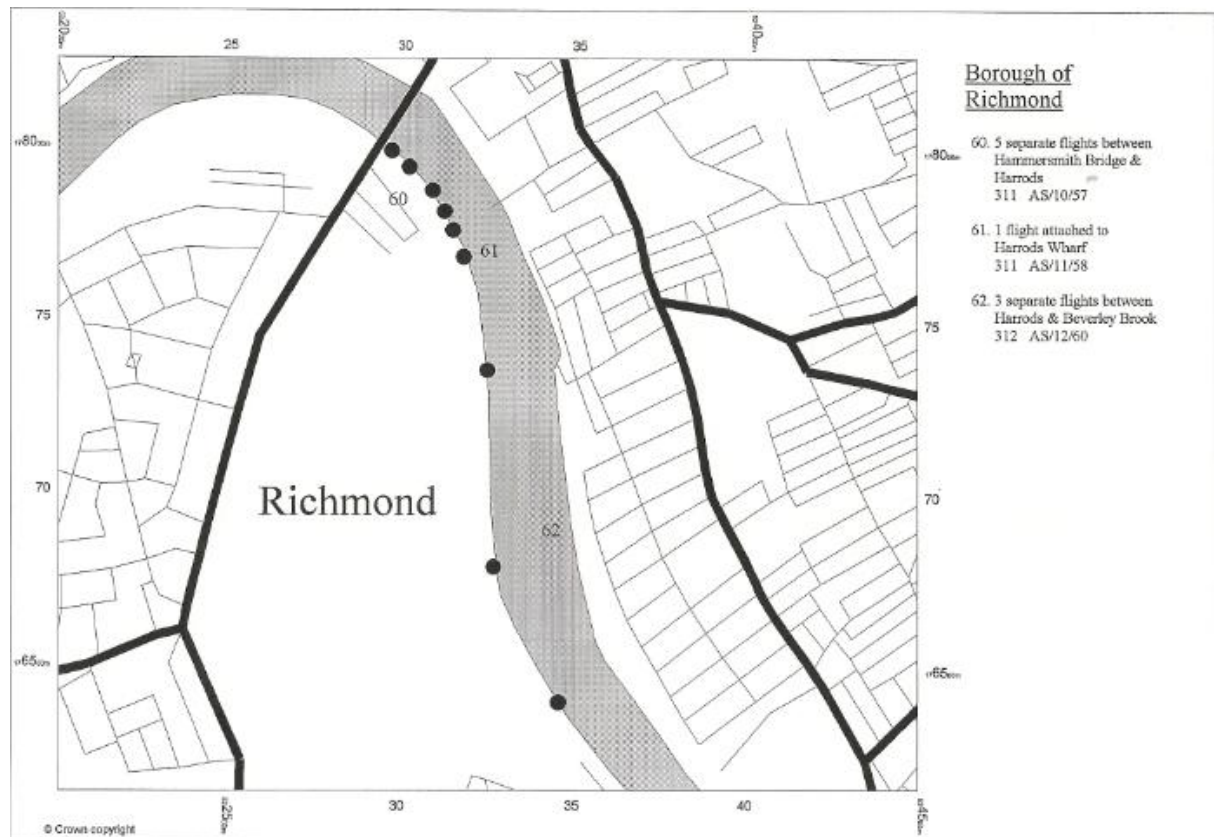


56. Chiswick Ferry Steps - good condition and access.

57. Two separate flights of stairs between Chiswick Ferry and Round House Stairs – both good condition and access.

58. Round House Stairs - good condition and access.

59. Four separate flights of stairs between Round House Stairs and Hammersmith Bridge – all good condition and access.

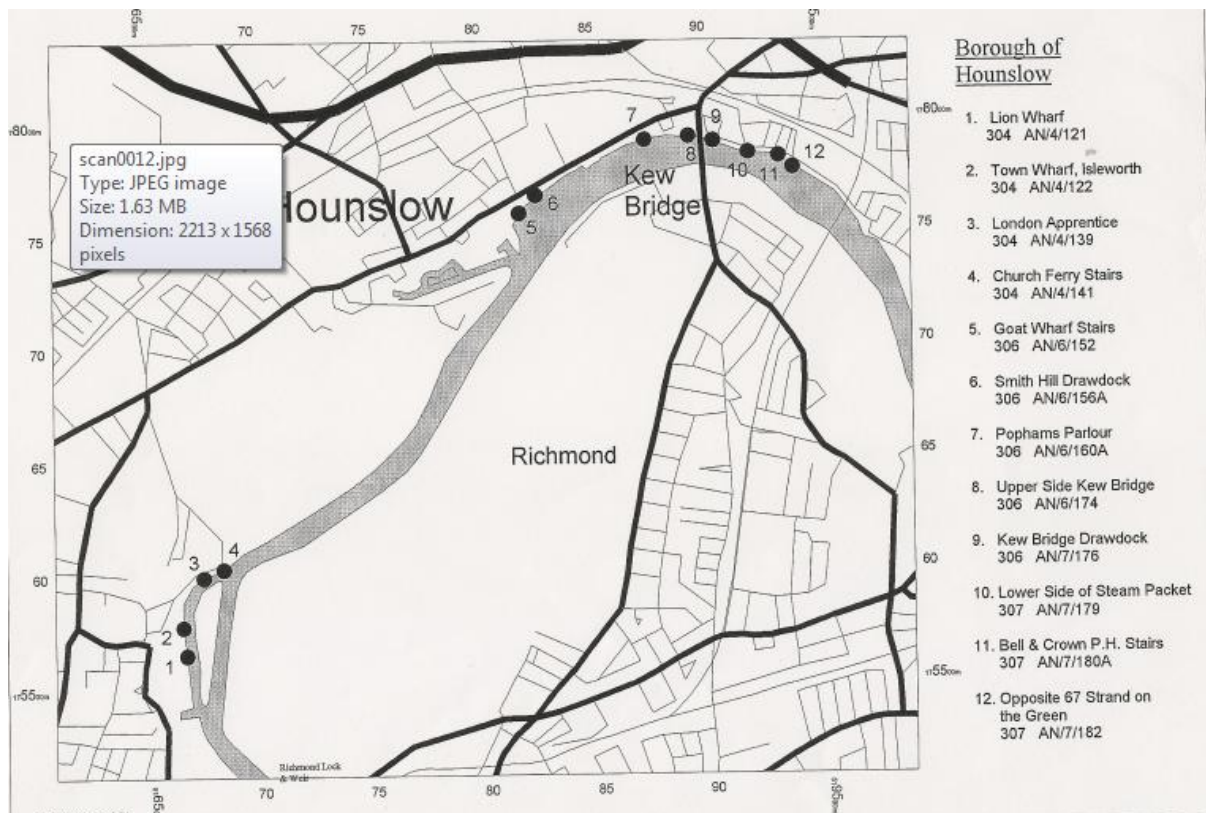


60. Four separate flights of stairs between Hammersmith Bridge and Harrods Wharf (although five shown on map) - all good condition and access.

61. One flight of stairs attached to Harrod's wharf - good condition and access.

62. Five separate flights between Harrod's Wharf and Beverley Brook - 5 located, not three as on map – second and third going downstream covered in vegetation. Others in reasonable condition but all, except the last, difficult to see from bank.

HOUNSLOW

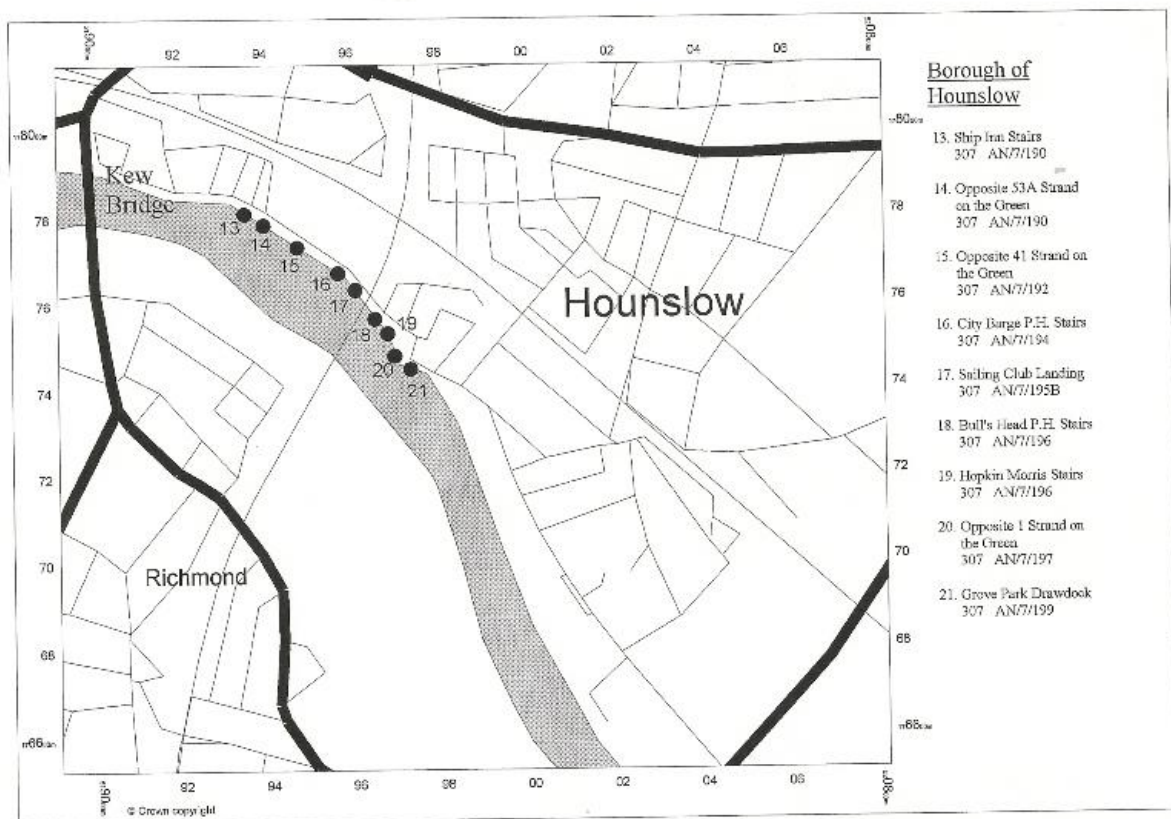


1. **Lion Wharf - good condition and access.**
2. **Town Wharf, Isleworth – good condition and access; also stairs – good condition, gate locked.**
3. **London Apprentice – drawdock – good condition and access.**
4. **Church Ferry Stairs – good condition and access.**
5. **Goat Wharf Stairs – good condition and access.**
6. **Smith Hill Drawdock – good condition and access.**
7. **Pophams Parlour – stairs – mainly good condition except bottom flight; good access.**
8. **Upper Side Kew Bridge – stairs – reasonable condition with good access.**
9. **Kew Bridge Drawdock – reasonable condition, good access.**

10. Lower Side of Steam Packet – stairs – good condition, reasonable access.

11. Bell & Crown PH Stairs – good condition and access.

12. Opposite 67 Strand-on-the-Green – stairs – good condition and access.



13. Ship Inn Stairs – reasonable condition, bottom wooden steps worn; good access.

14. Opposite 53A Strand-on-the-Green – stairs – good condition and access.

15. Opposite 41 Strand-on-the-Green – stairs – good condition and access.

16. City Barge PH Stairs – good condition and access.

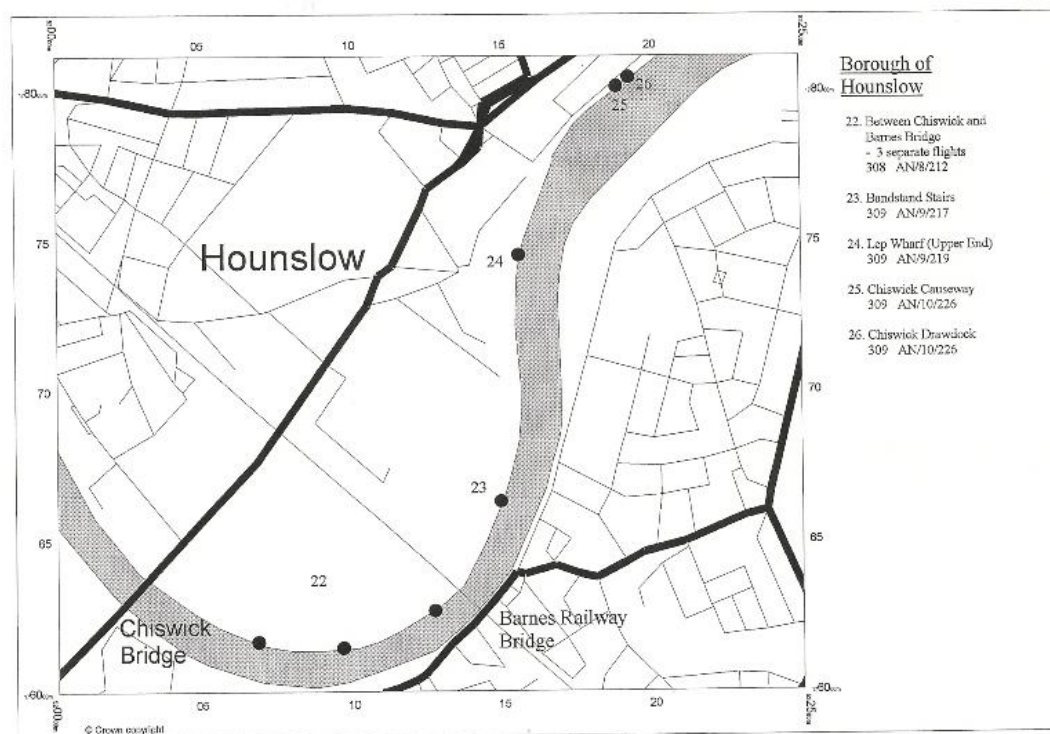
17. Sailing Club Landing – good condition and access.

18. Bull's Head PH Stairs – top step broken, good access.

19. Hopkin Morris Stairs – good condition and access.

20. Opposite 1 Strand-on-the-Green – stairs – good condition and access.

21. Grove Park Drawdock – reasonable condition, good access.



22. Between Chiswick and Barnes Bridges – three flights stairs – good condition and access.

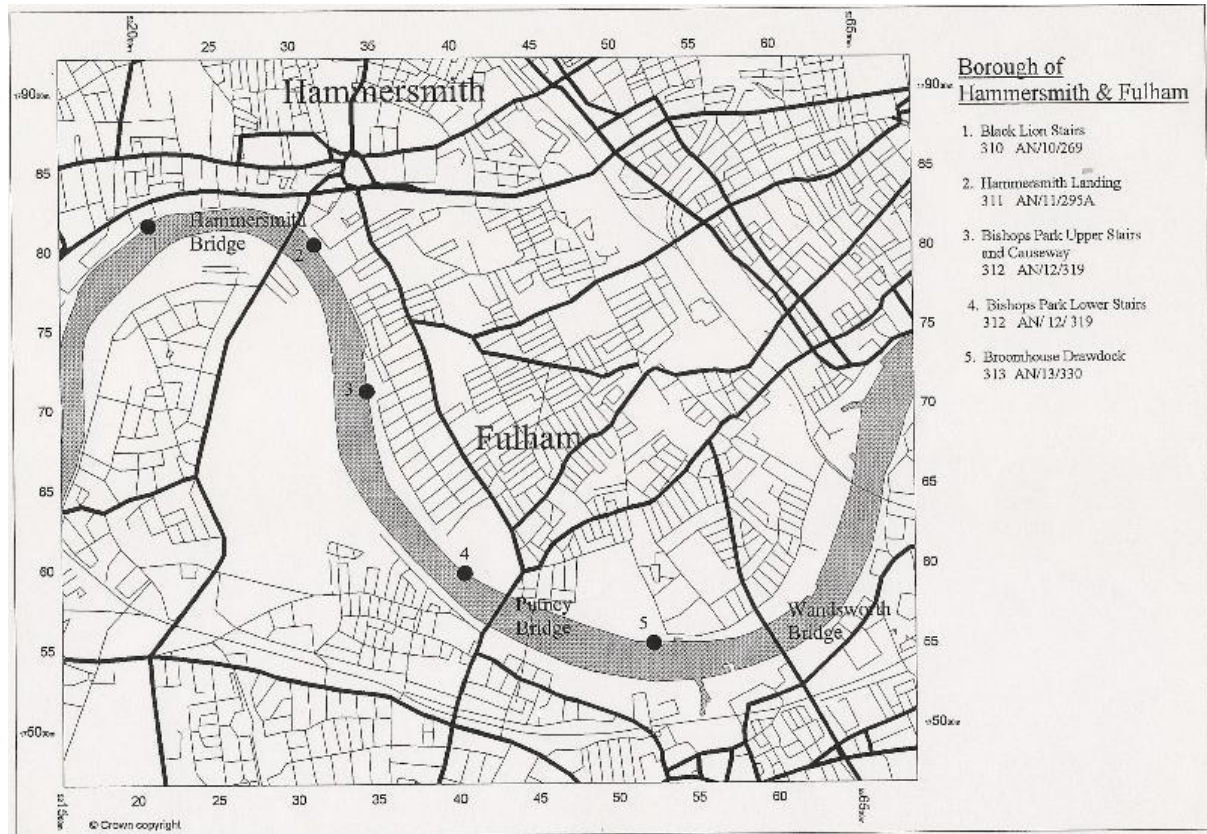
23. Bandstand Stairs – reasonable condition, gate locked.

24. Lep Wharf (Upper End) – stairs – good condition and access with low fence at top.

25. Chiswick Causeway – good condition and access.

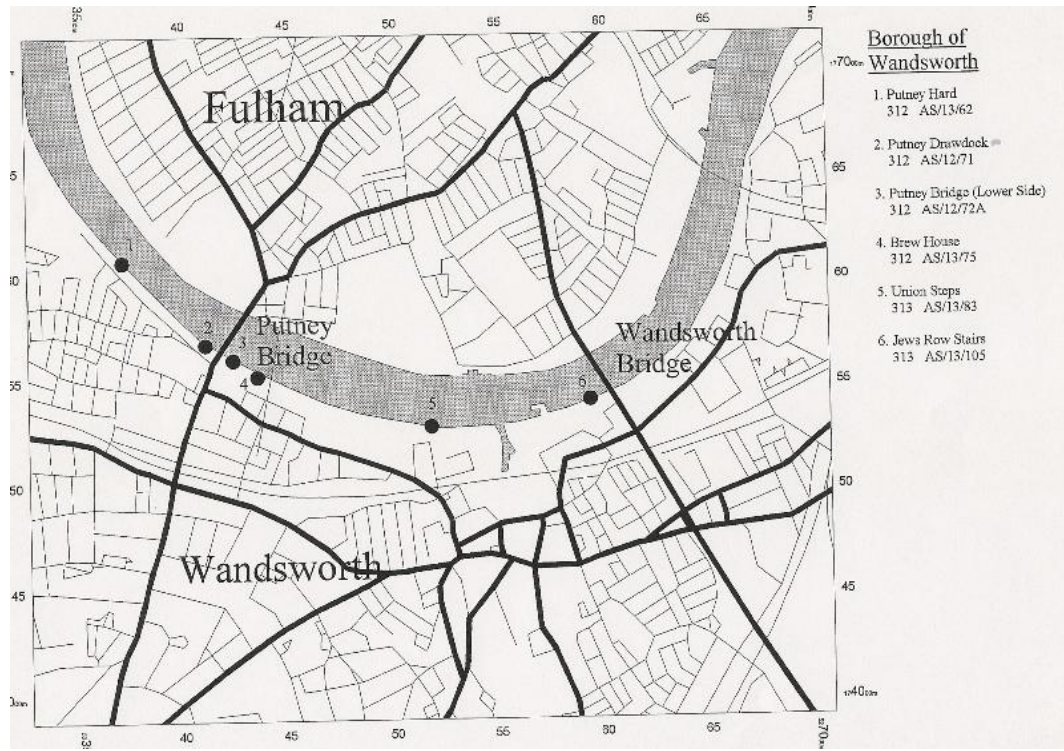
26. Chiswick Drawdock – reasonable condition but overgrown, good access.

HAMMERSMITH AND FULHAM

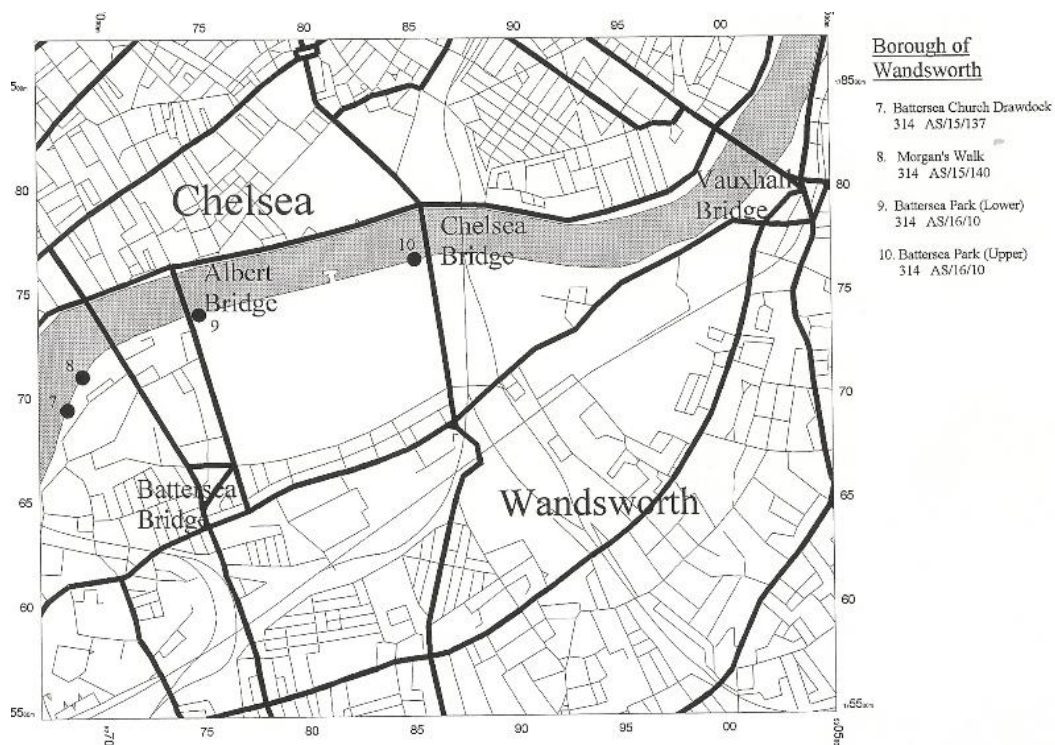


1. **Black Lion Stairs – good condition and access.**
2. **Hammersmith Landing – reasonable condition and good access.**
3. **Bishop’s Park Upper Stairs and Causeway – good condition, gate locked.**
4. **Bishop’s Park Lower Stairs – reasonable condition, step broken and gate locked.**
5. **Broomhouse Drawdock – reasonable condition, gate locked but pedestrian access possible - leads to gateway to Hurlingham Yacht Club’s pontoon.**

WANDSWORTH



1. Putney Hard – good condition and access.
2. Putney Drawdock – good condition and access.
3. Putney Bridge (Lower Side) – stairs – good condition and access.
4. Brew House – slipway has been renewed but steepened, good condition and access.
5. Union Stairs – reasonable condition, steep step from last step to path, low gate locked.
6. Jew's Row Stairs – reasonable condition, low fence with locked gate at top in grounds of Ship PH. Cable fixed across front.



7. Battersea Church Drawdock – good condition and access.

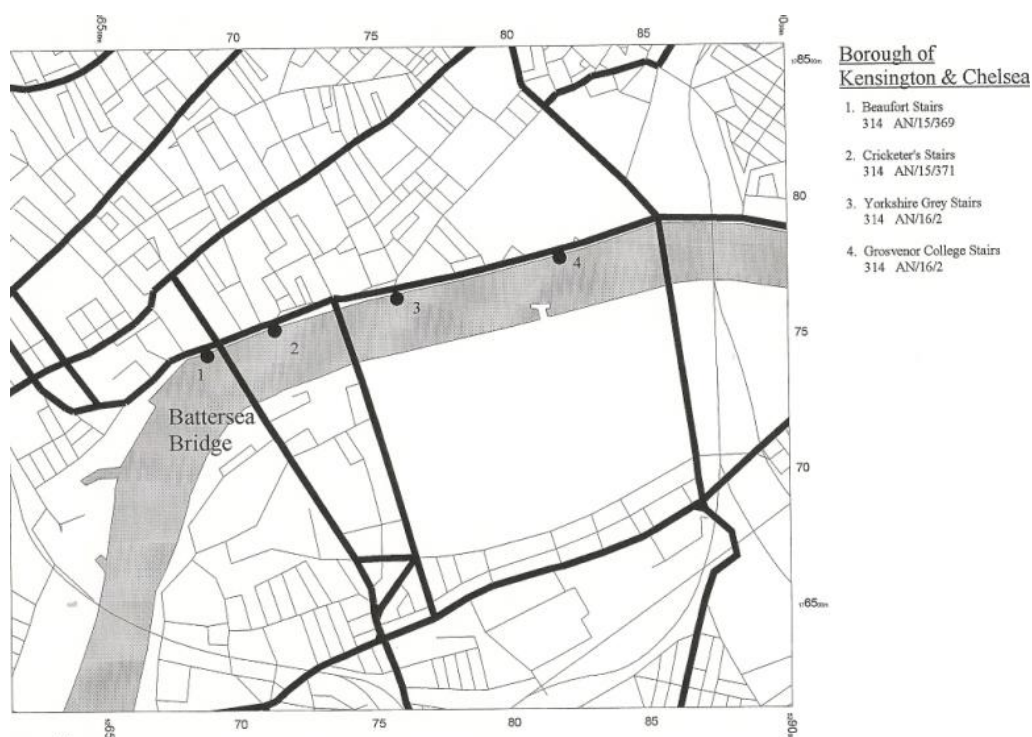
8. Morgan's Walk – stairs – good condition and access.

NB – Immediately downstream of Battersea Bridge are stairs – good condition and access.

9. Battersea Park (Upper) – stairs – reasonable condition, overgrown at top, gate locked.

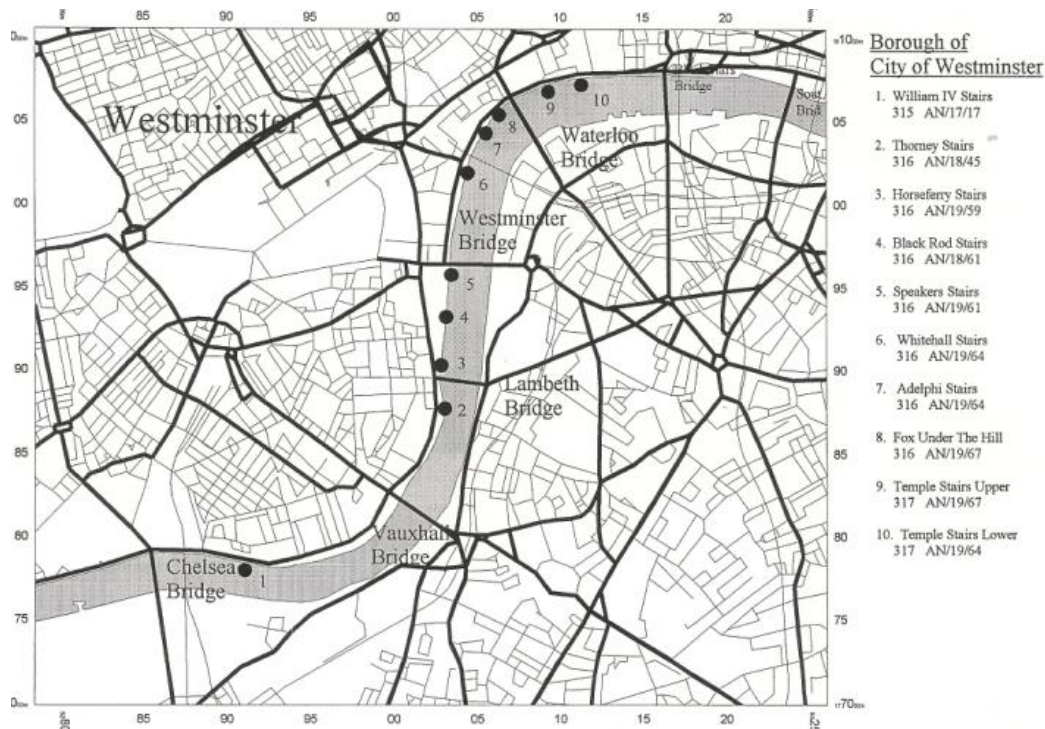
10. Battersea Park (Lower) – stairs – reasonable condition, top access blocked by fence.

KENSINGTON & CHELSEA



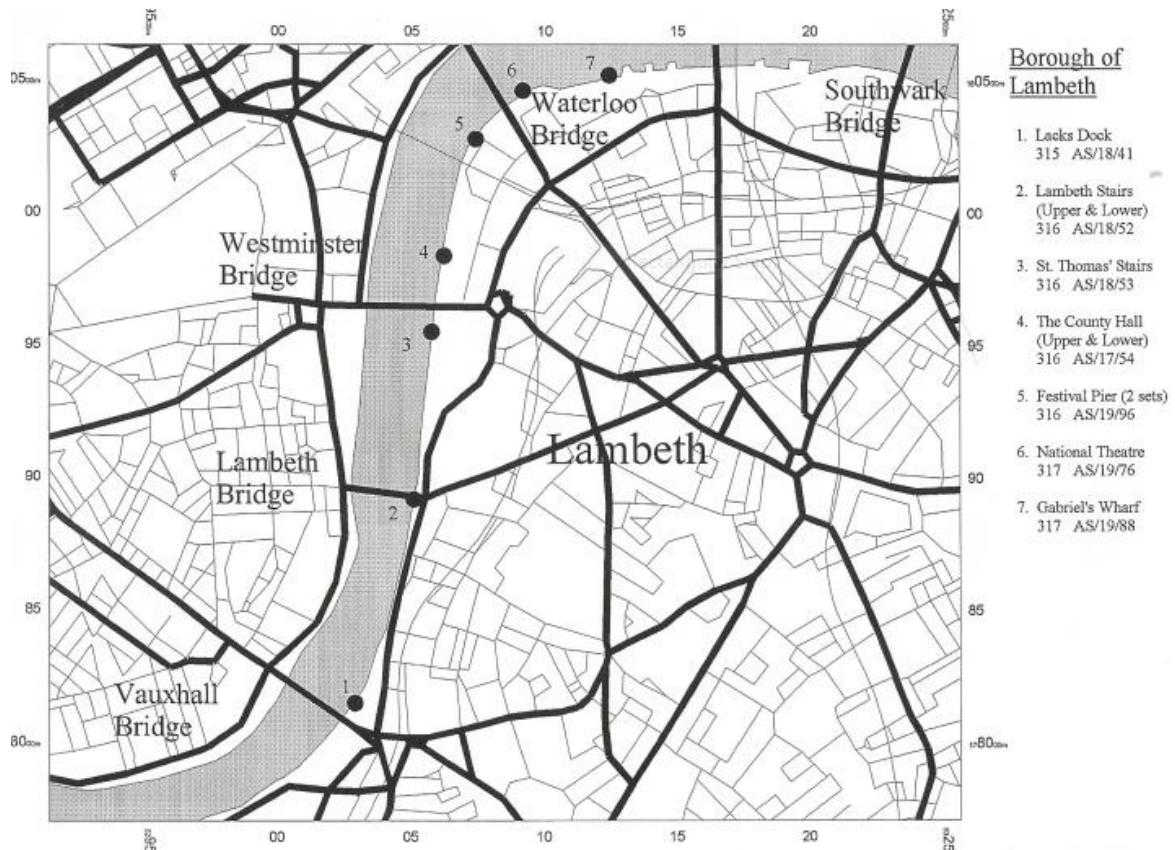
- 1. Beaufort Stairs - good condition and access from path, but houseboats and mooring ropes across bottom of stairs.**
- 2. Cricketers' Stairs – good condition and access.**
- 3. Yorkshire Grey Stairs – good condition and access, with low, but scalable fence at top.**
- 4. Grosvenor College Stairs – as above.**

CITY OF WESTMINSTER



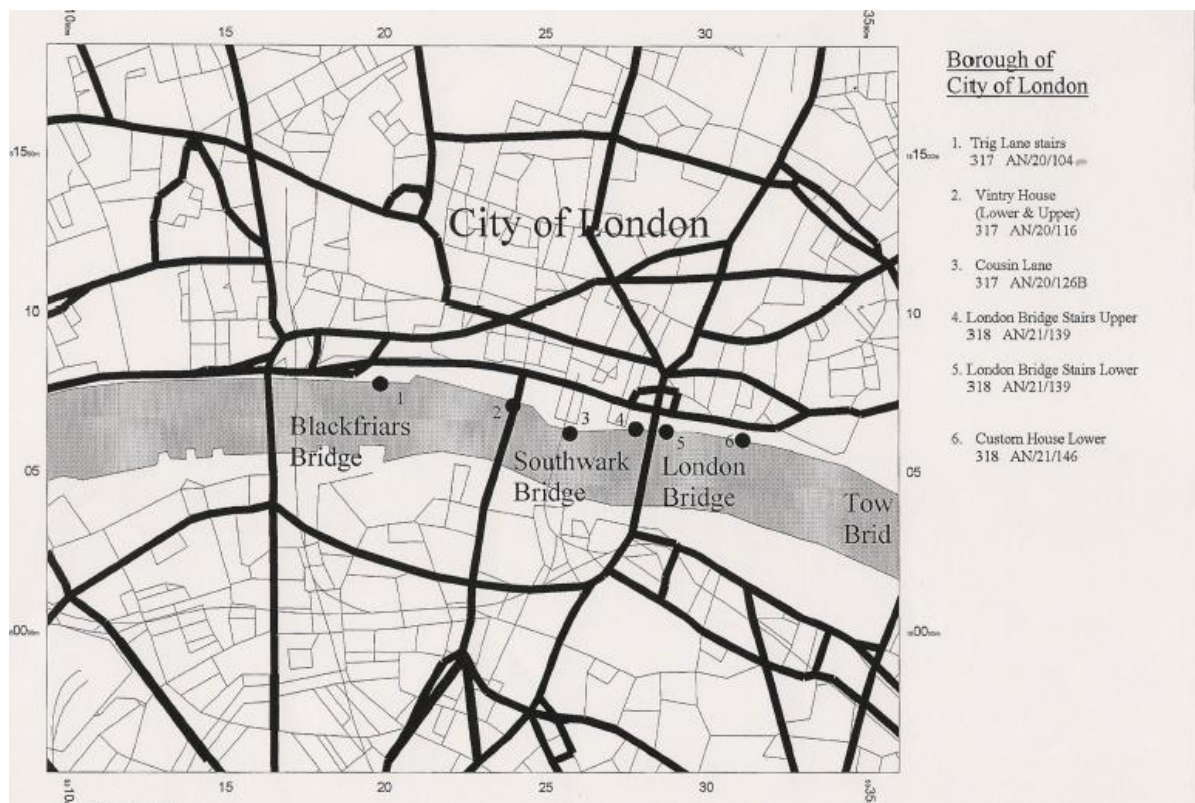
1. William IV Stairs – poor condition, good access.
2. Thorney Stairs – good condition and access.
3. Horseferry Stairs – no trace.
4. Black Rod Stairs – condition not visible, access only into Palace of Westminster.
5. Speaker's Stairs – good condition, access only into Palace of Westminster.
6. Whitehall Stairs – 2 sets both in good condition, but gates locked.
7. Adelphi Stairs – 2 sets, good condition and access.
8. Fox Under the Hill – stairs removed.
9. Temple Stairs Upper – opposite HQS Wellington are 2 sets of stairs, upstream set good condition and access, downstream set dismantled.
10. Temple Stairs Lower – downstream of King's Reach Memorial there is a dismantled set of stairs, then a set near Submariners' Memorial, good condition and access.

LAMBETH



1. Lacks Dock – drawdock in good condition with good access.
2. Lambeth Stairs (Upper & Lower) – no trace. Could be where LFB pier is now. There are steps alongside Lambeth Pier (upstream) – steps in reasonable condition, handrails missing in places, gate opens.
3. St Thomas' Stairs (2 sets) – upstream has some loose steps, gate locked; downstream gate opens – steps in reasonable condition.
4. The County Hall (Upper & Lower) – stairs – good condition, both gates locked.
5. Festival Pier (2 sets) – stairs – both in good condition, gates locked.
6. National Theatre – stairs – good condition, gates locked.
7. Gabriel's Wharf – stairs – good condition and access.

CITY OF LONDON



1. Trig Lane Stairs – reasonable condition (with bottom wooden flight showing signs of wear) good access.
2. Vintry House (Lower & Upper) – both sets of stairs stop at riverside walkway, no access to river.

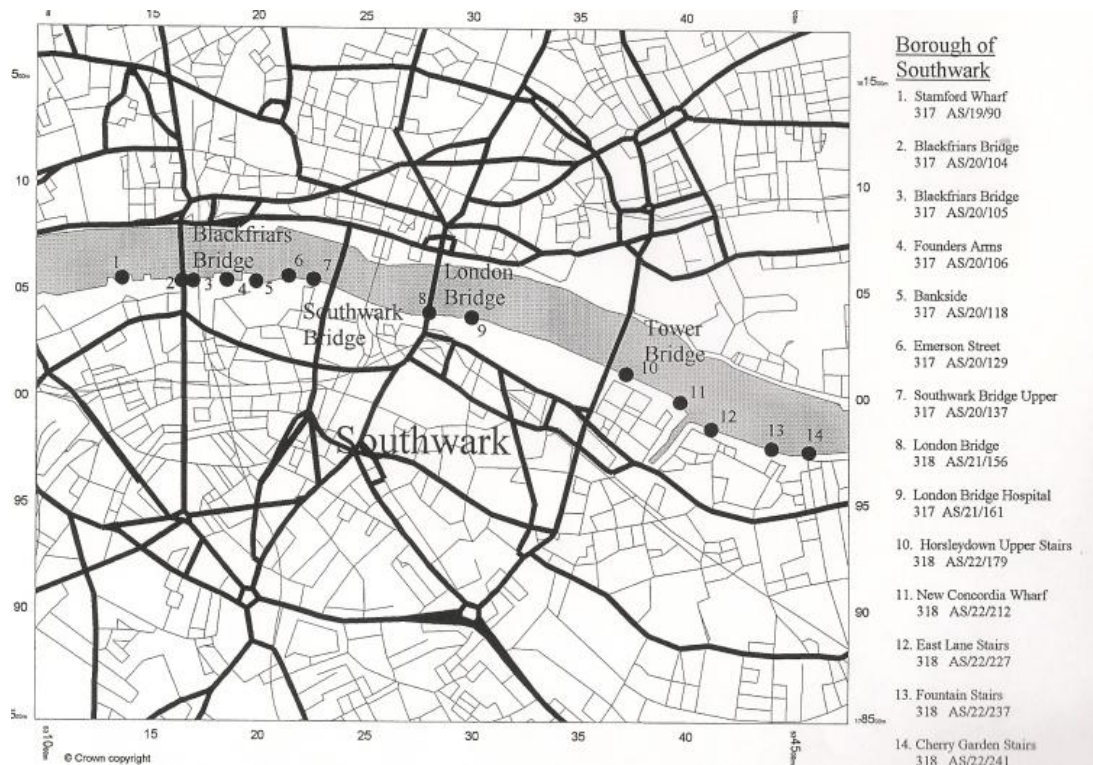
NB – New stone stairs with metal lower flights outside Vintner’s Hall.

3. Cousin Lane – stairs at end of Cousin Lane (upstream of Cannon Street Railway Bridge) - good condition and access.

NB – Downstream of railway bridge there are stone stairs leading from All Hallows Lane but only a metal ladder goes down river wall.

4. London Bridge Stairs Upper – reasonable condition, top gate locked.
5. London Bridge Stairs Lower – good condition and access.
6. Custom House Lower – stairs – good condition and access.

SOUTHWARK

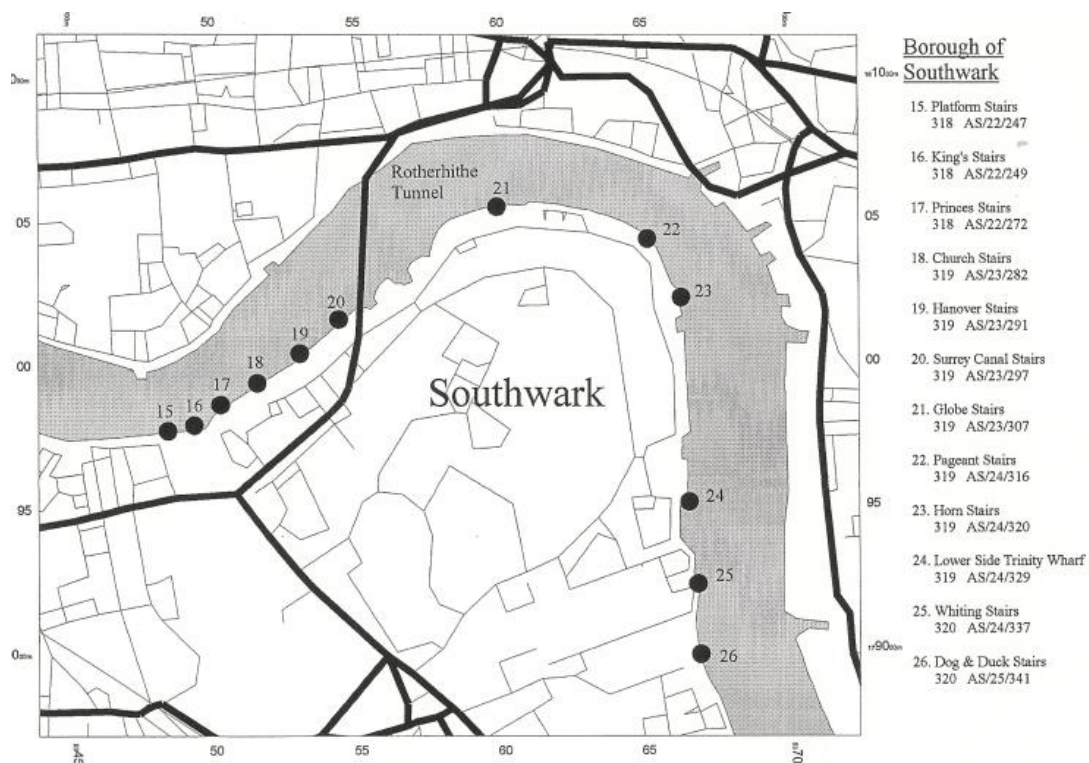


1. Stamford Wharf - stairs good condition and access.
2. Blackfriars Bridge upstream - stairs good condition and access.
3. Blackfriars Bridge downstream - stairs good condition and access.
4. Founders' Arms - stairs good condition and access.
5. Bankside –stairs good condition and access.
6. Emerson Street - stairs good condition and access.
7. Southwark Bridge Upper - stairs in reasonable condition, gate locked.
8. London Bridge - stairs good condition, top gate locked.
9. London Bridge Hospital - stairs in good condition, top low gate locked.
10. Horsleydown Upper Stairs - stairs good condition and access.
11. New Concordia Wharf - wooden stairs, good condition, gate locked.

12. East Lane Stairs - good condition, high gate locked.

13. Fountain Stairs - good condition and access.

14. Cherry Garden Stairs - good condition and access.



15. Platform Stairs - bottom tier, steps missing, dangerous abrupt drop, extension to Angel pub gives narrow passage.

16. King's Stairs - good condition and access.

17. Prince's Stairs - good condition and access.

18. Church Stairs - good condition, gate locked, at high water blocked by Mayflower pub jetty.

19. Hanover Stairs - good condition and access.

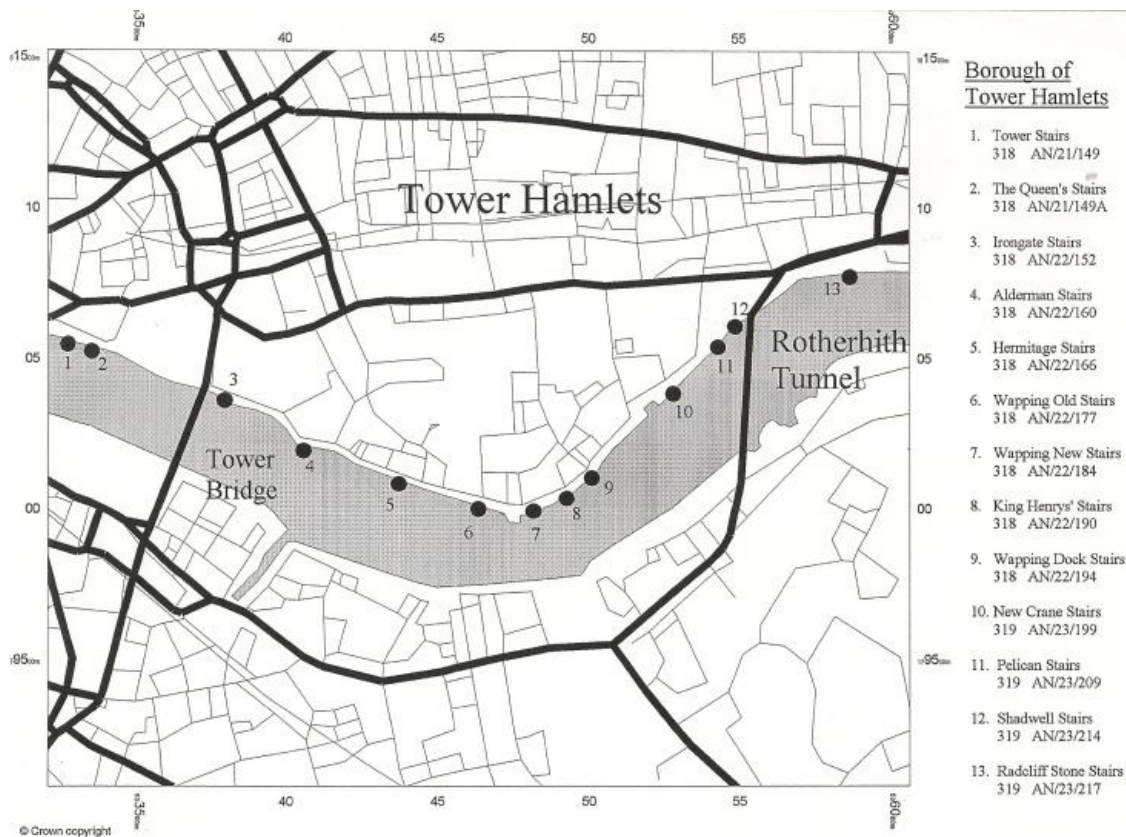
20. Surrey Canal Stairs - good condition, heavy iron gate but access possible, also from side over low fence.

21. Globe Stairs - good condition and access.

22. Pageant Stairs - good condition and access.

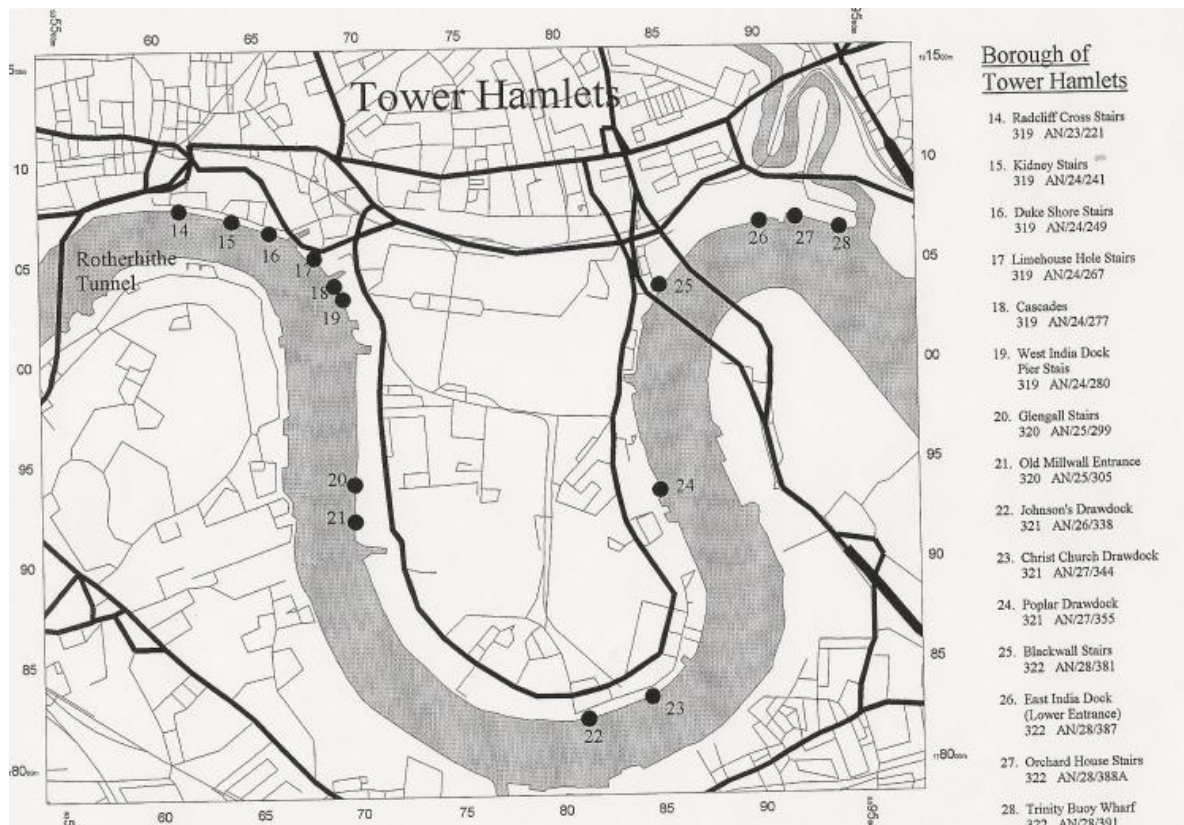
- 23. Horn Stairs - reasonable condition, good access.**
- 24. Lower Side Trinity Wharf - stairs, good condition and access.**
- 25. Whiting Stairs - good condition and access.**
- 26. Dog & Duck Stairs - good condition and access.**

TOWER HAMLETS



1. **Tower Stairs** - partly covered by Tower Pier, reasonable condition, gate locked, restricted access from River,
 2. **The Queen's Stairs** - good condition, top and bottom gates locked.
 3. **Irongate Stairs** - no trace, unless they are the gated stone stairs under Tower Bridge.
 4. **Alderman Stairs** - good condition and access.
 5. **Hermitage Stairs** - old stairs have gone, new stairs end abruptly, no bottom flight.
 6. **Wapping Old Stairs** - good condition and access.
 7. **Wapping New Stairs** - reasonable condition, gate difficult to open, iron ladder at bottom.
- NB.** Next downstream are Wapping Police Stairs - good condition and access, although causeway goes through Marine Support Unit's area.
8. **King Henry's Stairs** - covered by part of private Wapping Pier (Wood's River Services) condition unknown, gate locked.

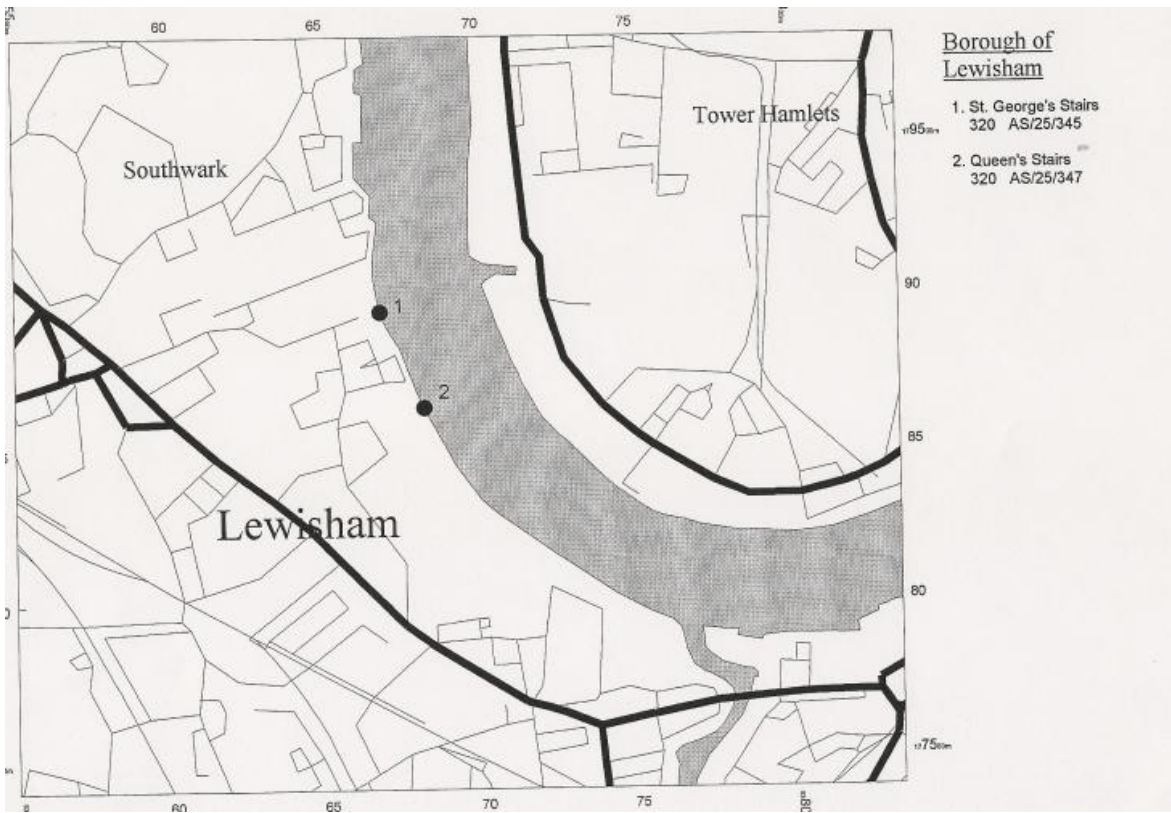
9. Wapping Dock Stairs - poor condition, bottom wooden flight broken, fenced off at top.
10. New Crane Stairs - good condition and access.
11. Pelican Stairs - good condition and access.
12. Shadwell Stairs - good condition, gate locked, part of Shadwell Boat Project.
13. Ratcliff Stone Stairs - good condition, light low fence at top.



14. Ratcliff Cross Stairs - good condition and access.
15. Kidney Stairs - rear of The Grapes, wooden steps.
16. Duke Shore Stairs - good condition, no access , gate locked.
17. Limehouse Hole Stairs - new stone stairs on site of Aberdeen Wharf.
18. Cascades - stairs - good condition and access.
19. West India Dock Stairs - removed, only remains of railings.

- 20. Glengall Stairs - good condition and access.**
- 21. Old Millwall Entrance - good condition and access.**
- 22. Johnson's Drawdock - good condition and access.**
- 23. Christchurch Drawdock - aka Newcastle Drawdock – good condition and access.**
- 24. Poplar Drawdock - good condition and access.**
- 25. Blackwall Stairs - no trace, but likely site is part of waste transfer station.**
- 26. East India Dock Stairs - good condition and access, part of nature reserve that closes at night.**
- 27. Orchard House Stairs - no trace.**
- 28. Trinity Buoy Wharf - stairs - good condition and access**

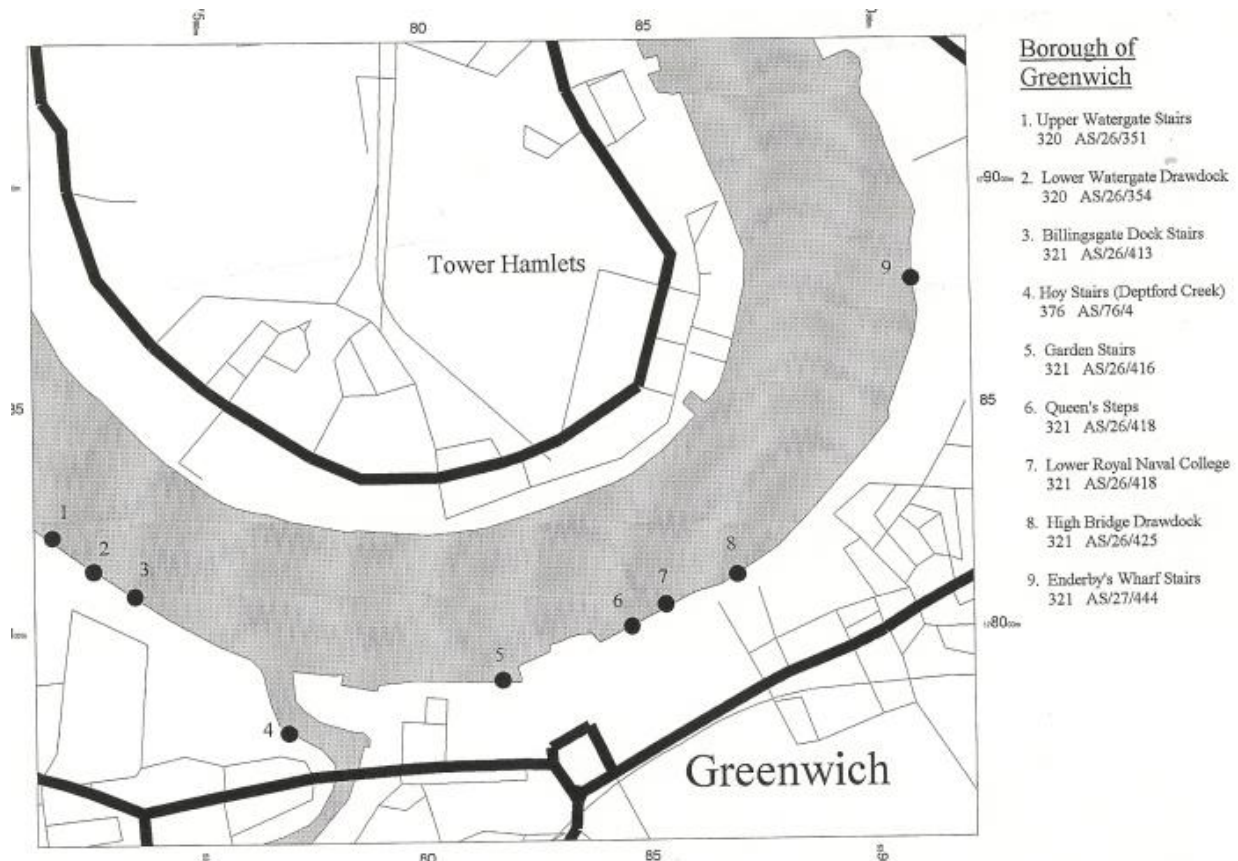
LEWISHAM



- 1. St. George's Stairs – good condition and access.**
- 2. Queen's Stairs – good condition but gate locked.**

NB – Also known as Drake's Steps.

GREENWICH



1. Upper Watergate Stairs – good condition and access.

2. Lower Watergate Drawdock – no trace.

NB - There is a drawdock upstream of and part of the Ahoy Centre – good condition, gate locked.

3. Billingsgate Dock Stairs – no trace. Possible confusion as there was a dock of this name downstream at Greenwich.

4. Hoy Stairs (Deptford Creek) – no trace.

5. Garden Stairs – good condition, gate locked.

NB – Site of Billingsgate Dock is just upstream with short set of stairs – good access, gate locked.

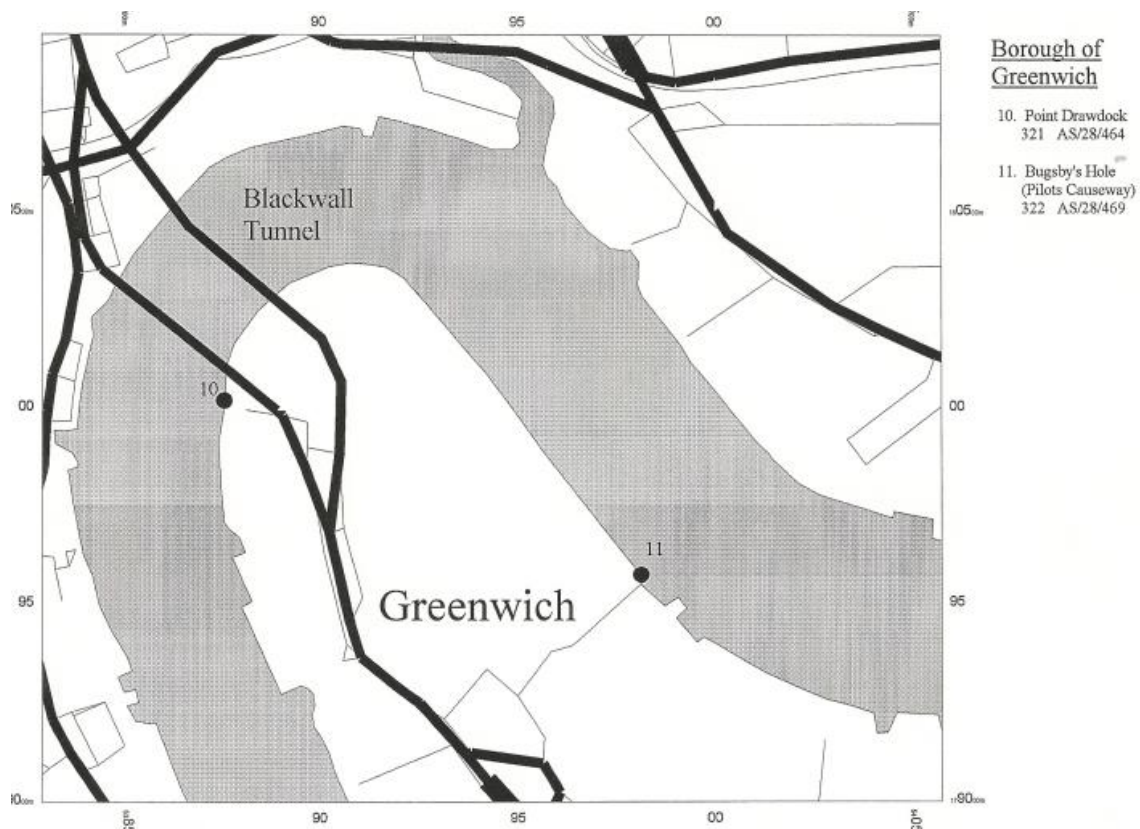
6. Queen's Steps aka Watergate Stairs - two sets, good condition and access; some cracked steps in upstream set.

7. Lower Royal Naval College - stairs, good condition and access; some cracked steps.

8. High Bridge Drawdock - good condition, gate locked.

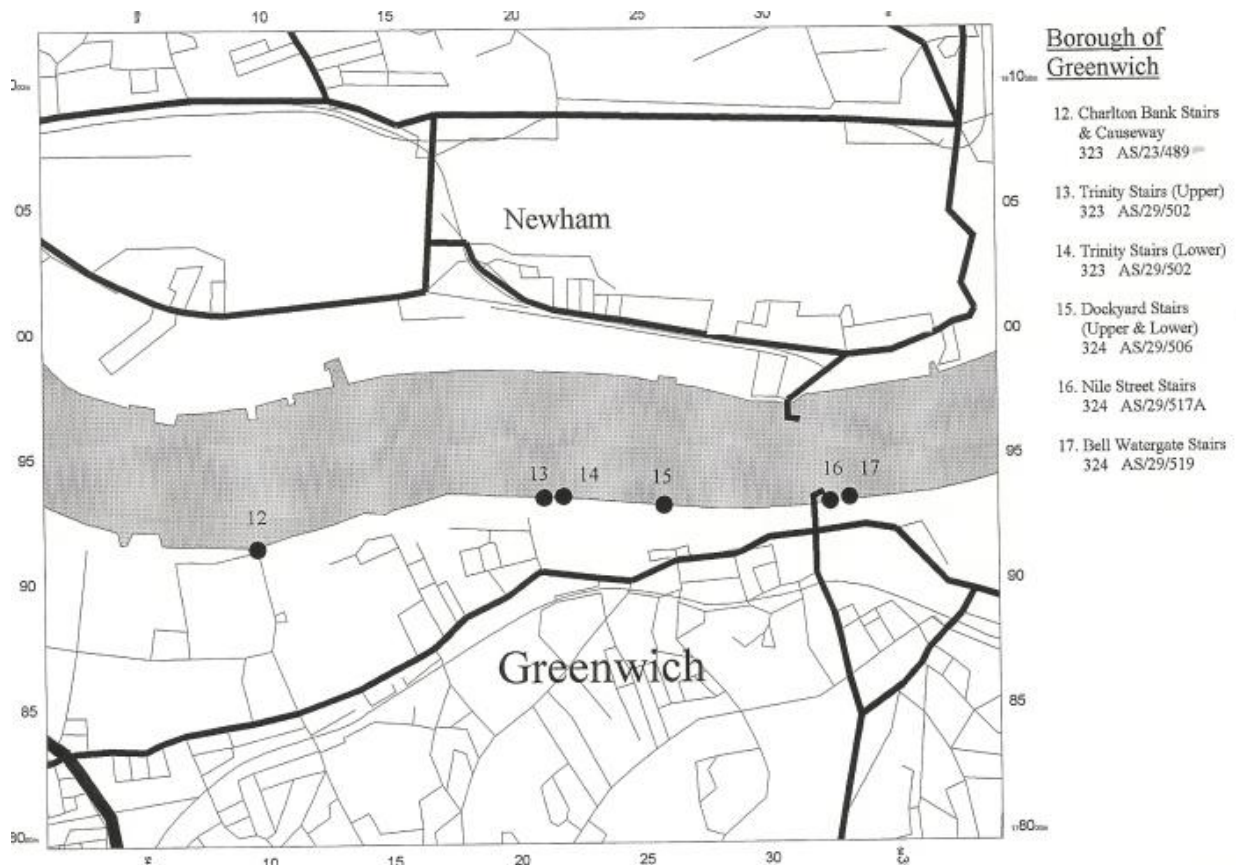
9. Enderby's Wharf Stairs aka Ferry Steps - good condition, locked gate but low and accessible.

NB - Missing on map upstream are Golden Lane Stairs, near Power Station, good condition and access.



10. Point Drawdock - poor condition, good access.

11. Bugsby's Hole (Pilots Causeway) - concrete causeway leading to jetty, good condition, locked, part of boat club.



12. Charlton Bank Stairs & Causeway - good condition and access.

NB - Five steps and short, narrow causeway.

NB - Downstream of Barrier, Warspite Road, are stairs and causeway - good condition and access, some broken stones.

13. Trinity Stairs (Upper) - good condition, handrails missing. High gate locked.

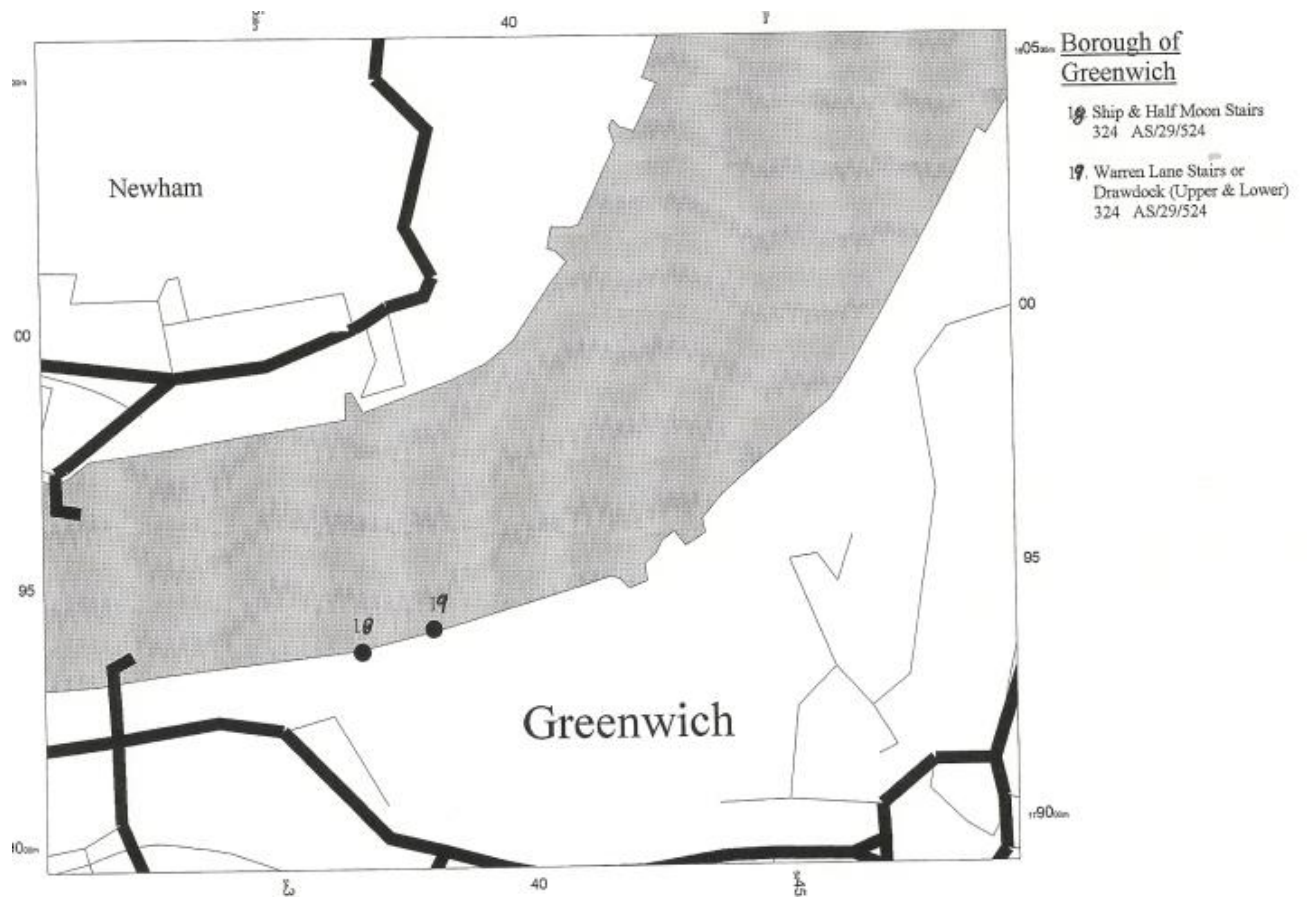
14. Trinity Stairs (Lower) - as above.

15. Dockyard Stairs (Upper & Lower) - no trace.

NB - There are two landing slips from old Dockyard, latterly used by Cubows barge builders/repairers.

16. Nile Street Stairs - good condition and access.

17. Bell Watergate Stairs - good condition and access.

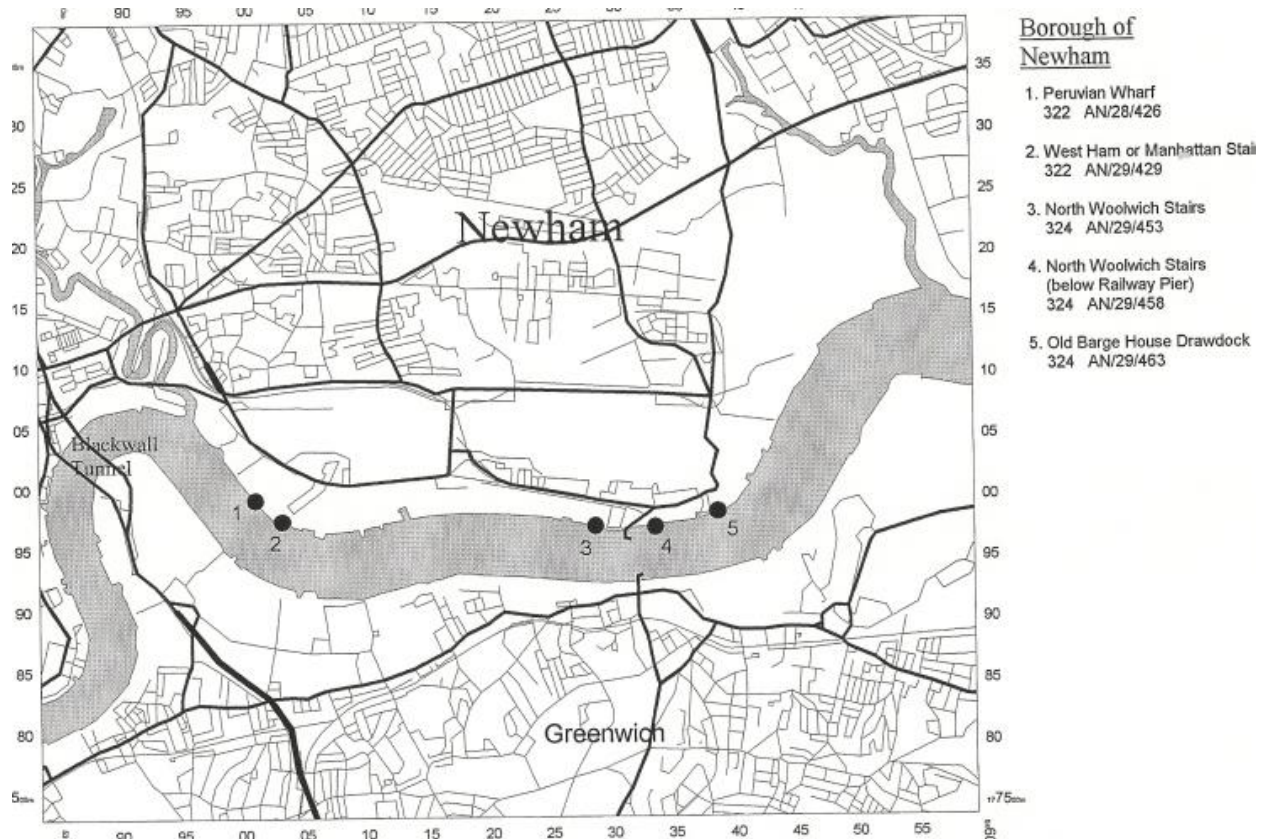


18. Warren Lane Stairs or Drawdock (Upper & Lower) - stairs under Woolwich Pier, reasonable condition, no access. No drawdock seen.

19. Ship & Half Moon Stairs - reasonable condition, good access, some handrails missing.

NB - These two stairs have been wrongly identified on the map.

NEWHAM

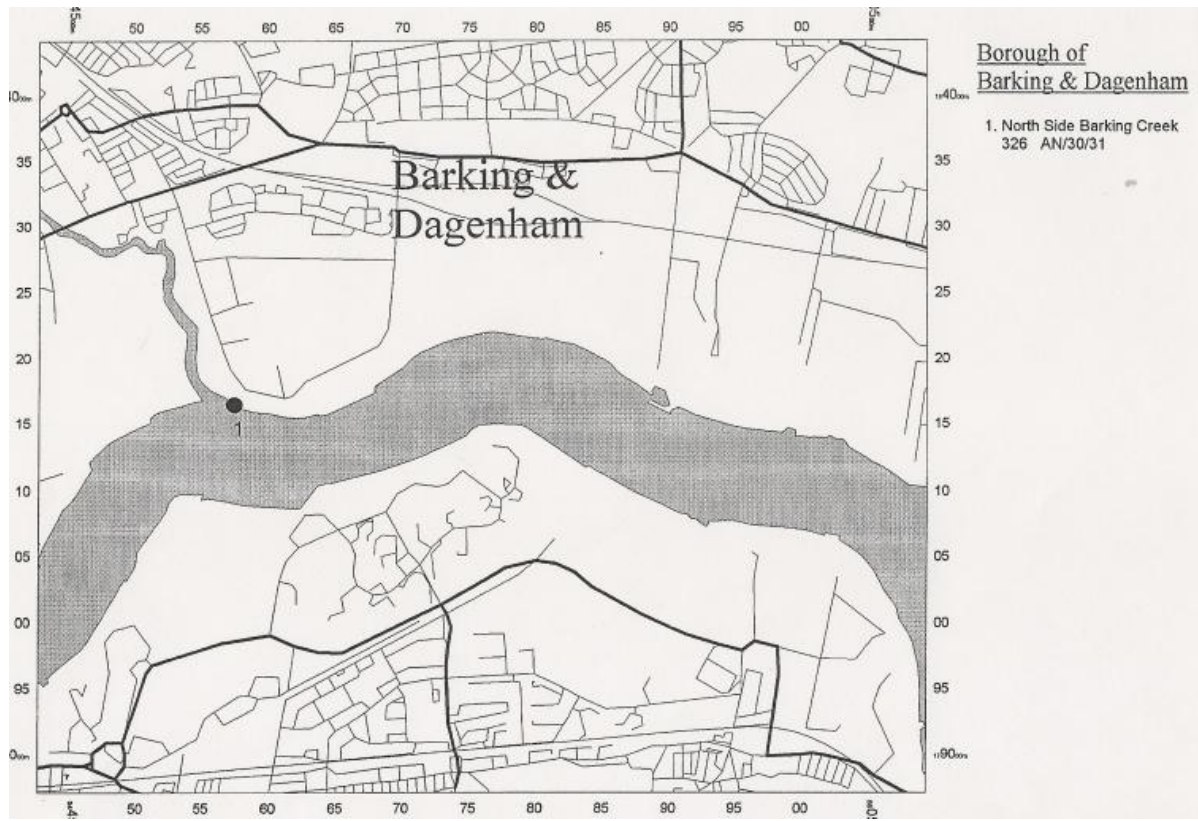


1. **Peruvian Wharf** - from the river stairs appear to be in poor condition, access on shore not seen as on private site.
2. **West Ham or Manhattan Stairs** - from the river stairs appear to be in poor condition, access on shore not seen, as on private site.
3. **North Woolwich Stairs** - upstream of Ferry - good condition and access.
4. **North Woolwich Stairs** - downstream of Ferry, below former Railway Pier - good condition and access.
5. **Old Barge House Drawdock** - good condition and access.

NB

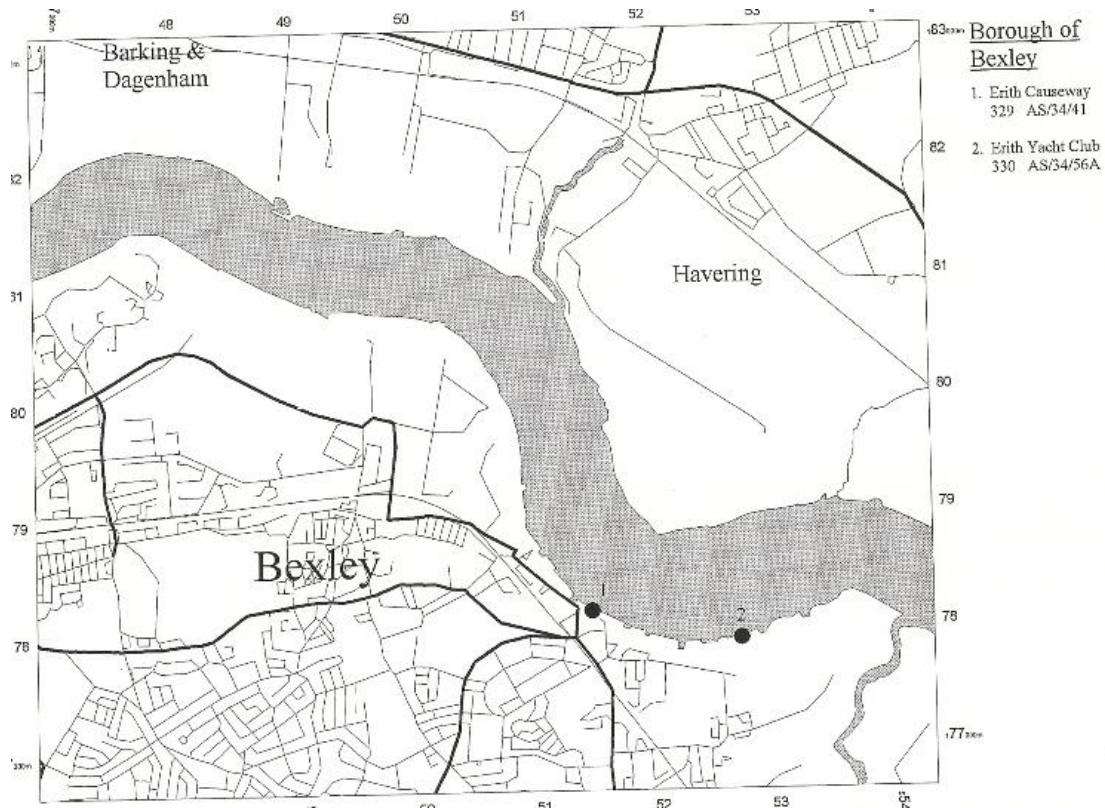
- a) There is another drawdock upstream of 5 – good condition with walkway but road access is barred by flood wall.
- b) Several sets of steps have been put over the flood wall in front of the Gallions Point development. Gates are locked but easily scalable with access to foreshore.

BARKING & DAGENHAM



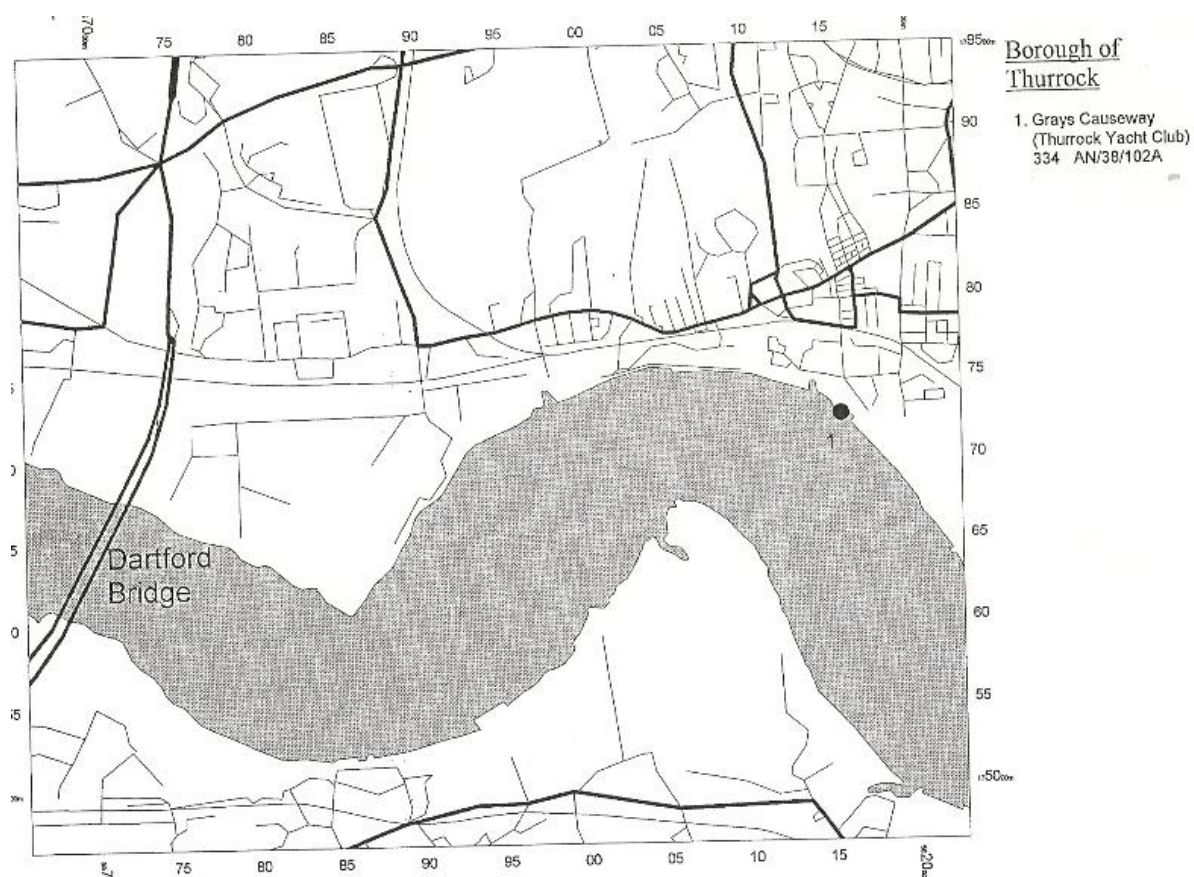
1. North side of Barking Creek – good condition and access.

BEXLEY



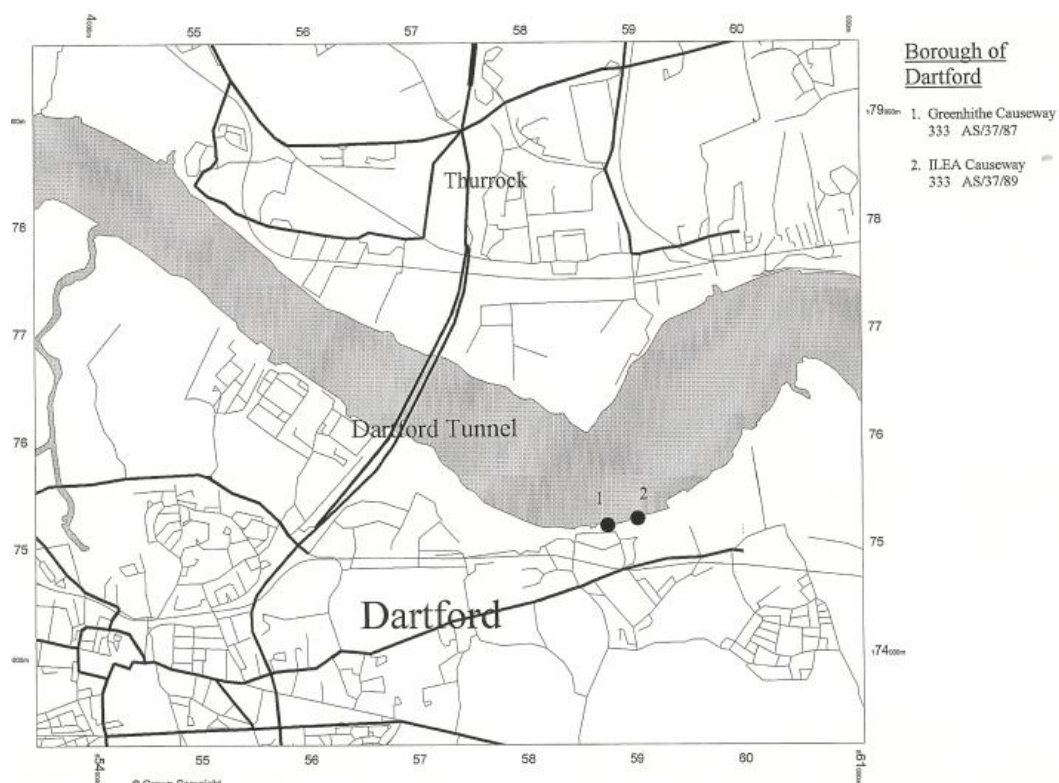
- 1. Erith Causeway – good condition and access.**
- 2. Erith Yacht Club – causeway- good condition and access.**

THURROCK



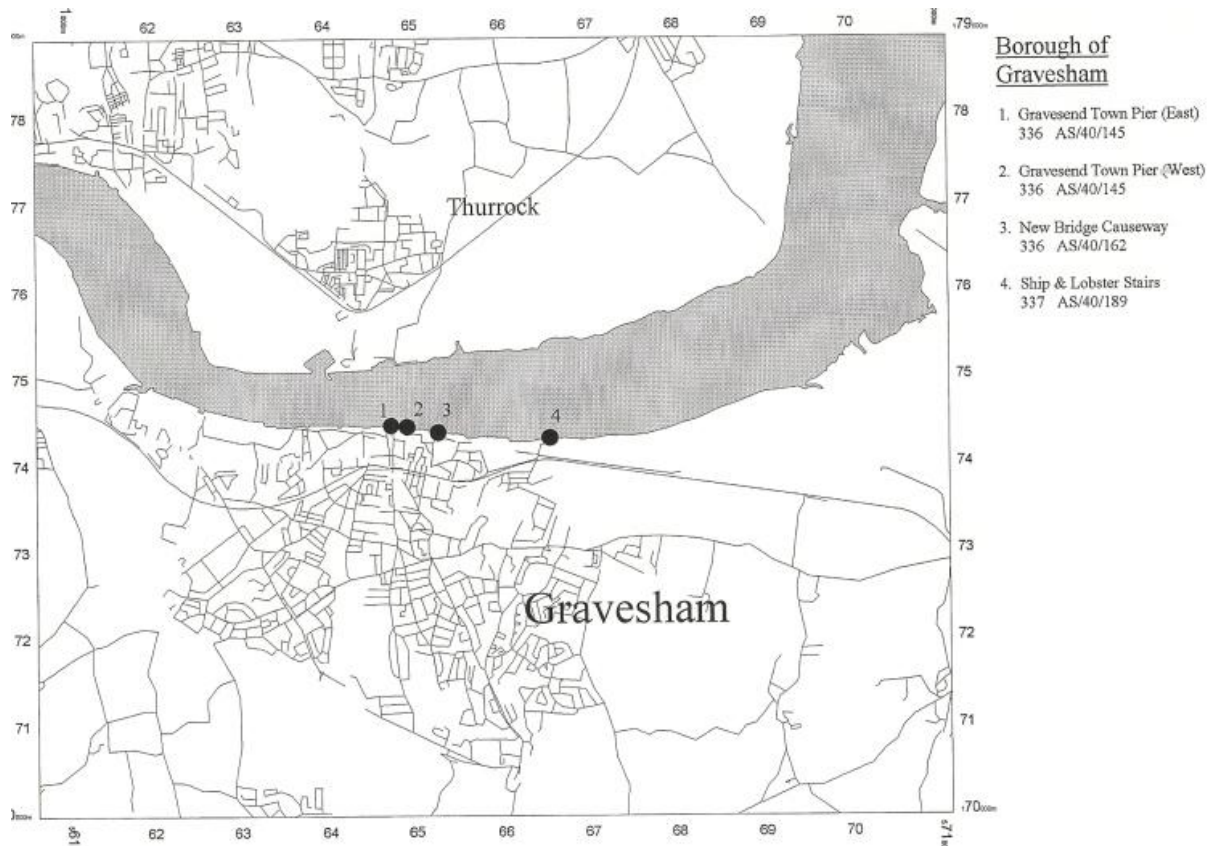
1. Grays Causeway (Thurrock Yacht Club) – good condition and access.

DARTFORD



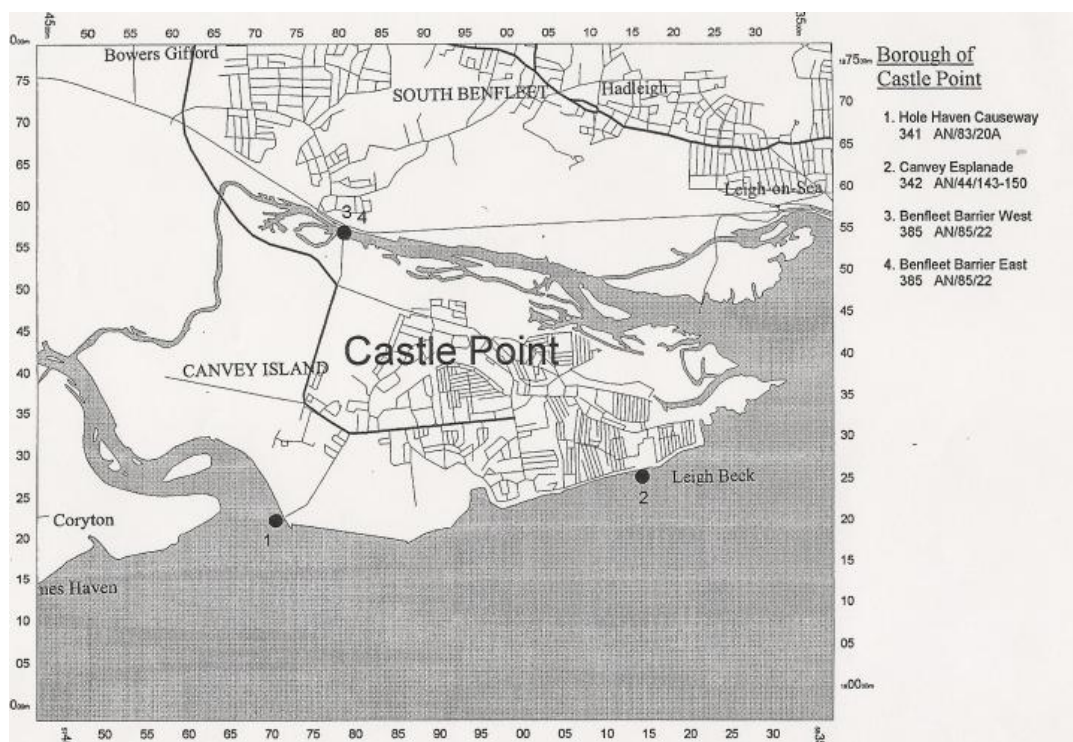
1. Greenhithe Causeway – good condition and access.
NB – Also stairs just upstream – good condition and access.
2. ILEA Causeway – no trace.

GRAVESHAM



1. **Gravesend Town Pier (East)** – stairs in poor condition but Pier is currently being restored.
2. **Gravesend Town Pier (West)** – as above.
3. **New Bridge Causeway** – good condition and access.
4. **Ship & Lobster Stairs** – no trace – steel ladder on wall opposite pub.

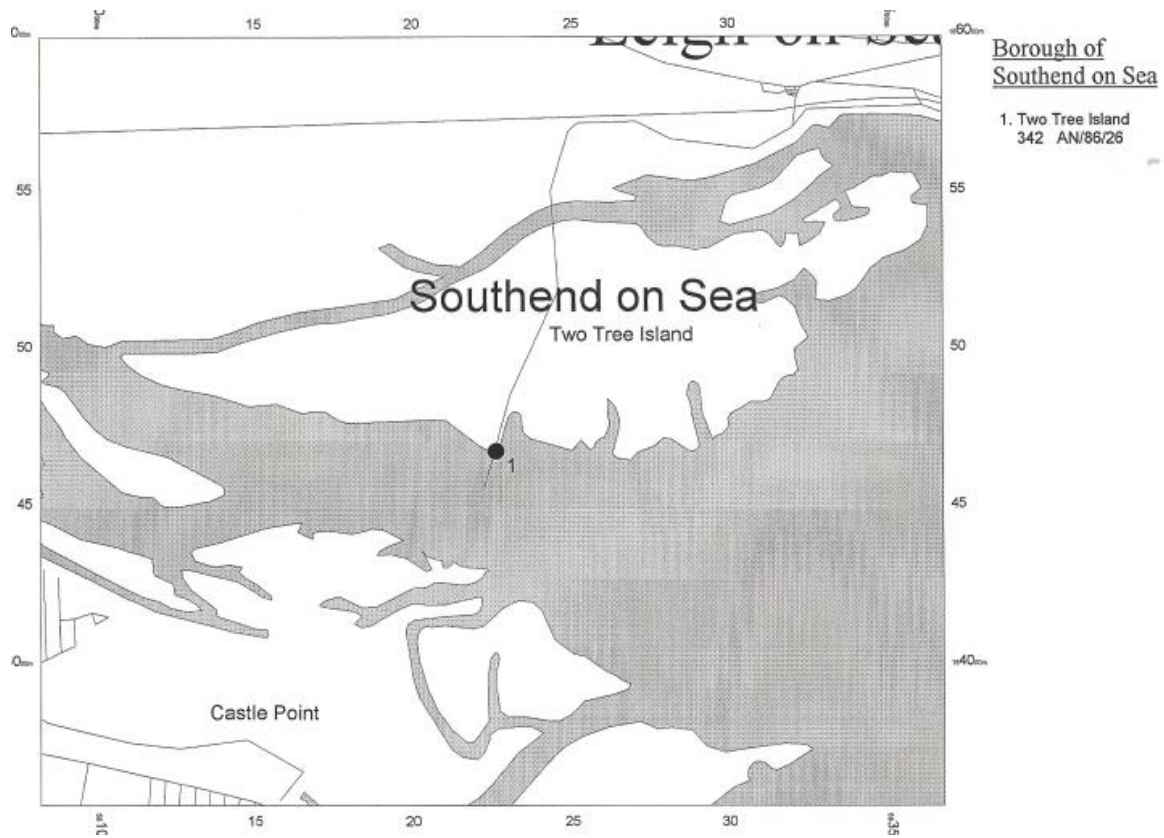
CASTLE POINT



CANVEY ISLAND

1. Hole Haven Causeway – good condition and access.
2. Canvey Esplanade – slipway in good condition, low gate locked – key with Chapman Sands Sailing Club.
3. Benfleet Barrier West – slipway in good condition – pedestrian access but vehicle access through boatyard gate.
4. Benfleet Barrier East – two slipways, one above and one below Barrier – both good condition and access.

SOUTHEND ON SEA



TWO TREE ISLAND

1. Causeway – good condition and access.

London Councils' Transport & Environment Committee

Concessionary Fares 2016/17 Settlement and Apportionment

Item 08
no:

Report by: Spencer Palmer **Job title:** Director, Transport & Mobility
Date: 10 December 2015
Contact Officer: Stephen Boon – Chief Contracts Officer
Telephone: 020 7934 9951 **Email:** stephen.boon@londoncouncils.gov.uk

Summary

This report informs the Committee of the outcome of negotiations with transport operators (Transport for London (TfL), the Association of Train Operating Companies (ATOC) and independent bus operators) regarding compensation for carrying concessionary passengers in 2016/17. It also seeks members' approval to the proposed settlement and apportionment.

Recommendations

The Committee is recommended to:

1. Agree the TfL settlement of £333.94million for 2016/17.
2. Agree to the ATOC settlement of £18.520 million for 2016/17
3. Note that in May 2015, a number of services in north and east London transferred from TOCs to TfL.
4. Agree a budget for non-TfL bus services of £1.7 million.
5. Agree the reissue budget for 2016/17 of £1.518 million
6. Agree the borough payments for 2016/17 of £355.678 million
7. Agree the payment profile and dates on which boroughs' contributions are paid as 9 June 2016, 8 September 2016, 8 December 2016 and 9 March 2017.
8. Agree the 2016-2017 London Service Permit bus operators (non-TfL buses) Concessionary Scheme.

Background

1. The Freedom Pass scheme is the best concessionary fares scheme in the country, in terms of scope, benefits offered and quality of transport provided. The Freedom Pass

gives free travel concessions 24 hours a day to eligible older and disabled residents on Transport for London (TfL) services and after 9.30am on National Rail and independently operated bus services in Greater London.

2. Freedom Pass is largely funded by boroughs with grant support from Government. TfL fund the concession for older people in the weekday morning peak on TfL services (between 04:30 and 09:00). This accounts for around 5% of the cost of the concession overall. TfL also fund the 60+ Pass which is available to people who have reached 60 but have not got to the Government set eligible age for Freedom Pass which is gradually moving in line with the women's state retirement age.

Negotiations with Transport Operators

3. Each year, negotiations take place between London Councils Transport and Environment Committee (on behalf of boroughs) and TfL for buses, tubes, DLR, Tramlink, London Overground and TfL Rail to determine the cost of the scheme on the basis that both parties are neither better nor worse off. This is based on:
 - The revenue foregone by the operators i.e. the revenue which if the concessionary fares scheme did not exist would be collected from the permit holders. This excludes fares income from generated travel; and
 - The additional costs to the operator i.e. generated travel by permit holders for which operators receive no fares revenue but do receive the cost of increasing the service to allow for the extra trips made.
4. The resulting settlement is based on:
 - a) The estimated average number of journeys made by Freedom Pass holders over the previous two years. In estimating these journey volumes; Oyster data, passenger surveys and automated passenger count information are used¹.
 - b) The expected average fare per trip, which is the actual adult fare paid in the absence of the scheme taking into account fares increases. The 2016/17 settlement for the first three quarters assumes a fare increase in line with the July 2015 RPI value of 1% and for the last quarter it assumes 2.2% fare increase (no fare increase above the TFL projected July 2017 RPI) .
5. If the overall cost of the TfL elements of the scheme (regardless of whether there has been a change to any part of the scheme) is not agreed by the 31 December the reserve free scheme described in the GLA Act 1999 comes into effect in relation to TfL services.
6. Negotiations are also carried out with ATOC for the cost of the Freedom Pass usage on national rail services excluding the London Overground and Crossrail network which is managed by TfL.
7. This year, the negotiations with ATOC were relatively straightforward, as 2016/17 is the second year of a two year deal, which allows for a year on year increase in line with the July 15 RPI index and the actual fare change.

¹ For the purposes of calculating the value of services transferred to TfL in 2016/17, three months data was used and uplifted for a full year.

8. Nevertheless, members are asked to note that in May 2015 a number of services transferred from Greater Anglia to TfL. The value of these services represented 14.05% of the ATOC settlement. Consequently, a reduction will be made to the ATOC settlement and an increase made to the TfL settlement (covered in more detail between paragraphs 12 and 21).
9. Concessions are also offered on local bus services in Greater London outside the TfL bus network. The statutory entitlement is provided under the Transport Act 2000 as amended by the Concessionary Bus Travel Act 2007. The draft Scheme was published on London Councils' website before the 1st of December 2015 to meet the statutory notice required to the bus operators. Though there is no change proposed to the scheme, the reimbursement arrangements have to be agreed with bus operators as reimbursement is made in accordance with these arrangements².
10. Overall, the 2016/17 settlement represents a below inflation increase of 0.8% see Table 1. Settlement Overview (below). This is made up by an increase of 1.8% for TFL, which accounts for nearly 94% of the total cost, and a decrease of 13.2%³ and 23.7% on ATOC and LSP respectively, which together account for 5.7% of the total. The reissue cost remains the same. Further explanation of each element is provided below.

Table 1. Settlement Overview

Operator	2015/16 (£million)	2016/17 (£million)	2015/16 weight	2016/17 weight	Change
TfL	327.92	333.94	92.9%	93.9%	1.8%
ATOC	21.334	18.520	6.0%	5.2%	-13.2%
LSP	2.2	1.7	0.6%	0.5%	-22.7%
Reissue	1.52	1.52	0.4%	0.4%	0.0%
Total	352.974	355.915	100%	100%	0.8%

Settlement with Transport for London for 2016/17

11. The TfL settlement is £333.94 million which is a 1.8% increase on 2015/16. The main drivers for growth in the settlement are TfL network expansion and inflation, as well as some growth in journeys on the underground, DLR and overground. These have been, to a small extent, offset by decreasing journey volumes on buses and trams, which have led to an overall reduction in journey volumes, however the pattern across modes is not uniform.

Network expansion

12. From 31st March 2015 TfL is operating two new services previously run by Greater Anglia as part of the London Overground network and have transferred a third as part of the Crossrail project:
 - Liverpool Street station to Enfield town and Cheshunt via Seven Sisters (Overground)

² LSPs have the right to challenge this scheme until April 2016.

³ Net decrease inclusive of inflation.

- Liverpool Street station to Chingford (along with services between Romford and Upminster); and
 - Liverpool Street station to Shenfield
13. These new services account for an increase of £3.77 million (1.1 of the 1.8 percentage point increase) in the TfL settlement. However, this is to a large extent offset by a notional £3.03 million decrease in the ATOC settlement⁴. The remaining £0.74 million increase is due to the higher average fares on these lines, now they are within the ambit of TfL (in large part, as a result of TfL services using an expanded Oyster zone, which reaches beyond zone 6) as well as more accurate journey data.

Inflation (fare increases) and journey volumes

14. Overall, the fare increase across TfL modes for 2016/17 is 1%, in line with the July 2015 RPI figure. However, journey volumes across all modes (excluding those transferred) were down by 0.3%, which account for 0.7 percentage points of the 1.8 percent increase in the TfL settlement. In the absence of transferring services, the settlement would have been 0.3% below inflation.
15. Beneath these headline figures, the picture on journey volumes is slightly more complex. Whilst, total journey volumes across the five TfL modes (bus, London Underground, Tram, Docklands Light Railway and London Overground) were down by 0.33%, within individual modes there were significant variations.
16. Buses continue to account for the significant majority of journeys (83%) and were down 0.66% on the previous year. Anecdotally, TfL believe they have been affected by the level of works across key parts of the London road network. Tram journeys were also down (2.2%).
17. Nevertheless, journeys were up across three modes; underground, DLR and overground. Approximately, one percentage point of observed increase can be explained by the effect of the accounting periods used by TfL on these modes. Unlike, buses and overground, where journeys are accounted for in quarter years, for these three modes, journeys are accounted for in weeks.
18. This means that over approximately a five year period, for accounting purposes, a week would be lost in the absence of an adjustment that adds an additional week to the accounting year every five years⁵. This year is such a year. In future, TfL will adjust in year to account for this additional week.
19. Almost all of the increase in journeys on the underground can be explained by the additional week. Larger percentage increases were seen on the DLR and London Overground 4.56% and 7.48% respectively. Anecdotally, these can be explained by service improvements and population growth and movement in the areas served. A full breakdown of the year on year change and relative percentage weights against overall journeys is shown in table Table 2. TfL Modes (below).

⁴ The year on year decrease is £2.81 million when inflation is taken into account.

⁵ The true length of a year is 365.25 days (hence a leap year every four years) over a period of five years there are 1826.25 days (365.25 x 5). In a true year, the length of a true week is 7.02 days (365.25 ÷ 52). As TfL accounts for these services on a standard weekly basis (i.e. seven day); over five years (in which there are 260 weeks), in the absence of an adjustment there would be 1820 days, a difference of 6.25 days. These 6.25 days make up the additional week.

Table 2. TfL Modes

Journeys in million	2015/16	2016/17	% change	Weight of the journey volumes
Bus	299.002	297.028	-0.66%	83%
London Underground	50.13	50.674	+1.09%	14%
DLR	3.722	3.892	+4.56%	1%
Tramlink	4.965	4.855	-2.22%	1%
London Overground	3.224	3.465	+7.48%	1%
Total	361.113	359.914	-0.33%	100%
Crossrail	-	1.537	-	-
Greater Anglia	-	0.885	-	-
	361.113	362.336	+0.34%	

20. The effect of the factors described above on the settlement is shown in Table 3 TfL Settlement (below):

Table 3 TfL Settlement

Mode	Settlement 2015/16 (£m)	Settlement 2016/17 (£m)	% change
Bus	239.806	240.965	+0.5%
London Underground	75.443	76.270	+1.1%
DLR*	3.780	3.716	-1.7%
Tramlink	4.403	4.746	+7.8%
London Overground	4.490	4.475	-0.3%
Total	327.922	330.172	+0.7
Crossrail	-	2.392	
Greater Anglia	-	1.376	
Total	327.922	333.940	+1.8%

*Note: The final DLR settlement includes a £0.264 million rebate for prior years (14/15 and 15/16) where 60+passes were included in the estimation for the concessionary journeys

Settlement with ATOC for 2016/17

21. The settlement in respect of the Association of Train Operating Companies (ATOC) for 2016/17 is £18.53 million. This represents a £2.8 million decrease on 2015/16, which can be explained by the transfer of Greater Anglia Services to TfL. In the absence of this change, the final settlement would have been £21.55 million. The true increase to the remaining services is 1%, in line with July 2015 inflation.
22. Members are asked to note that there are a number of factors that could add a degree of volatility to ATOC (and by extension TfL) settlements beyond 2016/17. The first factor is further transfers of services from TOCs to TfL, as part of rail devolution plans. As seen in the 2016/17 settlement, such transfers are likely to reduce the ATOC settlement and increase the TfL settlement in respect of London Overground services. However, due to ticket price and zoning differences, the reductions and subsequent increases are unlikely to be pound for pound and could result in net increases. TfL and London Councils estimate that should rail devolution plans be fully implemented, annual increases between £1 and £2 million could be expected.
23. The second factor, which will solely affect the ATOC settlement, is the negotiation of a new deal with ATOC. The 2016/17 year represents final year of a two-year fixed deal. One of the key components of this deal is an estimate of actual journeys, which at present, is based on a study conducted in 2010 which used survey and usage data to arrive at a negotiated settlement. In future, it is likely to be based on actual usage derived from Oyster clicks and on the elasticity of demand. At this stage it is not possible to accurately estimate the impact of this change. However, it could lead to an increase in costs in respect of ATOC services.

Settlement with other bus operators for 2016/17

24. Bus companies operating eligible services outside the TfL bus network have to seek reimbursement under an agreed scheme. Since the proposed scheme for the 2016/17 remains unchanged in principle from the 2015/16 scheme, the estimated cost proposed in the budget report elsewhere on this Committee's agenda is based on the assumption of no change to the 2015/16 scheme. Under the Transport Act 2000 provisions it is not possible to agree in advance with those bus operators the actual cash sums they will receive.
25. A budget of £1.7 million for payments to non-TfL bus operators for local journeys originating in London is proposed. This is based on a prudent 6.3% estimated increase on the projected spend of £1.6 million in the 2015/16 financial year. The 6.3% increase is made up from 2.3% on fares and 4% increase on journeys.
26. The assumptions regarding fares are made based on inflation estimates towards the upper end of Bank of England forecasts and account for volatility in oil prices, which, whilst currently low, are a significant driver of fare increases.
27. The assumptions regarding journeys are based on expected expansion of timetables and new services that have been signalled by a number of the bus operators, which could lead to increased patronage.

28. As this element of the settlement cannot be cash limited in year, members are recommended to agree the budget of £1.7 million for 2016/17 and for this to be kept under review in the light of the level of claims being made.

Administration and re-issue costs

29. The total cost of the administering the freedom pass is estimated to be £386,816 in 2016/17 compared to the subsidised £371,899 in 2014/15. This equates to £11,772 per borough. However, after determining the overall financial position of the Committee through the range of charges proposed and taking account levels of replacement card income, for 2016/17 a nil charge is recommended (to be kept under review annually).
30. This amount covers London Councils' costs in negotiating the annual settlements and managing the relationships with transport operators and contractors. This is billed separately as part of the subscriptions and does not form part of the settlement apportionment.
31. The budget for the survey and pass issuing costs has been adjusted as detailed in Table 2 below:

Table 4 Administration and Re-issue Cost Budget 2016/17

	£m
2015/16 base budget	1.518
Total budget	1.518

32. Any annual surplus arising from both the Freedom Pass administration and issuing costs budget of £1.518 million and replacement freedom passes income budget of £500,000 (net of administration costs) will be transferred to a specific reserve to accumulate funds to offset the cost of the next large-scale pass reissue exercise scheduled for 2020. This process will be reviewed on an annual basis and may result in a annual contribution from reserves at a later stage in order to ensure a sufficient fund is accumulated for the 2020 reissue.

Summary of settlement to be apportioned

33. The 2016/17 Freedom Pass Scheme settled cost to be apportioned is as follows:

Table 5 Settlement to Be Apportioned

	2016/17 (£m)
TfL	333.940
ATOC	18.520
Non TfL Bus	1.700
Administration and Reissue Cost	1.518
Total Cost	355.678

34. The total estimated cost payable by boroughs towards the scheme in 2016/17 of £355.678 million compared to £352.974 million payable for 2015/16, represents an increase of £2.717m or 0.8%, 0.2% below inflation at 1%.

Apportionment of 2016/17 costs between boroughs

35. In order to apportion costs between boroughs, London Councils has obtained usage data from TfL on the various transport modes; bus, underground, DLR, tram and London Overground. This is supplemented by usage data from ATOC on the rail network.
36. The following paragraphs set out how this data is used when apportioning costs to boroughs. They also consider in more detail the impact of using London Overground and ATOC usage data as well as how to treat services that transfer from TOCs to TfL when apportioning costs. Further detail is provided at Appendices 1 and 2.

Usage data – general principles

37. On the bus and underground, there is a very close match between total usage data derived from Oyster clicks and the total number of estimated journeys outlined in the paragraphs above. On these modes, which largely require customers to tap their passes on readers, 95% of the concessionary journeys are captured electronically. This gives officers a high level of confidence regarding the accuracy of apportionment of costs to boroughs for these two main modes, which account for 89% of the total concessionary fares costs.
38. On the other modes, the proportion of journeys captured electronically is lower, either because there is no requirement for Freedom Pass holders to touch in on the readers and/or because there are still ungated stations. On London Overground, 60% of journeys are captured, on National Rail the figure is 55% and for the DLR and tram modes only about 11% of concessionary journeys are captured.
39. Nevertheless, officers closely scrutinise the profile of journeys shown by the usage data that is available and are confident that it is sufficiently robust i.e. in line with expected observations, to be used for the purposes of apportionment. In simple terms, for example, the data shows that residents of boroughs nearest to tram and DLR services use these modes more than residents of boroughs who reside far away from these services.

ATOC usage data

40. 2016/17 is the third and the last year of the transition arrangements for apportioning costs method on London Overground and ATOC modes agreed by TEC in December 2012 that there should be a transition for the introduction of usage apportionment for the ATOC and London Overground elements of the Freedom Pass settlement from 2014/15 onwards when the 2-years of usage data became available for these journeys.
41. Owing to the significant distributional effects of moving these elements to usage apportionment, the approach adopted is as happened with the implementation of the original 2008 Arbitration Award, where it was phased in over three years (the so-called 40:30:30 approach - 40% by usage and 60% by Formula Funding in

year 1, 70% by usage and 30% by Formula Funding in year 2 and 100% by usage in year 3).

42. The effect of these changes on individual boroughs varies and can be both amplified and dampened depending on journey patterns on other modes within individual boroughs. However, in the final analysis, twenty-one boroughs will see increased costs in 2016/17. The range of these increases is +0.02% (Wandsworth) to +4.98% (Croydon). Twelve boroughs will see a reduction in costs. The range of these reductions varies between -0.06% (Enfield) and -3.64% (Westminster).
43. The boroughs in which increases will occur, are as expected, those more extensively served by the rail and overground networks. Correspondingly, those boroughs less well served by the rail and overground networks will in general observe decreases.
44. The cost of the two new TfL modes (London Overground/Greater Anglia and Crossrail) is apportioned in the same way as for ATOC services where two years of journey data are available.

Future apportionment issues

45. In future years, the way in which transferring services are apportioned will pose some methodological challenges. TfL has indicated that currently, its systems will not be able to separate out journeys taken on transferred lines. This means that it will not be possible to undertake a like for like, two year comparison of journeys on newly acquired TfL services with the journeys on the same routes when they were under control of ATOC operators.
46. This problem is likely to be compounded, should TfL take over the running of more TOC operated lines between now and 2019 as suggested. London Councils proposes to conduct some more work on this issue, possibly with the support of external consultants, and will bring a proposal to TEC by the summer of 2016 on how future costs will be apportioned.

Payment dates and profiling

47. The payment dates and profile of payments are agreed as part of the apportionment. The proposed payment dates on which boroughs' contributions are paid are 9 June 2016, 8 September 2016, 8 December 2016 and 9 March 2017. The proposed profile for the TfL element is 24.863% of the total for the first three quarters and 25.411% for the final quarter, the higher figure for the last quarter reflects the assumption of a 2.2% (RPI) increase of fares in January 2017. The proposed profile for ATOC, the non-TfL operators and other charges e.g. re-issue, is equal instalments of 25% each quarter. Appendix 2 shows the apportionment per borough by quarter.

Financial Implications

48. The financial implications arising from the Freedom Pass settlement negotiations for 2016/17 have been commented upon in detail in the proposed revenue budget report for 2016/17, which is subject to a separate report to this Committee.

Legal implications

49. There is a legislative requirement as set out in this report for London boroughs to fund concessionary travel for eligible London residents on the TfL network and eligible residents of England on buses in Greater London. Failure to agree a settlement with TfL by 31 December in any year would enable TfL to invoke the free reserve scheme and to set the cost of this scheme for each borough.

Equalities implications

50. Concessionary fares schemes as exemplified by London's Freedom Pass scheme provide a major economic benefit to eligible older and disabled people by meeting the cost of their use of local bus services. In London this benefit is substantially enhanced as a consequence of the additional modes available in the scheme.

Recommendations

The Committee is recommended to:

1. Agree the TfL settlement of £333.94million for 2016/17.
2. Agree to the ATOC settlement of £18.520 million for 2016/17
3. Note that in May 2015, a number of services in north and east London transferred from TOCs to TfL.
4. Agree a budget for non-TfL bus services of £1.7 million.
5. Agree the reissue budget for 2016/17 of £1.518 million
6. Agree the borough payments for 2016/17 of £355.678 million
7. Agree the payment profile and dates on which boroughs' contributions are paid as 9 June 2016, 8 September 2016, 8 December 2016 and 9 March 2017.
8. Agree the 2016-2017 London Service Permit bus operators (non-TfL buses) Concessionary Scheme.

Appendices

Appendix 1: 2016/17 apportionment by mode and borough

Appendix 2: 2016/17 apportionment by quarter and borough

Background papers

Transport & Environment Committee: 11 December 2014: Item 10 - Concessionary Fares Settlement Apportionment for 2015-16

Transport & Environment Executive Sub Committee: 13 November 2014: Item 7 - Draft Revenue Budget & Charges 2015/16

Note that

Card volumes sent to TFL to get the usage data from 1st Jul 13-30 Jun 14

BOROUGH	Elderly Pass Holders @ 31/05/14	Disabled Pass Holders @ 31/05/14	Discretionary disabled Pass Holders @ 31/05/14	TOTAL Pass Holders @ 31/05/14
Barking & Dagenham	19,835	2,713	2	22,550
Barnet	58,860	8,103	13	66,976
Bexley	44,494	2,927	22	47,443
Brent	42,951	5,865	415	49,231
Bromley	65,072	4,951	266	70,289
Camden	28,415	6,014	1	34,430
City of London	1,702	82	12	1,796
Croydon	57,339	7,541	384	65,264
Ealing	47,911	7,448	19	55,378
Enfield	47,860	5,934	6	53,800
Greenwich	33,010	5,277	257	38,544
Hackney	23,297	7,508	5	30,810
Hammersmith & Fulham	21,093	4,153	367	25,613
Haringey	30,464	7,653	8	38,125
Harrow	42,776	2,773	466	46,015
Havering	49,457	3,144	3	52,604
Hillingdon	42,590	5,219	6	47,815
Hounslow	35,154	4,733	42	39,929
Islington	23,050	8,126	8	31,184
Kensington & Chelsea	26,168	3,094	2	29,264
Kingston	26,157	2,266	374	28,797
Lambeth	31,502	5,975	77	37,554
Lewisham	32,009	6,113	1,028	39,150
Merton	29,773	2,918	15	32,706

Card volumes sent to TFL to get the usage data from 1st Jul 14-30 Jun 15

BOROUGH	Elderly Pass Holders @ 31/05/15	Disabled Pass Holders @ 31/05/15	Discretionary disabled Pass Holders @ 31/05/15	TOTAL Pass Holders @ 31/05/15
Barking & Dagenham	18,240	2,639	1	20,880
Barnet	53,741	8,175	5	61,921
Bexley	41,239	2,511	9	43,759
Brent	38,855	5,775	386	45,016
Bromley	59,756	4,356	418	64,530
Camden	27,149	5,577	3	32,729
City of London	1,528	74	10	1,612
Croydon	52,357	7,510	419	60,286
Ealing	43,952	6,509	41	50,502
Enfield	44,159	4,775	3	48,937
Greenwich	30,137	4,469	241	34,847
Hackney	21,070	7,078	10	28,158
Hammersmith and Fulham	19,968	3,513	285	23,766
Haringey	28,012	6,053	9	34,074
Harrow	39,296	3,145	327	42,768
Havering	45,760	2,884	1	48,645
Hillingdon	39,701	4,012	13	43,726
Hounslow	32,683	3,558	29	36,270
Islington	21,564	6,597	2	28,163
Kensington and Chelsea	23,123	2,865		25,988
Kingston upon Thames	23,973	2,025	344	26,342
Lambeth	28,281	4,335	74	32,690
Lewisham	29,587	4,588	1,289	35,464
Merton	27,167	3,014	1	30,182

Newham	27,318	7,700	12	35,030
Redbridge	42,104	2,636	507	45,247
Richmond	33,253	1,752	265	35,270
Southwark	29,783	6,146	483	36,412
Sutton	32,823	2,882	4	35,709
Tower Hamlets	20,667	6,164	40	26,871
Waltham Forest	31,639	5,262	781	37,682
Wandsworth	35,520	6,484	18	42,022
Westminster	32,912	6,664	1,319	40,895
Total	1,146,958	166,220	7,227	1,320,405

Newham	24,166	6,761	206	31,133
Redbridge	37,557	2,554	306	40,417
Richmond upon Thames	31,026	1,790	210	33,026
Southwark	26,274	6,186	494	32,954
Sutton	30,380	2,845	3	33,228
Tower Hamlets	17,966	5,350	35	23,351
Waltham Forest	28,812	4,352	691	33,855
Wandsworth	31,943	5,869	14	37,826
Westminster	28,919	5,709	992	35,620
Total	1,048,341	147,453	6,871	1,202,665

FREEDOM PASS 2016/17 APPORTIONMENT

BOROUGH	% Bus Boardings	2016/17 Bus Charge	% Tram Boardings	2016/17 Tram Charge	% LUL Exits	2016/17 LUL Charge	% DLR Exits	2016/17 DLR Charge	% LO Exits	2016/17 LO Charge	% Crossrail Exits	2016/17 Crossrail Charge	% Greater Anglia/LO Exits	2016/17 Greater Anglia/LO Charge	Total TFL charges	% NR Exits	2016/17 NR Charge	Formula Funding Percentage	Non TFL buses and Reissue charges	Non TFL service charges	Total overall
Barking & Dagenham	1.60%	£3,851,647	0.05%	£2,233	1.74%	£1,326,357	1.14%	£42,546	0.36%	£16,915	1.24%	£29,600	1.24%	£17,028	£5,286,326	1.24%	£229,182	1.71%	£55,083	£284,265	£5,570,590
Barnet	4.34%	£10,452,553	0.22%	£10,056	6.44%	£4,909,603	0.42%	£15,446	2.51%	£119,357	1.22%	£29,160	1.22%	£16,774	£15,552,949	1.22%	£225,773	4.64%	£149,380	£375,153	£15,928,102
Bexley	2.12%	£5,119,130	0.15%	£6,615	0.76%	£577,831	4.47%	£165,948	0.47%	£22,194	3.87%	£92,658	3.87%	£53,302	£6,037,678	3.87%	£717,413	2.02%	£64,879	£782,291	£6,819,969
Brent	4.63%	£11,152,232	0.23%	£10,368	5.40%	£4,119,595	0.61%	£22,688	10.65%	£505,657	1.45%	£34,623	1.45%	£19,917	£15,865,081	1.45%	£268,071	4.68%	£150,554	£418,625	£16,283,707
Bromley	3.12%	£7,528,141	9.47%	£423,834	1.66%	£1,263,552	2.00%	£74,218	1.64%	£77,667	9.59%	£229,404	9.59%	£131,965	£9,728,782	9.59%	£1,776,180	2.93%	£94,215	£1,870,396	£11,599,178
Camden	3.41%	£8,216,895	0.18%	£7,858	4.76%	£3,629,920	0.60%	£22,321	12.09%	£573,964	1.60%	£38,271	1.60%	£22,015	£12,511,244	1.60%	£296,317	3.79%	£121,965	£418,282	£12,929,526
City of London	0.08%	£195,093	0.01%	£574	0.36%	£271,738	0.17%	£6,206	0.04%	£2,032	0.13%	£3,108	0.13%	£1,788	£480,538	0.13%	£24,064	0.13%	£4,166	£28,230	£508,769
Croydon	3.94%	£9,499,288	54.82%	£2,453,375	1.66%	£1,265,769	0.70%	£26,028	3.74%	£177,702	11.47%	£274,302	11.47%	£157,792	£13,854,255	11.47%	£2,123,800	3.87%	£124,517	£2,248,317	£16,102,572
Ealing	4.73%	£11,399,611	0.30%	£13,282	5.33%	£4,064,184	0.36%	£13,345	3.22%	£152,693	1.79%	£42,795	1.79%	£24,618	£15,710,527	1.79%	£331,341	4.42%	£142,256	£473,597	£16,184,124
Enfield	3.54%	£8,522,045	0.11%	£4,734	3.35%	£2,553,868	0.36%	£13,436	1.14%	£54,261	2.27%	£54,252	2.27%	£31,209	£11,233,804	2.27%	£420,051	3.40%	£109,253	£529,304	£11,763,109
Greenwich	2.99%	£7,199,027	0.45%	£20,256	1.47%	£1,124,508	15.36%	£570,860	1.00%	£47,260	3.87%	£92,648	3.87%	£53,296	£9,107,855	3.87%	£717,335	2.82%	£90,624	£807,959	£9,915,813
Hackney	4.07%	£9,817,643	0.11%	£4,990	2.01%	£1,536,654	2.09%	£77,784	9.23%	£438,203	2.09%	£50,086	2.09%	£28,812	£11,954,172	2.09%	£387,791	3.77%	£121,158	£508,949	£12,463,121
Hammersmith & Fulham	2.61%	£6,290,640	0.40%	£17,888	3.78%	£2,884,167	0.38%	£13,977	3.36%	£159,391	0.67%	£15,950	0.67%	£9,175	£9,391,188	0.67%	£123,490	2.71%	£87,345	£210,835	£9,602,022
Haringey	4.35%	£10,484,270	0.19%	£8,624	4.40%	£3,359,173	0.67%	£24,884	2.61%	£124,079	1.23%	£29,349	1.23%	£16,883	£14,047,263	1.23%	£227,236	4.31%	£138,601	£365,837	£14,413,100
Harrow	2.58%	£6,221,641	0.17%	£7,717	4.42%	£3,367,333	0.44%	£16,387	7.67%	£363,832	0.54%	£12,935	0.54%	£7,441	£9,997,286	0.54%	£100,147	2.71%	£87,087	£187,234	£10,184,520
Havering	2.30%	£5,530,653	0.03%	£1,536	2.00%	£1,521,945	1.46%	£54,219	1.02%	£48,583	4.42%	£105,796	4.42%	£60,859	£7,323,592	4.42%	£819,134	2.50%	£80,457	£899,592	£8,223,183
Hillingdon	2.30%	£5,535,403	0.11%	£4,975	3.40%	£2,596,500	0.35%	£13,113	0.87%	£41,117	0.74%	£17,731	0.74%	£10,200	£8,219,040	0.74%	£137,286	2.52%	£81,039	£218,325	£8,437,365
Hounslow	2.90%	£6,976,539	0.23%	£10,207	2.41%	£1,837,415	0.24%	£9,082	0.90%	£42,889	1.85%	£44,228	1.85%	£25,442	£8,945,801	1.85%	£342,436	2.68%	£86,341	£428,777	£9,374,578
Islington	3.57%	£8,592,168	0.16%	£7,289	3.48%	£2,655,086	0.70%	£26,050	4.05%	£192,146	1.19%	£28,371	1.19%	£16,320	£11,517,431	1.19%	£219,663	3.27%	£105,185	£324,848	£11,842,279
Kensington & Chelsea	2.45%	£5,911,425	0.36%	£16,160	4.07%	£3,102,665	0.41%	£15,238	1.42%	£67,414	0.69%	£16,444	0.69%	£9,460	£9,138,806	0.69%	£127,320	2.61%	£84,054	£211,375	£9,350,181
Kingston	1.60%	£3,862,038	0.96%	£42,900	0.92%	£703,808	0.13%	£4,759	0.33%	£15,504	3.74%	£89,430	3.74%	£51,445	£4,769,884	3.74%	£692,421	1.53%	£49,387	£741,808	£5,511,692
Lambeth	4.10%	£9,879,975	2.69%	£120,537	3.48%	£2,657,086	0.43%	£15,845	1.54%	£72,899	4.57%	£109,238	4.57%	£62,839	£12,918,418	4.57%	£845,781	4.26%	£137,114	£982,894	£13,901,313
Lewisham	3.65%	£8,800,941	2.53%	£113,383	1.49%	£1,133,308	6.03%	£224,113	9.68%	£459,628	5.47%	£130,759	5.47%	£75,219	£10,937,351	5.47%	£1,012,407	3.49%	£112,252	£1,124,659	£12,062,011
Merton	2.31%	£5,565,306	14.25%	£637,560	2.57%	£1,960,420	0.17%	£6,417	0.58%	£27,721	4.59%	£109,795	4.59%	£63,160	£8,370,379	4.59%	£850,096	2.40%	£77,224	£927,320	£9,297,699
Newham	3.52%	£8,481,742	0.22%	£9,968	3.59%	£2,739,257	18.57%	£690,036	1.63%	£77,512	1.94%	£46,442	1.94%	£26,716	£12,071,673	1.94%	£359,582	3.21%	£103,145	£462,728	£12,534,401
Redbridge	2.42%	£5,822,381	0.11%	£4,999	3.99%	£3,043,048	1.46%	£54,389	0.94%	£44,828	2.65%	£63,368	2.65%	£36,452	£9,069,466	2.65%	£490,630	2.61%	£83,989	£574,619	£9,644,085
Richmond	2.24%	£5,402,899	0.34%	£15,404	2.22%	£1,692,353	0.30%	£11,314	0.94%	£44,710	5.39%	£128,851	5.39%	£74,122	£7,369,653	5.39%	£997,642	2.21%	£71,129	£1,068,771	£8,438,424
Southwark	4.10%	£9,869,819	1.13%	£50,599	2.63%	£2,007,579	1.84%	£68,269	5.80%	£275,384	3.17%	£75,731	3.17%	£43,564	£12,390,945	3.17%	£586,350	3.80%	£122,440	£708,790	£13,099,735
Sutton	1.81%	£4,371,297	6.28%	£280,982	1.04%	£791,523	0.20%	£7,300	0.59%	£28,238	4.79%	£114,661	4.79%	£65,959	£5,659,960	4.79%	£887,773	1.77%	£57,048	£944,821	£6,604,782
Tower Hamlets	2.11%	£5,075,786	0.23%	£10,252	2.97%	£2,266,876	34.86%	£1,295,253	4.20%	£199,196	0.92%	£22,022	0.92%	£12,668	£8,882,053	0.92%	£170,511	2.25%	£72,256	£242,766	£9,124,820
Waltham Forest	2.84%	£6,834,308	0.12%	£5,542	3.12%	£2,381,897	1.98%	£73,688	2.55%	£120,845	2.24%	£53,583	2.24%	£30,824	£9,500,686	2.24%	£414,870	2.66%	£85,718	£500,589	£10,001,275
Wandsworth	3.94%	£9,495,728	2.87%	£128,616	3.95%	£3,010,747	0.35%	£13,129	1.59%	£75,330	6.93%	£165,660	6.93%	£95,296	£12,984,506	6.93%	£1,282,633	4.23%	£136,075	£1,418,708	£14,403,214
Westminster	3.74%	£9,006,734	0.48%	£21,689	5.13%	£3,914,234	0.75%	£27,708	1.62%	£76,851	1.70%	£40,750	1.70%	£23,441	£13,111,407	1.70%	£315,508	4.10%	£132,064	£447,572	£13,558,980
Total	100.00%	£240,965,000	100.00%	£4,475,000	100.00%	£76,270,000	100.00%	£3,716,000	100.00%	£4,746,000	100.00%	£2,392,000	100.00%	£1,376,000	£333,940,000	100.00%	£18,520,236	100.00%	£3,218,000	£21,738,236	£355,678,236

NOTE

1. TFL settlement does not include the cost of the am journeys
2. Bus, Tram, Underground, DLR and London Overground costs are apportioned by respective usage.
3. London Overground/Greater Anglia, Crossrail and National Rail costs are apportioned 100% on the NR usage
4. Non TFL buses and reissue elements are apportioned by proportion of the 2013/14 Formula Funding allocated to boroughs (as calculated by Central Government, which is fixed till 2020)

Mode	Settlement
Bus	£240,965,000
London Underground	£76,270,000
DLR	£3,716,000
Tramlink	£4,475,000
London Overground	£4,746,000
Crossrail	£2,392,000
Greater Anglia (LO)	£1,376,000
Total Settlement	£333,940,000
National Rail (ATOC)	£18,520,236
Other Bus Operators (LSP routes)	£1,700,000
Reissue Costs	£1,518,000
Non TFL total	£21,738,236
TOTAL AMOUNT 2016/17	£355,678,236

FREEDOM PASS 2016/17 APPORTIONMENT: Quarterly Payment

Authority	First payment 09/06/2016 (£) Paid to TFL	First payment 09/06/2016 (£) Paid to London Councils	Second payment 08/09/2016 (£) Paid to TFL	Second payment 08/09/2016 (£) Paid to London Councils	Third payment 08/12/2016 (£) Paid to TFL	Third payment 08/12/2016 (£) Paid to London Councils	Fourth payment 09/03/2017 (£) Paid to TFL	Fourth payment 09/03/2017 (£) Paid to London Councils	Total per borough (£) Paid to TFL	Total per borough (£) Paid to London Councils	Total per borough (£)
Barking & Dagenham	1,314,347	71,066	1,314,347	71,066	1,314,347	71,066	1,343,285	71,066	5,286,326	284,264	5,570,590
Barnet	3,866,953	93,788	3,866,953	93,788	3,866,953	93,788	3,952,090	93,788	15,552,949	375,152	15,928,101
Bexley	1,501,157	195,573	1,501,157	195,573	1,501,157	195,573	1,534,207	195,573	6,037,678	782,292	6,819,970
Brent	3,944,559	104,656	3,944,559	104,656	3,944,559	104,656	4,031,405	104,656	15,865,082	418,624	16,283,706
Bromley	2,418,882	467,599	2,418,882	467,599	2,418,882	467,599	2,472,137	467,599	9,728,783	1,870,396	11,599,179
Camden	3,110,689	104,571	3,110,689	104,571	3,110,689	104,571	3,179,176	104,571	12,511,243	418,284	12,929,527
City of London	119,477	7,058	119,477	7,058	119,477	7,058	122,107	7,058	480,538	28,232	508,770
Croydon	3,444,604	562,078	3,444,604	562,078	3,444,604	562,078	3,520,443	562,078	13,854,255	2,248,312	16,102,567
Ealing	3,906,131	118,399	3,906,131	118,399	3,906,131	118,399	3,992,132	118,399	15,710,525	473,596	16,184,121
Enfield	2,793,078	132,326	2,793,078	132,326	2,793,078	132,326	2,854,572	132,326	11,233,806	529,304	11,763,110
Greenwich	2,264,499	201,990	2,264,499	201,990	2,264,499	201,990	2,314,356	201,990	9,107,853	807,960	9,915,813
Hackney	2,972,184	127,237	2,972,184	127,237	2,972,184	127,237	3,037,621	127,237	11,954,173	508,948	12,463,121
Hammersmith & Fulham	2,334,945	52,709	2,334,945	52,709	2,334,945	52,709	2,386,353	52,709	9,391,188	210,836	9,602,024
Haringey	3,492,592	91,459	3,492,592	91,459	3,492,592	91,459	3,569,487	91,459	14,047,263	365,836	14,413,099
Harrow	2,485,640	46,808	2,485,640	46,808	2,485,640	46,808	2,540,366	46,808	9,997,286	187,232	10,184,518
Havering	1,820,875	224,898	1,820,875	224,898	1,820,875	224,898	1,860,965	224,898	7,323,590	899,592	8,223,182
Hillingdon	2,043,512	54,581	2,043,512	54,581	2,043,512	54,581	2,088,503	54,581	8,219,039	218,324	8,437,363
Hounslow	2,224,208	107,194	2,224,208	107,194	2,224,208	107,194	2,273,177	107,194	8,945,801	428,776	9,374,577
Islington	2,863,596	81,212	2,863,596	81,212	2,863,596	81,212	2,926,643	81,212	11,517,431	324,848	11,842,279
Kensington & Chelsea	2,272,195	52,844	2,272,195	52,844	2,272,195	52,844	2,322,221	52,844	9,138,806	211,376	9,350,182
Kingston	1,185,943	185,452	1,185,943	185,452	1,185,943	185,452	1,212,054	185,452	4,769,883	741,808	5,511,691
Lambeth	3,211,926	245,724	3,211,926	245,724	3,211,926	245,724	3,282,642	245,724	12,918,420	982,896	13,901,316
Lewisham	2,719,370	281,165	2,719,370	281,165	2,719,370	281,165	2,779,241	281,165	10,937,351	1,124,660	12,062,011
Merton	2,081,140	231,830	2,081,140	231,830	2,081,140	231,830	2,126,960	231,830	8,370,380	927,320	9,297,700
Newham	3,001,398	115,682	3,001,398	115,682	3,001,398	115,682	3,067,479	115,682	12,071,673	462,728	12,534,401
Redbridge	2,254,955	143,655	2,254,955	143,655	2,254,955	143,655	2,304,601	143,655	9,069,466	574,620	9,644,086
Richmond	1,832,328	267,193	1,832,328	267,193	1,832,328	267,193	1,872,670	267,193	7,369,654	1,068,772	8,438,426
Southwark	3,080,779	177,198	3,080,779	177,198	3,080,779	177,198	3,148,608	177,198	12,390,945	708,792	13,099,737
Sutton	1,407,244	236,205	1,407,244	236,205	1,407,244	236,205	1,438,227	236,205	5,659,959	944,820	6,604,779
Tower Hamlets	2,208,358	60,692	2,208,358	60,692	2,208,358	60,692	2,256,979	60,692	8,882,053	242,768	9,124,821
Waltham Forest	2,362,170	125,147	2,362,170	125,147	2,362,170	125,147	2,414,177	125,147	9,500,687	500,588	10,001,275
Wandsworth	3,228,357	354,677	3,228,357	354,677	3,228,357	354,677	3,299,435	354,677	12,984,506	1,418,708	14,403,214
Westminster	3,259,909	111,893	3,259,909	111,893	3,259,909	111,893	3,331,681	111,893	13,111,408	447,572	13,558,980
Overall Total	83,028,000	5,434,559	83,028,000	5,434,559	83,028,000	5,434,559	84,856,000	5,434,559	333,940,000	21,738,236	355,678,236

INCREASE YEAR ON YEAR: 2012/13 - 2016/17

BOROUGH	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	% change 2012/13- 2013/14	% change 2013/14- 2014/15	% change 2014/15- 2015/16	% change 2015/16- 2016/17
Barking & Dagenham	£5,380,377	£5,473,032	£5,608,419	£5,631,747	£5,570,590	1.72%	2.47%	0.42%	-1.09%
Barnet	£14,958,511	£15,293,139	£15,593,421	£15,807,177	£15,928,102	2.24%	1.96%	1.37%	0.77%
Bexley	£6,035,494	£6,281,469	£6,486,263	£6,649,278	£6,819,969	4.08%	3.26%	2.51%	2.57%
Brent	£14,771,368	£15,343,536	£15,901,592	£16,091,172	£16,283,707	3.87%	3.64%	1.19%	1.20%
Bromley	£9,184,452	£9,637,956	£10,412,177	£10,978,629	£11,599,178	4.94%	8.03%	5.44%	5.65%
Camden	£12,292,188	£12,249,471	£12,685,863	£12,859,131	£12,929,526	-0.35%	3.56%	1.37%	0.55%
City of London	£479,051	£482,889	£488,527	£509,077	£508,769	0.80%	1.17%	4.21%	-0.06%
Croydon	£13,372,539	£13,380,151	£14,697,629	£15,341,035	£16,102,572	0.06%	9.85%	4.38%	4.96%
Ealing	£14,064,035	£15,454,212	£15,925,906	£16,159,492	£16,184,124	9.88%	3.05%	1.47%	0.15%
Enfield	£10,565,232	£11,464,485	£11,643,258	£11,750,977	£11,763,109	8.51%	1.56%	0.93%	0.10%
Greenwich	£8,642,881	£9,000,619	£9,517,808	£9,763,785	£9,915,813	4.14%	5.75%	2.58%	1.56%
Hackney	£11,173,566	£11,580,623	£12,285,743	£12,481,438	£12,463,121	3.64%	6.09%	1.59%	-0.15%
Hammersmith & Fulham	£8,833,301	£9,577,030	£9,669,410	£9,693,933	£9,602,022	8.42%	0.96%	0.25%	-0.95%
Haringey	£13,401,174	£13,884,682	£14,325,589	£14,486,236	£14,413,100	3.61%	3.18%	1.12%	-0.50%
Harrow	£8,951,183	£9,661,765	£9,647,554	£9,838,050	£10,184,520	7.94%	-0.15%	1.97%	3.52%
Havering	£7,718,089	£7,661,486	£7,868,807	£8,053,421	£8,223,183	-0.73%	2.71%	2.35%	2.11%
Hillingdon	£8,164,811	£8,375,545	£8,493,526	£8,561,970	£8,437,365	2.58%	1.41%	0.81%	-1.46%
Hounslow	£8,280,033	£8,956,289	£9,241,256	£9,359,192	£9,374,578	8.17%	3.18%	1.28%	0.16%
Islington	£10,184,144	£11,508,508	£11,801,571	£11,923,050	£11,842,279	13.00%	2.55%	1.03%	-0.68%
Kensington & Chelsea	£8,587,443	£9,214,957	£9,351,414	£9,455,036	£9,350,181	7.31%	1.48%	1.11%	-1.11%
Kingston	£4,629,964	£4,692,784	£5,066,107	£5,283,142	£5,511,692	1.36%	7.96%	4.28%	4.33%
Lambeth	£13,153,344	£13,306,568	£13,785,473	£14,084,801	£13,901,313	1.16%	3.60%	2.17%	-1.30%
Lewisham	£10,476,496	£10,713,190	£11,499,030	£11,861,952	£12,062,011	2.26%	7.34%	3.16%	1.69%
Merton	£8,122,513	£8,570,893	£8,851,663	£9,000,608	£9,297,699	5.52%	3.28%	1.68%	3.30%
Newham	£10,322,733	£11,726,091	£12,268,758	£12,665,316	£12,534,401	13.59%	4.63%	3.23%	-1.03%
Redbridge	£8,604,923	£9,222,450	£9,478,503	£9,689,255	£9,644,085	7.18%	2.78%	2.22%	-0.47%
Richmond	£6,930,703	£7,254,532	£7,692,779	£8,011,178	£8,438,424	4.67%	6.04%	4.14%	5.33%
Southwark	£11,445,874	£11,863,515	£12,742,919	£13,003,182	£13,099,735	3.65%	7.41%	2.04%	0.74%

Sutton	£5,526,848	£5,624,449	£6,071,509	£6,306,219	£6,604,782	1.77%	7.95%	3.87%	4.73%
Tower Hamlets	£7,802,263	£8,402,802	£8,960,902	£9,363,200	£9,124,820	7.70%	6.64%	4.49%	-2.55%
Waltham Forest	£8,424,098	£9,268,654	£9,541,033	£9,804,597	£10,001,275	10.03%	2.94%	2.76%	2.01%
Wandsworth	£13,128,500	£13,275,505	£14,022,425	£14,420,004	£14,403,214	1.12%	5.63%	2.84%	-0.12%
Westminster	£13,128,871	£13,487,723	£13,928,164	£14,087,070	£13,558,980	2.73%	3.27%	1.14%	-3.75%
Total	£316,737,000	£331,891,000	£345,555,000	£352,974,350	£355,678,236	4.78%	4.12%	2.15%	0.77%

London Councils' Transport and Environment Committee

Revenue Budget and Borough Charges 2016/17

Item no: 09

Report by: Frank Smith **Job title:** Director of Corporate Resources
Date: 10 December 2015
Contact Officer: Frank Smith
Telephone: 020 7934 9700 **Email:** frank.smith@londoncouncils.gov.uk

Summary

This report details the outline revenue budget proposals and the proposed indicative borough subscription and charges for 2016/17.

These proposals were considered by the Executive Sub-Committee at its meeting on 24 November. The Executive Sub-Committee agreed to recommend that the full Committee approves these proposals.

Recommendations

The Committee is asked to approve:

- The changes in individual levies and charges for 2016/17 as follows:
 - The Parking Core Administration Charge of £1,500 per borough and for TfL (2015/16 - £1,500; paragraph 37);
 - The total Parking Enforcement Service Charge of £0.4681 which will be distributed to boroughs and TfL in accordance with PCNs issued in 2014/15 (2015/16 - £0.4333 per PCN; paragraphs 35-36);
 - No charge to boroughs in respect of the Freedom Pass Administration Charge, which is covered by replacement Freedom Pass income (2015/16 - £8,674; paragraph 16);
 - The Taxicard Administration Charge to boroughs of £338,182 in total (2015/16 - £338,182; paragraphs 17-19).
 - No charge to boroughs in respect of the Lorry Control Administration Charge, which is fully covered by estimated PCN income (2015/16 – nil charge; paragraphs 20-21);
 - The Parking and Traffic Appeals Charge of £33.32 per appeal or £29.90 per appeal where electronic evidence is

provided by the enforcing authority (2015/16 - £33.40/£29.97 per appeal). In addition, a new differential charge is proposed for hearing Statutory Declarations of £28.17 for hard copy submissions and £27.49 for electronic submissions (2015/16 - £33.40/£29.97 per SD) (paragraph 28);

- Congestion Charging Appeals – to be recovered on a full cost recovery basis, subject to the continuing agreement of the GLA under the contract arrangements that run until December 2016 (paragraph 29);
- The TRACE (Electronic) Charge of £7.31 per transaction (2015/16 - £8.60; paragraphs 33-34);
- The TRACE (Fax) Charge of £7.48 per transaction (2015/16 - £8.80; paragraphs 33-34); and
- The TEC¹ Charge of £0.17 per transaction (2015/16 - £0.20; paragraphs 33-34);
- The provisional gross revenue expenditure of £378.786 million for 2016/17, as detailed in Appendix A;
- On the basis of the agreement of the above proposed charges, the provisional gross revenue income budget of £378.143 million for 2016/17, with a recommended transfer of £643,000 from uncommitted Committee reserves to produce a balanced budget, as shown in Appendix B;
- From proposed reserves of £643,000, a sum of £10,000 be repatriated to each borough (and TfL) from TEC uncommitted reserves, amounting to £340,000 in total, in the form of a one-off payment, as per paragraph 54; and
- The proposed changes to the Committee's formal policy on reserves and the transfer of a further sum of £500,000 from the Committee's general reserves to the specific reserve for the 2020 Freedom Pass reissue, as detailed in paragraphs 56-64.

The Committee is also asked to note the current position on reserves, as set out in paragraphs 52-55 and Table 9 of this report and the estimated total charges to individual boroughs for 2016/17, as set out in Appendix C.1.

¹ The system that allows boroughs to register any unpaid parking tickets with the Traffic Enforcement Centre and apply for bailiff's warrants.

Introduction

1. This report details the outline revenue budget proposals and the proposed indicative borough subscription and charges for 2015/16. These proposals were considered by the Executive Sub-Committee at its meeting on 24 November. The Executive Sub-Committee agreed to recommend that the full Committee approves these proposals.
2. The report will, therefore, examine the key features of the proposed budget for 2016/17 and make proposals as to the level of charges for the Committee's consideration.

Proposed Revenue Budget 2016/17 - Overview

3. The proposals in this report incorporate the following assumptions:
 - Estimated savings of £426,000 arising from the change of Parking Managed Services contractor, reflecting the full year effect of Northgate's contract pricing structure that became effective in July 2015;
 - Total savings of £286,242, or £8,674 per borough, from the Freedom Pass administration fee becoming fully funded by income receipts from replacing Freedom Passes that are lost or damaged;
 - Additional London Lorry Control PCN income of £200,000 (£50,000 of which will fund work on the review and development of the scheme), reflecting actual collection levels over the previous two financial years. The London Lorry Control scheme remains fully financed from income receipts;
 - Projected savings of £107,000 in 2016/17 arising from the move from Angel Square to Chancery Exchange, primarily due to the necessary slight overlap of premises costs in 2015/16 and from anticipated lower service charges at Chancery Exchange. This is offset by an additional annual depreciation charge of £84,000 in respect of the refurbishment works undertaken at Chancery Exchange during 2015/16, leaving a net benefit of £23,000.
 - The deletion of offsetting income and expenditure budgets of £977,000 in respect of the contract with the British Parking Association (BPA) for hearing Parking Appeals on Private Land (POPLA), which expired on 30 September 2015.
 - An increase in the TfL element of the freedom pass settlement for 2016/17 of £6.018 million, or 1.84%;
 - A reduction in the ATOC element of the freedom pass settlement of £2.814 million, or 13.19%;
 - A reduction in the budget for other bus operators for local journeys originating in London of £500,000, or 22.7%, after allowing for fares inflation of 2.3%. This reduced sum reflects the outturn projection for 2016/17, based on current claim trends being lodged by operators.

- TfL will provide an annual fixed S.159 grant of £9.704 million, inclusive of estimated Annual Taxicard Tariff inflation of 0.8% for Taxicard in 2016/17, compared to the base £9.627 million for 2015/16. The total borough contribution towards the Taxicard scheme in 2016/17 is estimated to be £2.658 million, although this will be adjusted to reflect actual borough budgets when they are confirmed in February 2016;
 - The annual Freedom Pass survey and reissue costs budget to remain at the current year's level of £1.518 million;
 - An estimated 1% cost of living increase on all salary costs, including adjudicators' fees. In addition, there will be an estimated further 2.27% increase in payroll costs due additional employers NICs payable as a result of the state pension reforms. Increased costs will also be payable in respect of new arrangements to recover past service pension deficits.
 - The overall staffing budget continues to include a £30,000 provision for maternity cover and the vacancy level remains at 2%;
 - A zero inflationary increase in all other running cost budgets for 2016/17, unless subject to binding contractual increases;
 - Additional central recharges to TEC of £158,000 arising from the loss of the BPA contract, which will need to be respread across all other TEC services; and
4. The proposals in this report recommend the following:
- The Parking Core administration charge being held at the 2015/16 level of £1,500;
 - A reduction in the unit cost of a manual parking appeal charged to boroughs and TfL street management of £0.08 per appeal, or 0.23%. For appeals where evidence is submitted electronically, the unit cost will reduce by £0.07 or 0.25%. For the first time in 2016/17, a differential unit charge is proposed for dealing with statutory declarations, which brings additional savings of £5.15 per manual transaction and £2.41 per electronic transaction;
 - An increase in the Parking Enforcement service charge of £0.0348 per PCN, or 8.03%, which will be apportioned to boroughs and TfL in accordance with the total number of PCNs issued by enforcing authorities in 2014/15;
 - No charge to boroughs for the Freedom Pass administration charge for 2016/17, delivering a saving of £8,674 per borough;
 - The total Taxicard administration charge of £338,000 being held at the current year's level, which will be apportioned to boroughs in accordance with the scheme membership as at 30 September 2015;
 - No charge to boroughs for the London lorry control scheme administration charge for 2016/17, as for the current year;
 - A reduction in the TRACE electronic charge of £1.29, or 15% per transaction;

- A reduction in the TRACE fax charge of £1.32, or 15%, per transaction; and
 - A reduction in the TEC charge of £0.03 per transaction, or 15%.
5. These charges are reviewed annually in order to identify efficiencies and, where appropriate, reduce charges further for boroughs and TfL.
 6. The following paragraphs detail the main proposed budget headings for 2016/17 and highlight any significant changes over 2015/16. The proposed level of expenditure for 2016/17 amount to £378.786 million. A sum of £366.523 million relates to direct expenditure on the transport operators providing the Freedom Pass and the Taxicard schemes. After excluding the £340,000 in respect of the proposed one-off payment to boroughs in 2016/17, this leaves £11.923 million relating to expenditure on parking and traffic related traded service and other operating expenditure. This compares to a comparable sum of £12.128 million for the current year, a reduction of £205,000, or 1.7%.

Freedom Pass

7. The main settlement with TfL for concessionary travel on its service is £333.94 million, an increase of £6.108 million, or 1.84%, on the figure of £327.922 million for 2015/16. This reflects fares inflation of 1%, a 0.3% reduction in journey volumes and 1.1% in respect of new services, covering the recent transfer of services from ATOC. This issue is explored in greater details in a separate report on this agenda.
8. The budget in respect of the Association of Train Operating Companies (ATOC) has been reduced by £2.997 million on the figure of £21.334 million for the current year to reflect the recent transfer of services to TfL. After adding fares inflation of 1%, the total budget is £18.52 million, an overall reduction of £2.812 million, or 13.2%.
9. The budget of £2.2 million for payments to other bus operators for local journeys originating in London has been reduced by a net figure of £500,000, or 22.7%, to £1.7 million, after allowing for fares inflation of 2.3%. This reduced sum reflects the projection for 2016/17, based on current claim trends being lodged by operators.
10. The budget for the freedom pass issuing costs was £1.518 million for 2015/16. For 2016/17, it is proposed that the budget remains at this level and continue to be reviewed each year in the light of immediate reissue numbers in the run up to the next substantive reissue exercise in 2020. In addition, there could be potential increases in contractor costs in 2016/17, associated with the provision of the customer call centre operations, and these will to be contained with the overall budgetary provision.
11. For income in respect of replacement Freedom Passes, trends indicate that despite the reissue of nearly 1 million freedom passes over the past two years, accrued income continues to exceed the approved budget of £500,000, so it is proposed to increase the income budget for replacement passes by £50,000 to £550,000. As stated in paragraphs 3 and 4 and detailed in paragraph 16 below, it is proposed that the cost of administering the Freedom Pass scheme will be fully funded by this income stream in 2016/17.

12. As agreed in setting the budget for the current year in December 2014, any annual surplus arising from both the freedom pass issuing costs budget of £1.518 million (paragraph 10 above) and replacement freedom passes income budget of £550,000 (paragraph 11 above) will be transferred to a specific reserve to accumulate funds to offset the cost of the next pass reissue exercise scheduled for 2020. At its October 2015 meeting, this Committee agreed to transfer £500,000 from general reserves to this specific reserve to kick start this process and the position will be reviewed annually to ensure a substantive fund is on track to be accumulated for the 2020 reissue.
13. Following the meeting of the TEC Executive Sub-Committee on 24 November, it is proposed to transfer an additional £500,000 from uncommitted general reserves to the specific reserve to fund the cost of the next pass reissue exercise scheduled for 2020.
14. A summary of the estimated freedom pass costs for 2016/17, compared to the actual costs for the current year, can be summarised in Table 1 below:

Table 1 – Comparative financing of Freedom Pass 2015/16 and 2014/15

Estimated Cost of Freedom Pass	2016/17(£000)	2015/16(£000)
TfL Settlement	333,940	327,922
ATOC Settlement	18,520	21,334
Non TfL Bus Operators Settlement	1,700	2,050
Survey and Reissue Costs	1,518	1,518
Total Cost	355,678	352,974

15. The total cost of the scheme is fully funded by boroughs and the sum payable by boroughs in 2016/17 of £355.678 million compares to £352.974 million payable for 2015/16, an increase of £2.704 million or 0.77%. The majority of costs payable by boroughs will be apportioned in accordance with usage data, in accordance with the agreed recommendations of the arbitrator in 2008.
16. The administration of the freedom pass covers London Councils costs in negotiating the annual settlements and managing the relationships with transport operators and contractors. For 2016/17, the total cost is estimated to be £386,816, compared to £371,899 in 2015/16. This equates to £11,722 per borough. However, it is proposed to use a proportion of the income accrued from the replacement of lost and damaged Freedom Passes (refer paragraph 11) to levy a nil charge in 2016/17, which members are asked to approve. This position will be reviewed annually to ensure forecast income streams continue to cover the costs of administering the scheme.

Taxicard

17. As stated in paragraph 3, TfL will provide an annual fixed S.159 grant of £9.723 million, inclusive of Annual Taxicard Tariff inflation for 2016/17 of £77,000 (0.8%). The total borough contribution towards the Taxicard scheme in 2016/17 is estimated to be £2.658 million, although the decision on boroughs' contributions is a matter for boroughs to take individually and will be confirmed by February 2016. The base budgetary provision for the contract with CityFleet Networks Limited for 2016/17 will, therefore, be £12.362 million, a provisional increase of £77,000 on the revised budget of £12.285 million for the current year.

18. The cost of administration of the Taxicard Scheme is estimated to be £528,735 in 2016/17 compared to £478,950 in 2015/16. After excluding the contribution from TfL towards these costs of £104,768 and anticipated income of £36,000 from charging for replacement taxicards, the net cost to be charged to boroughs in 2016/17 is £387,967. However, as a proportion of the increase in the administration cost is due to an increase in existing overheads apportioned to the service following the end of the POPLA contract, it is proposed to use uncommitted general reserves held by the Committee to hold the charge at the 2015/16 level of £338,182.
19. The active Taxicard membership data as at 30 September 2015 is 67,780, compared to 76,018 as at 30 September 2014, a reduction of 8,238, or 10.8%, due to further cleansing of the membership data in accordance with the Executive Sub-Committee's decision of July 2014. The reduction in the spreading base has increased the underlying unit cost of a permit from £4.45 to £4.99 per member.

Lorry Control Scheme

20. This is calculated in the same manner as the freedom pass and taxicard administration charge, although it is apportioned to boroughs in accordance with the ONS mid-year population figures for, in the case of 2016/17, June 2014. The total cost of administering the scheme is estimated to be £674,119 in 2016/17, compared to £541,793 in 2015/16. The increase is attributable to additional staffing resources to provide targeted input in this area, which in turn has led to an increase in the share of central overheads, which in turn have separately also increased following the end of the POPLA contract. In addition, a sum of £50,000 has been earmarked for the review and development of the scheme in 2016/17.
21. However, after analysing receipts from PCNs issued in relation to the scheme over the past two financial years, it is proposed to increase the income target from £550,000 to £750,000, meaning that there will be a continuation of the nil charge to the 29 participating boroughs plus TfL towards the scheme in 2016/17. Again, this position will be reviewed annually to ensure forecast income streams continue to cover the costs of administering the scheme.

Environment and Traffic Adjudicators (ETA) Fees

22. The budget for adjudicators' fees and training will be increased for 2016/17, in accordance with the recommendation of the Senior Salaries Review Board in respect of the 2015 pay award. This mechanism, which was agreed by TEC in November 2001, keeps the Adjudicators' pay at 80% of that for Group 7 full-time judicial appointments outside London. This hourly rate increases by £0.60, or 1% from £60 to £60.60, inclusive of employers' National Insurance Contributions.
23. The estimated volume of ETA appeals for 2016/17, based volumes in the first half of 2015/16, adjusted for known developments, is 52,885, significantly less than the 69,434 level for the current year, although the actual number of appeals heard in 2014/15 was 56,610 including Statutory Declarations, Moving Traffic Offences and Lorry Ban Appeals. Whilst this indicates that there is a downward trend in the number of appeals, services were interrupted during the summer with the move of the appeals hearing centre from Angel Square to Chancery Exchange and the change of parking managed services provider from Capita to Northgate, which involved the introduction of an entirely new IT system. This factor may also have contributed to the reduction in actual appeal numbers.

24. Based on the average throughput of appeals for the first six months of the current year of 2.76 appeals heard per hour (compared to 3.03 appeals per hour when the current year's budget was set last December), the ETA adjudicator fees base budget of £1.374 million has been reduced by £224,000 to £1.15 million for 2016/17 to reflect the current volumes and throughput rate, and then inflated by £12,000 to £1.162 million to reflect the pay award.

Road User Charging Adjudicators (RUCA) Fees

25. The estimated volume of RUCA appeals for 2016/17, based volumes in the first half of 2015/16, adjusted after consultation with TfL, is 6,167, a reduction on the figure of 7,352 for the current year. The actual number of RUCA Appeals dealt with in 2014/15, including Statutory Declarations, was 6,534.
26. The budget for RUCA adjudicators' fees has, therefore, been increased by £74,000 from £123,000 to £197,000 for 2016/17 to reflect current costs, and then inflated by £2,000 to £199,000 to reflect the pay award. The Committee is currently reimbursed at cost by the GLA/TfL for the hearing of RUCA appeals.

Appeals Unit Charges 2016/17

27. The estimated overall cost for hearing appeals for 2016/17 is laid out in Table 2 below:

Table 2 – Proposed Unit Cost for Appeals 2016/17

	ETA	RUCA	Total
Estimated Appeal Nos.	52,885	6,167	59,052
Average Case per hour	2.76	1.88	2.63
Adjudicator Hours	19,161	3,277	22,438
Expenditure	£	£	£
Adjudicators Fees	1,162,429	198,598	1,361,028
Northgate Variable Cost	349,103	42,070	391,173
Postage/Admin	116,347	13,567	129,914
Total	1,627,879	254,236	1,882,115
Income			
Hearing Fees	1,627,879	254,236	1,882,115
Average Indicative Unit Cost of Appeal	30.78	41.23	31.87

28. For ETA appeals, based on an estimated 52,885 appeals and a projected throughput rate of 2.76 cases being heard per hour during 2016/17, it is proposed that the indicative hard copy unit ETA appeal cost for 2016/17 is £33.32, a reduction of £0.08 or 0.23% on the charge of £33.40 for 2015/16. For appeals where electronic evidence is provided by an enforcing authority, it is proposed that the unit cost will reduce by a further £3.42 to £29.90 in recognition of the reduced charge from the contractor. In addition, under the new contract, it is possible to offer boroughs a differential charge for the processing of ETA statutory declarations. For hard copy statutory declarations, the proposed unit charge will be £28.17 compared to the charge of £33.40 for the current year, which currently mirrors the hard copy appeal charge. This represents a reduction of £5.23, or 15.65%. For electronic statutory declarations, the proposed unit

charge will be £27.49, a reduction of £2.48, or 8.28% on the electronic appeal unit charge for the current year. This demonstrates that there remains a clear financial incentive for boroughs to move towards submitting electronic evidence under the new contract arrangements. The Committee is asked, therefore, to approve these appeal charges to users for 2016/17.

29. London Councils is contracted to provide the RUCA appeals service up until December 2016 and it is assumed that there will be a continuation of the agreement for TfL/GLA to reimburse London Councils on an actual cost-recovery basis for the variable cost of these transactions, rather than on a unit cost basis. Continuation of this agreement into 2016/17 will ensure that a breakeven position continues in respect of these transactions, so the estimated cost of £254,236 for hearing an estimated 6,167 RUCA appeals will be fully recovered. The fixed cost element of the contract, based on the split of actual appeals heard in 2014/15, is £471,904, a reduction of £21,156 of the recharge of £493,060 for 2015/16, although London Councils has the right to further review this sum if operational circumstances change.

Parking Managed Services – Other Variable Charges to Users

30. These variable charges form part of the parking managed service contract provided by Northgate, the volumes of which the Committee has no control. The individual boroughs are responsible for using such facilities and the volumes should not, therefore, be viewed as service growth. The volumes are based on those currently being processed by the contractor and are recharged to the boroughs and TfL as part of the unit cost charge. Current trends during the first half of 2015/16 suggest that the TRACE electronic and the TEC volumes are in line with the current year, but that there has been a significant increase in the TRACE fax transaction volumes over 2015/16. The estimated effect on expenditure trends are illustrated in Table 3 below:

Table 3 – Estimated expenditure on variable parking services 2016/17 and 2015/16

2016/17	Estimated Volumes (Nos)	Contractor Charge (£)	Expenditure Budget (£)
TRACE (Electronic)	46,100	1.69	77,909
TRACE (Fax Transaction)	16,516	3.72	61,440
TEC	599,204	0.09	53,928
Total	-	-	193,277
2015/16	Estimated Volumes (Nos)	Contractor Charge (£)	Expenditure Budget (£)
TRACE (Electronic)	47,260	4.77/1.69	116,260
TRACE (Fax Transaction)	6,294	12.27/3.72	36,867
TEC	602,234	0.1057/0.09	56,565
PED/PIE	28	0.1057/0.09	3
Total	-	-	209,695

31. The estimated reduction in expenditure between 2015/16 and 2016/17, due to the significant increase in TRACE fax volumes, combined with lower unit costs from Northgate, is £16,418.
32. The corresponding estimated effect on income trends are illustrated in Table 4 below:

Table 4 – Estimated income accruing from variable parking services 2016/17 and 2015/16

2016/17	Estimated Volumes (Nos)	Proposed Unit Charge (£)	Income Budget (£)
TRACE (Electronic)	46,100	7.31	336,991
TRACE (Fax Transaction)	16,516	7.47	123,540
TEC	599,204	0.17	101,865
Total	-	-	562,396
2015/16	Estimated Volumes (Nos)	Actual Unit Charge (£)	Income Budget (£)
TRACE (Electronic)	47,260	8.60	406,436
TRACE (Fax Transaction)	6,294	8.80	55,387
TEC	602,234	0.20	120,447
PED/PIE	28	0.20	6
Total	-	-	582,276

33. The corresponding estimated effect on income, between 2015/16 and 2016/17, due to the projected increase in TRACE fax volumes and the proposed user charges is a reduction of £19,880, leading to a net overall reduction in budgeted income of £3,462. The charging structure historically approved by TEC for the provision of the variable parking services (excluding appeals) includes a profit element in each of the charges made to boroughs and other users for these services. This differential has been maintained in the proposed charges for 2016/17, which takes on board the full year effect of the revised charges from the start of the new contract in July 2015.
34. The Committee is asked, therefore, to approve the following non-appeal charges to users for 2016/17:
- The TRACE (Electronic) charge of £7.31 per transaction, a reduction of £1.29, or 15%, on the £8.60 charge for the current year;
 - The TRACE (Fax) charge of £7.48 per transaction, a reduction of £1.32, or 15%, on the £8.80 charge for the current year; and
 - The TEC charge of £0.17 per transaction, a reduction of £0.03, or 15%, on the £0.20 charge for the current year.

Parking Enforcement Service Charge

35. The majority of this charge is made up of the fixed cost element of the parking managed service contract provided by Northgate and the provision of accommodation and administrative support to the appeals hearing centre. The calculation for 2016/17 reflects the full year effect of the new managed service contract with Northgate and the move to the new premises of the appeals hearing centre at Chancery Exchange. However, it also reflects the fact that a proportion of the hearing centre premises costs and other existing overheads can no longer be charged to POPLA now that the contract with the BPA has ended. The total fixed cost is allocated to users in accordance with the number of PCNs issued, which for 2016/17 will be those issued by enforcing authorities during 2014/15, which is detailed in Appendix D. For 2016/17, expenditure of £2.694 million needs to be recouped, compared to £2.653 million for 2015/16, which is detailed in Table 5 below:

Table 5 – Breakdown of Parking Enforcement Charge 2016/17

	2016/17 (£000)	2015/16 (£000)
Fixed Contract Costs	1,064	1,238
Hearing Centre Premises Costs	620	518
Direct Staffing Costs	542	477
General Office Expenditure	190	160
Central Recharges	278	260
Total	2,694	2,653

36. After top-slicing this amount for the revised fixed contract sum of £472,000 attributable to congestion charging and LEZ offences rechargeable to the GLA (refer paragraph 29), a total of £2.222 million remains to be apportioned through the 4.746 million PCN's issued by boroughs and TfL in 2014/15 in respect of parking, bus lane, moving traffic and lorry ban enforcement, compared to 4.985 million issued in 2013/14. The 239,000 decrease in the number of PCNs issued over the two comparative years decreases the spreading base, which together with a marginal increase in costs leads to an increase in the actual unit charge to boroughs and TfL of £0.0348, or 8.03%, from £0.4333 to £0.4681 per PCN for 2016/17, which the Committee is asked to approve.

Parking Core Administration Charge

37. The core subscription covers a proportion of the cost of the central management and policy work of the Committee and its related staff, accommodation, contract monitoring and other general expenses. It is charged to boroughs and TfL at a uniform rate, which for 2015/16 was £1,500 per borough. As there is limited scope for additional savings or efficiencies to be identified from within the £51,000 this levy raises for the Committee, it is recommended that this charge be held at the current level of £1,500 per borough and TfL for 2016/17.
38. Estimated individual borough costs for 2016/17, covering the proposed charges highlighted in paragraphs 16-37 above, are detailed in Appendix C.1 and can be compared against the estimated charges for the current year at Appendix C.2, forecast at the budget setting stage for the current year 12 months ago. Indicative overall estimated savings of £989,000 in 2016/17 to boroughs and TfL arising from the proposed reduced charges, together with the projected reduction in

transaction volumes, are projected, assuming that the detailed proposed charges for 2016/17 are approved by the Committee.

Registration of Debt – Northampton County Court

39. Expenditure in respect of the registration of debt related to parking penalties is directly recouped from the registering borough, so the transactions have a neutral effect on the financial position of the Committee. The Court Service is not intending to increase the £7 unit fee for 2016/17; however volumes generated by users registered parking debt is not expected to exceed £3 million for the current year, so it is, therefore, proposed to reduce both the income and expenditure budgets for 2016/17 by £1 million from the current level of £4 million.

Contractual Commitments

40. **Staffing Costs** -The proposed staffing budget for TEC for 2016/17 is illustrated in Table 6 below:

Table 6– TEC Indicative Staffing Budget 2016/17	£000
2015/16 Revised Budget	2,431
Less POPLA salaries	(575)
Plus Chief Executive – DP/FOI work	68
1% pay award 2016/17	20
2.27% increase in Employers NICs	46
Pension increase – past service costs	61
Incremental salary drift	36
2016/17 Base Budget	2,087
Split between:	
Services – Parking and Traffic	78
Services – ETA	355
Services – RUCA	186
Services – Transport and Mobility	768
PAPA – Policy	350
PAPA – Communications	227
Chief Executive – Committee Servicing	55
Chief Executive – DP/FOI work	68
2016/17 Base Budget	2,087

41. The above figures reflect the reduction in salary costs due to the end of the POPLA contract and also an increase in salary costs to reflect the bespoke resource being used by the Committee to deal with the volume of requests for information under the Freedom of Information and Data Protection Acts.
42. In line with other London Councils funding streams, the vacancy level for 2016/17 remains at 2%. The salary figures include an estimated 1% cost of living increase on all salary costs and there will be an estimated further 2.27% increase in payroll costs due to additional employers NICs payable as a result of the state pension reforms being introduced on 1 April 2016. Increased costs will also be payable in respect of new arrangements to recover past service pension deficits. Finally, the above figures include an increase to cover the incremental salary drift. In addition to the salaries figure of £2.087 million shown in Table 6, the £18,987 budgetary

provision for member's allowances has been maintained at the 2015/16 level, as has the provision for maternity cover of £30,000.

43. **Accommodation Costs – Chancery Exchange** – The appeals hearing centre became operational at the new premises at Chancery Exchange, EC4 during July 2015. The budget for 2016/17 of £504,617 includes the full year cost of the leasehold agreement plus other premises running costs of £36,967. In addition, a budget for depreciation in respect of the refurbishment costs of Chancery Exchange of £101,461 is required, along with the continuation of a provision for potential dilapidation and reinstatement costs payable at the end of the Chancery Exchange lease of £14,126 per annum. These premises costs are fully recovered as part of the Parking Enforcement service charge (refer paragraphs 35-36).
44. **Accommodation Costs - Southwark Street** – These are included as part of central recharges cost and covers the 23.95 desks at Southwark Street that are used by staff who are directly chargeable to the TEC funding stream. Use of this accommodation will attract a per capita desk space charge of £5,700 for 2016/17, a £623 or 9.9% reduction on the charge of £6,323 for 2015/16, equating to £136,526 (excluding LEPT). In addition, ancillary premises costs such as cleaning, security and maintenance contracts, plus accumulated depreciation, again apportioned on a per capita basis, come to £63,404. The recharges in respect of the Southwark Street accommodation forms part of the administration charge for the direct services– for the freedom pass, taxicard, health emergency badge and the London lorry control scheme, as detailed in paragraphs 7-21 of this report.

Discretionary Expenditure

45. **Research Budget** – It is recommended that the budget of £40,000 for 2016/17 is maintained at the current year's level.
46. **General/Office Costs** - The budgetary provision of £626,000 for 2016/17 is broken down in Table 7 below:

Table 7 – TEC General/Office costs budget 2015/16	£000
2015/16 Revised Budget	763
Volume changes on appeals numbers – postage/stationery	(61)
Less POLPA general costs	(51)
Plus additional IT system development costs	100
Revised SLA/general office costs	(25)
2016/17 Base Budget	726
Split between:	
System Developments	150
General/Office Costs – postage, telephones, copiers, etc.	271
Appeals administration – postage/stationery	108
Appeals related legal costs	26
Staff Training/Recruitment Advertising	28
Staff Travel	4
External audit fees*	28
City of London finance, legal, HR and IT SLA*	111
2015/16 Base Budget	726

*forms part of central recharge costs

47. The reduction of £37,000 primarily relates to the volumes changes in appeals administration costs (£61,000), due to forecast reduced numbers, and the costs associated with the expired POPLA contract (£51,000). There has also been a reduction in the charge for central service provided through SLAs with the City of London (£31,000), offset by marginal increase in general office costs of £60,000. The budget also includes the proposal to increase the IT systems development budget by £100,000 for 2016/17 only to cover any additional costs arising from the development of the new IT system at Chancery Exchange.
48. No inflation has been allowed for 2016/17 on general running costs, except where there are contractual commitments. This factor has been applied to all London Councils budgets.

Central Recharges

49. Southwark Street accommodation costs (paragraph 44), the Parking Enforcement Charge (paragraph 35) and general office costs (paragraph 46) all contain significant element of central recharge costs, which are apportioned to all London Councils functions in accordance with a financial model that is subject to annual scrutiny by the external auditors. Following the end of the POPLA contract at the end of September, existing central costs had to be apportioned across all London Councils service. Some costs were TEC specific, such as the premises costs of the hearing centre, which now have to be split between the ETA and RUCA functions, and as detailed in paragraph 29, for 2016/17, this is apportioned in accordance with appeal number in respect of 2014/15. Of the total central costs apportioned to TEC in 2016/17 (excluding LEPT) of £627,000, a sum of £552,000 feeds into the recharges for the direct services administration charges based at Southwark Street and for the ETA and RUCA services at the appeals hearing centre. The residual £75,000 relates the TEC policy and administrative function based at Southwark Street. In addition, as detailed in paragraph 35, a further sum of £620,000 relates the premises costs at Chancery Exchange.
50. As detailed in paragraph 54 below, it is proposed that the Committee approve the transfer of a sum of £203,000 from uncommitted general reserves to reduce the potential increase in charges to boroughs for the direct services provided by TEC, which arises from increased costs due the reapportionment of existing central costs following the end of the POPLA contract.

Other Income

- 51. Miscellaneous Income** – It is estimated that income of £84,000 will accrue from two main sources in 2016/17. Firstly, £43,000 is expected to accrue for the administration of the Health Emergency badge (HEB) in the form of registration fees and charges for badges to Doctors Surgeries. This will enable this service to be provided at no cost to boroughs. Secondly, £41,000 is expected to accrue from London Transport for secretarial services provided by the Committee during the freedom pass negotiations.

Committee Reserves

52. Table 8 below updates the Committee on the revised projected level of reserves as at 31 March 2016, through to 31 March 2017, if all current known liabilities and commitments are considered and the proposals outline in this report are agreed:

Table 8– Analysis of Estimated Uncommitted Reserves as at 31 March 2016

	General Reserve	Specific Reserve	Total
	£000	£000	£000
Audited reserves at 31 March 2015	3,535	-	3,535
IT system developments brought forward from 2014/15	(64)	-	(64)
Residual 2015 Freedom Pass issue costs	(190)	-	(190)
Revenue costs of hearing centre relocation	(39)	-	(39)
Transfer to 2020 Freedom Pass issue reserve	(500)	500	-
Projected Budget Surplus 2015/16	616	-	616
Projected uncommitted reserves as at 31 March 2016	3,358	500	3,858
Proposed one-off repayment to boroughs and TfL in 2016/17	(340)	-	(340)
Proposed use in setting 2016/17 budget	(303)	-	(303)
Proposed further transfer to 2020 Freedom Pass issue reserve	(500)	500	-
Estimated uncommitted reserves as at 31 March 2017	2,215	1,000	3,215

53. Audited general reserves of £3.535 million as at 31 March 2015 fully reflects the return of the provision of £1.198 million made in the 2013/14 final accounts in respect of an objection made to the 2012/13 accounts by a London resident in respect of the POPLA service to the revenue account. Moving forward, the projected uncommitted reserves as at 31 March 2016 reflect the transfer of £500,000 from the revenue account in 2015/16 to the specific reserve towards the cost of the next bulk freedom pass renewal exercise in 2020, as agreed by this Committee in October. For comparative purposes, the final cost of the 2015 bulk freedom pass renewal exercise was £2.61 million.
54. The projected level of uncommitted general reserves as at 31 March 2017 assumes that the proposal made in this report to return of a sum of £340,000 to boroughs and TfL in 2016/17 is approved by this Committee. In addition, it is proposed that a further sum of £203,000 be transferred from general reserves to smooth the effect of the underlying increase in direct service charges following the end of the POPLA contract with the BPA and also a sum of £100,000 to enhance the IT systems development budget for 2016/17 only as a contingency for any further expenditure on developing the new parking managed services IT system at Chancery Exchange. The proposals also include the transfer of a further sum of £500,000 to the 2020 Freedom Pass issue reserve, as recommended by the Executive Sub-Committee on 24 November.
55. After taking into account the forecast surplus of £616,000 for the current year, uncommitted general reserves are forecast to be £2.215 as at 31 March 2017. This equates to 18.6% of proposed operating and trading expenditure of £11.923 million in 2016/17. This figure, therefore, significantly exceeds the Committee's formal policy on reserves, agreed in December 2005 that reserves should equate to between 2-3% of annual operating expenditure.

Formal policy on reserves

56. Following discussions at the July and September meetings of the TEC Executive Sub-Committee, members asked for a review of the Committee's formal policy on reserves. The current benchmark of between 2%-3% of annual operating expenditure was set 10 years ago based on fairly general CIPFA guidance that existed at the time. There is a general paucity of guidance on this particular financial yardstick; over a 15 year period, when asked, the London Councils external auditors have declined to provide a view on a suitable level, stating that it is a matter for the organisation's appropriate governance arrangements to consider and to set a benchmark that is both robust but reasonable.
57. In December 2012, CIPFA responded to an Audit Commission publication that focused on local authority reserves, entitled "Striking a Balance" and made a number of points, which included:
- Reserves are an important component of an organisations' financial planning but they are not a silver bullet solution to financial problems;
 - Judgements about reserves - to what extent they should be used or set aside to meet either specific or unforeseen future liabilities - can only be made locally within individual organisations;
 - Local decisions should be taken by councillors having regard to clear and full information and advice provided by Chief Finance Officers;
 - Recent increases in aggregate levels of reserves reflect organisations' good performance to date in coping with austerity. They have universally reduced budgets in real terms, and in many cases they have also managed their affairs to deliver underspending which bolsters reserves;
 - Uncertainty and risk is increasing. The dual challenge of further funding reductions and significant financial system reforms represents a cocktail of significantly greater uncertainty and risk than would normally be the case.
58. In terms of the activities of TEC, a significant proportion, as noted at various points in this report, can be classed a trading activities, the volumes of which are determined by individual boroughs and TfL. Historical evidence has shown that volumes can be volatile, varying from year to year, often a symptom of changes to local enforcement practices, often attributable to the outcomes of judicial rulings. Such volatility has a significant effect on the Committee's reserves and it could be argued, therefore, that the current 2%-3% benchmark did not fully reflect this factor.
59. At this point 12 months ago, with the Committee being required to make a £1.2 million provision against income from the BPA and facing significant expenditure on both the 2015 freedom pass reissue and the refurbishments works at Chancery Exchange, reserves were projected to fall to £301,000 or 2.56% of trading and operating expenditure of £11.735 million. As indicated in paragraph 55, uncommitted general reserves of £2.715 million are projected as at 31 March 2017, equating to 22.8% of proposed operating and trading expenditure of £11.923 million in 2016/17. The significant improvement is due to the return of the £1.2 million POPLA provision and the careful management of both the pass reissue and hearing centre refurbishment projects, which allowed both to be delivered within budget, whilst at the same time minimising the impact on the revenue account. However, the fact that significant levels of reserve were held

enabled the Committee to set a balanced budget for the current year and to ride out a potentially financially difficult period.

60. In terms of savings and return of resources to boroughs, since 2010/11, this has been managed within the approach adopted in respect of the wider London Councils budget, managed by the Leaders' Committee. If the proposals outlined in this report are approved, the benefits to boroughs in respect of the Committee's functions over the six year period since 2010/11 are as follows:
- A reduction in borough and TfL subscriptions and charges of £4.5 million;
 - The return of funds to boroughs and TfL of £510,000;
 - The successful delivery of the 2015 freedom pass reissue project at a cost of £2.6 million without recourse to the boroughs for additional funding; and
 - The successful delivery of the refurbishment of the Chancery Exchange site and the move from Angel Square appeals hearing centre at a cost of £981,000, again without recourse to boroughs for additional funding.
61. After considering the local condition under which the Committee operates and mindful of the general points made by CIPFA in respect of the continuing levels of risk and uncertainty, the Director of Corporate Resources is minded to recommend that the Committee adopt a revised uncommitted general reserves benchmark of between 10%-15% of operating and trading expenditure. This equates to between £1.192 million - £1.788 million, based on projected expenditure of £11.923 million in 2016/17. The Director of Corporate Resources is content that this will cover any immediate volatility in respect of future transactions volumes generated by boroughs and TfL for traded services provided by the Committee.
62. Uncommitted general reserves are projected to be £2.715 million as at 31 March 2017, which is £927,000 in excess of the upper range of the proposed revised reserves benchmark. There is a recommendation in this report to return a sum of £10,000 to each borough and to TfL, amounting to £340,000, from general reserves. In addition, a further sum of £303,000 is proposed for transfer to revenue to fund a proportion of the direct services administration fees and to fund potential IT system developments at Chancery Exchange. The parameters of the outline budget strategy for London Councils for 2016/17 were developed after consulting the Chair of London Councils. On that basis, the Director of Corporate Resources recommends that the Committee adopts the budget proposals as outlined in this report. It is further proposed that the Committee approve the revised formal policy on reserves of between 10%-15% of operating and trading expenditure, with immediate effect.
63. In relation to the indicative £927,000 excess uncommitted reserves figure above the newly proposed benchmark, the Committee may wish to consider the transfer of a further sum to the specific reserve to fund the 2020 freedom pass reissue. For illustrative purposes, a further £500,000 transfer would reduce the projected excess reserves figure to £427,000. The Director of Corporate Resources considers that this residual sum could act as a contingency to cover any additional unforeseen expenditure on, for instance, the new IT system at Chancery Exchange, or to cover any wider future change management process.
64. The TEC Executive Sub-Committee considered the proposed changes to the Committee's formal policy on reserves on 24 November and agreed to recommend that this Committee approve the proposed changes. The Executive

Sub-Committee also agreed to recommend that this Committee approve the transfer of a further sum of £500,000 to the specific reserve to cover the cost of the 2020 Freedom Pass reissue, thereby reducing the projected excess reserves figure above the higher range 15% threshold to £427,000. This Committee is, therefore, asked to formally approve these proposals.

Summary

65. This report details the outline revenue budget proposals and the proposed indicative borough subscription and charges for 2016/17. The Executive Sub-Committee considered these proposals at its meeting on 24 November. The Executive Sub-Committee agreed to recommend that the full Committee approves these proposals, which are now presented for final approval. The proposed level of expenditure for 2016/17 amount to £378.786 million. A sum of £366.523 million relates to direct expenditure on the transport operators providing the Freedom Pass and the Taxicard schemes. After excluding the £340,000 in respect of the proposed one-off payment to boroughs in 2016/17, this leaves £11.923 million relating to expenditure on parking and traffic related traded service and other operating expenditure. This compares to a comparable sum of £12.128 million for the current year, a reduction of £205,000, or 1.7%. The savings and efficiencies highlighted in this report has allowed for significant reductions to be offered to boroughs and TfL through the proposed charges for 2016/17 in respect of the range of functions provided by the Committee.

Recommendations

66. The Committee is asked to approve:

- The changes in individual levies and charges for 2016/17 as follows:
 - The Parking Core Administration Charge of £1,500 per borough and for TfL (2015/16 - £1,500; paragraph 37);
 - The total Parking Enforcement Service Charge of £0.4681 which will be distributed to boroughs and TfL in accordance with PCNs issued in 2014/15 (2015/16 - £0.4333 per PCN; paragraphs 35-36);
 - No charge to boroughs in respect of the Freedom Pass Administration Charge, which is covered by replacement Freedom Pass income (2015/16 - £8,674; paragraph 16);
 - The Taxicard Administration Charge to boroughs of £338,182 in total (2015/16 - £338,182; paragraphs 17-19).
 - No charge to boroughs in respect of the Lorry Control Administration Charge, which is fully covered by estimated PCN income (2015/16 – nil charge; paragraphs 20-21);
 - The Parking and Traffic Appeals Charge of £33.32 per appeal or £29.90 per appeal where electronic evidence is provided by the enforcing authority (2015/16 - £33.40/£29.97 per appeal). In addition, a new differential charge is proposed for hearing Statutory Declarations of £28.17 for hard copy submissions and £27.49 for electronic submissions (2015/16 - £33.40/£29.97 per SD) (paragraph 28);
 - Congestion Charging Appeals – to be recovered on a full cost recovery basis, subject to the continuing agreement of the GLA under the contract arrangements that run until December 2016 (paragraph 29);

- The TRACE (Electronic) Charge of £7.31 per transaction (2015/16 - £8.60; paragraphs 33-34);
- The TRACE (Fax) Charge of £7.48 per transaction (2015/16 - £8.80; paragraphs 33-34); and
- The TEC Charge of £0.17 per transaction (2015/16 - £0.20; paragraphs 33-34);
- The provisional gross revenue expenditure of £378.786 million for 2016/17, as detailed in Appendix A;
- On the basis of the agreement of the above proposed charges, the provisional gross revenue income budget of £378.143 million for 2016/17, with a recommended transfer of £643,000 from uncommitted Committee reserves to produce a balanced budget, as shown in Appendix B;
- From proposed reserves of £643,000, a sum of £10,000 be repatriated to each borough (and TfL) from TEC uncommitted reserves, amounting to £340,000 in total, in the form of a one-off payment, as per paragraph 54; and
- The proposed changes to the Committee's formal policy on reserves, and the transfer of an additional sum of £500,000 from the Committee's general reserves to the specific reserve for the 2020 Freedom Pass reissue as detailed in paragraphs 56-64.

67. The Committee is also asked to note the current position on reserves, as set out in paragraphs 52-55 and Table 9 of this report and the estimated total charges to individual boroughs for 2016/17, as set out in Appendix C.1.

Financial Implications for London Councils

None, other than those detailed in the report

Legal Implications for London Councils

None

Equalities Implications for London Councils

None

Appendices

Appendix A – Proposed revenue expenditure budget 2016/17;

Appendix B – Proposed revenue income budget 2016/17;

Appendix C.1 – Indicative charges to boroughs 2016/17;

Appendix C.2 – Indicative charges to boroughs 2015/16; and

Appendix D – Parking Enforcement statistics 2014/15

Background Papers

TEC Budget Working Papers 2015/16 and 2016/17;

TEC Final Accounts Working Papers 2014/15;

TEC Revenue Budget Forecast Working Papers 2015/16; and

London Councils Consolidated Budget Working Papers 2015/16 and 2016/17.

Provisional TEC Expenditure Base Budget 2016/17

Appendix A

	Revised 2015/16 £000	Develop- ments £000	Base 2016/17 £000	Inflation £000	Estimate 2016/17 £000
Payments in respect of Concessionary Fares					
TfL	327,922	2,712	330,634	3,306	333,940
ATOC	21,334	-2,997	18,337	183	18,520
Other Bus Operators	2,200	-538	1,662	38	1,700
Freedom Pass issue costs	1,518	0	1,518	0	1,518
Freedom Pass Administration	372	15	387	0	387
City Fleet Taxicard contract	12,285	77	12,362	0	12,362
Taxicard Administration	479	50	529	0	529
	366,110	-681	365,429	3,528	368,957
TEC Trading Account Expenditure					
Payments to Adjudicators	1,498	-150	1,348	13	1,361
Northgate variable contract costs	1,072	-488	584	0	584
Payments to Northampton County Court	4,000	-1,000	3,000	0	3,000
Lorry Control Administration	542	82	624	0	624
PATAS/CC Administration	2,822	2	2,824	0	2,824
POPLA Administration	977	-977	0	0	0
HEB Expenditure	43	-10	33	0	33
	10,954	-2,541	8,413	13	8,426
Sub-Total	377,064	-3,222	373,842	3,541	377,383
Operating Expenditure					
Salary Commitments					
Non-operational staffing costs	575	22	597	6	603
Members	19	0	19	0	19
Maternity Provision	30	0	30	0	30
	624	22	646	6	652
Other Commitments					
Supplies and service	68	142	210	0	210
Research	40	0	40	0	40
Northgate Fixed Costs	0	88	88	0	88
One off payment to boroughs	0	340	340	0	340
	108	570	678	0	678
Total Operating Expenditure	732	592	1,324	6	1,330
Central Recharges	50	24	74	0	74
Total Expenditure	377,846	-2,606	375,240	3,547	378,786

	Revised 2015/16 £000	Develop- ments £000	Base 2016/17 £000	Inflation £000	Estimate 2015/16 £000
Borough contributions to TfL	327,922	2,712	330,634	3,306	333,940
Borough contributions to ATOC	21,334	-2,997	18,337	183	18,520
Borough contributions to other bus operators	2,200	-538	1,662	38	1,700
Borough contributions to FP issue costs	1,375	143	1,518	0	1,518
Borough contributions to freedom pass administration	286	-286	0	0	0
Income from replacing lost/faulty freedom passes	500	50	550	0	550
Income from replacing lost/faulty taxicards	36	0	36	0	36
Borough contributions to Comcab	2,658	0	2,658	0	2,658
TfL contribution to Taxicard scheme	9,627	0	9,627	77	9,704
Borough contributions to taxicard administration	338	0	338	0	338
TfL Contribution to taxicard administration	105	0	105	0	105
	366,381	-916	365,465	3,605	369,070
TEC trading account income					
Borough contributions to Lorry ban administration	0	0	0	0	0
Lorry ban PCNs	550	200	750	0	750
Borough parking appeal charges	2,070	-527	1,543	0	1,543
TfL parking appeal charges	250	-161	89	0	89
GLA Congestion charging appeal income	208	46	254	0	254
POPLA appeals income	694	-694	0	0	0
Borough fixed parking costs	1,910	101	2,011	0	2,011
TfL fixed parking costs	250	-39	211	0	211
GLA fixed parking costs	493	-21	472	0	472
POPLA fixed costs	283	-283	0	0	0
Borough other parking services	582	-20	562	0	562
Northampton County Court Recharges	4,000	-1,000	3,000	0	3,000
	11,290	-2,398	8,892	0	8,892
Sub-Total	377,671	-3,314	374,357	3,605	377,962
Core borough subscriptions					
Joint Committee	46	0	46	0	46
TEC (inc TfL)	51	0	51	0	51
	97	0	97	0	97
Other Income					
Sales of publications	2	-2	0	0	0
TfL secretariat recharge	31	10	41	0	41
Sales of Health Emergency badges	43	0	43	0	43
	76	8	84	0	84
Transfer from Reserves	0	643	643	0	643
Central Recharges	0	0	0	0	0
Total Income Base Budget	377,844	-2,663	375,181	3,605	378,786

Indicative Charges to Boroughs 2016/2017

Appendix C.1

BOROUGH	Core Parking (£)	Service Parking (£)	Con.Fares Admin. (£)	Taxicard Admin. (£)	Lorry Ban Admin. (£)	Parking Appeals (£)	TRACE Electronic (£)	TRACE FAX (£)	TEC (£)	Total Estimate 2016/17 (£)	Total Estimate 2015/16 (£)	Estimated Reduction (£)
Barking & Dagenham	1,500	44,479	0	7,715	0	38,284	0	0	0	91,978	135,722	43,745
Barnet	1,500	71,787	0	11,936	0	55,658	0	0	5,137	146,017	225,119	79,102
Bexley	1,500	22,291	0	5,115	0	28,693	0	0	0	57,599	80,993	23,393
Brent	1,500	76,115	0	13,433	0	62,182	17,229	6,271	0	176,730	183,524	6,794
Bromley	1,500	42,095	0	5,763	0	31,681	0	0	0	81,039	88,448	7,409
Camden	1,500	123,061	0	15,464	0	75,704	24,049	4,867	7,543	252,188	305,983	53,795
Croydon	1,500	53,607	0	12,365	0	37,341	24,020	5,803	4,830	139,466	139,915	449
Ealing	1,500	76,539	0	13,543	0	59,510	60	187	7,537	158,875	183,306	24,430
Enfield	1,500	46,515	0	4,576	0	23,269	8,166	749	2,961	87,735	100,664	12,929
Greenwich	1,500	13,678	0	11,702	0	12,892	120	374	2,233	42,499	52,279	9,780
Hackney	1,500	43,479	0	14,057	0	73,738	26,682	374	5,826	165,657	181,591	15,934
Hammersmith & Fulham	1,500	122,826	0	9,251	0	84,823	24,648	9,453	0	252,500	255,869	3,369
Haringey	1,500	96,702	0	10,928	0	73,267	18,306	4,867	7,070	212,640	202,936	-9,704
Harrow	1,500	60,543	0	13,977	0	40,564	0	0	4,481	121,065	130,730	9,665
Havering	1,500	18,214	0	13,947	0	20,203	0	0	0	53,864	67,543	13,678
Hillingdon	1,500	32,883	0	4,775	0	10,455	0	0	1,745	51,359	72,680	21,321
Hounslow	1,500	60,876	0	9,895	0	37,891	9,333	16,098	3,773	139,366	157,917	18,552
Islington	1,500	98,161	0	12,864	0	25,549	9,153	4,118	6,220	157,564	180,091	22,527
Kensington & Chelsea	1,500	91,126	0	10,289	0	47,718	48,637	19,092	0	218,363	215,372	-2,991
Kingston	1,500	48,701	0	9,022	0	26,414	0	0	2,031	87,668	104,495	16,827
Lambeth	1,500	93,730	0	9,461	0	60,925	6,491	20,122	4,542	196,770	197,519	749
Lewisham	1,500	28,136	0	9,341	0	25,156	0	0	2,094	66,227	82,038	15,811
Merton	1,500	42,215	0	10,394	0	40,643	0	0	0	94,752	108,217	13,465
Newham	1,500	78,366	0	13,258	0	126,016	51,120	936	10,115	281,311	361,676	80,365
Redbridge	1,500	55,060	0	15,639	0	69,336	0	0	3,721	145,256	185,695	40,440
Richmond	1,500	33,024	0	9,152	0	9,827	209	655	1,326	55,693	68,306	12,613
Southwark	1,500	48,948	0	15,080	0	60,925	5,085	10,950	4,249	146,736	132,147	-14,589
Sutton	1,500	13,782	0	6,891	0	4,560	0	0	652	27,384	49,223	21,839
Tower Hamlets	1,500	66,283	0	8,653	0	106,048	21,656	0	0	204,140	226,401	22,261
Waltham Forest	1,500	57,349	0	8,328	0	48,897	22,494	281	3,166	142,015	162,646	20,631
Wandsworth	1,500	78,474	0	10,195	0	27,436	11,636	1,591	8,526	139,358	148,444	9,086
City of Westminster	1,500	142,572	0	10,599	0	71,930	7,598	16,566	0	250,764	384,752	133,988
City of London	1,500	26,512	0	614	0	19,260	299	187	0	48,372	65,571	17,199
	49,500	2,008,127	0	338,222	0	1,536,792	336,991	123,540	99,778	4,492,950	5,237,810	744,860
Transport for London - Street Management	1,500	211,036	0	0	0	89,436	0	0	0	301,972	498,801	196,829
Transport for London - Congestion Charging	0	471,904	0	0	0	179,573	0	0	0	651,477	701,157	49,680
Lorry Control	0	2,542	0	0	0	1,651	0	0	0	4,193	2,313	-1,881
Registration of Debt	0	0	0	0	0	0	0	0	0	3,000,000	4,000,000	1,000,000
Transfer from Reserves	0	0	0	0	0	0	0	0	0	0	0	0
Grand Total	51,000	2,693,609	0	338,222	0	1,807,452	336,991	123,540	99,778	8,450,592	10,440,080	1,989,488

Indicative Charges to Boroughs 2015/2016

Appendix C.2

BOROUGH	Core Parking (£)	Service Parking (£)	Con.Fares Admin. (£)	Taxicard Admin. (£)	Lorry Ban Admin. (£)	Parking Appeals (£)	TRACE Electronic (£)	TRACE FAX (£)	TEC (£)	Total Estimate 2015/16 (£)
Barking & Dagenham	1,500	40,710	8,674	13,813	0	71,025	0	0	0	135,722
Barnet	1,500	72,375	8,674	11,665	0	125,255	0	0	5,650	225,119
Bexley	1,500	21,145	8,674	4,782	0	44,891	0	0	0	80,993
Brent	1,500	61,753	8,674	13,462	0	73,379	17,485	7,271	0	183,524
Bromley	1,500	40,253	8,674	5,530	0	32,491	0	0	0	88,448
Camden	1,500	120,417	8,674	13,671	0	120,075	30,571	1,752	9,323	305,983
Croydon	1,500	46,431	8,674	11,838	0	33,590	24,161	10,250	3,471	139,915
Ealing	1,500	65,568	8,674	13,502	0	82,561	2,119	2,606	6,775	183,306
Enfield	1,500	40,765	8,674	4,507	0	30,136	11,466	1,358	2,257	100,664
Greenwich	1,500	13,257	8,674	10,850	0	15,853	142	175	1,826	52,279
Hackney	1,500	39,405	8,674	13,582	0	79,736	31,942	416	6,335	181,591
Hammersmith & Fulham	1,500	116,893	8,674	8,746	0	86,878	32,850	329	0	255,869
Haringey	1,500	81,771	8,674	10,370	0	62,078	27,990	2,628	7,926	202,936
Harrow	1,500	49,748	8,674	13,088	0	50,384	0	0	7,335	130,730
Havering	1,500	15,604	8,674	13,551	0	28,174	18	22	0	67,543
Hillingdon	1,500	31,943	8,674	11,002	0	16,245	0	0	3,315	72,680
Hounslow	1,500	56,316	8,674	9,560	0	62,156	6,428	6,570	6,713	157,917
Islington	1,500	90,977	8,674	12,003	0	47,481	10,469	1,424	7,563	180,091
Kensington & Chelsea	1,500	82,692	8,674	9,578	0	53,524	55,463	3,942	0	215,372
Kingston	1,500	43,505	8,674	8,248	0	39,083	214	263	3,009	104,495
Lambeth	1,500	80,788	8,674	10,868	0	73,929	8,440	7,227	6,093	197,519
Lewisham	1,500	27,499	8,674	8,381	0	32,726	0	0	3,257	82,038
Merton	1,500	37,436	8,674	9,516	0	51,091	0	0	0	108,217
Newham	1,500	79,127	8,674	13,293	0	182,075	61,267	832	14,908	361,676
Redbridge	1,500	51,883	8,674	15,223	0	99,042	0	0	9,372	185,695
Richmond	1,500	31,690	8,674	8,466	0	15,304	588	723	1,362	68,306
Southwark	1,500	44,097	8,674	14,294	0	48,893	4,184	2,519	7,987	132,147
Sutton	1,500	15,575	8,674	6,344	0	15,775	0	0	1,355	49,223
Tower Hamlets	1,500	58,876	8,674	8,070	0	122,979	26,280	22	0	226,401
Waltham Forest	1,500	56,679	8,674	8,724	0	63,883	22,595	591	0	162,646
Wandsworth	1,500	75,235	8,674	10,094	0	26,212	20,298	1,818	4,613	148,444
City of Westminster	1,500	194,612	8,674	11,068	0	154,999	11,271	2,628	0	384,752
City of London	1,500	26,982	8,674	494	0	27,704	196	22	0	65,571
	49,500	1,912,009	286,242	338,182	0	2,069,606	406,436	55,387	120,447	5,237,810
Transport for London - Street Management	1,500	247,812	0	0	0	249,489	0	0	0	498,801
Transport for London - Congestion Charging	0	493,060	0	0	0	208,097	0	0	0	701,157
Lorry Control	0	2,313	0	0	0	0	0	0	0	2,313
Registration of Debt	0	0	0	0	0	0	0	0	0	4,000,000
PED/PIE System	0	0	0	0	0	0	0	0	0	0
Transfer from Reserves	0	0	0	0	0	0	0	0	0	0
Grand Total	51,000	2,655,194	286,242	338,182	0	2,527,193	406,436	55,387	120,447	10,440,080

Parking Enforcement Fixed Costs 2016/17
(based on PCNs issued for 2014/15)

Appendix D

Enforcing Authority	Total PCNs	Parking Fixed Costs
		0.4681
Barking & Dagenham	95,020	44,478.86
Barnet	153,358	71,786.88
Bexley	47,620	22,290.92
Brent	162,604	76,114.93
Bromley	89,927	42,094.83
Camden	262,895	123,061.15
City of London	56,637	26,511.78
Croydon	114,521	53,607.28
Ealing	163,509	76,538.56
Enfield	99,369	46,514.63
Greenwich	29,220	13,677.88
Hackney	92,885	43,479.47
Hammersmith & Fulham	262,392	122,825.70
Haringey	206,585	96,702.44
Harrow	129,338	60,543.12
Havering	38,910	18,213.77
Hillingdon	70,247	32,882.62
Hounslow	130,049	60,875.94
Islington	209,700	98,160.57
Kensington & Chelsea	194,673	91,126.43
Kingston	104,040	48,701.12
Lambeth	200,234	93,729.54
Lewisham	60,106	28,135.62
Merton	90,184	42,215.13
Newham	167,413	78,366.03
Redbridge	117,625	55,060.26
Richmond	70,550	33,024.46
Southwark	104,567	48,947.81
Sutton	29,442	13,781.80
Tower Hamlets	141,600	66,282.96
Waltham Forest	122,514	57,348.80
Wandsworth	167,644	78,474.16
Westminster	304,575	142,571.56
Transport for London Street Management	450,835	211,035.86
London Councils London Lorry Control Scheme	5,431	2,542.25
Total	4,746,219	2,221,706

LONDON COUNCILS' TRANSPORT AND ENVIRONMENT EXECUTIVE SUB COMMITTEE

Minutes of a meeting of the London Councils' Transport and Environment Executive Sub Committee held on **24 November 2015** at 09:30am, at London Councils, Meeting Room 1, 1st Floor, 59½ Southwark Street, London, SE1 0AL

Present:

Councillor Julian Bell	LB Ealing (Chair)
Councillor Daniel Anderson	LB Enfield
Councillor Feryal Demirci	LB Hackney
Councillor Tim Coleridge	RB Kensington & Chelsea
Councillor Alan Smith	LB Lewisham
Councillor Jill Whitehead	LB Sutton
Councillor Caroline Usher	LB Wandsworth
Councillor Heather Acton	City of Westminster

1. Declarations of Interests

There were no additional declarations of interest.

2. Apologies for Absence & Deputies

Apologies for absence were received from Councillor Alex Sawyer (LB Bexley) and Michael Welbank MBE (City of London).

3. London Sustainable Drainage Action Plan (LSDAP)

The TEC Executive Sub Committee received a report that provided members with an update of the draft London Sustainable Drainage Action Plan (LSDAP)

Kevin Reid (Principal Programme Manager, GLA), introduced the report and made the following comments:

- The LSDAP was launched 3 weeks ago and evolved as part of the Mayor's London Plan Drainage policy and "Drain London". It was also required because of London's expected population growth over the next 25 years and as a consequence of climate change.
- The case for retrofitting needed to be made and land owners and landlords needed to be persuaded to help with this. The GLA acknowledged that funds to spend on retrofitting were limited and it was recognised that landlords might be reluctant to spend their own money.
- Builders/building companies needed to be consulted and asset management plans needed to be looked at to help improve drainage, eg resurfacing car parks, putting in new school roofs and making playing grounds permeable. There was now the opportunity to make drainage more sustainable, and sustainable drainage improvements can often be achieved at marginal additional cost.
- 42 "Actions" had been identified to target specific sectors, like Housing, Education, Transport and Health etc. Discussions were also taking place with housing associations, with a view to using some of the GLA budget, set aside

for sustainable drainage, to provide expert advice. The focus for the GLA now was taking time to talk and try to persuade these organisations to improve drainage.

- There was a high level target to reduce flows in combined sewers by 25% over 25 years (until 2040). The GLA acknowledged it still needed to establish how the target would be monitored and measured.
- Other resources included Thames Water's "Twenty 4 Twenty", which was a £20 million campaign to disconnect 20 hectares of land from the drainage system. Boroughs were encouraged to consider when this could be achieved in their area. Discussions were also taking place with the Thames Tideway Tunnel to look at improving drainage and they have supplied an officer resource for 18 months to 2 years to look at improvements to old estates.
- The consultation on the LSDAP was due to close on 15 January 2016

Q and As

Councillor Coleridge said that although action for new builds was welcomed, there was no sense of urgency for retrofitting older estates and properties. He felt that all planning authorities needed to look at how to increase retrofitting, especially in light of increases to London's population by 2050. Councillor Usher said that there needed to be a change in the legislation.

Councillor Whitehead said that a flooding "action" plan (management strategy) had been produced by the South West London Flood Partnership. She said that the borough of Sutton had flooding problems caused by the River Wandle.

Councillor Smith voiced concern at the lack of action, with regards to ensuring adequate drainage, from the builders/companies that installed residential driveways. He said that there needed to be a way to educate small scale builders and make them legally responsible for installing permeable driveways. Councillor Usher said that that this would have to be incorporated in planning applications. Councillor Smith said that it was difficult to get smaller businesses to incorporate a drainage system when laying residential driveways. Councillor Whitehead said that there was also concern at people digging up trees in their back gardens.

Kevin Reid said changes to planning legislation six years ago had restricted what could be done to front gardens. However, the restrictions were limited and it was difficult to monitor and enforce what work was carried out on individual driveways. Kevin Reid said that most well established paving companies would advise residents on drainage issues, and a number of these companies were laying down permeable tarmac in driveways – less reputable companies were ignoring these issues. He said that some of the planning changes had actually reduced local authority control over what could be done in back gardens.

Kevin Reid said that it was difficult to persuade people to recognise drainage issues. He informed members that larger schemes were proposing a 50% reduction in flooding. He said that changes to the National Planning Policy Framework (NPPF) in April now applied to major planning permissions, and most large organisations were starting to pick this up. The next 2 to 3 years should be beneficial in beginning to achieve sustainable drainage. Kevin Reid said that one sustainable drainage scheme had installed rain gardens and a permeable pavement area. This needed to become the norm. Kevin Reid said that some of these projects could be carried out cost efficiently and the GLA had already built up a register of approximately 55 projects.

Councillor Coleridge asked whether a model had been produced to show how much work needed to be carried out on sustainable drainage. Kevin Reid said that there were two areas of work being undertaken, namely (a) modelling drainage catchment areas, which had just finished, and (b) commissioning an Atkins study to look at a sustainable drainage opportunity method. Some areas of work were straightforward and cost effective, whereas others were more difficult and restrictive (eg requiring underground tanks to be installed). Kevin Reid said that encouraging schemes to start work would begin early 2016. He said that population growth would occur all over London and there were a large number of small scale schemes that could include sustainable drainage, as well as big scale projects, like Vauxhall.

Councillor Demirci said that it was easier to implement sustainable drainage solutions to new builds, however, older properties were more difficult to retrofit. She asked whether there were any solutions planned to retrofit older properties and estates. Kevin Reid said that there were opportunities to deal with older estates, through diverting rain water from drains for instance. He said that there were limits as to what could be done in the first few years, but landlords and building managers could be encouraged and persuaded to carry out some of this work.

Councillor Whitehead said that the borough of Sutton came under the GLA's outer London drainage scheme. She said that rain gardens in the high streets had made a big difference in helping to prevent surface water flooding. Kevin Reid said that borough high streets presented more complex opportunities due to the use of the space. Councillor Coleridge said that some parts of London had better drainage than others. He said that the areas of London that were really under pressure from drainage problems needed to be mapped out. The Chair said that a "heat map" had already been produced. Kevin Reid confirmed that Thames Water had been working on a "drainage map" of where sewerage capacity was most under pressure. He said that it would not be beneficial to concentrate on projects that were the most difficult to retrofit, and then make little progress.

The Chair suggested that the LSDAP be reviewed by the TEC Executive Sub Committee on an annual basis, as the first phase of this was critical. Also, all TEC members should be written to in order to get as many responses as possible to the consultation. Katharina Winbeck said that London Councils' officers had already helped to write the plan and so would not be submitting a formal response to the consultation.

The Chair thanked Kevin Reid for updating the TEC Executive on the LSDAP.

Decision: The TEC Executive Sub Committee:

- Noted and discussed the London Sustainable Drainage Action Plan report;
- Agreed that a report on the review of the LSDAP would be presented to the TEC Executive Sub Committee on an annual basis; and
- Agreed to write to all TEC members with a view to receiving as many responses to the LSDAP consultation as possible.

4. Draft Response to TfL's Private Hire Regulations Review

The TEC Executive Sub Committee considered a report that provided members with the drafted response to TfL's Private Hire Regulations Review which was looking at a series of measures to regulate the private hire industry.

The Chair asked what the current position was regarding the recent court case involving TfL and Uber. Nick Lester-Davis said that the main High Court challenge was to ascertain whether a Smart phone application was the same as a taxi metre. The High Court ruled that the app was not a taxi metre, resulting in the Uber model being lawful. The issuing of licensing was now down to TfL through the Public Carriage Office (PCO). Nick Lester-Davis said that the report asked a number of questions that TEC Executive members needed to give a steer on regarding TfL's Private Hire Regulations Review. The Chair said that TfL could impose a number of regulations which Uber could then take to court and challenge.

Jennifer Sibley (Principal Policy Officer, London Councils) said that members did not have to respond to every question raised in the report. The more important questions were as follows: Q2 – operator to provide booking confirmation to the passenger five minutes prior to the journey, Q5 – operator to provide a pre-book facility of up to seven days in advance, Q6 – TfL proposes to no longer issue licenses for in-venue operators ("satellite offices") or temporary events, and Q8 – operators to not show vehicles being available for immediate hire, either visibly or via an app.

Councillor Smith said that taxi firms were developing their own apps (specific to their own individual taxi companies) in response to Uber. This could be carried out by an app or on a website, whilst still maintaining a phone line. Councillor Coleridge said that the most important issue was to protect the public. Councillor Usher said that that majority of the public were in favour of having an app to order a private hire vehicle. Councillor Acton voiced concern about the influx of these private hire vehicles.

Councillor Usher said that she was not in favour of the five minute waiting time (Q2). Councillor Coleridge voiced concern over how this would be enforced and monitored. Councillor Smith said that all the data would have to be monitored to ensure this was happening. Councillor Anderson said that there was an issue of not knowing what standards private hire vehicle adhered to. Councillor Demirci said that private hire vehicles went through the same standards as taxis. Councillor Smith also felt that the five minute waiting time would be unenforceable. Councillor Acton said that regulations for private hire vehicles were needed. Councillor Whitehead said that booking taxis from home also needed to be supported (eg if people needed to go to hospital).

Councillor Smith said that the public needed to know details of the car, license plate number and driver they were being sent. Councillor Demirci confirmed that Uber did provide these details. The Chair asked about the proposals concerning revoking the vehicle if the driver had their licence revoked. Nick Lester-Davis said that problems could occur if the vehicle was used by multiple drivers.

The Chair said that standards needed to be maintained and safety was key, therefore the five minute waiting period should not be supported. He asked whether members would prefer a seven or fourteen day pre-booking period (Q5). Nick Lester-Davis said that when Taxicard holders booked a cab fourteen days in advance, the operator logged the request but did not find them a taxi until half an hour before they were due

to be picked up. Councillor Acton said that she supported a fourteen day pre-booking facility.

The Chair asked whether members were in agreement with TfL's proposal to no longer issue licenses for in-venue operators or temporary events. Councillor Acton voiced concern that members of the public would approach and use illegal touts, should licenses not be issued at these events. She said that it needed to be stipulated that these were local firms and higher regulations were needed for the licensing system. The Chair agreed and said that more problems with touting would occur if there were not any temporary private hire offices. Councillor Anderson agreed that some form of standards/system should be in place. Councillor Acton said that the way private hire vehicles were licenced needed to be tightened-up in order to keep illegal vehicles away from these events.

The Chair said that Q8 ("Operators must not show vehicles being available for immediate hire, visibly or by app") related to Q2 and should also not be supported. Councillor Acton said that this put taxis at a disadvantage. Councillor Coleridge said that people used private hire vehicles because they were cheaper than taxis. Councillor Anderson said that taxis did not have a choice in the fare setting regime. Councillor Coleridge said that the Mayor of London was responsible for setting the cost per mile for taxis. Councillor Acton said she felt that the cost per mile should be set on a similar level to private hire vehicles in order to make this fairer to taxis. Councillor Anderson said that this issue needed to be addressed otherwise taxis could be driven out of business. Councillor Usher also felt that the cost per mile for taxis needed to be reduced.

The Chair said that the Vice Chairs and himself would sign this off by 23 December 2015 and members should send in any further comments before this deadline.

Decision: The TEC Executive Sub Committee:

- Agreed that TEC Executive members did not support a 5 minute waiting time (Question 2), and as a consequence, members could not support the proposal in Question 8, regarding operators not showing vehicles as available for immediate hire;
- Agreed to respond to the consultation stating that operators should offer a facility to book cabs for up to 14 days in advance, as opposed to 7 days (Question 5);
- Agreed to oppose TfL's proposals in Question 6, and therefore express support for the continuation of the licensing of in-venue operators ("satellite offices") and temporary events, but state that TfL should increase its enforcement of such sites, in order to keep illegal touts away from the event site and improve awareness amongst the public of the need to pre-book private hire vehicles from such a venue; and
- Noted that the final consultation response would be signed off by the Chair and Vice-Chairs of TEC, ahead of the consultation deadline of 23 December 2015

5. Transport and Mobility Services Information

The TEC Executive Sub Committee received a report that detailed the London Councils' Transport and Mobility Services performance information for Q1 and Q2 of 2015/16.

Spencer Palmer (Director, Transport and Mobility, London Councils) introduced the report. He informed members that the "grey" areas in the performance data could not be completed owing to the tribunal service transition to a new computer system, a new contractor and move to Chancery Exchange. This information would be available in the next performance report that went to the TEC Executive.

Spencer Palmer said that the target had been missed for the "average number of days (from receipt) to decide RUCAs appeals" ("red" rating, page 2) because the Chief Adjudicator had not scheduled any personal hearings for the first two months from the move to Chancery Exchange and the new system. The target for the "hearing dates to be issued to appellants within 5 working days of receipt" ("red" rating) had been missed because there were errors with a number of early letters generated by the new system, which had to be checked and corrected before they were sent out. The target for the "number of calls answered within 30 seconds to the end of the automated message" ("red" rating) had also been missed because of the transition to the new IT contract. Improvements would be made to performance against these indicators in the coming months.

Councillor Demirci voiced concern at the large backlog of appeals that the borough of Hackney was currently experiencing. She asked whether the problems experienced with the IT system had been resolved. Spencer Palmer said that training with local authorities had taken place and they were now becoming accustomed to the new system. Councillor Demirci said that the reports were still not coming through and this had impacted on their appeals success rate. Spencer Palmer said that where appeals decisions may have been affected by system transition issues and delays, a number of local authorities had requested a review and, as a consequence of this, the cases had been reopened by the Adjudicators. He confirmed that the majority of issues being experienced by enforcement authorities had been resolved and that additional training and support had been provided to relevant Hackney staff. However, ongoing support would continue to be available for all authorities. Spencer Palmer said that the new "direct electronic transfer" system would be in operation by summer 2016 and would make the system much more straightforward to use.

Councillor Anderson said that there was a lack of geographical spread with regards to enforcement. Spencer Palmer said that this report was concerned with performance of the Tribunal Service as a whole and did not provide any detail relating to individual authorities' appeals. A more detailed, Chief Adjudicator's Annual Report, from the Tribunal Service went to Committee on 15 October 2015.

Decision: The TEC Executive Sub Committee Noted the Transport and Mobility Services performance data for Q1 and Q2 of 2015, and the explanations for the "grey" and "red" areas in the performance data.

6. Retiming Freight and Deliveries – Proposed Memorandum of Understanding

This report was withdrawn.

7. Appeals Hearing Centre Relocation

The TEC Executive Sub Committee received a report that provided members with an analysis for the project for the relocation of the appeals hearing centre from Angel Square, N1 to Chancery Exchange, EC4, including a breakdown of the final project net cost of £981,469

Frank Smith introduced the report and said that two major events had occurred simultaneously, namely, the move of the appeals hearing centre from Angel Square to Chancery Exchange, and the change of contract for the appeals IT system, which made the management of this project more complex. Frank Smith informed members that London Councils did not have any “in-house” expertise to deal with the refurbishment project at Chancery Exchange, and, therefore, engaged a project manager via a framework agreement. He said that, overall, the project went well and the report was just for noting. The Chair congratulated London Councils’ officers for delivering the project efficiently and under budget.

Decision: The TEC Executive Sub Committee noted the contents of the report.

8. TEC Month 6 Revenue Forecast 2015/16

The TEC Executive Sub Committee considered a report that outlined actual income and expenditure against the approved budget to the end of September 2015 for TEC, and provided a forecast of the outturn position for 2015/16. At the half-year stage, a surplus of £616,000 was forecast over the budgeted figure.

Frank Smith introduced the Month 6 Revenue Forecast report. He informed members that some new cost pressures had arisen since the last monitoring report. Firstly, a full year’s contribution to overheads from the British Parking Association in respect of the POPLA contract had been budgeted for, but that the contract had ended on 30 September 2015. Secondly, the leasehold costs for the new premises at Chancery Exchange had to be paid for from February 2015, rather than the budgeted date of 1 June 2015 and there were additional costs associated with the new IT system at Chancery Exchange. Frank Smith said that some of the additional IT costs were potentially not covered by the new IT contractor, although negotiations were on-going in respect of this issue. He said that the main objective for London Councils was to get the appeals service “up and running” as quickly as possible and to provide a smooth transition for appellants and all other stakeholders.

Decision: The TEC Executive Sub Committee:

- Noted the projected surplus of £616,000 for the year, and the forecast underspend of £1.545 million for overall Taxicard trips, as detailed in the report; and
- Noted the projected level of Committee reserves, as detailed in paragraphs 5-6 of the report, and the commentary on the financial position of the Committee included in paragraphs 7-8.

9. Draft Revenue Budget and Borough Charges 2016/17

The TEC Executive Sub Committee received a report that detailed outline revenue budget proposals and the proposed indicative borough subscription and charges for 2016/17.

Frank Smith introduced the report and informed members that this was the draft revenue budget report that would be presented to the full TEC meeting in December 2015 for approval, subject to any changes recommended by the Sub-Committee.

Frank Smith informed members that it is proposed that the administration costs for the Freedom Pass would now be fully covered by the revenue received from replacing lost/damaged passes. In respect of the unit cost charge to boroughs for parking appeals, there would be further cost benefits to boroughs once the volume of electronic appeals increased. Frank Smith said that the proposed budget strategy had already been considered by London Councils' Executive on 17 November 2015, and that it had endorsed the proposals in this report.

Frank Smith said that there had recently been questions from members as to what was a reasonable level for TEC reserves. This had historically been set at between 2 to 3% (as per broad guidance from CIPFA over 10 years ago). It was now clear that this benchmark was no longer valid, primarily owing to the volatility of TEC trading services, which could vary widely between financial years. Frank Smith said that after considering recent guidance and research, and having reviewed the specific operations of TEC, he now recommended an uncommitted general reserve of between 10 to 15% of operating and trading expenditure (paragraph 61 of the report).

Frank Smith confirmed that a sum of £10,000 would be repatriated to each borough from TEC uncommitted reserves, in the form of a one-off payment (paragraph 54 of the report). He asked members if they would be content to transfer another £500,000 to the specific reserve to fund the cost of the 2020 Freedom Pass renewal. An excess reserve figure of £427,000 (over the new 15% higher range benchmark) would, therefore, be left if this transfer was agreed. Frank Smith said that the Committee had managed significant recent unforeseen events through the use of uncommitted TEC reserves, very successfully. Councillor Coleridge said he considered that a 10 to 15% level for TEC reserves was the right level.

Decision: The TEC Executive Sub Committee recommended that the Main Committee approve at the meeting on 10 December 2015:

- The changes in individual levies and charges for 2016/17 as follows:
 - The Parking Core Administration Charge of £1,500 per borough and for TfL (2015/16 - £1,500; paragraph 37);
 - The total Parking Enforcement Service Charge of £0.4681 which would be distributed to boroughs and TfL in accordance with PCNs issued in 2014/15 (2015/16 - £0.4333 per PCN; paragraphs 35-36);
 - No charge to boroughs in respect of the Freedom Pass Administration Charge, which was covered by replacement Freedom Pass income (2015/16 - £8,674; paragraph 16);
 - The Taxicard Administration Charge to boroughs of £338,182 in total (2015/16 - £338,182; paragraphs 17-19).

- No charge to boroughs in respect of the Lorry Control Administration Charge, which was fully covered by estimated PCN income (2015/16 – nil charge; paragraphs 20-21);
- The Parking and Traffic Appeals Charge of £33.32 per appeal or £29.90 per appeal where electronic evidence was provided by the enforcing authority (2015/16 - £33.40/£29.97 per appeal). In addition, a new differential charge was proposed for hearing Statutory Declarations of £28.17 for hard copy submissions and £27.49 for electronic submissions (2015/16 - £33.40/£29.97 per SD) (paragraph 28);
- Congestion Charging Appeals – to be recovered on a full cost recovery basis, subject to the continuing agreement of the GLA under the contract arrangements that run until December 2016 (paragraph 29);
- The TRACE (Electronic) Charge of £7.31 per transaction (2015/16 - £8.60; paragraphs 33-34);
- The TRACE (Fax) Charge of £7.48 per transaction (2015/16 - £8.80; paragraphs 33-34); and
- The TEC¹ Charge of £0.17 per transaction (2015/16 - £0.20; paragraphs 33-34);
- The provisional gross revenue expenditure of £382.284 million for 2016/17, as detailed in Appendix A;
- On the basis of the agreement of the above proposed charges, the provisional gross revenue income budget of £381.641 million for 2016/17, with a recommended transfer of £643,000 from uncommitted Committee reserves to produce a balanced budget, as shown in Appendix B;
- From proposed reserves of £643,000, a sum of £10,000 be repatriated to each borough (and TfL) from TEC uncommitted reserves, amounting to £340,000 in total, in the form of a one-off payment, as per paragraph 54;
- The proposed changes to the Committee's formal policy on reserves, as detailed in paragraphs 56-63; and
- Agreed to formally recommend to TEC full Committee in December 2015 that a further £500,000 is transferred from uncommitted reserves to the specific reserve to fund the cost of the 2020 Freedom Pass renewal.

The TEC Executive-Sub Committee was also asked to note the current position on reserves, as set out in paragraphs 52-55 and Table 9 of this report and the estimated total charges to individual boroughs for 2016/17, as set out in Appendix C.1.

10. Minutes of the TEC Executive Sub Committee held on 15 September 2015 (for agreeing)

The minutes of the TEC Executive Sub Committee held on 15 September 2015 were agreed as an accurate record.

¹ The system that allows boroughs to register any unpaid parking tickets with the Traffic Enforcement Centre and apply for bailiff's warrants.

11. Minutes of the TEC Main Meeting held on 15 October 2015 (for noting)

The minutes of the TEC Main meeting held on 15 October were noted

Members of the press and public were asked to leave the room whilst the Committee considered the Exempt part of the agenda.

The meeting finished at 11:10am

London Councils' Transport and Environment Committee

15 October 2015

Minutes of a meeting of London Councils' Transport and Environment Committee held on Thursday 15 October 2015 at 2:30pm in the Conference Suite, London Councils, 59½ Southwark Street, London SE1 0AL

Present:

Council	Councillor
Barking and Dagenham	Cllr Lynda Rice
Barnet	Cllr Dean Cohen
Bexley	Cllr Alex Sawyer
Brent	Cllr Ellie Southwood
Bromley	Apologies
Camden	Cllr Meric Apak (Deputy)
Croydon	Cllr Kathy Bee
Ealing	Cllr Julian Bell (Chair)
Enfield	Cllr Daniel Anderson
Greenwich	
Hackney	Cllr Feryal Demirci
Hammersmith and Fulham	Cllr Wesley Harcourt
Haringey	Cllr Joanna Christophides
Harrow	Cllr Graham Henson
Havering	Cllr Robert Benham
Hillingdon	Apologies
Hounslow	Apologies
Islington	Cllr Claudia Webbe
Kensington and Chelsea	Apologies
Kingston Upon Thames	Cllr Terry Paton
Lambeth	Cllr Jenny Brathwaite
Lewisham	
Merton	Cllr Nick Draper
Newham	Cllr Ian Corbett
Redbridge	Cllr Baldesh Nijjar
Richmond Upon Thames	Cllr Stephen Speak
Southwark	Apologies
Sutton	Cllr Jill Whitehead
Tower Hamlets	
Waltham Forest	
Wandsworth	Cllr Caroline Usher
City of Westminster	Cllr Heather Acton
City of London	Apologies
Transport for London	Alex Williams

1. Apologies for Absence & Announcement of Deputies

Apologies:

Cllr Colin Smith (LB Bromley)
Cllr Phil Jones (LB Camden)
Cllr Keith Burrows (LB Hillingdon)
Cllr Amrit Mann (LB Hounslow)
Cllr Tim Coleridge (RB Kensington & Chelsea)
Cllr Darren Merrill (LB Southwark)
Michael Welbank (City of London)

Deputies:

Cllr Meric Apak (LB Hounslow)

2. Declaration of Interests

Freedom Pass Holders/60+ Oyster Cards

Cllr Ellie Southwood (LB Brent), Cllr Wesley Harcourt (LB Hammersmith & Fulham),
Cllr Nick Draper (LB Merton), and Cllr Jill Whitehead (LB Sutton)

North London Waste Authority

Cllr Dean Cohen (LB Barnet), Cllr Daniel Anderson (LB Enfield), Cllr Feryal Demirci
(LB Hackney), Cllr Meric Apak (LB Camden), and Claudia Webbe (LB Islington)

Western Riverside Waste Authority

Cllr Wesley Harcourt (LB Hammersmith & Fulham) and Cllr Jenny Brathwaite (LB
Lambeth)

West London Waste Authority

Cllr Ellie Southwood (LB Brent)

South London Waste Partnership

Cllr Kathy Bee (LB Croydon)
Cllr Nick Draper (LB Merton)
Cllr Jill Whitehead (LB Sutton)

London Waste & Recycling Board

Cllr Clyde Loakes (LB Waltham Forest)

Car Club

Councillor Julian Bell (LB Ealing – Chair), Cllr Feryal Demirci (LB Hackney) and Cllr
Claudia Webbe (LB Islington)

Thames Regional Flood & Coastal Committee (RFCC)

Cllr Dean Cohen (LB Barnet)
Cllr Nick Draper (LB Merton)
Cllr Lynda Rice (LB Barking & Dagenham)

Cllr Daniel Anderson (LB Enfield)

London Cycling Campaign

Cllr Feryal Demirci (LB Hackney)

3. Chair's Report

The Committee received a report that updated members on transport and environment policy since the last TEC meeting on 18 June 2015, and provided a forward look until the next full TEC meeting on 10 December 2015.

The Chair said that a great deal of work was currently being carried out on Ultra Low Emission Vehicles, especially in light of the recent VW emissions scandal. Councillor Acton commended to the Chair on the volume of work and progress that had been made on these issues. Councillor Usher said that further discussions would need to be had by TEC in light of the recent VW scandal and the damage that had been caused by this. Nick Lester-Davis said that there was a "spectrum of behaviour" that was to blame for the incidents.

The Chair said that tackling air quality was a priority, and the latest figures estimated that there were approximately 10,000 deaths in London now caused as a direct result of poor air quality. He said that the latest VW emissions scandal only added to this problem, and a discussion on this and tackling air quality needed to be had by TEC. Councillor Webbe suggested that these issues be discussed at the next full TEC meeting. She said that the borough of Islington was calling for a total ban on diesel vehicles, including EU6 diesel vehicles. Councillor Webbe informed members that the borough of Islington had introduced a "diesel charge" of £96 for diesel vehicles.

Decision: The Committee:

- Noted the Chair's report; and
- Agreed that the issues of diesel vehicles and air quality, and the response from the car industry regarding the recent VW emissions testing problems be brought to the next full TEC meeting

4. Flooding Investment in London

The Committee received a report that updated members on progress in year two of the six year capital programme of the Thames Regional Flood and Coastal Committee (Thames RFCC). The report also provided an update on the Thames RFCC's priorities and projects, and included the business case presented by the Thames RFCC for a levy increase.

The Chair informed Committee that this was year 2 of a 6-year flooding investment programme. He said that TEC had agreed the six year increase of 1.99% annually in principle at December TEC last year and had received the first 6-monthly update in June. The Chair confirmed that members were not voting for an increase to the flood levy today, but were giving a steer to the TEC members on the Thames RFCC.

Amanda Nobbs (Chair of the Thames RFCC, Environment Agency) made the following comments:

- There were currently 66,000 properties in London at high risk of surface water flooding and 14,000 at high risk from river/tidal flooding
- There are currently 443 projects to address this risk and the Thames RFCC oversees and agrees that programme
- More people were affected by flooding in London in 2014 than were affected the West Country during the winter of 2013/14
- Thames RFCC moved to a 6-year programme to best help timetabling of different organisations and tackle the major flood risks
- The paper brought before TEC today only gives a 1-year “snapshot” – and members should keep this in mind - bigger risks had been looked at over the 6-year period to ensure that all areas benefit from the 6-year programme
- Very good progress had been achieved with 21 different packages of work being completed by the Thames RFCC in 2014/15. Major projects had been developed and linkages with Thames Water had been improved
- Year 2 levy continues to secure a Government Capital Grant of £302 million and encourages progress with local authority partnerships, the Environment Agency and Thames Water
- Progress is being made at a local level and Thames RFCC is exploring to help local authorities that were struggling with their flood planning. A new team of officers would be brought in and shared within the region to support the programme
- The Thames RFCC is looking to have at least one scheme per local authority area and if supported, the programme will spend levy of £67.5 million over the 6-year programme

Q and As

Councillor Draper said that, although the report was good, there was no mention of loss of revenue caused by flood damage to infrastructure, like businesses and schools. Amanda Nobbs said that the focus for today was on securing the grant from Government and agreeing a steer for a 1.99% levy increase for year 2. She said that the Thames RFCC needed to communicate more broadly, especially with London Councils, and a film could be made as a communications tool to show the consequences of flooding in London.

Councillor Whitehead said that the borough of Sutton already had flood plans in place, and that they were in the process of redeveloping Local Development Plans. She said that advice was now needed on what to put in these local plans. Advice needed to be given to local residents on what they could do to alleviate flooding. Councillor Whitehead said that it was also mentioned by members at the last TEC Executive Sub Committee meeting that Thames Water was not maintaining its sewers adequately, and this was also contributed to flooding problems. Amanda Nobbs said that the Thames RFCC was looking into these issues. She said that the Thames RFCC was moving to a 25-year approach to help alleviate flooding. Amanda Nobbs said that smaller developments were now being captured by the 6-year programme, including the issue of impermeable residential driveways.

Councillor Acton said that the Conservative Group was not in complete agreement in giving a steer to recommend a 1.99% increase for the year 2 flood levy programme. She confirmed that Councillor Colin Smith had asked her to state, in his absence, that the borough of Bromley was against any flood levy increases, and he requested that this was reported in the minutes of this meeting. Councillor Acton said that the

flood pre-meeting that took place before TEC today did convey the benefits to investing in flood prevention measures. The Chair said that the Labour Group was in favour of supporting a 1.99% increase to the flood levy each year, owing to the benefits that boroughs received from these investments.

Decision: The Committee:

- Agreed that a steer recommending a levy increase of 1.99% for year 2, be given by Committee to TEC members who sat on the Thames Regional Flood & Coastal Committee; and
- Noted that Cllr Colin Smith, in his absence, wanted the borough of Bromley's continued objection to the increase in the flood levy reported in the minutes.

5. Setting Penalty Charge Levels for Builders' Skips Contraventions under the London Local Authorities and Transport for London Act 2013

The Committee considered a report that set out the results of the public consultation into setting penalty charge levels (PCNs) for builders' skips contraventions under the London Local Authorities and Transport for London Act 2013 and the London Local Authorities Act 2007. The report asked members to decide whether to set penalty charge levels for these contraventions, and if, at what level.

The Chair informed members that this was the second time that TEC had gone out to consultation on this issue. During the first consultation, respondents felt that the penalty level consulted on was too low. The Chair said that the PCN proposals were set out in paragraph 44 of the report. All the charges were set at £200. This would be reduced to £100 if paid within 14 days, and increased to £400 if not paid after 28 days. The immobilisation release charge would be set at £100. 82% of those consulted were in favour of these PCN levels, bar the immobilisation release charge, which had 62% in favour of the £100 charge.

Councillor Cohen felt that the immobilisation release charge was set too low. He said that there was additional work involved to immobilise and release skips and this would cost boroughs more money than the release charge. The Chair said that the charge could only be set at a level that would cover borough costs. If a skip had to be removed and stored, this would incur further costs, which boroughs could already reclaim costs for using different legislation. Councillor Cohen said that the issuing of PCNs and immobilising and releasing of builders' skips amounted to two separate pieces of work. He asked how the figures were derived at. Katharina Winbeck said that London Councils formed an officer group who suggested the levels that were consulted on. The Chair said that there would need to be good reasons for going against the recommendations of the consultation and that they had to be based on cost of administering and enforcing the scheme.

Katharina Winbeck said that the charges could be reviewed if it looked like they were not covering borough costs.

Decision: The Committee:

- Considered the outcome of the consultation and decided to set a penalty charge level for contraventions relating to builders' skips;
- Agreed that the penalty charge level for all contraventions, as outlined in the table at paragraph 44 (page 13 of the report) be set at £200;

- Agreed that the contravention, if paid within 14 days, would be reduced by half to £100;
- Agreed that the amount payable for the contravention would be doubled to £400, if unpaid after 28 days;
- Agreed the immobilisation release charge would be set at £100; and
- Noted that Cllr Cohen (LB Barnet) wanted further information on the £100 immobilisation release charge.

6. Social Needs Transport

The Committee received a report that had been prepared for the Transport and Environment Committee (TEC) of London Councils to introduce and summarise TfL's proposals to integrate and improve social needs transport for elderly and/or mobility impaired Londoners.

Peter Blake, Director of Service Operations, TfL, introduced the report. He said that a large number of reviews had taken place over the years regarding the integration of social transport. Councillor Nijjar asked whether assessments would be carried out on an individual basis. Peter Blake said that services needed to be focussed around the customer. Councillor Acton said that it was commendable to look for greater efficiencies with regards to social needs transport. The Chair confirmed that another report on this would be coming to a future TEC meeting. He said that TEC was only being asked to support the report "in principle" today.

Councillor Demirci felt that the report did not demonstrate how London Councils and TfL would benefit from this joint working on integrating social needs transport. Spencer Palmer confirmed that the next report that was brought to TEC on social needs transport would quantify the benefits for TfL and London Councils working together, before anything was taken forward.

Decision: The Committee:

- Noted TfL's Social Needs Transport Roadmap and supported the principle of delivering greater passenger benefits and economic efficiencies through the greater integration of Taxicard, Dial-a-Ride and Community Transport services;
- Supported boroughs and London Councils working with TfL to develop detailed proposals for change including greater integration, financial and governance arrangements and the development of a detailed work programme to take this work forward; and
- Agreed to receive a further report this financial year following consultations with boroughs and London Councils.

7. Freedom Pass Progress Report

The Committee received a report that provided members with a general progress update on the Freedom Pass Scheme. The report covered the final outturn of the 2015 reissue, findings of an external review of the same, as well as providing information on the introduction of online applications for first-time applicants.

The Chair said that the 2015 Freedom Pass reissue had gone very smoothly and had come in approximately half a million under budget. A new, mainly online, application process was being looked at for the 2016 reissue. The Chair said that members were

being asked to consider the transfer of this budget surplus into a specific reserve to assist in covering the costs for the 2020 bulk Freedom Pass reissue.

Councillor Bee asked whether there would always bulk reissue process. Spencer Palmer said that the bulk renewal process would gradually reduce in size, and would eventually move to a smaller, annual renewal. Councillor Apak said that the borough of Camden had carried out a very successful Freedom Pass renewal process. Spencer Palmer confirmed that Camden had carried out pre-renewal checks before they wrote to residents. He said that a detailed review of the 2015 Freedom Pass renewal had been undertaken and a draft report from the consultants was due imminently, and could be shared with members. The sharing and better use of data was also being looked into. Nick Lester-Davis said that the borough of Camden had incurred higher initial costs as a result of their renewal process.

Decision: The Committee:

- Noted that from 7 October 2015, renewals would be dealt with through business as usual procedures, rather than through the processes set up specifically for the bulk re-issue;
- Encouraged boroughs to share data with London Councils for future bulk renewals as a means to reduce cost and increase customer satisfaction;
- Noted the introduction of the new application process for first time Freedom Pass applicants;
- Agreed the outlined approach for the 2016 reissue;
- Agreed to transfer a sum from the Committee's general reserve to a specific reserve to start accumulating funds to cover the cost of the next bulk reissue in 2020, as detailed in paragraph 48 of the report; and
- Agreed that the outcome from the review of the 2015 Freedom Pass renewal process would be shared with members as soon as it was available.

8. Taxicard Scheme Progress Report

The Committee received a report that informed members of the Taxicard trip budget projected outturn for 2015/16, including (i) the outcome of the annual review of Taxicard membership, (ii) an update on research into the reasons for the reduction in Taxicard journeys in recent years, and (iii) recommended introducing a charge for replacement Taxicards.

The Chair said that it was now being proposed to charge £10 for lost or damaged Taxicards, in line with what was already charged for lost or damaged Freedom passes. The report also informed members of the projected outturn (reduction) for 2015/16. Spencer Palmer informed the Committee that the charge for lost or damaged Taxicards could now be implemented in November 2015, as opposed to 1st January 2016 (paragraph 27 of the report), if members were happy to agree to this.

The Chair asked if members could have sight of the research into why Taxicard journeys had decreased. Spencer Palmer confirmed that a final report on this would be brought to a future TEC meeting. Councillor Draper asked what administration costs would be incurred in the charges for lost and damaged Taxicards (paragraph 23 - £38,000 in payments per year). Nick Lester-Davis confirmed that there were not net additional administration costs, and, other than the costs of payment processing of £2,250 as set out in paragraph 23, card replacement costs would have been incurred in any case.

Decision: The Committee:

- Noted the Taxicard trip budget projected outturn for 2015/16 based on data to August 2015;
- Noted the outcome of the annual review of Taxicard membership;
- Noted the progress of the research into the reasons for the reduction in Taxicard journeys in recent years;
- Agreed to introduce a charge of £10 for lost and damaged Taxicards; and
- Agreed that the £10 charge for lost and damaged Taxicards would now commence in November 2015, rather than the previously scheduled start date of 1 January 2016 (paragraph 27 of the reported)

9. London Borough of Barnet Approval to Commence Moving Traffic Enforcement

The Committee considered a report that sought approval for the London Borough of Barnet to commence enforcement of moving traffic contraventions under the London Local Authorities and Transport for London Act 2003

Decision: The Committee agreed that permission be given to the London Borough of Barnet to enforce moving traffic contraventions using CCTV

10. Signs and Lighting Code of Practice and Requirement to Pay for the Establishment of use of the Upper Tribunal (Lands Chamber)

The Committee received a report that sought approval for payment from London Councils' existing revenue resources of the sum of £3,500 to the Ministry of Justice for the creation of the right of appeal at the Upper Tribunals (Lands Chamber) for building owners disputing the level of compensation for losses resulting from fixing of a sign or light to their building by the authority. This would be applicable for authorities that have adopted the powers under Part 2 of the London Local Authorities and Transport for London Act 2013.

Councillor Speak asked whether a relatively small payment of £3,500 needed to be brought to Committee for approval. Nick Lester-Davis said this needed TEC approval as there was no established budget for this payment.

Decision: The Committee approved the payment of £3,500 from London Councils' existing revenue resources to create the right of appeal at the Upper Tribunal (Lands Chamber)

11. Parking and Traffic Adjudicators' Annual Report 2014/15

The Committee received a joint Annual Report by the Parking and Traffic Adjudicators for the year 2014/15.

Caroline Hamilton, Chief Parking Adjudicator, introduced the report. She said that this was the last joint Annual Report from the Parking and Traffic Appeals Service (PATAS), before the service moved from Angel Square and was rebranded. The Chair thanked Caroline Hamilton and the adjudicators for all their work.

Decision: The Committee received and noted the joint Annual Report 2014/15 by the Parking and Traffic Adjudicators.

12. Minutes of the TEC Executive Sub Committee meeting held on 15 September 2015 (for noting)

Item 5 "Month 3 Revenue Forecast 2015/16 (paragraph 4, page 4):

It was agreed to delete the sentence "Councillor Acton said that the income from parking in the borough of Wandsworth had decreased, although there were still a large number of complaints regarding Penalty Charge Notices (PCNs)", and replace with "Councillor Acton said that income from parking in the City of Westminster was fairly stable, but the number of Penalty Charge Notices (PCNs) issued had declined, as had challenges to PCNs".

Subject to the above amendment, the Committee noted the minutes of the TEC Executive Sub Committee meeting held on 15 September 2015.

13. Minutes of the TEC Main Meeting held on 18 June 2015 (for agreeing)

The Committee agreed the minutes of the TEC Main meeting held on 18 June 2015 as an accurate record.

Members of the press and public were asked to leave the room whilst Committee considered the exempt part of the agenda.

The meeting finished at 15.35pm