

London Councils' TEC Executive Sub Committee

Thursday 21 July 2016

10:00am in Meeting Room 4, London Councils, 1st Floor,
59½ Southwark Street, London, SE1 0AL

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	Exclusion of the Press and Public (Exempt) 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 that information) of Section 12(a) of the Local Government Act 1972 is likely to be made known at the meeting	
E1	Parking On Private Land Appeals (POPLA) Dispute Mediation	

Declarations of Interests

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:

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Declarations of Interest – TEC Executive Sub Committee 21 July 2016

Freedom Pass Holders/60+ Oyster Cards:

Cllr Alan Smith (LB Lewisham), Cllr Jill Whitehead (LB Sutton), and Cllr Caroline Usher (LB Wandsworth)

North London Waste Authority

Cllr Daniel Anderson (LB Enfield), Cllr Feryal Demirci (LB Hackney) and Cllr Claudia Webbe (LB Islington)

South London Waste Partnership

Councillor Jill Whitehead (LB Sutton)

Thames Regional Flood & Coastal Committee (RFCC)

Cllr Daniel Anderson (LB Enfield), Cllr Tim Coleridge (RB Kensington & Chelsea) and Cllr Alan Smith (LB Lewisham).

Car Club:

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

London Cycling Campaign

Cllr Feryal Demirci (LB Hackney)

London Councils' TEC Executive Sub Committee

Borough Transport Funding

Item no: 04

Report by: Jennifer Sibley **Job title:** Principal Policy Officer
Date: 21 July 2016
Contact Officer: Jennifer Sibley
Telephone: 020 7934 9829 **Email:** Jennifer.sibley@londoncouncils.gov.uk

Summary This report provides members with background information on Local Implementation Plan funding and engagement London Councils has undertaken with TfL on the development of a new Mayor's Transport Strategy and LIP implementation funding.

Recommendations Members are asked to note and discuss the report.

Introduction

1. Each Mayor of London develops their own Mayor's Transport Strategy (MTS). Boroughs are then required to develop a Local Implementation Plan (LIP) as to how they will deliver the MTS in their area. TfL provides boroughs with LIP funding in recognition that the MTS cannot be delivered without borough action.
2. LIP funding is used by boroughs to deliver a range of local improvements. These include initiatives on road and cycle safety; improving road layouts such as through roundabout design; schemes to improve town centres; lowering pavement curbs to make them more accessible for wheelchair users; cycle parking; pedestrian crossings and 20mph zones.
3. The LIP funding associated with MTS1 was heavily focused on bidding for multiple funding streams (more than 20) with specific focus, such as school travel, road safety, cycling improvements. MTS2 moved away from this, into fewer funding streams and greater borough discretion. In recent years there has been an increase in additional non-LIP funding that boroughs can bid for. There is a view from officers that whilst this funding model may not be perfect, it is far preferable to a return to bidding for multiple funding streams that characterised funding to deliver MTS1.
4. The current level of LIP funding and the way this funding is determined is outlined in the table below.

Programme	LIP funding 2016/17	Funding model
Principal road maintenance	£22.00m	Allocated by asset condition, for principal roads only
Bridge strengthening	£8.90m	Allocated by asset condition
Major schemes	£28.00m	Competitive bidding for schemes costing more than £2m. Business case required and staged release of funding for each project.
Traffic Signal Modernisation	£10.30m	"Top slice" spent by TfL
Corridors, Neighbourhoods and Supporting Measures	£74.25m	Allocated by funding formula to be spent on named projects that deliver the MTS. The funding formula was agreed by TfL, London Councils and the London Technical Advisory Group (LoTAG) in 2010.
Top slice by TfL (local transport fund, support for sub regional partnerships and borough apprenticeships)	£4.35m	Boroughs receive £100k to spend at their discretion on projects that achieve MTS outcomes. This is established in the City Charter. Boroughs can bid for funding for training.
	£147.80m	

5. In addition to the LIP funding outlined above, in 2015/16 boroughs were able to bid for cycle funding, for example to deliver Mini Hollands, cycle parking and measures on cycle safety. Other funding has included the Mayor's Air Quality Fund, which was allocated through a bid process, funding for bus stop accessibility, and targeted funds, for example on bus priority pinch points and measures around Crossrail stations.

6. TfL use this additional funding to indicate that whilst LIP funding was £147.8m in 2015/16, total available funding to the boroughs was £261.6m. Boroughs will note that not all boroughs have been able to take advantage of this funding as some of it is targeted to specific areas, and other funding had to be bid for.

MTS3

7. It is expected that Sadiq Khan will produce the third Mayor's Transport Strategy (MTS3). Once the MTS is published TfL will issue revised guidance to boroughs to enable boroughs to produce a LIP.
8. 2016/17 marks the final year of the current three-year LIP funding period. London Councils has previously secured greater certainty for boroughs over LIP funding by persuading the Mayor to move to a three-year funding cycle rather than a single year funding regime. The last time LIP funding was reviewed, in 2013, London Councils secured a continuation of LIP funding against proposals to reduce LIP funding by 25 per cent.
9. The indicative timescale for the production of the MTS3 and LIP3 is as follows, although the new Mayor and Deputy Mayor of Transport may wish to vary this.

September/October 2016 – "Towards..." Mayoral direction of travel document published

March 2017 – Draft MTS published, alongside TfL Business Plan and strategies for housing, economic development and environment. Draft LIP3 guidance published.

May 2017 – interim guidance for LIP funding for 2018/19 published by TfL.

October 2017 – Final MTS and LIP3 guidance published, boroughs submit 2018/19 LIP programmes.

November 2017 – boroughs begin preparing LIP3 documents.

10. TfL are conscious that borough elections take place in May 2018, which may affect borough ability to engage in the LIP3 process.

Interim LIP

11. If this year had been a normal year without a Mayoral election, TfL would have provided boroughs with guidance on LIP requirements in May / June and boroughs would have submitted programmes to TfL in October.
12. In light of the appointment of a new Mayor and the subsequent development of a new Mayor's Transport Strategy and TfL Business Plan to achieve the Mayor's transport manifesto pledges, TfL has not issued full guidance to boroughs. Instead, high-level guidance was issued on 24 June 2016 which recommends that boroughs continue to use the guidance issued by TfL for 2016/17 until notified otherwise.
13. With regards to LIP funding, TfL has advised boroughs to assume a 'business as usual' approach to planning their programmes for 2017/18 based on the current guidance and funding levels. Boroughs have been asked to prioritise their programmes in the event of less funding being available.
14. TfL has asked boroughs to plan on a basis of funding continuing at the same levels, and on similar lines to the split of LIP funding by programme as outlined in the table above at paragraph 3. TfL has requested that boroughs prioritise projects, so that if funding is reduced, boroughs can identify quickly which projects they will take forward.

LIP funding

15. TfL's revenue budget will be withdrawn by government by 2018/19, meaning that TfL will rely on its ticketing revenue and other commercial ventures to replace it. This is of concern for boroughs as LIP funding currently comes from TfL's revenue budget.
16. London Councils has worked to understand whether there are options for TfL to pass capital funding to the boroughs rather than revenue funding, as TfL's capital funding is less affected by cuts. Boroughs frequently capitalise some of the LIP funding they receive, and have long been of the view that some capital funding would be more appropriate. Boroughs have been told by TfL in the past that it is not possible to pass on capital funding when it would not be spent on their own assets, but we have checked with HM Treasury and the DfT neither of whom recognised this 'rule'.
17. Following advice from CIPFA, London Councils believes that a mechanism known as REFCUS (Revenue Expenditure Funded from Capital Under Statute) may be used and officers at TfL concur.
18. It is important to stress that any reduction of LIP funding due to the cutting of revenue funding by the DfT would be an unintended consequence. In London, boroughs receive their principle transport funding from TfL (alongside any funding boroughs may themselves contribute from their budgets or from contributions they secure from third parties). Local authorities outside London receive transport funding directly from DfT. It is not the stated intention by DfT that boroughs receive less transport funding as a consequence of the withdrawing of TfL's revenue grant. Risks of a reduction in transport funding for boroughs include deterioration in road quality, a decline in town centre improvement works, and a worsening of accessibility and sustainable transport programmes.
19. LIP funding is the only mechanism that links boroughs to the MTS, as the two go together in legislation. TfL recognises that the MTS cannot be delivered without boroughs, and an absence of LIP funding would give boroughs no reason to deliver the MTS.

Engagement with TfL on the LIP process and LIP funding

20. The Chair of TEC and the Vice-Chairs have been discussing LIP funding with the TfL Commissioner at their quarterly meetings. Understandably the TfL Commissioner has needed to wait for the new Mayor to provide direction before committing anything.
21. London Councils has established a LIP working group which includes officer representation from each of the five sub-regional partnerships, as well as representatives from the GLA and TfL.
22. London Councils has continually stressed that maintaining the current funding levels, if not increasing it is the minimum expected, given the challenging financial circumstances of the boroughs. Additionally, a degree of certainty is required to enable boroughs to plan effectively.
23. Following the attendance of Mike Brown, the TfL Commissioner, at CELC (the Chief Executive London Committee) chief executives have expressed interest in forming transport sub-group.
24. Given Val Shawcross's attendance at TEC Executive, this is a good opportunity to discuss LIP funding with the Deputy Mayor for Transport.

Recommendations

The Committee is asked to:

- Note and discuss the report.

Financial Implications

There are no financial implications for London Councils.

Legal Implications

There are no legal implications for London Councils.

Equalities Implications

There are no equalities implications of the recommendation.

London Councils' Transport & Environment Committee Executive

Reducing Air Pollution in London Item no: 05

Report by: Katharina Winbeck **Job title:** Head of Transport, Environment and Infrastructure

Date: 21 July 2016

Contact Officer: Owain Mortimer

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Summary:

Following the previous air quality update, the Mayor of London, Sadiq Khan, has launched a large-scale public consultation on measures to tackle air pollution in London and the associated public health and inequality impacts. The consultation has been split into three stages, with the first stage launched on 5th of July running until 29th of July.

This paper details London Councils response to the measures laid out in this consultation at Appendix 1.

Recommendations:

The Committee is asked to:

- Discuss and agree the current direction of travel for London Council's response to the Mayor's first phase consultation on air quality at Appendix 1.

Reducing Air Pollution in London

1. The previous air quality update to the last full TEC meeting in June 2016, provided some recent empirical data regarding the social and health impacts of air pollution showing how it causes approximately 9,400 deaths per year in London alone. The report also provided an update on the new Mayors emerging policies in this area and reiterated London Councils current position. The paper committed London Councils to work on a renewed position on air quality, using the consultations proposed by the Mayor as a starting point.
2. On 5th July, the first of three phases of consultations was launched by the Mayor of London, Sadiq Khan running until 29th July. This first phase is a high level consultation based on a questionnaire, gauging the views of Londoners and other stakeholders on the air quality problem as a whole, changes proposed to the Ultra Low Emission Zone (ULEZ) - including bringing its introduction forward and extending the boundaries - and incentivising the use of cleaner vehicles through a diesel scrappage scheme or devolving Vehicle Excise Duty (VED) to London. The consultation also includes questions on pedestrianisation, high pollution alerts, the potential for a boiler scrappage scheme and the principle of introducing a new Emissions Surcharge to discourage the oldest vehicles from driving in Central London.
3. London Councils draft response can be found at Appendix 1. Given the short timeframe of the consultation launch and the production of this report, there have only been a number of London boroughs who have responded so far but more have indicated they will respond before the deadline. This report seeks the views of the Executive Committee on the direction of travel of the response.
4. Following this Phase 1 consultation the Mayor plans an additional two phases;
 - a. Phase 2 – Autumn 2016: Policy consultation on transport related proposals including a detailed statutory public consultation on the introduction of a new Emissions Surcharge.
 - b. Phase 3 – Autumn 2017: A detailed statutory public consultation on the transport related proposals including the widening of the ULEZ boundary to include more of inner London and proposal to tighten the emission standards for the London-wide Low Emission Zone

Going Forward

5. London Councils will respond to these consultations as well and take them to TEC as appropriate and possible, given timings.

Recommendations: The Committee is asked to:

- Discuss and agree the current direction of travel for London Council's response to the Mayor's first phase consultation on air quality at Appendix 1.

Financial Implications

6. There are no financial implications to London Councils arising from this report.

Legal Implications

7. There are no financial implications to London Councils arising from this report.

Equalities Implications

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

Appendix 1 - Cleaning Up London's Air Pollution Consultation Draft London Councils Response

1. Measures being considered in this first stage consultation include:
 - Introducing the central London Ultra-Low Emission Zone one year earlier in 2019
 - Extending the Ultra-Low Emission Zone ('ULEZ') beyond central London from 2020: for motorcycles, cars and vans, to the North and South Circular; and for lorries, buses and coaches London-wide
 - Proposals for a diesel scrappage scheme and VED devolution to London
 - The role of pedestrianisation
 - Measures and alerts during periods of high pollution
 - Measures to address emissions from domestic boilers.
 - Implementing a £10 Emissions Surcharge (dubbed the 'T-charge') on the most polluting vehicles entering central London from 2017. The charge would apply to all vehicles with pre-Euro 4 emission standards (broadly speaking those registered before 2005).

London Councils' has the following comments to make on a number of the questions and issues posed in the online survey.

ULEZ (Questions 3-5)

2. We support the Mayor's objective of implementing the ULEZ, and would support plans to bring forward the implementation of the ULEZ to September 2019 if this can be done effectively and without causing additional disruption or problems for London residents than had otherwise been considered.
3. London Councils welcomes plans to expand the ULEZ beyond the initial area of the current central London Congestion Zone. While there is support for the implementation of the ULEZ, there are a number of concerns regarding the proposed boundary for any expansion in the future. The north south circular road being used as a future boundary raises a number of issues, but was seen as a good option in the interim. The north and south circulars cut through a number of boroughs, which clearly further increases the complexity of charging regimes and enforcement in the capital.
4. There is also the issue with the fact that the south circular is different in nature to the north circular, in that it is often made up of smaller, local roads moving through suburban communities. It is also not as expansive as the north circular, meaning that it would have less impact on south London. Therefore we believe there may be merits to looking at other boundary solutions, in the south especially.
5. We believe any extended boundary for the ULEZ should cover light and heavy vehicles but done in a way where displacement issues are minimised and local businesses are consulted. Pedestrianisation and filtered permeability should also be considered, but the issue of displacement should be monitored closely by TfL.

Diesel Scrappage Scheme (Questions 6-10)

6. We support plans for a diesel scrappage scheme but would welcome more information on the nature of the scheme proposed – such as the scope of the vehicles to be included, and any requirements on participants. We would also encourage these plans to be taken forward to influence the Autumn Budget to make the scrappage scheme a nationwide policy, given that air pollution is not just a London problem. This would also help to fight the traffic that comes into London from elsewhere, as well as tackle the issues of air pollution within London by residents. London Councils does caution of a move away from a focus on carbon emissions, with any move away from diesel needing to encourage the right kind of take-up of other forms of transport (i.e. different modes or if a private vehicle, it should be fully electric, hydrogen, hybrid, or cleaner petrol).

7. London Councils supports, in principle, the devolution of VED powers to London, but more information is required before making an informed decision. With the information provided, it's not clear how much income VED would provide for London, nor is it clear that devolution of VED would not detrimentally impact other funding sources used by local authorities for road maintenance, such as Principal Road Maintenance funding through the Local Implementation Plan.
8. London Councils does not agree with the recent reforms to vehicle excise duty (VED) as it no longer incentivises low emission vehicles and we think this fiscal stimulus should continue.
9. London Councils welcomes plans for air pollution alerts to raise awareness of the issue particularly through electronic signs on roads and at public transport stations, email, text messages, television, radio and online formats.
10. We support a boiler scrappage scheme funded by the Mayor, providing lessons are learnt from the scheme implemented under the previous administration and the scheme provides good value for money.

Emissions Surcharge (Questions 11-16)

11. London Councils and the London boroughs support a daily emissions surcharge for all non-compliant vehicles (Euro IV and older). The concept of the Congestion Charge and Low Emission Zone are already well understood by drivers in London.
12. The implementation of the Emissions Surcharge under the same hours of operation as the Congestion Charge (0700 – 1800, Monday to Friday) would make things simpler initially. But there could be merit in understanding the potential impact of extending these hours. Ideally, TfL should undertake modelling to assess the impact of extending the operating hours. TfL should also model the impacts of extended hours on freight services, taking into account the potential contribution to other policy objectives, such as freight retiming or consolidation.
13. London Councils agrees that there needs to be a reduction for residents of the emissions surcharge and using the Congestion Charge reduction of 90% is a fair amount, although this may need to be revisited for areas included in any expanded ULEZ, given the number of residents that would then be included.
14. Given the fact that large vehicles (in this case, vehicles with nine seats or more) create more pollution, we agree that vehicles of this nature should also pay the Emissions Surcharge.

Additional comments (Questions 17–18)

15. We seek assurances from TfL that any surplus from the ULEZ and emissions surcharge will be ring fenced and used for measures that improve air quality standards in London, for example investment in electric buses, electric charging points or more sustainable modes of transport, especially walking and cycling.
16. The ULEZ alone will not solve London's air quality problems, not least for the areas outside the zone. Whilst acknowledging the Transport Emissions Road Map and funding schemes for boroughs to deliver local air quality improvements, we strongly encourage the Mayor to continue to prioritise air quality improvements, establish ways to reduce air pollution levels to below the legal limit, and work with boroughs to ensure the benefits of the ULEZ are felt across London.
17. We support the greater use of green infrastructure and urban greening (for instance the use of green walls, roofs and screens in public areas, and more strategic planning of green

spaces) as a means of mitigating air pollution. London Councils also supports national clean air zones which could be implemented with the adoption of a new Clean Air Act - to help bring about a change in culture on this issue, and help to make it a national priority.

London Councils' TEC Executive Sub-Committee

Social Needs Transport – Update

Item No: 06

Report by: Spencer Palmer

Job Title: Director, Transport and Mobility

Date: 21 July 2016

Contact Officer: Spencer Palmer

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Summary: This report provides an update of progress with TfL's Social Needs Transport Review and implications for the Taxicard scheme in particular.

Recommendations: The sub-committee is asked to:

- Note the update on the progress with Transport for London (TfL) Social Needs Transport Roadmap to integrate and improve social needs transport for elderly and/or mobility impaired Londoners; and
- To discuss and provide comment on the proposals being developed further before reporting to full TEC meeting for decision later this year.

Background

1. There are a variety of social needs transport services provided in London by boroughs, TfL and other bodies such as charities and the NHS.
2. TEC is responsible for the Taxicard scheme, which provides subsidised kerb to kerb journeys in licensed taxis and private hire vehicles for London residents who have serious mobility or visual impairments. The scheme is jointly funded by Transport for London and the boroughs and managed by London Councils on their behalf.
3. TfL is responsible for Dial-a-Ride, which is a free door to door service for disabled people living or staying in London.

4. On 15 October, TfL presented a report to TEC on TfL's proposals for Social Needs Transport. The Committee noted the paper and supported boroughs and London Councils working with TfL to develop detailed proposals for greater integration of social needs transport services to deliver customer benefits and financial efficiencies. TEC agreed to the principles of change but stressed the need for full consultation with boroughs and that they would need to see more detail about the benefits before agreeing any changes. Key areas for detailed development included financial and governance arrangements together with a programme to take the work forward.

Progress Update

5. Since October, TfL has written to boroughs to share their "SNT Roadmap" and has mentioned its proposals at liaison meetings with borough officers. Only 13 boroughs responded to the questionnaire consultation and where boroughs took the opportunity to comment on the proposals, they were supportive of TfL's plans with comments focused on clarifying points of detail.
6. To help TfL develop a set of proposal that could be recommended to TEC, London Councils officers hosted a workshop with the relevant TfL officers on 3rd May 2016. The meeting involved an open and thorough discussion of the key issues and explored different options for change.
7. TfL has made progress with other proposals outlined in their Roadmap by taking the following steps internally:
 - Separating the Dial-a-Ride (DAR) operation into two distinct parts – Assisted Transport Services and Fleet Services. This provides a clear distinction between the commissioning and delivery of DAR services. The Assisted Transport Service will commission services from both the internal fleet operation but also third-party providers and take the lead on future further integration with Taxicard.
 - Reviewing, expanding and re-procuring its Multi-Occupancy Assisted Transport (MOAT) contract to provide DAR services. The MOAT services are currently provided by a number of Community Transport providers, delivering social value across local communities in addition to the services they provide for DAR. The new MOAT contract will provide operators with greater contractual and financial security and by ensuring social value is a key component of the assessment criteria, thereby help to strengthen the provision of transport services across London;
 - Implementing a review of the five mile trip focus criteria in line with recommendations from the London Assembly and feedback from users – this review will need to balance the desire for longer journeys with the demand for more frequent access to trips.

Integrating Taxicard and DAR

8. A key component of the TfL's Roadmap is further integration of Taxicard and DAR. Greater integration could deliver efficiency savings that could be used to reinvest in service provision and deliver a reduction in operating costs, and therefore, funding requirements for TfL and Boroughs.

9. DAR provision is supplemented by the use of a Taxi consolidator contract which provides flexibility to enable the in-house service to be run efficiently. This consolidator contract is currently delivered by CityFleet; the current contract term ends in October 2017. Taxicard service provision is through a London Councils contract, also with City Fleet, which runs until March 2017 with the possibility to extend until March 2018. Any decision to extend the contract would have to be made by October 2016.
10. There is clearly an opportunity for joint procurement of these services to not only share procurement cost but to hopefully achieve economies of scale in future service costs by procuring these two similar services together. The tender process also provides the opportunity to market test the combined provision of call centre, booking and scheduling services for both Taxicard and DAR. Such services for Taxicard are currently provided by City Fleet as part of the Taxicard contract but for DAR are provided internally by TfL in-house resource.
11. To allow sufficient time to complete the tender process and any consequential transfer of staff, it will be necessary to extend the existing Taxicard contract with City Fleet until March 2018. Such an extension will be subject to TfL continuing funding at at least current levels. London Councils' officers continue to lobby TfL for this commitment, which is needed by the October 2016 contract notification deadline.
12. TfL's report to TEC last October also set out some further components of integration for the short, medium and long term. Appendix A describes progress and further development of these proposals.

Recommendations:

The sub-committee is asked to:

- Note the update on the progress with Transport for London (TfL) Social Needs Transport Roadmap to integrate and improve social needs transport for elderly and/or mobility impaired Londoners; and
- To discuss and provide comment on the proposals being developed further before reporting to full TEC meeting for decision later this year.

Financial Implications

There are no financial implications to the approach set out in this report, as long as TfL agree to continue funding at the current level up until the potential contract extension date of March 2018.

Legal Implications

There are no legal implications at this stage.

Equalities Implications

There are no equalities implications of the report.

List of Appendices to This Report:

Appendix A – Further Components for Integration

Appendix A – Further Components for Social Needs Transport Integration

Short Term:

TfL's SNT Review Proposal	Consideration	Proposed way forward
Single customer complaints and feedback process	Customer complaints and feedback are currently directed to and dealt with quickly by either the contractor responsible for the particular service or the relevant TFL/London Councils team. Channelling complaints about different services and service providers through a single route (and then forwarding them on) whilst it may add some delay and cost, it could provide benefits to service governance and management information. A single complaints and feedback service could only work with fuller integration of the booking and scheduling of the services.	Ensure complaints and feedback procedures for both schemes are consistent and transparent to service providers and customers. Consider a single process with fuller integration of the services.
Single set of eligibility criteria	The principle of this is desirable but Boroughs currently have some discretion on non-automatic qualifying criteria.	Work towards common criteria for all across both schemes.
Single membership process.	A single application process for both schemes would be better for customers and could reduce costs, particularly if moved mainly online. Some boroughs already have a shared form and process for multiple benefits such as Blue badge and Taxicard.	Develop a single application process with a single or common form.
Review Dial-a-Ride's Multi-Occupancy Accessible Transport (MOAT) contracts, in place with six community transport providers and re-let them in a form that would incentivise contractors to invest in the vehicles, drivers and training.	The tender process is already underway by TfL.	Complete implementation during early 2017.

TfL's SNT Review Proposal	Consideration	Proposed way forward
TfL will start to diversify the use of the Dial-a-Ride fleet, contracting out to other service commissioners who also have a need for the fleet's specialist vehicles and trained drivers. This would improve the overall efficiency of the fleet and start to integrate the services TfL provides with those in the education and health sectors.	Agreed. Perhaps Dial-a-Ride Vehicles could be subcontracted to be used for Taxicard journeys and more likely for other borough social needs transport services.	TfL to continue to explore and progress options.

Medium Term:

TfL's SNT Review Proposal	Consideration	Proposed way forward
A single booking process for customers. Initially this could mean a single phone number, with calls connected through to the relevant call centre, but the fundamental step will be to move to an integrated booking centre providing an integrated service.	A single number routed through to separate call centres could cause confusion, delay and cost. Taxicard currently handles bookings through a single call centre run by the contractor and also through an online portal and phone app. A single booking process could only work with fuller integration of the booking and scheduling of the services.	Consider whether integration of the booking centres could deliver customer improvements and cost savings. Market test joint procurement of the booking and scheduling services as part of the Taxicard re-tender.
Trial a local decentralised booking process.	There have been trials of this in the past, most notably in Newham which finished in 2015.	The focus at this stage should be to work a more efficient centralised booking service rather than a more fragmented one. This will facilitate a better development of efficiency synergies and recognises that demand for both DaR and Taxicard journeys is not confined to local borough boundaries/activities but reflects the general public usage of mainstream passenger transport services.

TfL's SNT Review Proposal	Consideration	Proposed way forward
The taxi and private hire industry already provides significant transport services to both Dial-a-Ride and Taxicard. In partnership with London Councils and boroughs, TfL will develop a new contracting framework, letting a series of contracts either directly to Private Hire Operators or through taxi consolidation firms, which will meet specified training requirements.	There is scope to join up procurement activity and achieve efficiencies in doing so. TfL's taxi consolidator and LC's Taxicard contract could be combined or at least procured jointly as separate lots. The nature of the black taxi and phv industry is changing rapidly. Procurement needs to recognise the challenges and opportunities this may provide and to ensure that new contracts are future proofed.	LC and TfL will work together to jointly tender to meet the requirements of Taxicard and the Taxicard consolidator.

Long Term:

TfL's SNT Review Proposal	Consideration	Proposed way forward
Seek to expand the role of the integrated operation to secure more cooperation and coordination with other providers across London, with the aim of commissioning provision from the most appropriate and cost-effective providers. Customers would get the service that best delivers their needs provided in the more cost effective manner.	Demand for social needs transport (statutory and non-statutory) has daily peak and off peak profiles as is widely experienced on mainstream public transport. Further integration of wider services however could deliver benefits and efficiencies for Boroughs.	Continue to consider further integration of services and consider what role TEC and TfL may play in the governance of a more integrated approach.

London Councils' TEC Executive Sub Committee

Green Infrastructure Partnerships

Item no: 07

Report by:	Jennifer Sibley	Job title:	Principal Policy Officer
Date:	21 July 2016		
Contact Officer:	Jennifer Sibley		
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Summary This report provides members with the recommendations made as part of the Mayor's Green Infrastructure Taskforce that affect boroughs and TEC, and sets out suggestions on how they could be achieved.

Recommendations TEC Executive is asked to:

- Note and discuss the report. In particular;
 - Consider whether lobbying on the new London Plan and for locally set planning fees is the right approach to see green infrastructure 'mainstreamed' in London;
 - Provide a steer on whether surveying boroughs and asking the GLA for an annual assessment of green infrastructure should happen.

Introduction

1. Green Infrastructure is a term that recognises that trees, planting and parks provide a greater service than amenity benefits alone. Green infrastructure encompasses the full range of greening; from parks, trees and flower beds to swales, green walls, rain gardens and green roofs. The benefits and services provided by green infrastructure include air quality improvements, biodiversity benefits, protecting the city from the urban heat effect by providing shade, and reducing flood risk by capturing rainfall in more natural ways, reducing surface water run-off and 'flash flooding'.
2. In March 2016 TEC members received a report entitled Mayor's Green Infrastructure Taskforce. This report provided members with information about the Taskforce, its focus and its recommendations, including those that were for boroughs and London Councils to consider.
3. The recommendations for boroughs and London Councils were:
 - #15 London boroughs should ensure that the concept of green infrastructure is central to a placemaking agenda and properly represented within their placemaking teams.
 - #17 Boroughs should support sub-regional green infrastructure partnerships. These partnerships should be funded by the Greater London Authority matched by an allocation from the boroughs, for example, from savings generated through the reduction in the levy achieved by the Lee Valley Regional Park Authority over the past five years.
 - #16 The Greater London Authority, London Councils and the Environment Agency should review existing relevant partnerships to identify opportunities for better collaboration and co-ordination of green infrastructure.
 - #19 London Councils' Transport and Environment Committee should take a stronger role in promoting, co-ordinating and supporting green infrastructure.
4. In response to the recommendations, the report TEC members received in March 2016 set out the following in paragraph 12 to 17.
5. *Recommendation 15 is one we welcome and we note that some boroughs are making great strides in 'greening' developments in their borough, and ensuring that adequate green space and drainage provision is considered. With pressures on savings to be made, it will remain challenging for planning teams to be adequately resourced to negotiate with developers, and for flooding teams to respond to the development proposals and insist on changes where appropriate.*
6. *Recommendations 17 links to Recommendation 16 as flooding sub-regional partnerships already exist and we would assume that strengthening these partnerships would be a better focus rather than creating brand-new green infrastructure partnerships.*
7. *London Councils officers could undertake a review of the flooding sub-regional partnerships together with the Environment Agency, and bring the results to TEC. This would be a voluntary review, as TEC does not have any statutory powers in the area of flooding in boroughs.*
8. *London Councils officers, using existing networks, could survey borough officers about whether green infrastructure is integrated in placemaking teams and bring the results to*

TEC, but again, TEC has no statutory powers in the area of planning and placemaking in boroughs.

9. *TEC could request an annual report from the GLA about the uptake of green infrastructure in planning applications and the creation of new green space, for example if an equivalent scheme to the current Mayor's Pocket Parks initiative continues. However, this is not likely to give a particularly strategic overview of green infrastructure as it will be limited to interventions that the Mayor is involved in, and will miss initiatives created or supported by Business Improvement Districts, boroughs themselves and voluntary or community organisations.*
10. *London Councils officers could organise annual events for Members and/or officers on green infrastructure to help share knowledge, expertise and get latest updates on the issues.*
11. At the TEC meeting on 23 March 2016 members highlighted that they did not think that green infrastructure should be added to the responsibility of flood sub-regional partnerships, and that a further report would come to the TEC Executive for further discussion on implementing the report's other recommendations.
12. An event called 'Greening your borough' was planned for 16 June 2016 but was cancelled due to low take-up.

Considering the recommendations further

13. The House of Commons Environmental Audit Committee recently noted that the government has not mandated the inclusion of sustainable drainage systems in new developments despite recommendation in the Pitt Review that sustainable drainage be the default option for new developments.¹
14. With the upcoming review of the London Plan, London Councils could call for an increased focus on implementing sustainable drainage in new developments through the planning system. This could provide a stronger foundation for the work that boroughs are already doing through the planning process, where flood risk officers review planning applications that are in areas at high risk of flooding and seek to ensure developers include mitigation measures, including sustainable drainage.
15. Officers regularly comment that the time taken to review planning applications and work with developers to get schemes amended to include adequate sustainable drainage is far beyond what is paid by developers in planning fees. We continue to call through our planning colleagues for the ability for councils to set planning fees locally, to ensure that the costs of providing a planning service are met by those using it. A properly funded planning service is also more likely to be able to provide a faster service for applicants.
16. Drain London developed under the previous Mayor a draft Sustainable Drainage Action Plan which seeks to reduce the amount of run-off water reaching the sewerage system in London, which is already over capacity. It seeks to retrofit sustainable drainage measures such as green roofs and green walls, highlighting key sectors such as housing associations as partners to work with. TEC Executive discussed the Action Plan at its meeting on 24 November 2015. Boroughs may want to focus on how they can support the delivery of the draft Sustainable Drainage Action Plan.

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http://www.publications.parliament.uk/pa/cm201617/cmselect/cmenvaud/183/18308.htm#_idTextAnchor036

17. We noted that TEC members felt in March 2016 that flooding sub-regional partnerships were not the right partnerships to be promoting and collaborating on green infrastructure. Having reviewed the landscape of partnerships further, partnerships such as the Wandle Valley Partnership and the Lee Valley Regional Park Authority exist in part of London but already have as part of their purpose the protection and enjoyment of green space and nature.
18. We are aware that at borough level there may be opportunities for boroughs to work in partnership with organisations in their local area, such as Business Improvement Districts, charities or groups that already run parks or community spaces, and housing associations to 'green' local areas and secure the long-term future of new or existing green infrastructure assets.
19. London Councils officers have already begun the process of a light-touch review of flooding sub-regional partnerships. This process is dependent on officers being invited to attend the meetings, and so far it is evident that the most notable differences between the partnerships are the number of boroughs involved, member involvement, and the level of strategic discussion that takes place. It will be some time before any conclusions can be drawn from this exercise, but it is presumed to share what works well and not so well with boroughs. This work is supported by the Thames Regional Flood and Coastal Committee (TRFCC) and feeds into its focus on building capacity in Lead Local Flood Authorities (LLFAs) (all London boroughs) by recruiting additional Advisers to support LLFAs in the development of schemes for capital funding. The TRFCC is also keen to strengthen the flood risk partnerships and encourage collaboration between LLFAs, with a particular focus on having one joint surface water flood reduction scheme per partnership.
20. The two suggestions in paragraphs 9 and 10 (to ask boroughs how well green infrastructure is integrated into placemaking teams; and asking the GLA for an annual assessment of the uptake of green infrastructure) would maintain awareness amongst TEC members as to the level of commitment to greening there is in London, but it should be noted that requesting information from the GLA has the potential to miss privately-backed schemes and those that boroughs have initiated themselves. It would give a picture, but a potentially incomplete picture, of green infrastructure in London. Since this requires action by boroughs and the GLA, it would be helpful to understand from TEC Executive members whether this is something London Councils should pursue.

Recommendations

TEC Executive is asked to:

- Note and discuss the report. In particular;
 - Consider whether lobbying on the new London Plan and for locally set planning fees is the right approach to see green infrastructure 'mainstreamed' in London;
 - Provide a steer on whether surveying boroughs and asking the GLA for an annual assessment of green infrastructure should happen.

London Councils' TEC Executive Sub Committee

Transport & Mobility Services Performance Information

Item no: 09

Report by: Spencer Palmer **Job title:** Director, Transport and Mobility
Date: 21 July 2016
Contact Officer: Spencer Palmer
Telephone: 020 7934 9908 **Email:** Spencer.palmer@londoncouncils.gov.uk

Summary: This report details the London Councils Transport and Mobility Services performance information for Q4 2015/16 and Q1 2016/17.

Recommendation: Members are asked to note the report.

Performance Monitoring and Reporting

1. London Councils provides a number of transport and mobility services on behalf of the London boroughs. These include London Tribunals, Freedom Pass, Taxicard, the London European Partnership for Transport, the London Lorry Control Scheme, the Health Emergency Badge scheme and providing a range of parking services and advice to authorities and the public.
2. Appendix 1 sets out the latest position against key performance indicators for each of the main services. This report covers Quarter 1 of 2016/17 compared to Quarter 4 of 2015/16, and provides complete figures for 2015/16.

Equalities Considerations

None.

Financial Implications

None.

APPENDIX 1: TRANSPORT & MOBILITY SERVICES: PERFORMANCE

LONDON TRIBUNALS

	Target (where appropriate)	2015/16 Full Year	2015/16 Q4	2016/17 Q1	Red / Amber / Green (RAG) rating Q1
Environment and Traffic Adjudicators (ETA)					
No. of appeals received	N/A	42,846*	10,557*	10,386	N/A
No. of appeals decided	N/A	35,129	9,542	11,126	N/A
% allowed	N/A	50%*	48%*	50%	N/A
% Did Not Contest	N/A	21%*	21%*	21%	N/A
% personal hearings started within 15 minutes of scheduled time	80%	86%	86%	87%	Green
Average number of days (from receipt) to decide appeals (postal)	56 days	41 days	44 days	50 days	Green
Average number of days (from receipt) to decide appeals (personal)	56 days	40 days	41 days	41 days	Green
Average number of days (from receipt) to decide appeals (combined)	56 days	41 days	43 days	47 days	Green
Road User Charging Adjudicators (RUCA)					
No. of appeals received	N/A	5,967*	1,832*	1,593	N/A
No. of appeals decided	N/A	3,876	1,049	1,639	N/A
% allowed	N/A	25%*	25%*	25%	N/A
% Did Not Contest	N/A	21%*	23%*	21%	N/A
% personal hearings started within 15 minutes of scheduled time	80%	80%	80%	78%	Red**
Average number of days (from receipt) to decide appeals (postal)	56 days	47 days	59 days	59 days	Red^
Average number of days (from receipt) to decide appeals (personal)	56 days	40 days	43 days	38 days	Green
Average number of days (from receipt) to decide appeals (combined)	56 days	42 days	56 days	54 days	Green
Overall service					
Notice of Appeal acknowledgments issued within 2 days of receipt	97%	95%	93%	99%	Green
Hearing dates to be issued to appellants within 5 working days of receipt	100%	90%	96%	83%	Red^^
Number of telephone calls to London Tribunals	N/A	36,231	8,607	8,479	N/A
% of calls answered within 30 seconds of the end of the automated message	85%	87%	97%	98%	Green

Comment:

* These statistics have been compiled by combining monthly report statistics. Annual report statistics for both tribunals are currently being collated directly from the case management system database and the annual report totals may vary slightly from the quarterly report figures as a result of updates to the database since the monthly reports were generated.

** The % personal hearings started within 15 minutes of scheduled time marginally missed the target. This SLA is dependent on the appellant arriving at the hearing centre on time. In RUCA, the low number of personal hearings means that it does not take many appellants to arrive late for the SLA to be missed.

^ The Average number of days to decide a RUCA case marginally missed the target due to the way in which adjudicators' time is allocated. The Chief Adjudicator only schedules adjudicator time on days when personal cases are being decided – meaning that postal cases are not considered every day, resulting in increased waiting times for decisions. However, whilst the target is not met, the Chief Adjudicator considers that the cost benefit of working in this way justifies this approach.

^^ The % of hearing dates to be issued to appellants within 5 working days of receipt missed the target quite significantly because of performance in April. Whilst the notifications were being generated promptly by the system, a high level of sickness amongst processing staff this month delayed the dispatch of notifications. There was a significant improvement in the latter half of the quarter.

FREEDOM PASS

	Target (where appropriate)	2015/16 Full Year	2015/16 Q4	2016/17 Q1	Red / Amber / Green (RAG) rating Q1
Number of active passes at end of period	N/A	1,198,958	1,198,958	1,215,490	N/A
Number of new passes issued (BAU)	N/A	52,176	11,744	9,307	N/A
Number of passes issued (2015 & 2016 Renewal)	N/A	157,835	126,965	10,369	N/A
Number of replacement passes issued	N/A	91,336	21,552	21,383	N/A
Number of phone calls answered (BAU)	N/A	231,240	57,142	47,851	N/A
% Answered within 30 seconds (BAU)	85%	84%	79%	81%	Red*
Number of phone calls answered (2015 & 2016 Renewal)	N/A	29,300	0	12,000	N/A
% Answered within 30 seconds (2015 & 2016 Renewal)	85%	85%	N/A	77%	Red*
Number of letters, emails and faxes answered	N/A	80,777	20,156	14,901	N/A
Number of emails answered (2015 & 2016 Renewal)	N/A	6,709	N/A	4,625	N/A

BAU = Business as Usual

Comment:

*The target of 85% of calls to the Freedom Pass helpline being answered within 30 seconds has been missed for both the Business as Usual and 2016 renewal phone lines in Q1. The main reason for this is that the average call length is increasing. For BAU calls, a significant factor is the time it takes to process payments for replacement cards. To help address this, a new online

payment facility will be launched in August this year, which will significantly reduce call volumes. For both BAU and renewal applicants, another factor is people requiring time-consuming support and advice on using the new online facilities. The successful efforts to transfer more people to self-serve online facilities, although reducing workload in other areas such as postal applications and correspondence, have impacted the call centre operations. Officers are working with the contractor to review and improve call centre performance going forward, including by providing better online support for those using online facilities.

TAXICARD

	Target (where appropriate)	2015/16 Full Year	2015/16 Q4	2016/17 Q1	Red / Amber / Green (RAG) rating Q1
Number of active passes at end of period	N/A	69,604	69,604	71,338	N/A
Number of new passes issued	N/A	9,204	1,897	2,289	N/A
Number of replacement cards issued	N/A	4,961	1,013	1,132	N/A
Number of phone calls answered at London Councils	N/A	31,157	8,478	9,329	N/A
% Answered within 30 seconds	85%	97.00%	96.64%	96.62%	Green
Number of journeys using Taxicard	N/A	1,221,950	291,184	333,710	N/A
% in private hire vehicles	N/A	19%	23%	16.21%	N/A
% of vehicles arriving within 15 minutes (advance booking)	95%	96.18%	97.54%	96.29%	Green
% of vehicles arriving within 30 minutes (on demand)	95%	96.71%	97.14%	97.08%	Green

Comment:

The number of Taxicard journeys increased by 4.88% in Q1 compared to the same quarter in 2015, reversing a long term trend of declining usage. If this trend continues a number of boroughs will have to either cover any budget overspends or take measures to reduce usage. Boroughs currently predicted to overspend have been informed and a report on the Taxicard budget will be presented to the full Committee in September when a clearer projection of the budget outturn will be available.

TRACE (TOWAWAY, RECOVERY AND CLAMPING ENQUIRY SERVICE)

	Target (where appropriate)	2015/16 Full Year	2015/16 Q4	2016/17 Q1	Red / Amber / Green (RAG) rating Q1
Number of vehicles notified to database	N/A	45,593	11,478	10,847	N/A
Number of phone calls answered	N/A	44,174*	9,773	8,991	N/A
% of calls answered within 30 seconds of the end of the automated message	85%	93% **	95%	96%	Green

Comment: * There were no stats provided by our previous contractor for June 2015. This was the last month of their contract and stats for this SLA were not provided from the old system before it was decommissioned

** This target was only introduced when the contractor changed in July 2015. As such, 2015/16 full year stats only covers Q2, Q3 and Q4.

LONDON LORRY CONTROL SCHEME

	Target (where appropriate)	2015/16 Full Year	2015/16 Q4	2016/17 Q1	Red / Amber / Green (RAG) rating Q1
Number of permits on issue at end of period	N/A	62,179	62,179	62,052	N/A
Number of permits issued in period	N/A	23,736	6,057	6,362	N/A
Number of vehicle observations made	10,800 per year 2,700 per quarter	11,569	2,856	3,552	Green
Number of penalty charge notices issued	N/A	4,993	1,119	978	N/A
Number of appeals considered by ETA	N/A	*63	16	19	N/A
% of appeals allowed	Less than 40%	*59%	69%	*63%	Red

***Comment:** 51% of the 2015/16 cases allowed at appeal were 'Do Not Contest' decisions taken by officers before each hearing. 31% of the Q1 cases allowed at appeal were 'Do Not Contest' decisions taken by officers before each hearing.

TRANSACTIONAL SERVICES: DEBT REGISTRATIONS AND WARRANTS

	Target (where appropriate)	2015/16 Full Year	2015/16 Q4	2016/17 Q1	Red / Amber / Green (RAG) rating Q1
Traffic Enforcement Court: number of debt registrations	N/A	393,289	134,069	130,075	N/A
Traffic Enforcement Court: number of warrants	N/A	334,078	97,609	111,305	N/A
Traffic Enforcement Court: % registered in 1 day	97%	99%	97%	100%	Green

HEALTH EMERGENCY BADGES

	Target (where appropriate)	2015/16 Full Year	2015/16 Q4	2016/17 Q1	Red / Amber / Green (RAG) rating Q1
Number of badges on issue at end of period		4,475	4,475	4,240	N/A
Number of badges issued in period		2,264	650	517	N/A

LONDON EUROPEAN PARTNERSHIP FOR TRANSPORT

	Target (where appropriate)	2015/16 Full Year	2015/16 Q4	2016/17 Q1	Red / Amber / Green (RAG) rating Q1
Number of Boroughs participating in EU transport funding bids	7	8	8	6	Amber

Comment:

LEPT - 8 participating Boroughs in 2015/16: Barking and Dagenham (NoveLog), Hounslow (SWITCH), Newham (PASTA), Southwark, Lambeth (VeloCita), Westminster (Frevue), Hackney (STARS) and Haringey (PTP-Cycle). The STARS and PTP-Cycle projects concluded at the end of March 2016 reducing the total to 6. LEPT will continue to disseminate and ask for comments on any EU funding opportunities and will be looking to lead, broker and partner EU projects in the upcoming H2020 calls for proposals.

London Councils' TEC Executive Sub-Committee

Road User Charging Appeals (RUCA) – Potential Continuation of Service

Item No: 10

Report by: Stephen Boon **Job titles:** Chief Contracts Officer
Date: 21 July 2016
Contact Officer: Stephen Boon
Telephone: 020 7934 9951 **Email:** stephen.boon@londoncouncils.gov.uk

Summary:

London Councils operates the Road User Charging Appeals (RUCA) service under contract with Transport for London (TfL). The current contract ends on 31 December 2016 and TfL has commenced a competitive re-tender exercise. This report explains the re-tender process and seeks agreement for London Councils to submit a bid proposal to continue to provide the service on a full cost recovery basis and enter into a new contract with the GLA should London Councils be successful.

Recommendations:

Members are recommended to note the re-tender process and programme for the RUCA service and agree to submit a bid proposal to continue to provide the service on a full cost recovery basis under a new contract with the GLA.

Members are also asked to grant delegated authority to London Councils' chief executive, John O'Brien, to sign the contract to undertake these services should London Councils win the tendering exercise.

Introduction

1. On 7 July 2016, TfL, on behalf of the GLA, launched an ITT for the 'Provision of Appeals Services to Central London Congestion Charging and Low Emission Zone Schemes.' London Councils currently holds this contract, which it delivers through a sub-contracting relationship with Northgate Public Services Ltd (NPS). This paper sets out the

background to the current contractual relationship and considers why London Councils should bid for this work.

Background

2. Acting through TEC, London Councils currently provides the Central London Congestion Charging and Low Emission Zone Schemes Appeal Services on the basis that doing so will facilitate, or is conducive and incidental to, the discharge of the functions delegated by the London local authorities to LCTEC for the appointment of parking adjudicators (and associated functions including the provision of the parking and adjudication service etc).
3. This is pursuant to sections 73 and 74 of the Road Traffic Act 1991 (as amended)¹ thereby exercising section 111 of the Local Government Act 1972 and Local Authorities (Goods and Services) Act 1970 (TfL being a public body to which the local authorities may provide goods and services under that Act).
4. These arrangements have been agreed by the 33 London local authorities in accordance with the terms of the TEC Governing Agreement.
 - a) Clause 4.1 of the Agreement states that the 33 London local authorities have delegated the functions set out in Schedule 2.
 - b) Paragraph 1 of Part 1, Schedule 2 of the Agreement sets out the delegation of the exercise of “statutory functions” (under sections 73 and 74 of the Road Traffic Act 1991).
 - c) Paragraph 2, Part 1, Schedule 2 of the Agreement provides that TEC may exercise any functions which it agrees are appropriate for implementation subject to those functions facilitating, being conducive or incidental, to the discharge of the “statutory functions” (per s 111 LGA 1972).
 - d) That paragraph 2 lists a number of “non-statutory” functions, which list is indicative and not exhaustive subject to the condition mentioned at paragraph (c) above.
 - e) Paragraph 2 also provides that any changes to the agreed non-statutory functions undertaken by TEC shall be approved and evidenced in writing by TEC.

Reasons for bidding

5. The primary reason for bidding for this work is that it is conducive and incidental to the discharge of functions delegated by London local authorities to TEC. Namely, it serves to provide scale economies to the provision of the Environment and Traffic Adjudicators (ETA), formerly the Parking and Traffic Appeals Service.
6. Currently, the costs of the hearing centre, associated infrastructure and administration are shared with the GLA’s RUCA service. This provides value for both the London boroughs and for the GLA. The loss of this contract could lead to an increase of up to 11% in accommodation costs for the ETA service.
7. By bidding, London Councils will also be signalling a clear intent to the GLA and TfL to continue the partnership it has developed over the years in relation to this service. London Councils believes that it is best placed to deliver these services, but also acknowledges that it will have competition. This means that if no bid is submitted, it is likely that the contract will be awarded to a third party.

¹ Although sections 73 and 74 of the Road Traffic Act 1991 have now been repealed, these arrangements continue in force until such time as they are varied or replaced by virtue of regulations 15(2) and 24(3) of the Civil Enforcement of Parking Contraventions (England) General Regulations 2007.

Consideration

8. If unsuccessful, London Councils would work with the GLA/TfL and the new supplier to help ensure a seamless transition. It is expected that any eligible London Councils staff dedicated to the RUCA service, would transfer to the new supplier on 1 January 2017, under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE).

The bidding process

9. The procurement exercise is being run by TfL on behalf of the GLA. TfL is using the light touch, open, tendering route. In so doing, it has set a tight deadline, 5 August 2016, for the submission of tenders. It intends to award the contract on 30 September 2016 and expects delivery to begin on 1 January 2016.
10. London Councils are seeking approval to submit a bid that will include its current subcontractor, NPS. Members are asked to note that, London Councils will have to demonstrate how its bid provides innovation and value for money for TfL. This may require officers to revisit the way in which the costs of the hearing centre are currently apportioned between ETA and RUCA services. However, officers will ensure that the proposal will be on the basis of full cost recovery and will fairly allocate costs across both tribunals.

Legal Implications for London Councils

Set out in paragraphs 2-4

Financial Implications for London Councils

As detailed in the body of the report and subject to this Committee's approval, the submitted tender will ensure that all costs incurred in providing the RUCA service will be fully recovered from the GLA, thereby minimising the risk of additional costs being apportioned to boroughs via increased costs in respect of the ETA service.

Equalities Implications for London Councils

None

Recommendations

Members are asked to:

- Note the re-tender process and programme for the RUCA service and agree to submit a bid proposal to continue to provide the service on a full cost recovery basis under a new contract with the GLA.
- Grant delegated authority to London Councils' chief executive, John O'Brien, to sign the contract to undertake these services should London Councils win the tendering exercise.

London Councils' TEC Executive Sub-Committee

Transport and Environment Committee – Item no: 11 Pre-Audited Financial Results 2015/16

Report by: Frank Smith **Job title:** Director of Corporate Resources

Date: 21 July 2016

Contact Officer: Frank Smith

Telephone: 020-7934-9700 **Email:** frank.smith@LondonCouncils.gov.uk

Summary: This report details the provisional pre-audited final accounts for the Transport and Environment Committee for 2015/16. The summary figures are detailed in the box below:

Revenue Account	Budget £000	Actual £000	Variance £000
Expenditure	376,932	373,400	(3,532)
Income	(376,868)	(374,056)	2,812
Sub-Total	64	(656)	(720)
Net Transfer to/ (from) reserves	(64)	(296)	(232)
Reduction in bad debt provision	-	(78)	(78)
(Surplus)/Deficit for the year	-	(1,030)	(1,030)
Reserves and Provisions	General Reserve £000	Specific Reserve £000	Total Reserves £000
Audited as at 1 April 2015	3,535	-	3,535
Transfer between reserves	(1,000)	1,000	-
Transfer (to)/from revenue	(296)	-	(296)
Surplus/(Deficit) for the Year	1,030	-	1,030
Provisional as at 31 March 2016	3,269	1,000	4,269

Recommendations: The TEC Executive Sub-Committee is asked:

- To note the provisional pre-audited final accounts for 2015/16, which show an indicative surplus of £1.03 million for the year; and
- To note the provisional level of reserves, as detailed in paragraph 40 and the financial outlook, as detailed in paragraphs 41-42 of this report.

Introduction

1. The appendices to this report show the following information:
 - Appendix A – The provisional outturn expenditure position for 2015/16; and
 - Appendix B – The provisional outturn income position for 2015/16.
2. Following the abolition of the Audit Commission Act 1998, with effect from the 2015/16 financial year, London Councils is no longer obliged to produce an annual statutory account to a statutory deadline for each of its three funding streams, as the successor legislation, the Local Audit and Accountability Act 2014, does not apply to joint committees. However, under the London Councils Agreement (as amended), London Councils has on-going obligations to prepare and arrange for the independent audit of the three annual accounts, outside of any statute, and there is still a requirement to submit audited accounts under the Companies Act 2006 for London Councils Limited. As a result of these continuing obligations, the London Councils Audit Committee agreed in March 2015 that London Councils should continue to prepare three separate accounts under the existing Local Authority Accounting Code of Practice and that the accounts should be independently audited and presented to members broadly in accordance with the previous statutory timescale. A procurement exercise was subsequently undertaken and in December 2015, following recommendations by the Audit Committee, the Leaders' Committee agreed to appoint KPMG LLP as London Councils external auditor for a three year period commencing 1 April 2015.
3. KPMG LLP will, therefore, audit the accounts for 2015/16 during July/August 2016 and present the accounts to the Audit Committee, along with the annual audit report, on 22 September. At its November 2016 meeting, the London Councils Executive will be asked to adopt the three audited accounts and the annual audit report, with this Committee being asked to separately adopt the audited accounts for the TEC at the November meeting. This report, therefore, details the provisional financial results prior to audit and provides commentary on the variances against the revised approved budgets for the year – in effect, the format is the same as the revenue forecast monitoring report presented to this Committee three times each financial year at the end of each quarter.

TEC Functions

4. For the benefit of the new members of the Committee, TEC's activities are accounted for in two separate ways. The first can be classified as traditional local authority-type expenditure, where specific committee approved borough subscriptions and charges are levied by the Committee to cover the costs of the policy, permit-issuing and concessionary fares functions of the committee. Income and expenditure in these areas are relatively consistent year-on-year, with few significant variations from the budgeted figures at the year-end.
5. The second method is classified as traded services and covers the borough, TfL/GLA and the British Parking Association's (BPA) (up until 30 September 2015) use of the various services provided by the Committee, the main services being the hearing of environmental and traffic appeals, road user charging appeals and for the first half of 2015/16, parking on private land appeals (POPLA) at the hearing centre, now based at Chancery Exchange. Levels of income and expenditure cannot be precisely forecast, as overall levels of activity are based on usage volumes determined by the public (in the case of appeals), boroughs, TfL/GLA and the BPA. The contractor, Northgate public services (NPS), currently provides these services to the Committee for a combination of a fixed contract sum of just under £1.2 million per annum and by a unit charge for each time the various services are used by the

boroughs, the GLA and TfL and the BPA. Users are recharged for their actual usage of the variable cost services, plus a fixed charge to cover the fixed costs of operating these functions. The fixed charge is apportioned to each borough in accordance with the proportion of Penalty Charge Notices (PCN's) issued in London during the course of the last full financial year for which figures are available. For 2015/16, this period was the 2013/14 financial year.

6. The Committee also leads on projects that are funded from non-London Councils/borough sources. The single significant project that continued to be managed by the Committee in 2015/16 was the London European Partnership for Transport (LEPT), together with two associated projects, STARS and Cycle PTP. Funding for these projects is ring-fenced, meaning that any surplus or deficit of income over expenditure at the year-end will be carried forward in the Committee's general balances for application to or recovery from this project in the next financial year.

Revised Budget 2015/16

7. The Full Committee approved the original budget for TEC for 2015/16 in December 2014. The revised revenue expenditure budget for 2015/16, which took on-board adjustments to the finalised concessionary fares settlement, was £376.932 million, excluding the estimated full year costs of POPLA of £977,000. The revised budget figure for 2015/16 also included the carry forward of resources of £64,000 from 2014/15, in respect of system development work that had slipped into 2015/16 (and now fully utilised), which was approved by this Committee in July 2015.
8. The corresponding revised revenue income budget was £371.868 million, with the approved transfer of £64,000 from reserves producing a balanced budget for the year.

Provisional Results 2015/16

9. The provisional outturn figures for income and expenditure for 2015/16, compared against the above revised budgets, are detailed in full at appendices A and B, and summarised in Table 1 below:

Table 1 – Comparison of Provisional Income and Expenditure against Revised Budget 2015/16

Actual 2014/15		Revised Budget 2015/16	Actual 2015/16	Variance 2015/16	
£000	Expenditure	£000	£000	£000	%
495	Non-operational Staffing	624	582	(42)	(6.6)
170	Running Costs	132	312	180	136.4
50	Central Recharges	50	61	11	22.0
715	Total Operating Expenditure	806	955	149	18.5
8,979	Direct Services	9,976	8,131	(1,845)	(18.5)
359,675	Payments in respect of Freedom Pass and Taxicard	366,110	364,274	(1,836)	(0.5)
-	Research	40	37	(3)	(7.5)
14	Reimbursement of parking PCNs	-	3	3	-
170	One off payment to boroughs	-	-	-	-
369,553	Total Expenditure	376,932	373,400	(3,532)	(0.9)

Actual 2014/15		Revised Budget 2015/16	Actual 2015/16	Variance 2015/16	
	Income				
(358,427)	Contributions in respect of Freedom Pass and Taxicard	(366,381)	(365,238)	1,143	0.3
(10,792)	Charges for direct services	(10,313)	(8,601)	1,712	16.6
(97)	Core Member Subscriptions	(97)	(97)	-	-
(40)	Interest on Investments	-	(11)	(11)	-
(14)	Parking PCN income collected	-	(3)	(3)	-
(106)	Other Income	(77)	(106)	(29)	(37.7)
(2,502)	Net transfer from Reserves	(64)	(296)	(232)	(362.5)
(371,978)	Total Income	(376,932)	(374,352)	2,580	0.7
74	Increase/(Reduction) in bad debt provision	-	(78)	(78)	-
(2,351)	Deficit/(Surplus)	-	(1,030)	(1,030)	-

10. In addition to the transactions detailed in Table 1 above are costs and income associated with the London European Partnership for Transport (LEPT) TfL/EU funded project and the Parking Appeals on Private Land (POPLA) service contract, the latter for which TEC managed up until its expiry on 30 September 2015. The provisional deficit shown below is reflected in TEC's short term reserves position. These transaction are summarised in Table 2 below:

Table 2 – Income and Expenditure relating to Funded Projects 2015/16

	LEPT related (£000)	POPLA (£000)	Total (£000)
Employee Related Costs	81	317	398
Premises Costs	23	53	76
Running/Central Costs	112	180	292
Other Costs	-	101	101
Total Expenditure	216	651	867
Grant/Other Income	(216)	(527)	(743)
Deficit/(Surplus)	-	124	124

11. A provisional surplus on revenue activities of £1.03 million has been posted for 2015/16, the headlines of which are summarised in Table 3 below, compared to the position reported at the end of December 2015 (Month 9), highlighting the movement between the two position. An explanation for each of the variances is provide in subsequent paragraphs:

Table 3 – TEC – Analysis of revenue account surplus 2015/16

	Outturn	M9	Movement
	£000	£000	£000
Freedom Pass non-TfL bus services	(698)	(681)	(17)
Freedom Pass survey and reissue costs (net of additional replacement Freedom Passes income)	(257)	(60)	(197)
Freedom Pass 2015 re-issue	193	193	-
Interest earned on investment of cash-balances	(11)	(5)	(6)
Research	(3)	-	(3)
Net position on Taxicard	-	-	-
Shortfall in replacement taxicard passes income	29	30	(1)
Net position on parking appeals	225	171	54
Net position on other traded parking services	31	28	3
Northgate PS Fixed Costs	(2)	-	(2)
London Tribunals Administration	165	124	41
Lorry Control Administration	59	(21)	80
Lorry Control PCNs	(475)	(158)	(317)
Freedom Pass Administration	5	2	3
Taxicard Administration	35	14	21
Non-operational staffing costs	(42)	(93)	51
Overspend on running costs/central recharges	29	99	(70)
Rechargeable parking systems related work	(17)	-	(17)
Shortfall in publications income	2	3	(1)
Net additional in Health Emergency Badge income	(9)	-	(9)
Miscellaneous Income	(18)	(15)	(3)
Net cost of preparatory works for new hearing centre	39	39	-
Increase in transfer from reserves	(232)	(232)	-
Reduction in Bad Debt provision	(78)	-	(78)
Provisional surplus for the year	(1,030)	(562)	(468)

Freedom Pass non-TfL bus services (-£698,000)

12. In December 2014, TEC approved a budgetary provision of £2.2 million for 2015/16 to cover the cost of payments to non-TfL bus operators under the national concessionary fares scheme, the overall cost of which is demand led by eligible bus users. Claims from operators amounting to £1.502 million have been received and accepted for 2015/16, which has led to an underspend of £698,000. As reported to the Executive Sub-Committee during the year, the provisional underspend is attributable to a number of factors:

- a fall of 2% in the past 12 months on bus journeys across London and on most LSPs, partly due to the age eligibly increase;
- one of the LSP operators ceased to operate in January 2015, after the 2015/16 budget had been set;
- TGM, which used to run two routes in London, is now operating under Arriva Kent management and one of the transferred routes was withdrawn in May 2015;
- Arriva the Shires lost one the most expensive routes (797) to Unibus, which now runs the route a shorter distance and the average fare is lower than it used to be with Arriva; and
- A review of the postcodes of the stops in London determined that for three operators (Arriva the Shires, Abellio and Metrobus), a few stops on routes fell outside of the

London area and as result, the length of journeys included in claims reduced significantly.

Net Freedom Pass survey and issue costs (-£257,000)

13. The budget for the pass survey and issue processes for the year was £1.518 million. This budget covers the issuing of Freedom Passes to new applicants and for the replacement of passes which are lost, stolen or faulty. Provisional total expenditure for 2015/16 is £1,623,773, which includes £193,000 expenditure of residual 2015 pass issue work (see paragraph 14 below). Excluding the 2015 issue work, total spend is £87,227 less than the budgetary provision of £1.518 million. In addition, a sum of £670,473 was collected during 2015/16 in respect of replacement Freedom Passes, £170,473 in excess of the £500,000 budgetary provision. In net terms, therefore, there was a surplus of £257,700.

Freedom Pass 2015 re-issue (+£193,000; net Nil)

14. As detailed in paragraph 13 above, included within the total expenditure of £1.624 million for survey and issue costs is the residual expenditure on the 2015 Freedom Pass issue exercise of £193,000, which will be fully funded from a transfer from Committee reserves (see paragraph 29 below). Final overall spend on the reissue exercise is £2.613 million, £528,000 less than the budget sum of £3.141 million earmarked by the Committee in July 2014.

Interest earned on investment of cash-balances (-£11,000)

15. Cash-flow management undertaken at the City of London, who invest London Councils cash balances on behalf of boroughs, has yielded interest receipts of £10,508 against a zero budgetary provision.

Research Budget (-£3,000)

16. Expenditure of £37,125 was incurred during the year, against an approved budget of £40,000, leading to a minor underspend of £2,875.

Taxicard (Net Nil)

17. Total payments to the contractor, City Fleet were £10.98 million, £1.305 million below the revised total budgetary provision of £12.285 million. The surplus is due to the total number of trips taken during the year reducing by 3.55% on the comparative figure for 2014/15. TfL also funded the management charge for LB of Barnet of £11,665. Total expenditure, therefore, was £10.992 million. The boroughs and TfL have provided total combined trips funding for the year of £12.329 million, so refunds totalling £1.101 million have been made to boroughs (£1.139 million net of £38,000 borough overspends) and to TfL (£236,000).

Income from the issue of replacement Taxicards (+£29,000)

18. The £10 charge for the replacement of lost or damaged taxicard passes was introduced in November 2015. A sum of £7,210 was collected over this five month period against a full year budgetary provision of £36,000, leading to a £29,000 shortfall.

Traded Services (+£256,000)

19. This net deficit position of £256,000 is made up of a number of elements, which have been reported regularly to members TEC during the year. These are listed below:

- Firstly, there are two elements where the effect on income and expenditure levels produces a neutral effect and does not change the overall net surplus position:
 - A provisional underspend of £1.33 million for reduced payments to Northampton County Court, which is a borough demand led service for the registration of persistent non-payers of parking PCN's in the County Court at £7 per time. The costs are fully recovered from boroughs, leading to a compensating reduced level of income collected for the year.
 - Expenditure on congestion charging appeals is estimated to be £276,000, £68,000 more than the budgetary provision of £208,000. Whilst the number of appeals heard during the year of 5,967 is less than the budgeted figure of 7,352, the throughput of appeals is calculated at 1.65 appeals per hour, compared to 3.28 per hour for 2014/15. The reduced throughput is attributable to integration issues between the new Northgate IT system and the system operated by the GLA/TfL, leading to increased time taken to hear individual appeals. However, as the cost of these appeals is recharged to the GLA/TfL at full cost, there was a corresponding increase in income due for the year of £68,000, which therefore has a zero effect on the Committee's provisional financial position for the year.
- Secondly, there is a net deficit of £225,000 in respect of parking and traffic appeals. The number of appeals and statutory declarations heard during the year was 42,846 against a budget of 69,434, generating income of £1.341 million, £978,000 less than the budget estimate of £2.319 million. However, this is offset by a significant reduction in adjudicator, contractor and administration costs of £753,000. The throughput of appeals was 2.43 appeals per hour, compared to a budget figure of 3.03 and an actual figure of 3.28 appeals per hour for 2014/15. This trend is attributable to the fact that services were interrupted during the year by 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.
- Thirdly, the transaction volumes for other parking systems¹ used by boroughs and TfL over this period appear to have reduced, resulting in a projected net deficit of £31,000. On the expenditure side, this takes into account the differing unit cost pricing structures under the expired Capita contract and the new pricing structure offered by Northgate. On the income side, unit cost recharges to boroughs were set by the full Committee in December 2014 for the whole year with the change in contractor taken into consideration in calculating the charges. As for appeals, there has been some disruption to the services during the changeover of the contractor and IT systems that may have influenced processing volumes during the year.

London Tribunals Administration (+£165,000)

¹ These consist of TRACE, which allows a vehicle owner to find out the exact location of their towed-away vehicle and how much the release fee will be; and TEC, the system that allows boroughs to register any unpaid parking tickets with the Traffic Enforcement Centre and apply for bailiff's warrants.

20. After excluding the unit administration cost of appeals, the appeals Hearing Centre overspent the budget of £2.653 million by £165,000. The sum includes a one-off payment of £52,000 in relation to change management costs, leaving an underlying overspend of £113,000, primarily attributable to ETA operations. Salaries overspent by £75,000, premises costs overspent by £118,000, primarily due to having to take on the lease for Chancery Exchange for the whole of 2015/16, instead of for 10 months, as originally budgeted for. Additional central recharges of £96,000 were incurred, following the cessation of the POPLA contract. These additional costs have been offset by savings on the fixed costs associated with the new Northgate contract of £65,000 and £112,000 on general office running costs.

Lorry Control Administration/PCN income (-£416,000)

21. The administration of the London Lorry Control Scheme overspent the budget of £542,000 by £59,000. This is attributable to bailiff fees of £37,000, registering debt at the County Court of £10,000, additional contract payments of £5,000, plus additional central recharges of £7,000 following the cessation of the POPLA contract. However, there was a significant overachievement in the collection of PCN income of £475,000 above the budgetary provision of £550,000, due to continued effective performance of the outsourced enforcement function meaning that transaction volumes continue to increase, leading to higher levels of debt actually being raised and collected. In addition, the continued functionality of the Adaptis computer management system allows outstanding debt to be registered at the Court more quickly. Of the £1.025 million income due for the year, £136,000 has yet to be collected and has been registered with the County Court. A bad debt provision of £108,000 has been established in respect of this outstanding amount, in accordance with usual accounting practice. This is a reduction of £180,000 on the bad debt provision of £288,000 as at 31 March 2015, so the net surplus income increases to £596,000 for the year.

Freedom Pass Administration (+£5,000)

22. The administration of the freedom pass overspent the budget by £5,000, attributable to additional central costs of £8,000 chargeable following the cessation of the POPLA contract.

Taxicard Administration (+£35,000)

23. The administration of the taxicard scheme overspent the budget by £35,000. Additional salary costs of £21,000 were incurred, along with additional central costs of £14,000 chargeable following the cessation of the POPLA contract.

Non Operational Staffing Costs (-£42,000)

24. The non-operational employee cost budget of £575,000, plus £30,000 maternity cover, underspent by £42,000 at £563,000. This is primarily attributable to vacancies being held in respect of policy staff in the Policy and Public Affairs Directorate, leading to a reduced recharge to TEC for these salary costs. Non-operational salaries have been fully recharged, where appropriate, to reflect actual support to direct service and externally funded operations.

Running Costs/Central Recharges (+£29,000)

25. This overspend is primarily attributable to an over spend of £84,000, attributable to additional IT system development costs associated with the London Tribunals move, rebranding and contract transfer. Additional central recharges of £11,000 were incurred after a respread of overheads across all TEC services following the cessation of the POPLA contract. This has been offset by savings of £66,000 in respect of general office running costs, as more services are managed and procured centrally and apportioned to services at the year-end as part of central recharges.

Revenue cost of works for new hearing centre (+£39,000)

26. As detailed in the report to this Committee in November 2015, the majority of costs of £981,000 for the refurbishment of the new hearing centre at Chancery Exchange have been capitalised over the 10 year life of the new leasehold agreement. However, costs of £39,000 cannot be classified as capital expenditure and remain a charge on the revenue account. Members agreed that these costs would be covered by a transfer from the Committee's uncommitted general reserves, as highlighted at paragraph 30.

Other income (-£29,000)

27. Other income exceeded the £77,000 budget by £29,000 as follows:

- Other income exceeded the £77,000 budget by £29,000 as follows:
- Rechargeable works to TfL and the GLA in respect of the new parking system development work for RUCA raised £17,000;
- Additional income of £10,000 from TfL in respect of administrative duties performed in respect of the concessionary fares settlement and £5,000 in respect of sponsorship;
- Miscellaneous income of £3,000, offset by
- A deficit in the sales of parking publications and literature of £2,000; and
- A deficit in income of £3,000 from the issue of Health Emergency parking permits to clinicians, although this was in turn offset by reduced administration costs of £12,000;

Bad Debts provision (-£78,000)

28. The Committee's bad debt provision as at 1 April 2015 was £288,000, which related entirely to Lorry Control PCNs that had been registered at the County Court but which were unpaid at 31 March 2015. A review of the aged debts at the year-end has resulted in a revised year-end provision of £108,000 in respect of Lorry Control PCN income, a reduction of £180,000, as highlighted in paragraph 21. Following on from the review of the current debt profile, an additional bad debt provision of £102,000 has been established in relation to other parking debt, in accordance with London Councils accounting policies.

Transfer from reserves (-£232,000)

29. The additional transfer from reserves approved by Committee during the course of the year was to cover the residual costs of the 2015 freedom pass issue of £193,000 (refer paragraph 14 above), plus £39,000 to cover the revenue costs associated with the refurbishment of the new appeals hearing centre (refer paragraph 26 above).

Balance Sheet as at 31 March 2016

30. The summary provisional balance sheet position as at 31 March 2016 is shown in Table 6 below, compared to the position 12 months ago:

Table 6 – Balance Sheet Comparison - Provisional Figures 2015/16 and 2014/15

	As at 31 March 2016 (£000)	As at 31 March 2015 (£000)
Fixed Assets	927	172
Current Assets	7,459	8,015
Current Liabilities	(4,149)	(4,686)
Long-term liabilities	<u>(6,823)</u>	<u>(7,792)</u>
Total Assets less Liabilities	<u>(2,586)</u>	<u>(4,291)</u>
General Fund	3,269	3,535
Specific Fund	1,000	-
Pension Fund	(6,823)	(7,792)
Accumulated Absences Fund	<u>(32)</u>	<u>(34)</u>
Total Reserves	<u>(2,586)</u>	<u>(4,291)</u>

31. . The main features of the provisional balance sheet as at 31 March 2016 are as follows:

- Fixed Assets have increased by £755,000 to £927,000 from £172,000. The increase is attributable to expenditure on the fit out of the new hearing centre at Chancery Exchange of £772,000 offset by an annual depreciation charge of £17,000.
- Current assets have decreased by £556,000 from £8.015 million to £7.459 million which is attributable to a reduction in cash balances of £1.188 million offset by an increase in debtors of £632,000. The increase in debtors is due to increases of £414,000 in respect of unpaid invoices for the Road User Charging Appeals (RUCA) service, £229,000 in respect of funding owed to LEPT, £100,000 in respect of borough payments for TEC parking services, £90,000 in respect of borough payments for the registration of PCN debts at Northampton County Court, £80,000 in respect of the advance payment for the registration of PCN debts at Northampton County Court, £79,000 in respect of a reduction in the bad debt provision and residual variances of £67,000. The total value of these increases which amounts to £1.059 million is offset by decreases of £225,000 in respect of London Lorry Control Scheme debts registered at the County Court and £202,000 in respect of VAT refunds owed by HMRC;
- Current liabilities have decreased by £537,000 from £4.686 million to £4.149 million, which is attributable to reductions of £420,000 in respect of borough Taxicard subscription refunds, £102,000 in respect of Chancery Exchange fit out costs and residual variances of £15,000; and
- Long-term liabilities, which consists solely of the IAS19 pension deficit, has reduced by £969,000 million from £7.792 million to £6.823 million.

The above movements have resulted in an overall decrease in the balance of reserves to a £2.586 million debit balance as at 31 March 2016, inclusive of the IAS19 deficit which is explored from paragraph 32 onwards.

Effect of IAS19 Employee Benefits

32. International Accounting Standard 19 (IAS19), Employee Benefits (formerly Financial Reporting Standard 17, Retirement Benefits or FRS17) is an international accounting standard that all authorities administering pensions funds must follow. The London Councils through its Admitted Body status as part of the Local Government Pension Scheme (LGPS) administered by the London Pensions Fund Authority (LPFA), is subject to this accounting standard.
33. IAS19 requires an organisation to account for retirement benefits when it is committed to give them, even if the actual giving will be many years to come and is, therefore, a better reflection of the obligations of the employer to fund pensions promises to employees. It requires employers to disclose the total value of all pension payments that have accumulated (including deferred pensions) at the 31 March each year.
34. This value is made up of:
- The total cost of the pensions that are being paid out to former employees who have retired; and
 - The total sum of the pension entitlements earned to date for current employees – even though it may be many years before the people concerned actually retire and begin drawing their pension.
35. IAS19 also requires the London Councils to show all investments (assets) of the Pension Fund at their market value, as they happen to be at the 31 March each year. In reality, the value of such investments fluctuates in value on a day-to-day basis but this is ignored for the purpose of the accounting standard. Setting side by side the value of all future pension payments and the snapshot value of investments as at the 31 March, results in either an overall deficit or surplus for the Pension Fund. This is called the IAS19 deficit or surplus.
36. The London Councils has to obtain an IAS19 valuation report as at 31 March each year in order to make this required disclosure. This is done through the actuaries of the LPFA fund, Barnett Waddington. The effect of IAS19 is apportioned across the London Councils three functions – this Committee, the London Councils Grants Committee (GC) and the London Councils Joint Committee (JC) core functions in proportion to the actual employer's pensions contributions paid in respect of staff undertaking each of the three functions. IAS19 has no effect on the net position of income and expenditure for the year. However, the IAS19 deficit or surplus needs to be reflected in the balance sheet. For the TEC, the Pension Fund deficit as at 31 March 2016 is £6.823 million, which compares against the deficit on the Pension Fund as at 31 March 2015 of £7.792 million, a reduction of £969,000.
37. The reason for this reduction in the pensions deficit is primarily due to changes in the financial assumptions in relation to discount rate yields and the CPI inflation rate that have led to a reduction in the defined benefit obligation.
38. The London Councils External Auditors, KPMG, will test the assumptions made by the actuary in arriving at this valuation in the course of their external audit during July/August.
39. Table 6 clearly demonstrates that the Committee's balances are notionally reduced by £6.823 million as a result of the requirement to fully disclose the pension fund deficit on the balance sheet. However, future reviews of the employer's pension contribution rate is intended, over time, to assist in reducing the overall deficit and the Committee should not view general balances as being a call on funding the pension fund deficit.

Committee Reserves

40. The Committee's unaudited balances as at 31 March 2016 are broken down in Table 7 below, together with known commitments for the 2016/17 and 2017/18 financial years:

Table 7 – Analysis of Committee 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 expenditure on 2015 Freedom Pass issue	(193)	-	(193)
Revenue costs of hearing centre relocation	(39)	-	(39)
Transfer between reserves	(1,000)	1,000	-
Projected revenue surplus 2015/16	1,030	-	1,030
Estimated Residual Balances at 31 March 2016	3,269	1,000	4,269
One-off payment to boroughs 2016/17	(340)	-	(340)
Utilised in 2016/17 budget setting process	(303)	-	(303)
Estimated uncommitted reserves	2,626	1,000	3,626

Conclusions

41. The provisional financial results for the Transport and Environment Committee for 2015/16 show a surplus over budget of £1.03 million. This compares of a forecast underspend as at 31 December 2015, the three quarter stage of the year of £562,000. The £468,000 movement is mainly due to an increase in Lorry Control PCN income, including a reduction in the bad debt provision relating to this increase stream, of £497,000. The net position for spend on Freedom Pass issue costs and replacement Freedom Pass income has improved by £197,000 and expenditure on general running costs improved by £70,000, primarily due to a reduction of £53,000 on the system development costs payable to Northgate Public Services in respect of the new hearing centre IT system at Chancery Exchange. These credits are offset by an net overspend of £145,000 in respect of the direct service administration charges, mainly due to increased central recharges following the cessation of the POPLA contract at the half-year stage. The net trading deficit in respect of parking trading services, including appeals, also increase by £57,000. Finally, after reviewing the current debt profile, an additional bad debt provision for other parking traded income of £102,000 has been set up in accordance London Councils accounting policies. These movements are highlighted in Table 3 and explored in detail in the analysis of actual income and expenditure against the approved budgets from paragraph 12 onwards.
42. Provisional general reserves of £2.626 million remain after deducting all known future commitments. This equates to 22% of estimated operating and direct trading expenditure of £11.923 million for 2016/17, which exceeds the 10% - 15% yardstick established by the Committee in November 2015. The Committee may wish to consider a further transfer to the specific reserve to fund the 2020 Freedom Pass reissue process. A further transfer of £900,000 will reduce uncommitted reserves to £1.726 million, which would equate to 14.5% of estimated operating and direct trading expenditure. Alternatively, members could consider the option of returning further sums to boroughs, but given that a sum of £10,000 per

borough is already being returned during 2016/17, members may wish to defer this decision until the budget setting process for 2017/18 in November.

Recommendations

43. The TEC Executive Sub-Committee is asked to:

- To note the provisional pre-audited final accounts for 2015/16, which show an indicative surplus of £1.03 million for the year; and
- To note the provisional level of reserves at paragraph 40 and the financial summary, as detailed in paragraphs 41-42 of this report.

Background Papers

London Councils TEC Budget File 2015/16;

London Councils TEC Forecast File 2015/16;

London Councils TEC Final Accounts Files 2014/15 and 2015/16; and

London Councils Consolidated Final Accounts File 2015/16.

	Revised Budget 2015/16 £000	Provisional Outturn £000	Variance £000
Payments in respect of Concessionary Fares			
TfL	327,922	327,922	0
ATOC	21,334	21,334	0
Other Bus Operators	2,200	1,502	-698
Freedom Pass survey and reissue costs	1,518	1,431	-87
Provision for freedom pass 2015 issue	0	193	193
Freedom Pass Administration	372	377	5
City Fleet Taxicard contract	12,285	10,980	-1,305
Taxicard Administration	479	514	35
Interest on late payments to TfL	0	21	21
	366,110	364,274	-1,836
TEC Trading Account Expenditure			
Payments to Adjudicators	1,497	1,240	-257
Parking managed Services variable contract costs	1,072	739	-333
Payments to Northampton County Court	4,000	2,670	-1,330
Lorry Control Administration	542	601	59
London Tribunals Administration	2,822	2,851	29
Health Emergency Badge	43	31	-12
	9,976	8,132	-1,844
Sub-Total	376,086	372,406	-3,680
Operating Expenditure			
Other Salary Commitments			
Officers - non-operational staffing	575	564	-11
Members	19	18	-1
Maternity provision	30	0	-30
	624	582	-42
Other Expenditure			
Staff training/recruitment advertising	0	0	0
Staff travel	0	2	2
Northgate fixed contract costs	0	66	66
Reimbursement of PCN income to boroughs	0	3	3
IT system developments	114	198	84
Supplies and service	18	45	27
Research	40	37	-3
	172	351	179
Total Operating Expenditure	796	933	137
Central Recharges	50	61	11
Total Expenditure	376,932	373,400	-3,532

TEC Provisional Outturn Income 2015/16

Appendix B

	Revised Budget 2015/16 £000	Provisional Outturn £000	Variance £000
Borough contributions to TfL	327,922	327,922	0
Borough contributions to ATOC	21,334	21,334	0
Borough contributions to Other Bus Operators	2,200	2,200	0
Borough contributions to surveys/reissue costs	1,375	1,375	0
Borough contributions to freedom pass administration	286	286	0
Income from lost/faulty freedom passes	500	670	-170
Income from lost/faulty taxicard passes	36	7	29
Borough contributions to Taxicard trips	2,658	1,601	1,057
TfL contribution to Taxicard trips	9,627	9,379	248
Borough contributions to taxicard administration	338	338	0
TfL Contribution to taxicard administration	105	105	0
Borough contributions towards interest on late payments to TfL	0	21	-21
	366,381	365,238	1,143
TEC trading account income			
Lorry Control PCNs	550	1,025	-475
Borough parking appeal charges	2,070	1,217	853
TfL parking appeal charges	250	124	126
GLA Congestion charging appeal income	208	288	-80
Borough fixed parking costs	1,910	1,980	-70
TfL fixed parking costs	250	248	2
GLA fixed parking costs	493	479	14
Borough other parking services	582	560	22
Northampton County Court Recharges	4,000	2,680	1,320
	10,313	8,601	1,712
Sub-Total	376,694	373,839	2,855
Core borough subscriptions			
Joint Committee	46	46	0
TEC (inc TfL)	51	51	0
	97	97	0
Other Income			
Investment income	0	11	-11
Sales of publications	3	1	2
TfL secretariat recharge	31	41	-10
Sales of Health Emergency badges	43	40	3
PCN income collected	0	3	-3
Miscellaneous income	0	23	-23
	77	119	-42
Transfer from Reserves	64	296	-232
Central Recharges	0	0	0
Reduction in bad debt provision	0	79	-79
Total Income Base Budget	376,932	374,351	2,502

London Councils' Transport and Environment Committee AGM - 16 June 2016

Minutes of a meeting of London Councils' Transport and Environment Committee AGM held on Thursday 16 June 2016 at 2:30pm in the Conference Suite, London Councils, 59½ Southwark Street, London SE1 0AL

Present:

Council	Councillor
Barking and Dagenham	Apologies
Barnet	Cllr Dean Cohen
Bexley	Apologies
Brent	Cllr Ellie Southwood
Bromley	Apologies
Camden	Cllr Phil Jones
Croydon	Cllr Stuart King
Ealing	Cllr Julian Bell (Chair)
Enfield	Cllr Daniel Anderson
Greenwich	Apologies
Hackney	Cllr Feryal Demirci
Hammersmith and Fulham	Cllr Wesley Harcourt
Haringey	Apologies
Harrow	
Havering	Cllr Jason Frost
Hillingdon	
Hounslow	Apologies
Islington	Cllr Claudia Webbe
Kensington and Chelsea	Cllr Tim Coleridge
Kingston Upon Thames	Cllr Phil Doyle
Lambeth	Cllr Jenny Brathwaite
Lewisham	
Merton	Cllr Martin Whelton
Newham	
Redbridge	Cllr John Howard
Richmond Upon Thames	Cllr Peter Buckwell
Southwark	Apologies
Sutton	Cllr Jill Whitehead
Tower Hamlets	
Waltham Forest	Cllr Clyde Loakes
Wandsworth	Cllr Caroline Usher
City of Westminster	Cllr Robert Rigby (Deputy)
City of London	Apologies
Transport for London	Alex Williams

1. Apologies for Absence & Announcement of Deputies

Apologies:

Cllr Lynda Rice (LB Barking & Dagenham)
Cllr Alex Sawyer (LB Bexley)
Cllr Colin Smith (LB Bromley)
Cllr Sizwe James (RB Greenwich)
Cllr Peray Ahmet (LB Haringey)
Cllr Amrit Mann (LB Hounslow)
Cllr Ian Wingfield (LB Southwark)
Cllr Heather Acton (City of Westminster)
Christopher Hayward (City Of London)

Deputies:

Cllr Robert Rigby (City of Westminster)

2. Declaration of Interests

Freedom Pass Holders/60+ Oyster Cards

Cllr Wesley Harcourt (LB Hammersmith & Fulham), Cllr Phil Doyle (RB Kingston), Cllr Peter Buckwell (LB Richmond), Cllr Jill Whitehead (LB Sutton), and Cllr Caroline Usher (LB Wandsworth).

North London Waste Authority

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

East London Waste Authority

Cllr John Howard (LB Redbridge)

Western Riverside Waste Authority

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

South London Waste Partnership

Cllr Stuart King (LB Croydon), Cllr Martin Whelton (LB Merton), Cllr Phil Doyle (RB Kingston) and Cllr Jill Whitehead (LB Sutton).

London Waste & Recycling Board

Cllr Clyde Loakes (LB Waltham Forest)

Car Club

Cllr 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 Tim Coleridge (RB Kensington & Chelsea)

London Cycling Campaign

Cllr Feryal Demirci (LB Hackney)

3. Election of Chair

Councillor Loakes nominated Councillor Julian Bell (LB Ealing) to be Chair of TEC. Councillor Coleridge seconded this nomination. Councillor Julian Bell was elected as Chair of TEC for the 2016/17 municipal year.

The Chair informed members that this was the last TEC meeting that Nick Lester-Davis would be attending, as Spencer Palmer would now be the lead officer for TEC. The Chair thanked Nick Lester-Davis for all his work on TEC over the years. Nick Lester-Davis had an extensive CV, especially when it came to parking. Councillor Coleridge also thanked Nick Lester-Davis for his work on TEC on behalf of the Conservative Group. Nick Lester-Davis said that it had been a pleasure to work on the Committee over the years.

4. Election of Vice Chairs of TEC

Councillor Loakes nominated Councillor Feryal Demirci (LB Hackney) to be the Labour Vice Chair of TEC, Councillor Tim Coleridge (RB Kensington and Chelsea) to be the Conservative Vice Chair of TEC, and Councillor Jill Whitehead (LB Sutton) to be the Liberal Democrat Vice Chair of TEC for 2016/17. The nominations were seconded by the Chair. The three vice chairs of TEC were duly elected.

5. Membership of London Councils' Transport and Environment Committee for 2016/17

The Committee received a report that presented members with the Committee's membership for 2016/17

Decision: The Committee noted the membership of TEC for 2016/17.

6. Appointment of the TEC Executive Sub Committee for 2016/17

The Committee received a report that set out the appointments to the TEC Executive Sub Committee for 2016/17.

Decision: The Committee elected the following members to the TEC Executive Sub Committee for 2016/17:

Labour

Cllr Julian Bell (LB Ealing – Chair)
Cllr Feryal Demirci (LB Hackney)
Cllr Daniel Anderson (LB Enfield)

Cllr Clyde Loakes (LB Waltham Forest)
Cllr Claudia Webbe (LB Islington)
Cllr Alan Smith (LB Lewisham)

Conservative

Cllr Tim Coleridge (RB Kensington & Chelsea)
Cllr Caroline Usher (LB Wandsworth)
Cllr Alex Sawyer (LB Bexley)
Cllr Heather Acton (City of Westminster)

Liberal Democrat

Cllr Jill Whitehead (LB Sutton)

City of London

Christopher Hayward

7. Nominations to TEC Outside Bodies and Appointment of Committee Advisers for 2016/17

The Committee received a report that sought nominations to the various outside bodies that related to the work of TEC for 2016/17

The Committee nominated the following members to the outside bodies:

Heathrow Airport Consultative Committee (HACC)

Cllr Steve Curran (LB Hounslow)
Deputy - Cllr Tim Coleridge (RB Kensington & Chelsea)

Thames Regional Flood & Coastal Committee (RFCC)

West – Cllr Dean Cohen (LB Barnet)
South West – *To follow*
South East – Cllr Alan Smith (LB Lewisham)
North East – *To follow*
Central North – Cllr Tim Coleridge (RB Kensington & Chelsea)
Central South – Cllr Jenny Brathwaite (LB Lambeth)
North – Cllr Daniel Anderson (LB Enfield)

London Sustainable Development Commission

Cllr Claudia Webbe (LB Islington)

London Electric Vehicle Partnership (LEVP)

No nominations are needed as this partnership no longer convenes.

Urban Design London (UDL)

Cllr Daniel Moylan (RB Kensington & Chelsea)
Cllr Nigel Haselden (LB Lambeth)

London Waterways Commission

1 Labour nomination – *To follow*
Cllr Lynda Rice (LB Barking & Dagenham)
Cllr Terry Paton (RB Kingston)

Thames River Basin District Liaison Panel (Thames LP)
Cllr Alan Smith (LB Lewisham)

London City Airport Consultative Committee (LCACC)
1 Labour vacancy – To follow

London Waste & Recycling Board
Cllr Bassam Mahfouz (LB Ealing – Labour)
Cllr Nicholas Paget-Brown (RB Kensington & Chelsea – Conservative)
2 x Labour representatives to be advised before August 2016

London Cycling Campaign (LCC)
Cllr Feryal Demirci (LB Hackney)

Appointment of Committee Advisers

It was noted that Katharina Winbeck would be looking revising the TEC Committee Advisers, where appropriate

It was noted that the Labour Group nominations would be finalised straight after the meeting.

Decision: The Committee:

- Agreed to pass the above names on to the Chief Executive of London Councils, for appointment to outside bodies, once they were all confirmed;
- Agreed that Alan Edwards would write to the outside bodies to inform them of the TEC nominations; and
- Agreed to appoint the advisers to the Committee, as listed in the report, subject to Katharina Winbeck reviewing the advisers.

8. TEC AGM Minutes of 18 June 2015

The minutes of the TEC AGM held on 18 June 2015 were noted, as they had already previously been agreed.

9. Chair's Report

The Committee received a Chair's report that updated members on transport and environment policy since the last TEC on 23 March 2016, and provided a forward look until the next TEC meeting on 13 October 2016.

The Chair said that the report listed the new Mayor's priorities. He informed members that Val Shawcross had been appointed the Deputy Mayor for Transport and would be attending a future TEC meeting. Cycle Superhighways had also been discussed at the recent TEC/TfL Commissioner meetings, where continuing support was expressed for Cycle Superhighways.

Councillor Coleridge said that the Conservative Group supported a number of the Mayor's new priorities. He said that other areas of interest were: a 20mph zone in London, the freeze on rail fares over four years, air quality (which had a big impact on all Londoners) and ULEZ. Councillor Webbe said that the new Mayor had pledged to implement 20mph speed limit zones across London. She said that her borough, LB Islington, wanted 20mph limits to cover all areas, sooner rather than later.

Councillor Harcourt voiced concern over the noise from rail maintenance at night. He felt that some action needed to be taken to mitigate this noise. Councillor Rigby asked if there were any further updates with regards to the consultation on Cycle Superhighways that went out before the Mayoral election.

Councillor Whitehead said that the introduction of a one-hour bus ticket was a good proposal. She said that there were concerns that the franchise for Southern and Thameslink were not up for renewal until 2022, and that TfL needed to take control of these franchises much more quickly. Councillor Whitehead said that there were also concerns over closing ticket offices and the need improve the flooding situation, especially in the wake of the recent flash floods in Wallington, LB Sutton. She said that Mayor's pledge for cleaner buses using "Clean Bus Corridors" was welcomed.

Councillor Doyle said that car owners/users needed to be made aware as soon as possible about the ULEZ proposals as to what category their car was in and what the implications of this were.

Alex Williams made the following comments to address members' concerns:

- The new Mayor had only been elected five weeks ago and TfL had not had time to discuss a number of these issues with the Mayor, or Deputy Mayor Val Shawcross.
- TfL was not aware of any specifics yet with regards to 20mph zones in London and no clarity on where they would be (although the desire was to include parts of the TLRN).
- There was no Cycle Commissioner in post at present, and there needed to be a political grouping to make a decision on CS11.
- A bus "hopper" fare would be starting in September 2016. A step change needed to take place regarding improving the air quality of the bus fleet.
- The Mayor was currently in discussion with the Secretary of State with regard to rail franchises and delivery.
- The night tube would commence in August 2016 and Val Shawcross was aware of the issues regarding noise at night.
- The Mayor's manifesto promised to do more on accessibility, including step-free access.

Councillor Loakes asked who from London Councils had been invited to attend Defra's litter advisory group. Katharina Winbeck (Head of Transport and Environment, London Councils) confirmed that this was currently an officer. She said that the strategy was due to be launched in August 2016, and members were more than welcome to be involved in the advisory group. Councillor Brathwaite and Councillor Coleridge said that they would also like to attend this group. The Chair said that a decision would be ratified on this at the TEC Executive Sub Committee on 21 June 2016.

Decision: The Committee:

- Noted the Chair's report; and
- Noted that a decision on TEC membership of the Defra litter strategy advisory group would be made through the Groups structure and ratified at the next TEC Executive Sub Committee on 21 July 2016

10. Constitutional Matters

The Committee received a report that summarised the key changes to constitutional documents recommended to Leaders' Committee AGM on 7 June 2016. Changes were being recommended to the following documents:

- Minor variations to London Councils Transport and Environment Committee (LCTEC) Governing Agreement and to London Councils' Governing Agreement;
- Amendments to London Councils Standing Orders;
- Approval of and amendments to London Councils Scheme of Delegation to Officers; and
- Terms of Reference for Sub-Committees and the Sectoral Joint Committee

Decision: The Committee noted the changes to the London Councils' constitutional documents.

11. Fixed Penalty Notices (FPNs) for Flytipping

The Committee received a report that informed members that from 9 May 2016, councils had been able to introduce Fixed Penalty Notices (FPNs) for flytipping. This report asked members whether they wanted to propose a pan-London penalty for consistency.

The Chair informed members that the options for TEC to provide a steer on could be found at paragraph 11 of the report (page 3). He said that a maximum penalty of £400 could be set for flytipping which was for individual boroughs to decide. The Chair said that the Labour Group was leaning towards a maximum fine of £400. It was also down to each borough to decide on what the discount, if any, should be made for early payment of the fine.

Councillor Loakes said that LB Waltham Forest would be imposing the maximum fine of £400, and planned to have no incentive for early payment. He felt that the boroughs should no longer have to subsidise flytipping. Councillor Coleridge said that he also supported a steer of a £400 fine. Councillor Webbe said that LB Islington had implemented a £400 fine, reduced to £200 for early repayment. Councillor Coleridge said that there also needed to be a proper definition of flytipping.

Decision: The Committee:

- Noted and discussed the report;
- Noted that TEC recommended a pan-London steer of a maximum FPN of £400 for flytipping; and
- ;
- Noted that it was up to individual boroughs to set a discount for early payment.

12. Reducing Air Pollution in London

The Committee received a paper that set out more background on the Mayor's air quality proposals and gave information to members about the process for establishing a London Councils' position on air quality.

Katharina Winbeck said that members would be well aware of the poor air quality in London, which was a result of particulate matter and NO². She said that "Client

Earth” had taken out a judicial review against the Government. Katharina Winbeck said that London Councils supported ULEZ and wanted to strengthen and widen it. She said that a stronger air quality standard was also needed for buses and taxis, and extending the ULEZ was being looked into. Alex Williams thanked Katharina Winbeck for the good summary. He informed members that the Mayor had discussed air quality in London in his first week of office. Consultation would take place in various stages, with a more comprehensive consultation covering buses and taxis in July and August 2016. More work on air quality issues will be taking place with at a future TEC.

Councillor Demirci said that any recommendations on air quality that were put to the Mayor needed to be deliverable and meaningful. She suggested that some form modelling be looked at again. Councillor Doyle said that, although air quality policies had been mentioned in the paper, no costs had been put in the report. Councillor Whitehead said that she would like to see ULEZ extended to outer London boroughs. She said in Sutton, there were a large number of car users due to a lack in availability of public transport, and this was contributing to air pollution.

Councillor Coleridge voiced concern that the majority of residents did not know what ULEZ was. He said that the new Mayor needed to inform the public about ULEZ and keep them “onside”. Councillor Coleridge said that the Conservative Group did support ULEZ, although this was dependent on how it was carried out. Councillor Webbe felt that Euro 6 diesel vehicles should not be exempt from the ULEZ, as this was not a “clean” diesel. She said that the borough of Islington had implemented a diesel surcharge of £100. Councillor Usher said that a diesel scrappage scheme was required and that this needed to come from central government.

Alex Williams made the following comments to address members’ concerns:

- There were various phases and consultation taking place regarding the LEZ and ULEZ. The new Mayor was planning to bring a toxicity charge in by 2017 for the most polluting cars.
- There were no specific proposals regarding the ULEZ extension. TfL was also working on alternative boundaries to the North/South circular divide.
- Getting information across to the public and instigating changes in behaviour did not appear to be working at the moment as sales of diesel vehicles were increasing. There was a definite need to increase public understanding of ULEZ and high polluting vehicles.
- There were no proposals to change the regulations regarding Euro 6 diesel. TfL monitoring showed that diesel 6 buses were cleaner.
- The issue of diesel scrappage had been raised with the Secretary of State (SoS) this week. Costs were substantial, but the SoS wanted to look into this.

Councillor Loakes said that he did not support the North/South circular as a ULEZ boundary. He said that he hoped that there would be an opportunity for the boroughs to give their views prior to formal consultation.

Decision: The Committee noted the report on reducing air pollution in London, and the comments made by members and TfL.

13. OLEV Go Ultra-Low City Scheme

The Committee considered a report on the Office of Low Emission Vehicles “Go Ultra Low City Scheme”. London had been awarded £13,000,000 in capital funding, as one

of the four winning cities from the Scheme, and £240,000 in revenue funding, over the 2016-2020 period. A steering group that consisted of representatives from TfL, the Mayor's office and London Councils (including the Chair and Conservative and Labour vice-chairs of TEC) had been established to guide the implementation of the projects proposed in London's bid.

Katharina Winbeck introduced the report and made the following comments:

- Partner organisations were now setting-up governance arrangements. A three-tier structure was now in place - London Councils was represented at the Steering Group, through the Chair and Conservative and Labour vice chairs of TEC. There was also the Programme Board and the borough working group.
- A borough survey had been undertaken to increase our understanding on how electric charge points are dealt with in the boroughs.
- We have recently gone out to tender for some consultancy advice on the new delivery partnership for residential and car club charge points and additionally a secondment placement would work with London Councils to drive this element forward.
- Details from a car-club survey regarding the level of infrastructure they might need to deliver 50% ultra-low emission vehicles in 2025 would follow shortly, and a rapid charging network call-off contract.
- The Ultra-Low City Scheme will support additional infrastructure for rapid chargers and TfL was keen to learn from boroughs for potential sites.
- Eight boroughs had given opinions on re-profiling their bid regarding Neighbourhood of the Future (NoF), to take into account the reduction in bid funds received. The implementation date for this was October 2016.

Councillor Usher said that LB Wandsworth and LB Haringey were working with LB Croydon on the telephone survey. Councillor Webbe voiced concern over the long time frame for EV infrastructure and procurement for electric vehicle charging. Katharina Winbeck said that this question will also be put to the consultants, to ensure that boroughs are able to implement charging infrastructure, which can then be taken on by the delivery partnership once it is set up, which will not be the case before March 2017

Councillor Doyle asked whether there would be standardisation on charging points (ie a general specification going forward). Nick Lester-Davis confirmed that there were already standardised charge points in place, and minimum standards for charging networks were now being looked into. Details on this would be available later this year. Councillor Southwood asked how this related to BluePoint London. She said that it would not be beneficial to have different arrangements. Katharina Winbeck said that charging principles were being looked at. These would be implemented through a structure that was being put in place now.

Decision: The Committee noted and discussed the OLEV Go Ultra Low City Scheme.

14. Freedom Pass Progress Report

The Committee received a report that provided members with a general progress update on the Freedom Pass scheme.

Spencer Palmer said that the Freedom Pass renewal had been successful, with a higher rate of online renewal taking place than expected. He informed members that the new online payment portal would pay for itself within two years and would then generate savings.

Decision: The Committee noted the progress update for the Freedom Pass scheme, including the 2016 re-issue and the new customer service improvements.

15. TEC Committee Dates 2016/17

The Committee considered a report that informed members of the proposed TEC and TEC Executive Sub Committee dates for the municipal year 2016/17

The Chair reminded members of the new 10:00am start time for the TEC Executive Sub Committee meetings, in order for the City of London TEC member to attend.

Decision: The Committee noted and agreed the dates for TEC and TEC Executive Sub Committee meetings for 2016/17.

16. Minutes of the Meeting of the TEC Main Meeting held on 23 March 2016

The minutes of the TEC Main meeting held on 23 March 2016 were agreed as an accurate record by Committee.

The meeting finished at 15:40pm

LONDON COUNCILS' TRANSPORT AND ENVIRONMENT EXECUTIVE SUB COMMITTEE

Minutes of a meeting of the London Councils' Transport and Environment Executive Sub Committee held on **11 February 2016** at 09:30am, at London Councils, Meeting Room 4, 1st Floor, 59½ Southwark Street, London, SE1 0AL

Present:

Councillor Julian Bell	LB Ealing (Chair)
Councillor Feryal Demirci	LB Hackney
Councillor Tim Coleridge	RB Kensington & Chelsea
Councillor Alan Smith	LB Lewisham
Councillor Jill Whitehead	LB Sutton
Councillor Darren Merrill	LB Southwark
Councillor Heather Acton	City of Westminster
Michael Welbank	City of London
Marianne Fredericks	City of London

1. Declarations of Interests

There were no additional declarations of interest, other than the declarations previously supplied.

2. Apologies for Absence & Deputies

Apologies for absence were received from Councillor Alex Sawyer (LB Bexley), Councillor Daniel Anderson (LB Enfield), Councillor Claudia Webbe (LB Islington) and Councillor Caroline Usher (LB Wandsworth).

3. Transport and Mobility Performance Data

The TEC Executive Sub Committee received a report that detailed the London Councils' Transport and Mobility Services performance information for Q2 and Q3 of 2015/16.

Spencer Palmer (Director, Transport and Mobility, London Councils) introduced the report and distributed to members an amended set of Q2 figures. The amendments to the Q2 figures, that should have been presented to the TEC Executive Sub Committee on 24 November 2015, were as follows:

Environment and Traffic Adjudicators (ETA) - Average number of days (from receipt) to decide appeals (postal) should have read 32 days and not 40 days

ETA - Average number of days (from receipt) to decide appeals (combined) should have read 38 days and not 44 days

Road User Charging Adjudicators (RUCA) - Average number of days (from receipt) to decide appeals (postal) should have read 39 days and not 27 days

RUCA - Average number of appeals (from receipt) to decide appeals (combined) Should have read 50 days and not 32 days

Spencer Palmer informed members that the “red” rating for the “% personal hearings started within 15 minutes of scheduled time” was because the new system allowed Adjudicators to start viewing evidence before recording the start of the hearing. He explained that changes were being made to address this and the reported performance would improve significantly in the future. The “red” rating (89%) for “hearing dates to be issued to appellants within 5 working days of receipt” was due to additional checking still being carried out before they went out. This would also improve in due course.

Councillor Coleridge asked if there was a code of practice for when adjudicators were obliged to start a hearing. Spencer Palmer said that Adjudicators had been given advice on how to operate the new system while they were trying to amend the system so that the appeals were recorded from start to finish. Councillor Smith clarified that this was a failure of the system to record, rather than anything else. Spencer Palmer said that the new contractors were still working on the reporting and management information and therefore figures may still be subject to change.

Decision: The TEC Executive Sub Committee noted the report and the amendments to the Q2 figures, as tabled at the meeting

4. OLEV Go Ultra Low City Scheme

The TEC Executive Sub Committee considered a report that informed members of the announcement that London was one of the four winning cities in the Office for Low Emission Vehicles “Go Ultra Low City Scheme”. London had been awarded the sum of £13,000,000 in capital funding and £240,000 in revenue funding over the period of 2016-2020. It was suggested that a Programme Board and a Working Group be established to drive the implementation of the bid proposals.

Steve Craddock (Principal Policy Officer, London Councils) introduced the report and informed members that TfL would be receiving the funding from OLEV and would be considering what would constitute capital expenditure and what would constitute revenue under the terms of the grant.

Steve Craddock said that there were four elements to the bid, as outlined in paragraph 2 of the report. The main recommendation was to put in place the governance arrangements to provide an initial decision on which elements should receive which funding. TEC representation on the new Programme Board would be the TEC Chair and the Labour and Conservative vice chairs. The Programme Board would steer the implementation of the bid.

Councillor Coleridge congratulated TEC on the £13,000,000 OLEV award to London. He said that one of the issues would be on how this money would be divided out among the boroughs. Councillor Coleridge said that the revenue funding of £240,000 over 4 years did not amount to very much. Katharina Winbeck (Head of Transport, Environment and Infrastructure) said that London Councils was looking into the possibility of match funding with TfL and other partners. Steve Craddock informed members that the working group would comprise of London Councils and a number of boroughs. A wider level of consultation would also take place with all London boroughs on key decisions. Nick Lester-Davis said that it had been agreed with TfL that it would be an officer working group sitting below a steering group that included members.

Michael Welbank said that efforts to tackle the ongoing revenue needed to be maintained. Steve Craddock informed members that there was more work that needed to be carried out on this, especially with regards to the revenue/capital split. Frank Smith said that London Councils/TEC could not receive capital allocation, and were therefore not accountable. TfL, on the other hand, could receive this funding. Councillor Smith felt that staffing needed to be kept to a minimum in order to keep costs down. He said that some of the funding should be spent on buying EVs for people to try first, as this would be the best way of selling EVs. Councillor Smith said that Source London was already putting in charging points. The Chair said that the proposal in the bid to support the electrification of the Car Club network could help to get people accustomed to EVs. Councillor Demirci said that this was a great achievement for London. She said that work needed to be targeted in areas where there was poor air quality. Councillor Acton said that the City of Westminster had already been carrying out trials for residents sharing EV charging points. She said that Westminster had been fully involved in the bid, and she hoped that it would be included on the steering group. Councillor Acton voiced concern at the number of vehicles on the roads in London. She said that 1 in 30 were private vehicles, with the majority being trade.

Councillor Whitehead said that the price of EV was an issue, with one of the cheapest being a Nissan "Note" at £16,000. She said that the issue of buying second hand EVs needed to be investigated further. Councillor Smith said that the battery packs on the cheaper EVs did not last as long as the more expensive versions. He said that only the luxury end of EVs appeared to be promoted first.

Decision: The TEC Executive Sub Committee:

- Noted the establishment of a Programme Board to determine priorities, set milestones, and drive progress of the delivery of the London Go Ultra Low Scheme;
- Agreed TEC representation on that board to take the form of TEC Chair and Labour and Conservative vice chairs;
- Authorised officers from London Councils, in partnership with TfL and GLA, to agree the Terms of Reference for the Programme Board and Working Group; and
- Authorised officers from London Councils, in partnership with TfL and the GLA, to agree a Memorandum of Understanding

5. Month 9 Revenue Forecast 2015/16

The TEC Executive Sub Committee received a report that outlined actual income and expenditure against the approved budget as at 31 December 2015 for TEC, and provided a forecast of the outturn position for 2015/16. At this stage, a surplus of £562,000 was forecast over the budget figure.

Frank Smith (Director of Corporate Resources, London Councils) introduced the report. He informed members that this would be the last financial report for the year, with a forecasted surplus at the year-end of £562,000 currently being forecasted. The variances from budget, highlighted in paragraphs 3 and 4 of the report were for reasons reported to this Committee earlier in the year and some were a result of the change of parking managed services provider from Capita to Northgate. Processes were being established to rectify these issues, which primarily concerned data accuracy.

Frank Smith said that the Table 2 (paragraph 5) showed the projected level of uncommitted reserves through to 31 March 2017. The general reserves were forecast to be £2.158million, which equated to 18.5% of budgeted operating and trading expenditure of £11.673million for the current year. This figure exceeded the higher end of the agreed benchmark of reserves, which was between 10-15%.

Councillor Coleridge asked whether the “total income” figure of 2,712 in the bottom of the “Variance” column in Table 1 should be in brackets, and apologised for the error. Frank Smith confirmed that this figure should not be in brackets. Councillor Coleridge asked whether the additional surplus in TEC reserves (3.5%) should be returned to boroughs. The Chair said that the next Freedom Pass renewal was due to take place in 2020 and it would be beneficial to keep any extra funds in the reserves. He also said that TEC trading income was volatile and open to fluctuations. Frank Smith confirmed that a one-off payment of £340,000 was being returned to the boroughs (Table 2) in 2016/17. He said that a great deal of the volatility was due to the change in contractors, which in turn had presented some data recording issues. Also, adjudicators’ throughput to hear appeals differed, as some appeals took longer than others. Frank Smith said that consistency throughout the adjudicators was needed when it came to the time taken to hear appeals. Nick Lester-Davis said that there was also the issue regarding the number of appeals that boroughs did not contest. The non-contested rate had been 30%, but this had now been reduced to a more respectable 18%.

Councillor Smith felt that the 3.5% additional surplus should remain in TEC reserves. The Chair said that there would be further opportunities to decide what to do with the TEC reserves, especially when the outturn for the year is known. Councillor Coleridge said that the budget/surplus was a good position for TEC to be in. Frank Smith said that TEC finances were in a fairly stable position, which would be clearer once the teething issues with the new contractors, Northgate, were ironed out.

Decision: The TEC Executive Sub Committee:

- Agreed that the “Total Income” figure of 2712, at the bottom of the “Variance” column (Table 1 in the report), should not be in brackets;
- Noted the projected surplus of £562,000 for the year, plus the forecast underspend of £1.395 million for overall Taxicard trips, as detailed in the report; and
- Noted the projected level of Committee reserves, as detailed in paragraph 5 of the report, and the commentary on the financial position of the Committee in paragraphs 6-7

6. Minutes of the TEC Main meeting held on 10 December 2015 (for noting)

Item 4: TfL and Borough Bus Service Engagement, Q and As (page 4, 1st paragraph):

It was noted that LB Sutton had only received one new bus from TfL, which had consequently broken down, and the minutes needed to be amended to reflect this.

Subject to this amendment, the minutes of the TEC main meeting on 10 December 2015 were noted.

7. Minutes of the TEC Executive Sub Committee meeting held on 24 November 2015 (for agreeing)

Item 3: "London Sustainable Drainage Action Plan", Q and As, page 3 (paragraph 3):
It was agreed to remove "the high streets" in the sentence "She (Cllr Whitehead) said that rain gardens in the high streets had made a big difference" and replace with "district centres".

Subject to the above amendment, the minutes of the TEC Executive Sub Committee held on 24 November 2015 were agreed as an accurate record.

The meeting finished at 10:05am