

London Councils' Transport & Environment Committee

Concessionary Fares 2017/18 Settlement and Apportionment

Item 05
no:

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Summary

This report informs the Committee of the outcome of negotiations with transport operators (Transport for London (TfL), the Association of Train Operating Companies (ATOC) and independent bus operators) regarding compensation for carrying concessionary passengers in 2017/18. It also seeks members' approval to the proposed settlement and apportionment.

Recommendations

The Committee is recommended to:

1. Agree the TfL settlement of £324.181million for 2017/18.
2. Agree to the ATOC settlement of £18.872 million for 2017/18
3. Agree a budget for non-TfL bus services of £1.7 million.
4. Agree the reissue budget for 2017/18 of £1.518 million
5. Agree the borough payments for 2017/18 of £346.271 million
6. Agree the payment profile and dates on which boroughs' contributions are paid as 8 June 2017, 7 September 2017, 7 December 2017 and 8 March 2018.
7. Agree the 2017-2018 London Service Permit (LSP) bus operators (non-TfL buses) Concessionary Scheme.

Background

1. The Freedom Pass scheme is the best concessionary fares scheme in the country, in terms of scope, benefits offered and quality of transport provided. The Freedom Pass gives free travel concessions 24 hours a day to eligible older and disabled residents

on Transport for London (TfL) services and after 9.30am on National Rail and independently operated bus services in Greater London.

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

Negotiations with Transport Operators

3. Each year, negotiations take place between London Councils Transport and Environment Committee (on behalf of boroughs) and TfL for buses, tubes, DLR, Tramlink, London Overground and TfL Rail to determine the cost of the scheme on the basis that both parties are neither better nor worse off. This is based on:
 - The revenue foregone by the operators i.e. the revenue which if the concessionary fares scheme did not exist would be collected from Freedom Pass holders. This excludes fares income from generated travel; and
 - The additional costs to the operator i.e. generated travel by permit holders for which operators receive no fares revenue but do receive the cost of increasing the service to allow for the extra trips made.
4. The resulting settlement is based on:
 - a) The estimated average number of journeys made by Freedom Pass holders over the previous two years. In estimating these journey volumes; Oyster data, passenger surveys and automated passenger count information are used.
 - b) The expected average fare per trip, which is the actual adult fare paid in the absence of the scheme taking into account fare increases and decreases within a 'basket of fares'. This basket of fares is modelled to be an accurate reflection of typical fares paid across TfL ticket types.
5. If the overall cost of the TfL elements of the scheme (regardless of whether there has been a change to any part of the scheme) is not agreed by the 31 December the reserve free scheme described in the GLA Act 1999 comes into effect in relation to TfL services.
6. Negotiations are also carried out with ATOC for the cost of the Freedom Pass usage on national rail services excluding the London Overground and Crossrail network which is managed by TfL.
7. This year, the negotiations with ATOC were relatively straightforward, as London Councils and ATOC have negotiated a further extension of 2016/17 deal, which allows for a year on year increase in line with the July 15 Retail Price Index (RPI).
8. Concessions are also offered on local bus services in Greater London outside the TfL bus network. The statutory entitlement is provided under the Transport Act 2000 as amended by the Concessionary Bus Travel Act 2007. The draft Scheme was published on London Councils' website before the 1st of December 2016 to meet the statutory notice required to the bus operators. Though there is no change proposed to the scheme, the

reimbursement arrangements have to be agreed with bus operators as reimbursement is made in accordance with these arrangements¹.

9. Overall, the 2017/18 settlement represents a £9.407 million (2.64%) reduction compared with 2016/17-see Table 1. Settlement Overview (below). This is the first reduction in the history of the scheme. This is made up by a decrease of 2.92% for TfL, which accounts for nearly 94% of the total cost, an increase of 1.9% for ATOC and no change for LSP and support services and issue costs. A further explanation of each element is provided below.

Table 1. Settlement Overview

Operator	2017/18 (£million)	2016/17 (£million)	2017/18 weight	2016/17 weight	Change
TfL	324.181	333.940	93.62%	93.9%	-2.92%
ATOC	18.872	18.520	5.45%	5.2%	1.9%
LSP	1.7	1.7	0.49%	0.5%	0.0%
Reissue	1.52	1.52	0.44%	0.4%	0.0%
Total	346.271	355.678	100%	100%	-2.64%

Settlement with Transport for London for 2017/18

10. The TfL settlement is £324.181 million, which is a 2.92% decrease on 2016/17. Within the reduction, there are several elements to note. First, 1.27 percentage points (pp) are attributable to an aggregate fall in journey numbers across all modes. Second, 0.74 pp of increase attributed in a change to the commission rate used by TfL. Third, 2.14 pp of decrease due to the introduction of the hopper fare. Fourth, 0.8 pp of increase are due to the travel card element (not covered by the Mayor's fares freeze) of the basket of fares used to calculate average fares.
11. Together, these elements represent a 1.83% reduction on a like for like basis compared with 2016/17 settlement. In addition, officers negotiated a 1.08% (£3.64 million) retrospective adjustment in respect of the 2016/17 settlement to account for the introduction of the new hopper fare in September 2016. These are considered in more detail below.

Journey numbers

12. Within the 1.27% overall reduction attributable to journey numbers there is significant variation across modes, with several having seen decreases, but others having seen increases. The modes that have seen decreases include buses, London Underground, London Overground (factoring out new lines that transferred from ATOC) and Tram Link.
13. Bus usage, which accounts for 71% of the settlement is down by 2.3% and contributes 1.65 pp of the overall reduction. Officers believe that the increase in the age of eligibility (now 63.4 years) and also increased traffic disruption in central London, causing some travellers to transfer from buses to other modes, have both contributed to this trend.

¹ LSPs have the right to challenge this scheme until April 2017.

14. There has also been a 0.1% reduction on underground usage (24% of the total TfL and contributing to -0.02 pp of the reduction). In large part this is due to TfL accounting returning to a 52 week year after last year's settlement included a 53rd week, and actually masks a slight trend towards increased journeys. Officers believe this is linked to some passengers transferring from buses.
15. There have also been reductions in usage on London Overground (-1.2%, representing 1.4% of the total, and contributing -0.09 pp) and Tram Link (-7.1%, representing 1.3% of the total, and contributing -0.02 pp).
16. In addition to reductions in journeys on the modes above, three have seen increases in journey numbers, Docklands Light Railway, Crossrail and Greater Anglia.
17. The Docklands Light Railway (representing 1.4% of the total) has seen journey numbers increase by 7.1% and have dampened reductions by 0.19 pp. As outlined last year, officers believe this is in part due to population shift, but also due to improvements (including increased wheelchair accessibility) to a number of stations.
18. Journey numbers on Crossrail (0.9% of the total) have increased by 18.5% and have reduced the overall reduction by 0.16 pp. This increase is not due to an underlying increase in journey numbers. Instead, it is a result of a gating issue that TfL has rectified. Namely, that disabled Freedom Pass journeys were not being captured last year. During the course of negotiations, TfL agreed not to pursue a retrospective charge for this item.
19. Finally, journey numbers on lines that were previously part of the Greater Anglia network (0.5% of the total) increased by 30.2% with the effect of checking the wider reduction by 0.16 pp. This figure is a result of the same adjustment for disabled passengers described above, increased passenger numbers, but also station improvements (including additional gating), which means that more journeys are captured.
20. It should be noted that because of the variations above and because these modes are unevenly geographically distributed, each borough will see a unique change in their settlement for 2017/18. This is covered in more detail in the paragraphs relating to apportionment (below).

Table 2. TfL Modes

Journeys in million	2017/18	2016/17	% change	Weight of the journey volumes	Weighted change
Bus	290.096	297.028	-2.3%	71%	-1.65%
London Underground	50.641	50.674	-0.1%	24%	-0.02%
DLR	4.414	3.892	13.4%	1.4%	0.19%
London Overground	3.424	3.465	-1.2%	1.4%	-0.02%
Tramlink	4.509	4.855	-7.1%	1.3%	-0.09%
Crossrail	1.822	1.537	18.5%	0.9%	0.16%
Greater Anglia	1.152	0.885	30.2%	0.5%	0.16%
	356.058	362.336	-1.7%	100.0%	-1.27%

TfL Commission Rate

21. The second factor contributing to the final outcome with TfL is a change to the commission rate on buses and London Underground. This actually contributed a small (0.74 pp) increase to the settlement that dampened the overall decrease. The Freedom Pass settlement calculations take account of the commission TfL pays to merchants who sell travel cards and process Oyster Card payments (cost of sales). However, with the introduction, and increasing use, of contactless payment, the amount of commission paid by TfL to merchants is reducing. The effect of this is to increase TfL fares revenue and thereby increase the amount payable by boroughs in respect of the Freedom Pass scheme, which works on the principle of reimbursement for revenue foregone by the travel operators.

The Hopper Fare

22. In September 2016, the new Mayor of London introduced the 'hopper fare', which allows passengers on buses and trams to make a second journey free within an hour of touching in on the first bus or tram. This has benefitted boroughs in two ways.
23. First, it has impacted on the level of revenue TfL would have otherwise enjoyed in the absence of the scheme. In respect of the 2017/18 settlement, this amounts to a 2.14 pp reduction. Second, as the hopper fare was introduced mid-way through September 2016, officers proposed and TfL accepted that a retrospective adjustment should be made to the settlement for 2016/17. This amounted to a reduction of £3.64 million, or 1.04 pp.

Increases to the travel card element of the basket of fares

24. The final element of the TfL settlement to change is the travel card element of the basket of TfL fares used to calculate the average fare figures used for the Freedom Pass settlement. While the Mayor was able to freeze TfL fares for the next four years, the provision of travel cards involves settlement with the rail operating companies, who have not frozen their fares. Consequently, there has been upward movement of 0.8 pp in this element of the average fare calculation for the Freedom Pass scheme. The effect of this is most evident in the final settlement for London Underground (see Table 3 below).

Table 3 TfL Settlement

Mode	Settlement 2017/18 (£m)	Settlement 2016/17 (£m)	% change
Bus	232.275	240.965	-3.6%
London Underground	77.541	76.270	1.7%
DLR	4.532	3.716	21.96%
Tramlink	4.156	4.475	-7.1%
London Overground	4.690	4.746	-1.2%
Crossrail	2.836	2.392	18.5%
Greater Anglia	1.791	1.376	30.2%
Sub-Total	327.821	333.940	-1.9%
Retrospection	-3.640		
Total	324.181	333.940	-2.9%

Settlement with ATOC for 2017/18

25. The settlement in respect of the Association of Train Operating Companies (ATOC) for 2017/18 is £18.872 million. This represents a £0.352 million (1.9%) increase on 2016/17, in line with July 2016 inflation.
26. Members are asked to note that 2016/17 was to be the final year of a two-year fixed deal with ATOC. However, the 2017/18 settlement with ATOC is a result of negotiations with ATOC that have successfully extended the previous agreement by an additional year and are in negotiations with ATOC to extend it by a further year.
27. One of the key components of this deal is an estimate of actual journeys, which at present, is based on a study conducted in 2010 which used survey and usage data to arrive at a negotiated settlement. In future, it is likely to be based on actual usage derived from Oyster clicks and on the elasticity of demand. At this stage it is not possible to accurately estimate the impact of this change. However, it could lead to an increase in costs in respect of ATOC services as outlined in previous papers to this committee.

Settlement with other bus operators for 2017/18

28. Bus companies operating eligible services outside the TfL bus network have to seek reimbursement under an agreed scheme. Since the proposed scheme for 2017/18 remains unchanged in principle from the 2016/17 scheme, the estimated cost proposed in the budget report elsewhere on this Committee's agenda is based on the assumption of no change to the 2016/17 scheme. Under the Transport Act 2000 provisions it is not possible to agree in advance with those bus operators the actual cash sums they will receive.
29. A budget of £1.7 million for payments to non-TfL bus operators for local journeys originating in London is proposed. This is based on a prudent 9.7% estimated increase on the projected spend of £1.55 million in the 2016/17 financial year. The 9.7% increase is made up of 5.0% on fares and a 4.7% increase on journeys.
30. The assumptions regarding fares are based on inflation estimates towards the upper end of Bank of England forecasts and account for potential suppliers input prices e.g. diesel given the recent fall in the value of Sterling.
31. The assumptions regarding journeys are based on the potential for new and existing operators to expand timetables and/or introduce new services, which could lead to increased patronage.
32. As this element of the settlement cannot be cash limited in year, members are recommended to agree the budget of £1.7 million for 2017/18 in order to leave sufficient headroom for the potential changes listed above and for this to be kept under review in the light of the level of actual claims being made by providers.

Administration and re-issue costs

33. The total cost of the administering the freedom pass is estimated to be £483,814 in 2017/18 compared to the subsidised £386,816 in 2016/17. This equates to £14,661 per borough. However, after determining the overall financial position of the Committee through the range of charges proposed and taking account levels of replacement card income, for 2017/18 a nil charge is recommended (to be kept under review annually).
34. This amount covers London Councils' costs in negotiating the annual settlements and managing the relationships with transport operators and contractors. This is billed separately as part of the subscriptions and does not form part of the settlement apportionment.
35. The budget for the survey and pass issuing costs has been adjusted as detailed in Table 2 below:

Table 4 Administration and Re-issue Cost Budget 2017/18

	£m
2016/17 base budget	1.518
Total budget	1.518

36. Any annual surplus arising from both the Freedom Pass administration and issuing costs budget of £1.518 million and replacement freedom passes income budget of £600,000 (net of administration costs) will be transferred to a specific reserve to accumulate funds to offset the cost of the next large-scale pass reissue exercise scheduled for 2020. This process will be reviewed on an annual basis and may result in an annual contribution from reserves at a later stage in order to ensure a sufficient fund is accumulated for the 2020 reissue.

Summary of settlement to be apportioned

37. The 2017/18 Freedom Pass Scheme settled cost to be apportioned is as follows:

Table 5 Settlement to Be Apportioned

	2017/18 (£m)
TfL	324.181
ATOC	18.872
Non TfL Bus	1.700
Administration and Reissue Cost	1.518
Total Cost	346.271

38. The total estimated cost payable by boroughs towards the scheme in 2017/18 of £349.911 million compared to £355.678 million payable for 2016/17, represents a reduction of £9.407m or 2.64%. This is unprecedented in the history of the scheme.

Apportionment of 2017/18 costs between boroughs

39. In order to apportion costs between boroughs, London Councils has obtained usage data from Oyster clicks on the various transport modes; bus, underground, DLR, tram, London Overground and National Rail.
40. The following paragraphs set out how this data is used when apportioning costs to boroughs. They also consider in more detail the impact of using London Overground and ATOC usage data as well as how to treat services that transfer from Train Operating Companies to TfL when apportioning costs. Further detail is provided at Appendices 1 and 2.

Usage data – general principles

41. On the bus and underground, there is a very close match between total usage data derived from Oyster clicks and the total number of estimated journeys outlined in the paragraphs above. On these modes, which largely require customers to tap their passes on readers, 95% of the concessionary journeys are captured electronically. This gives officers a high level of confidence regarding the accuracy of apportionment of costs to boroughs for these two main modes, which account for 89% of the total concessionary fares costs.
42. On the other modes, the proportion of journeys captured electronically is lower, either because there is no requirement for Freedom Pass holders to touch in on the readers and/or because there are still ungated stations. On London Overground, 50% of journeys are captured, on National Rail the figure is 60% and for the DLR and tram modes only about 12% of concessionary journeys are captured.
43. Nevertheless, officers closely scrutinise the profile of journeys shown by the usage data that is available and are confident that it is sufficiently robust i.e. in line with expected observations, to be used for the purposes of apportionment. In simple terms, for example, the data shows that residents of boroughs nearest to tram and DLR services use these modes more than residents of boroughs who reside further away from these services.

Usage data – impact on individual boroughs settlements

44. The fact that the individual modes of transport included in the Freedom Pass settlement are not evenly geographically distributed means that while the overall settlement is down by 2.64%, not all boroughs will benefit in equal measure. This is particularly true where there have been changes in transport operator i.e. ATOC services transferring to TfL.
45. The effect of these changes on individual boroughs varies and can be both amplified and dampened depending on journey patterns on other modes within individual boroughs. However, in the final analysis, thirty boroughs will see decreased costs in 2017/18. The range of these decreases is -5.89% (Westminster) to -0.94% (Brent).
46. Three boroughs will see an increase in costs. The range of these increases varies between +0.05% (Waltham Forest) and +1.09% (Havering). Members are asked to note that due to continued negotiations with TfL, these increases are not as large as indicated to this committee in October.

Payment dates and profiling

47. The payment dates and profile of payments are agreed as part of the apportionment. The proposed payment dates on which boroughs' contributions are paid are 8 June 2017, 7 September 2017, 7 December 2017 and 8 March 2018. The proposed profile for the TfL element is 24.95% of the total for the first three quarters and 25.15% for the final quarter, the higher figure for the last quarter reflects the assumption of a 0.8% (RPI) increase of fares in January 2017. The proposed profile for ATOC, the non-TfL operators and other charges e.g. re-issue, is equal instalments of 25% each quarter. Appendix 2 shows the apportionment per borough by quarter.

Financial Implications

48. The financial implications arising from the Freedom Pass settlement negotiations for 2017/18 have been commented upon in detail in the proposed revenue budget report for 2017/18, which is a separate report to this Committee.

Legal implications

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

Equalities implications

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

Recommendations

The Committee is recommended to:

1. Agree the TfL settlement of £324.181million for 2017/18.
2. Agree to the ATOC settlement of £18.872 million for 2017/18
3. Agree a budget for non-TfL bus services of £1.7 million.
4. Agree the reissue budget for 2017/18 of £1.518 million
5. Agree the borough payments for 2017/18 of £346.271 million
6. Agree the payment profile and dates on which boroughs' contributions are paid as 8 June 2017, 7 September 2017, 7 December 2017 and 8 March 2018.
7. Agree the 2017-2018 London Service Permit (LSP) bus operators (non-TfL buses) Concessionary Scheme.

Appendices

Appendix 1: 2017/18 apportionment by mode and borough

Appendix 2: 2017/18 apportionment by quarter and borough

Background papers

Transport & Environment Committee: 10 December 2016: Item 8 - Concessionary Fares Settlement Apportionment for 2016-17

Transport & Environment Committee: 13 October 2016: Item E1 – Freedom Pass Apportionment and Settlement

Appendix 1: 2017/18 Apportionment by mode and borough

BOROUGH	% 2017/18 Bus Boardings	% 2016/17 Bus Boardings	2017/18 Bus Charge	% Tram Boardings	2017/18 Tram Charge	% LUL Exits	2017/18 LUL Charge	% DLR Exits	2017/18 DLR Charge	% LO Exits	2017/18 LO Charge	2017/18 Crossrail Charge	2017/18 Greater Anglia/LO Charge	Total TFL charges	% NR Exits	2017/18 NR Charge	Formula Funding Percentage	Non TFL buses and Reissue charges	Non TFL service charges	Total overall
Barking & Dagenham	1.60%	1.60%	£3,654,211	0.05%	£2,036	1.72%	£1,330,058	1.02%	£46,300	2.17%	£101,696	£61,495	£38,835	£5,234,631	0.98%	£184,138	1.71%	£55,083	£239,221	£5,473,852
Barnet	4.34%	4.34%	£9,931,247	0.19%	£7,863	6.49%	£5,032,880	0.42%	£18,870	1.89%	£88,658	£53,611	£33,856	£15,166,984	1.20%	£227,209	4.64%	£149,380	£376,589	£15,543,573
Bexley	2.12%	2.12%	£4,857,163	0.15%	£6,438	0.76%	£590,884	4.35%	£197,032	0.36%	£17,029	£10,298	£6,503	£5,685,348	4.36%	£823,673	2.02%	£64,879	£888,552	£6,573,899
Brent	4.70%	4.63%	£10,737,735	0.25%	£10,260	5.44%	£4,221,172	0.57%	£25,836	7.77%	£364,199	£220,228	£199,079	£15,718,508	1.39%	£261,792	4.68%	£150,554	£412,346	£16,130,854
Bromley	3.15%	3.12%	£7,196,694	9.58%	£398,259	1.65%	£1,282,661	1.92%	£87,093	1.18%	£55,307	£33,443	£21,120	£9,074,578	10.71%	£2,021,945	2.93%	£94,215	£2,116,160	£11,190,737
Camden	3.40%	3.41%	£7,778,010	0.16%	£6,845	4.75%	£3,682,216	0.62%	£28,271	9.29%	£435,829	£263,542	£166,433	£12,361,145	1.40%	£263,966	3.79%	£121,965	£385,931	£12,747,077
City of London	0.08%	0.08%	£176,476	0.02%	£671	0.36%	£281,108	0.17%	£7,855	0.10%	£4,700	£2,842	£1,795	£475,447	0.13%	£23,658	0.13%	£4,166	£27,824	£503,271
Croydon	4.04%	3.94%	£9,233,595	56.37%	£2,342,620	1.72%	£1,330,224	0.69%	£31,107	2.47%	£115,856	£70,057	£44,243	£13,167,702	12.22%	£2,305,837	3.87%	£124,517	£2,430,354	£15,598,056
Ealing	4.77%	4.73%	£10,906,590	0.24%	£9,801	5.28%	£4,091,937	0.38%	£17,353	2.41%	£112,959	£68,305	£43,136	£15,250,083	1.78%	£335,856	4.42%	£142,256	£478,112	£15,728,195
Enfield	3.52%	3.54%	£8,045,388	0.10%	£4,218	3.31%	£2,563,119	0.43%	£19,657	4.55%	£213,206	£128,924	£81,418	£11,055,929	1.85%	£348,453	3.40%	£109,253	£457,706	£11,513,635
Greenwich	2.97%	2.99%	£6,793,684	0.40%	£16,469	1.55%	£1,199,638	14.85%	£673,181	0.73%	£34,254	£20,713	£13,081	£8,751,019	4.08%	£770,834	2.82%	£90,624	£861,457	£9,612,477
Hackney	4.04%	4.07%	£9,246,173	0.12%	£4,805	2.04%	£1,579,033	2.39%	£108,171	9.07%	£425,348	£257,204	£162,430	£11,783,164	1.68%	£317,634	3.77%	£121,158	£438,792	£12,221,956
Hammersmith & Fulham	2.60%	2.61%	£5,955,262	0.39%	£16,031	3.77%	£2,924,699	0.34%	£15,594	2.28%	£107,040	£64,726	£40,876	£9,124,229	0.68%	£128,364	2.71%	£87,345	£215,708	£9,339,938
Haringey	4.31%	4.35%	£9,864,246	0.14%	£5,903	4.48%	£3,471,208	0.55%	£24,889	2.86%	£134,217	£81,160	£51,254	£13,632,878	1.18%	£222,196	4.31%	£138,601	£360,797	£13,993,675
Harrow	2.67%	2.58%	£6,103,097	0.15%	£6,087	4.42%	£3,426,298	0.43%	£19,348	4.89%	£229,395	£138,713	£87,600	£10,010,539	0.54%	£102,002	2.71%	£87,087	£189,089	£10,199,627
Havering	2.32%	2.30%	£5,296,410	0.05%	£1,977	1.94%	£1,505,464	1.92%	£86,857	7.94%	£372,438	£225,210	£142,225	£7,630,579	3.19%	£601,509	2.50%	£80,457	£681,967	£8,312,546
Hillingdon	2.32%	2.30%	£5,313,476	0.10%	£4,190	3.40%	£2,639,445	0.33%	£14,822	0.69%	£32,594	£19,710	£12,447	£8,036,684	0.74%	£140,202	2.52%	£81,039	£221,241	£8,257,925
Hounslow	2.93%	2.90%	£6,696,261	0.21%	£8,929	2.37%	£1,837,266	0.29%	£13,329	0.67%	£31,422	£19,000	£11,999	£8,618,206	1.97%	£372,179	2.68%	£86,341	£458,520	£9,076,726
Islington	3.57%	3.57%	£8,156,195	0.20%	£8,203	3.52%	£2,729,857	0.71%	£32,266	3.34%	£156,685	£94,746	£59,834	£11,237,787	1.10%	£207,870	3.27%	£105,185	£313,055	£11,550,842
Kensington & Chelsea	2.45%	2.45%	£5,603,161	0.28%	£11,820	3.95%	£3,060,468	0.35%	£15,643	1.09%	£51,234	£30,981	£19,565	£8,792,872	0.67%	£126,251	2.61%	£84,054	£210,305	£9,003,177
Kingston	1.64%	1.60%	£3,754,356	0.84%	£35,109	0.95%	£734,364	0.14%	£6,358	0.25%	£11,813	£7,144	£4,511	£4,553,655	4.06%	£766,017	1.53%	£49,387	£815,404	£5,369,060
Lambeth	4.04%	4.10%	£9,238,303	2.47%	£102,558	3.52%	£2,732,084	0.45%	£20,392	1.16%	£54,233	£32,794	£20,710	£12,201,074	4.71%	£888,247	4.26%	£137,114	£1,025,361	£13,226,434
Lewisham	3.60%	3.65%	£8,225,443	2.50%	£103,843	1.51%	£1,167,714	5.96%	£270,063	6.34%	£297,421	£179,847	£113,578	£10,357,909	5.65%	£1,066,039	3.49%	£112,252	£1,178,291	£11,536,201
Merton	2.34%	2.31%	£5,343,747	13.74%	£571,191	2.58%	£2,004,153	0.20%	£8,937	0.41%	£19,339	£11,694	£7,385	£7,966,446	4.76%	£897,578	2.40%	£77,224	£974,802	£8,941,248
Newham	3.48%	3.52%	£7,954,362	0.18%	£7,592	3.57%	£2,771,404	18.39%	£833,560	3.04%	£142,657	£86,264	£54,477	£11,850,316	1.68%	£316,231	3.21%	£103,145	£419,376	£12,269,693
Redbridge	2.37%	2.42%	£5,406,829	0.13%	£5,597	3.93%	£3,046,326	1.75%	£79,161	5.45%	£255,465	£154,478	£97,556	£9,045,413	1.80%	£340,433	2.61%	£83,989	£424,422	£9,469,835
Richmond	2.31%	2.24%	£5,274,304	0.31%	£12,967	2.23%	£1,731,074	0.30%	£13,817	0.71%	£33,413	£20,205	£12,760	£7,098,538	5.80%	£1,094,102	2.21%	£71,129	£1,165,231	£8,263,769
Southwark	4.07%	4.10%	£9,302,695	1.10%	£45,546	2.76%	£2,139,444	1.88%	£85,407	4.17%	£195,354	£118,129	£74,601	£11,961,177	3.31%	£625,227	3.80%	£122,440	£747,667	£12,708,844
Sutton	1.85%	1.81%	£4,233,262	6.35%	£264,098	1.05%	£814,135	0.20%	£8,860	0.41%	£19,425	£11,746	£7,418	£5,358,944	5.07%	£957,450	1.77%	£57,048	£1,014,498	£6,373,443
Tower Hamlets	2.01%	2.11%	£4,603,039	0.18%	£7,310	2.96%	£2,296,854	34.88%	£1,580,669	3.41%	£160,071	£96,793	£61,127	£8,805,864	0.82%	£155,286	2.25%	£72,256	£227,542	£9,033,406
Waltham Forest	2.85%	2.84%	£6,516,762	0.15%	£6,223	3.11%	£2,408,229	2.03%	£91,924	6.47%	£303,395	£183,460	£115,859	£9,625,852	1.56%	£294,675	2.66%	£85,718	£380,393	£10,006,245
Wandsworth	3.91%	3.94%	£8,936,710	2.45%	£101,620	3.97%	£3,074,700	0.36%	£16,532	1.12%	£52,399	£31,685	£20,010	£12,233,656	7.26%	£1,370,511	4.23%	£136,075	£1,506,586	£13,740,242
Westminster	3.63%	3.74%	£8,300,113	0.46%	£18,922	4.95%	£3,840,885	0.72%	£32,846	1.30%	£60,948	£36,855	£23,275	£12,313,843	1.67%	£314,758	4.10%	£132,064	£446,822	£12,760,665
Total	100%	100%	£228,635,000	100%	£4,156,000	100%	£77,541,000	100%	£4,532,000	100%	£4,690,000	£2,836,000	£1,791,000	£324,181,000	100%	£18,872,120	100%	£3,218,000	£22,090,120	£346,271,120

NOTE

1. TFL settlement does not include the cost of the am journeys
2. Bus settlement includes £3.640 million refund for the 2016/17 financial year Bus Hopper discount. While the cost of £232.275 million for the 2017/18 is apportioned using the % of the 2017/18 Bus boardings (average of the most recent two full years July 2014 - June 2016), the refund is apportioned using the % of the 2016/17 Bus boardings (July 2013 - June 2015).
3. Tram, Underground, DLR, London Overground and NR costs are apportioned by respective usage.
4. London Overground, Crossrail and London Overground/Greater Anglia costs are apportioned by London Overground usage
5. Non TFL buses and reissue elements are apportioned by proportion of the 2013/14 Formula Funding allocated to boroughs (as calculated by Central Government, which is fixed till 2020)

Appendix 2: 2017/18 Apportionment by quarter and borough

Authority	First payment 08/06/2017 (£) Paid to TFL	First payment 08/06/2017 (£) Paid to London Councils	Second payment 07/09/2017 (£) Paid to TFL	Second payment 07/09/2017 (£) Paid to London Councils	Third payment 07/12/2017 (£) Paid to TFL	Third payment 07/12/2017 (£) Paid to London Councils	Fourth payment 08/03/2018 (£) Paid to TFL	Fourth payment 08/03/2018 (£) Paid to London Councils	Total per borough (£) Paid to TFL	Total per borough (£) Paid to London Councils	Total per borough (£)
Barking & Dagenham	1,306,038	59,805	1,306,038	59,805	1,306,038	59,805	1,316,518	59,805	5,234,632	239,220	5,473,852
Barnet	3,784,155	94,147	3,784,155	94,147	3,784,155	94,147	3,814,519	94,147	15,166,984	376,588	15,543,572
Bexley	1,418,491	222,138	1,418,491	222,138	1,418,491	222,138	1,429,873	222,138	5,685,346	888,552	6,573,898
Brent	3,921,760	103,086	3,921,760	103,086	3,921,760	103,086	3,953,228	103,086	15,718,508	412,344	16,130,852
Bromley	2,264,103	529,040	2,264,103	529,040	2,264,103	529,040	2,282,270	529,040	9,074,579	2,116,160	11,190,739
Camden	3,084,100	96,483	3,084,100	96,483	3,084,100	96,483	3,108,846	96,483	12,361,146	385,932	12,747,078
City of London	118,624	6,958	118,624	6,958	118,624	6,958	119,576	6,958	475,448	27,832	503,280
Croydon	3,285,335	607,588	3,285,335	607,588	3,285,335	607,588	3,311,696	607,588	13,167,701	2,430,352	15,598,053
Ealing	3,804,888	119,528	3,804,888	119,528	3,804,888	119,528	3,835,418	119,528	15,250,082	478,112	15,728,194
Enfield	2,758,449	114,426	2,758,449	114,426	2,758,449	114,426	2,780,583	114,426	11,055,930	457,704	11,513,634
Greenwich	2,183,375	215,364	2,183,375	215,364	2,183,375	215,364	2,200,894	215,364	8,751,019	861,456	9,612,475
Hackney	2,939,894	109,698	2,939,894	109,698	2,939,894	109,698	2,963,483	109,698	11,783,165	438,792	12,221,957
Hammersmith & Fulham	2,276,491	53,927	2,276,491	53,927	2,276,491	53,927	2,294,757	53,927	9,124,230	215,708	9,339,938
Haringey	3,401,396	90,199	3,401,396	90,199	3,401,396	90,199	3,428,689	90,199	13,632,877	360,796	13,993,673
Harrow	2,497,624	47,272	2,497,624	47,272	2,497,624	47,272	2,517,665	47,272	10,010,537	189,088	10,199,625
Havering	1,903,826	170,492	1,903,826	170,492	1,903,826	170,492	1,919,102	170,492	7,630,580	681,968	8,312,548
Hillingdon	2,005,149	55,310	2,005,149	55,310	2,005,149	55,310	2,021,238	55,310	8,036,685	221,240	8,257,925
Hounslow	2,150,238	114,630	2,150,238	114,630	2,150,238	114,630	2,167,491	114,630	8,618,205	458,520	9,076,725
Islington	2,803,822	78,264	2,803,822	78,264	2,803,822	78,264	2,826,320	78,264	11,237,786	313,056	11,550,842
Kensington & Chelsea	2,193,817	52,576	2,193,817	52,576	2,193,817	52,576	2,211,420	52,576	8,792,871	210,304	9,003,175
Kingston	1,136,135	203,851	1,136,135	203,851	1,136,135	203,851	1,145,251	203,851	4,553,656	815,404	5,369,060
Lambeth	3,044,162	256,340	3,044,162	256,340	3,044,162	256,340	3,068,588	256,340	12,201,074	1,025,360	13,226,434
Lewisham	2,584,293	294,573	2,584,293	294,573	2,584,293	294,573	2,605,029	294,573	10,357,908	1,178,292	11,536,200
Merton	1,987,624	243,701	1,987,624	243,701	1,987,624	243,701	2,003,573	243,701	7,966,445	974,804	8,941,249
Newham	2,956,648	104,844	2,956,648	104,844	2,956,648	104,844	2,980,372	104,844	11,850,316	419,376	12,269,692
Redbridge	2,256,826	106,106	2,256,826	106,106	2,256,826	106,106	2,274,935	106,106	9,045,413	424,424	9,469,837
Richmond	1,771,082	291,308	1,771,082	291,308	1,771,082	291,308	1,785,293	291,308	7,098,539	1,165,232	8,263,771
Southwark	2,984,308	186,917	2,984,308	186,917	2,984,308	186,917	3,008,254	186,917	11,961,178	747,668	12,708,846
Sutton	1,337,054	253,625	1,337,054	253,625	1,337,054	253,625	1,347,782	253,625	5,358,944	1,014,500	6,373,444
Tower Hamlets	2,197,059	56,885	2,197,059	56,885	2,197,059	56,885	2,214,688	56,885	8,805,865	227,540	9,033,405
Waltham Forest	2,401,645	95,098	2,401,645	95,098	2,401,645	95,098	2,420,916	95,098	9,625,851	380,392	10,006,243
Wandsworth	3,052,291	376,646	3,052,291	376,646	3,052,291	376,646	3,076,783	376,646	12,233,656	1,506,584	13,740,240
Westminster	3,072,298	111,705	3,072,298	111,705	3,072,298	111,705	3,096,950	111,705	12,313,844	446,820	12,760,664
Overall Total	80,883,000	5,522,530	80,883,000	5,522,530	80,883,000	5,522,530	81,532,000	5,522,530	324,181,000	22,090,120	346,271,120