

# London Councils' TEC Executive Sub-Committee

## Draft Revenue Budget and Borough Charges 2018/19 Item no: 06

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<b>Date:</b>	16 November 2017		
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### Summary

This report details the outline revenue budget proposals and the proposed indicative borough subscription and charges for 2018/19.

The Executive Sub-Committee is asked to comment on these outline proposals, with particular consideration to the three specific proposals detailed at paragraph 4, in order that any comments can be consolidated in the further report for the main TEC meeting in December, where the detailed budget proposals and levels of subscriptions and charges for 2018/19 will be presented for approval.

### Recommendations

The Executive-Sub Committee is asked to recommend that the main Committee approve at their meeting on 7 December:

- The proposed individual levies and charges for 2018/19 as follows:
  - The Parking Core Administration Charge of £1,500 per borough and for TfL (2017/18 - £1,500; paragraph 38);
  - The Parking Enforcement Service Charge of £0.4226 per PCN which will be distributed to boroughs and TfL in accordance with PCNs issued in 2016/17 (2017/18 - £0.4915 per PCN; paragraphs 36-37);
  - No charge to boroughs in respect of the Freedom Pass Administration Charge, which is covered by replacement Freedom Pass income (2017/18 – nil charge; paragraph 15);
  - The Taxicard Administration Charge to boroughs of £338,182 in total (2017/18 - £338,182; paragraphs 17).
  - No charge to boroughs in respect of the Lorry Control

Administration Charge, which is fully covered by estimated PCN income (2017/18 – nil charge; paragraphs 19-20);

- Road User Charging Appeals (RUCA) – to be recovered on a full cost recovery basis under the new contract arrangements with the GLA (paragraph 28);
- In addition, after considering the specific proposals outlined at paragraph 4, the Executive-Sub Committee is also asked to recommend that the main Committee approve at their meeting on 7 December:
  - A unit charge of £12 for the replacement of a lost or damaged Freedom Pass (2017/18 - £10; paragraph 10);
  - Environment and Traffic Appeals (ETA) charge of £30.63 per appeal or £27.02 per appeal where electronic evidence is provided by the enforcing authority (2017/18 - £32.00/£28.50 per appeal). For hearing Statutory Declarations, a charge of £25.21 for hard copy submissions and £23.53 for electronic submissions (2017/18 - £26.74/£26.06 per SD) (paragraph 27);
  - The TRACE (Electronic) Charge of £7.53 per transaction (2017/18 - £7.31; paragraphs 29-35);
  - The TRACE (Fax/Email) Charge of £7.70 per transaction, which from 1 April 2018 would be levied, in addition to the electronic charge of £7.53 per transaction, making a total of £15.23 (2017/18 - £7.48; paragraphs 29-35);
  - The TEC<sup>1</sup> Charge of £0.175 per transaction (2017/18 - £0.17; paragraphs 29-35).
- The provisional gross revenue expenditure of £368.775 million for 2018/19, as detailed in Appendix A; and
- On the basis of the agreement of all the above proposed charges as outlined in this report (including those at paragraph 4), the provisional gross revenue income budget of £368.486 million for 2018/19, with a recommended transfer of £289,000 from uncommitted Committee reserves to produce a balanced budget, as shown in Appendix B.

The Executive-Sub Committee is also asked to note:

- the current position on reserves, as set out in paragraphs 52-55 and Table 9 of this report; and
- the estimated total charges to individual boroughs for 2018/19, as set out in Appendix C.1.

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

## **Introduction**

1. This report details the outline revenue budget proposals and the proposed indicative borough subscription and charges for 2018/19. The reports seeks comments from the Executive Sub-Committee in order that recommendations can be made to the main Committee meeting in December, who will formally set the budget and the associated level of subscriptions and charges for 2018/19.
2. The report will, therefore, examine the key features of the proposed budget for 2018/19 and make proposals as to the level of charges for the Committee's consideration.

## **Proposed Revenue Budget 2018/19 – Provisional Overview**

3. The budget proposals in this report incorporate the following assumptions:
  - A reduction in the TfL element of the Freedom Pass settlement for 2018/19 of £865,000, or 0.27% (subject to further negotiation);
  - An increase in the Rail Delivery Group (formerly ATOC) element of the freedom pass settlement of £681,000 (3.61%);
  - The budget for payments to other bus operators for local journeys originating in London has been reduced from the current year's level of £1.7 million to £1.5 million, following projections for 2018/19, based on current claim trends being lodged by operators.
  - The annual Freedom Pass survey and reissue costs budget to remain at the current year's level of £1.518 million, which will be able to contain the increases in contract prices arising from the recent tender exercise;
  - Subject to its annual business plan approval process, TfL will provide an estimated fixed contribution of £10.292 million, inclusive of an assumed annual Taxicard tariff inflation of £202,000 (2%), compared to £10.090 million for 2017/18. At this stage, the total borough contribution towards the Taxicard scheme in 2018/18 is estimated to be £2.409 million, the same as for the current year, although the decision on boroughs' contributions is a matter for boroughs to take individually and will be confirmed in February 2018. The indicative budgetary provision for the taxicard trips contract with CityFleet Networks Limited, will, therefore, be an amalgam of the TFL and borough funding, currently equating to £12.701 million for 2018/19, a provisional increase of £202,000 on the revised budget of £12.499 million for the current year;
  - A continued nil charge to boroughs in respect of the Freedom Pass administration fee, which remains fully funded by income receipts from replacing Freedom Passes that are lost or damaged;
  - A continued nil charge to boroughs in respect of the London Lorry Control scheme, which remains fully financed from PCN income receipts. The income budget for such receipts is proposed to remain at £800,000 for 2018/19. A sum of £50,000 will remain in the budget to fund further work on the development of the Lorry Control scheme during 2018/19, as a result of the recent scheme review;

- The total Taxicard administration charge of £338,182 being held at the current year's level, which will be apportioned to boroughs in accordance with the total scheme membership as at 30 September 2017;
- The Parking Core administration charge being held at the 2017/18 level of £1,500;
- A reduction in the Parking Enforcement service charge of £0.0689 per PCN, or 14%, which will be apportioned to boroughs and TfL in accordance with the total number of PCNs issued by enforcing authorities in 2016/17;
- An estimated 1½% cost of living increase on all officer salary costs and 1% in respect of adjudicators' fees. A provision of 2% is also required to cover the employers' pension contributions for adjudicators who have been automatically enrolled into a pension scheme and have elected to remain within the scheme. The overall staffing budget continues to include a £30,000 provision for maternity cover and the vacancy level remains at 2%; and
- A 3% inflationary increase in all other running cost budgets for 2018/19, unless subject to binding contractual increases.

#### **Additional specific proposals for 2018/19**

4. Taking into account the draft proposals and provisional overview highlighted in paragraph 3 above, if these were to be agreed by the main Committee in December, there would be an indicative budget deficit of £141,000 for 2018/19. This would be the position after the transfer of £288,000 from uncommitted general reserves, the same amount approved by the main Committee for the current financial year to balance the budget. The indicative deficit could be managed by the transfer of an additional £141,000 from uncommitted reserves. However, this would lead to a total transfer of £429,000 from reserves, which is clearly not a sustainable budget strategy in the medium to long term, and for that reason is not recommended by the Director of Corporate Resources. Officers have, therefore, identified three areas where it would be possible to increase charges to users in order to eliminate the projected deficit of £141,000. These are:
  - To increase the unit cost of a replacement Freedom Pass by £2 from £10 to £12. The cost has not increased since it was introduced in November 2012 and the proposed increase would offset some of the increased direct service administration contract costs reported to the main TEC meeting in March 2017. There would be an estimated 5% falloff in the base number of replacement passes issued due to the proposed increase. The income budget for such receipts would, therefore, increase by a net figure of £84,000 to £684,000 for 2018/19;
  - To top slice the forecast reductions in the unit cost of all ETA appeals and statutory declarations by £1. The forecast reductions are based on significantly improved performance levels, which have been achieved through systems and service improvements over the past 12 months. If the proposed £1 top slice is approved, this would still reduce the unit cost of hard copy parking appeals charged to boroughs and TfL by a net figure of £1.37 per appeal, or 4.29%. For appeals where evidence is submitted electronically, the

unit cost will reduce by £1.48 or 5.18%. For statutory declarations, a hard copy transaction will reduce by £1.53 or 5.71%, with electronic transactions reducing by £1.57 or 6.01%. This measure will build in a degree of contingency given fluctuations in the number of appeals observed in the year to date and allow for unforeseen in-year costs, as well as raising a projected additional £42,000 income in 2018/19; and

- A 3% increase in the charges to boroughs for TEC and TRACE electronic transactions and the phasing out of TRACE fax and email transactions for purposes other than disaster recovery<sup>2</sup>. Changes to the standard charges (TEC and TRACE electronic charges) reflect anticipated increases in contract costs during 2018/19, which will raise an additional £15,000 in 2018/19. Phasing out of TRACE fax and emails is part of London Councils wider programme of channel shift in relation to the ETA Tribunal. These charges have not been increased to users since 2010/11.
5. The following paragraphs detail the main proposed budget headings for 2018/19 and highlight any significant changes over 2017/18. The proposed level of expenditure for 2018/19 amounts to £368.775 million. A sum of £357.070 million relates to direct expenditure on the transport operators providing the Freedom Pass and the Taxicard schemes, leaving a sum of £11.705 million relating to expenditure on parking and traffic related traded service and other operating expenditure. This compares to a revised budget figure of £12.272 million for the current year, a reduction of £567,000, or 4.6%.

## **Freedom Pass**

6. The main settlement with TfL for concessionary travel on its service is estimated to be £323.316 million, although the final figure is subject to further negotiations. This represents a provisional cash reduction of £865,000, or 0.27%, on the figure of £324.181 million for 2017/18. On a gross costs basis the settlement is down by 0.1%. Members will recall that last year's settlement included a one off adjustment to account for the introduction of the Mayor's bus hopper fare. When the effect of this is factored out of last year's settlement the true year on year reduction is 1%. This is made up of a 2.3% reduction in total journeys (although some modes such as DLR saw increases), offset by real fares demand change<sup>3</sup> of just over 1%.
7. The ATOC (now Rail Delivery Group (RDG)) settlement is based on a further two year extension to the settlement agreed in 2011. The agreement extension allows for inflationary increases at July RPI +1.75% (3.61%). This leads to an increase of £681,000 to £19.553 million over the budget of £18.872 million for the current year.
8. The budget for payments to other bus operators for local journeys originating in London has been reduced by £200,000 from the current year's level of £1.7

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<sup>2</sup> London Councils will continue to accept TRACE email and fax during the 2018/19 financial year, but notices sent in this way will be charged the fax / email rate in addition to the electronic rate, as this method causes significant additional effort for London Councils and its contractor.

<sup>3</sup> This factors in the effect of a 3.3% inflationary increase on demand in the absence of increased ticket prices i.e. if prices in the wider economy increase, but travel fares do not, the price of travel becomes relatively cheaper and the demand for travel increases. This effect impacts the settlement and offsets decreasing journey numbers.

million to £1.5 million, following projections for 2018/19, based on previous years' outturn and the wider decline in bus ridership.

9. The budget for pass issue and support services remains at £1.518 million, which is intended to provide sufficient headroom to allow for the new contract rates advertised to TEC in March 2017 and any additional development and maintenance work to be carried out on the Freedom Pass web service and customer relationship management system. The budget will continue to be reviewed each year in the light of estimated annual reissue numbers in the run up to the next substantive reissue exercise in 2020.
10. For income in respect of replacement Freedom Passes, current trends indicate that significant income continues to accrue. Subject to specific member approval as outlined in paragraph 4, it is proposed to increase the unit cost of a replacement pass by £2 from £10 to £12 from 1 April 2018. However, it is estimated that there will be a 5% falloff in overall income arising from behavioural change due to the price increase, so the net increase in income will be £84,000, increasing the budget to £684,000 and contributing to the setting of a balanced budget for the year. As stated in paragraph 3 and detailed in paragraph 15 below, it is proposed that the in-house cost of administering the Freedom Pass scheme will be fully funded by this income stream in 2018/19.
11. As agreed by this Committee in December 2014, any annual surplus arising from both the freedom pass issuing costs budget of £1.518 million (paragraph 9 above) and replacement freedom passes income budget of £684,000 (paragraph 10 above) will be transferred to a specific reserves to accumulate funds to offset the cost of the next major pass reissue exercise scheduled for 2020. The current projected balance on this element of the specific reserve is £2.837 million, as highlighted in paragraph 52.
12. Final negotiations on the actual amounts payable to transport operators will be completed in time for the meeting of the main Committee on 7 December and any late variations to these provisional figures will be tabled at this meeting.
13. A summary of the provisional freedom pass costs for 2018/19, compared to the actual costs for the current year, are summarised in Table 1 below:

**Table 1 – Comparative cost of Freedom Pass 2018/19 and 2017/18**

<b>Estimated Cost of Freedom Pass</b>	<b>2018/19(£000)</b>	<b>2017/18(£000)</b>
TfL Settlement	323,316	324,181
ATOC Settlement	19,553	18,872
Non TfL Bus Operators Settlement	1,500	1,700
Support services and issue costs	1,518	1,518
<b>Total Cost</b>	<b>345,887</b>	<b>346,271</b>

14. The total cost of the scheme is fully funded by boroughs and the estimated cost payable by boroughs in 2018/19 is £345.887 million, compared to £346.271 million payable for 2017/18. This represents a reduction of £384,000 or 0.11%. The majority of costs payable by boroughs will be apportioned in accordance with usage data, in accordance with the agreed recommendations of the arbitrator in 2008.
15. The administration of the freedom pass covers London Councils in-house costs in negotiating the annual settlements and managing the relationships with transport

operators and contractors. For 2018/19, the total cost is estimated to be £478,830, compared to £483,814 in 2017/18. This equates to £14,450 per borough. However, it is proposed to continue to use income accruing from the replacement of lost and damaged Freedom Passes (refer paragraph 10) to continue to levy a nil charge in 2018/19, which members are asked to recommend to the main Committee. This position will be reviewed annually to ensure forecast income streams continue to cover the in-house costs of administering the scheme.

## **Taxicard**

16. As stated in paragraph 3, TfL will provide an estimated fixed contribution of £10.292 million, inclusive of an assumed annual Taxicard tariff inflation of £202,000 (2% - to be confirmed), compared to £10.090 million for 2017/18. At this stage, the total borough contribution towards the Taxicard scheme in 2018/19 is estimated to be £2.409 million, the same as for the current year, although the decision on boroughs' contributions is a matter for boroughs to take individually and will be confirmed in February 2018. The indicative budgetary provision for the taxicard trips contract with CityFleet Networks Limited, will, therefore, be an amalgam of the TfL and borough funding, currently equating to £12.701 million for 2018/19, a provisional increase of £202,000 on the revised budget of £12.499 million for the current year. Members should note that this contract is currently out to tender and the budget is based on current contract rates, which could change.
17. The gross cost of administration of the Taxicard Scheme is estimated to be £537,006 in 2018/19 compared to £526,694 in 2017/18. After excluding an estimated separate contribution from TfL towards these administrative costs of £112,155 and anticipated income of £21,000 from charging for replacement taxicards, the net cost chargeable to boroughs in 2018/19 is £403,851. However, it is proposed to continue to use uncommitted general reserves held by the Committee of £65,669 to hold the total charge to boroughs at the 2017/18 level of £338,182.
18. The active Taxicard total membership as at 30 September 2018 is 67,244, compared to 64,611 as at 30 September 2016, an increase of 2,633, or 4.1%. The increase in the spreading base has reduced the underlying subsidised unit cost of a permit from £5.24 to £5.03 per member.

## **Lorry Control Scheme**

19. The total charge is calculated in the same manner as the Freedom Pass and taxicard administration charge, although it is apportioned to boroughs in accordance with the ONS mid-year population figures for, in the case of 2018/19, June 2016. The total cost of administering the scheme is estimated to be £706,738 in 2018/19, compared to £672,708 in 2017/18. This figure includes a sum of £50,000 that has been retained in anticipation of further development of the scheme in 2018/19.
20. After analysing receipts from PCNs issued in relation to the scheme over the past three financial years, it is proposed to keep the income forecast at £800,000 for 2018/19, meaning that there will be a continuation of the nil charge to the 29 participating boroughs plus TfL towards the scheme in 2018/18. Again, this

position will be reviewed annually to ensure forecast income streams continue to cover the costs of administering the scheme.

### **Environment and Traffic Adjudicators (ETA) Fees**

21. The budget for adjudicators' fees and training will be increased for 2018/19, in accordance with the recommendation of the Senior Salaries Review Board in respect of the 2017 pay award. This mechanism, which was agreed by TEC in November 2001, keeps the Adjudicators' pay at 80% of that for Group 7 full-time judicial appointments outside London. This hourly rate increases by £0.61, or 1% from £61.21 to £61.82, inclusive of employers' National Insurance Contributions. In addition, all adjudicators have been entitled to be provided with a workplace pension scheme from August 2017. The employers' contribution to the scheme offered to the adjudicators will be 2% from 1 April 2018. Current estimates indicate that 80% of ETA adjudicators will be eligible to remain in the scheme under current earnings eligibility rules. This will add a further 1.6% onto the payroll cost in 2018/19, giving an average hourly rate of £62.81.
22. The estimated volume of ETA appeals and statutory declarations for 2018/19, based on volumes generated in the first five months of 2017/18 is 41,278, slightly higher than the 40,586 budgeted level for the current year. The actual number of appeals heard in 2016/17 was 41,855 including Statutory Declarations, Moving Traffic Contraventions and Lorry Control Appeals, indicating that the current number of ETA appeals is relatively stable.
23. The average throughput of appeals for the first five months of the current year is 3.14 appeals heard per hour (compared to 2.7 appeals per hour when the current year's budget was set in December 2016). This average figure takes account of all adjudicator time spent on postal and personal appeal hearing and also non-appeal 'duty adjudicator' activities. The increase in throughput is attributable to system and service improvements introduced during 2016/17 that is now feeding through into the processing figures. The ETA adjudicator fees base budget of £920,100 has, therefore, been reduced by £114,967 to £805,133 for 2018/19 to reflect the current volumes and throughput rate, and then inflated by £21,062 to £826,195 to reflect the pay award and the estimated effect of enrolment to the adjudicators' pension scheme.

### **Road User Charging Adjudicators (RUCA) Fees**

24. The estimated volume of RUCA appeals for 2018/19, based on current trends is 7,800, compared to 6,348 for the current year. This estimate is based on forecasting done with the GLA and reflects an increase to take into account more effective enforcement and a likely increase in appeal numbers following the implementation of the emissions surcharge in October 2017. The actual number of RUCA Appeals dealt with in 2016/17, including Statutory Declarations, was 6,602.
25. The budget for RUCA adjudicators' fees has, therefore, been increased by £26,000 from £253,000 to £279,000 for 2018/19 to reflect current costs, and then inflated by £7,000 to £286,000 to reflect the assumed pay award and pensions provision obligation. The Committee will be fully reimbursed at cost by the GLA/TfL for the hearing of RUCA appeals under the current contract arrangements.



## Appeals Unit Charges 2018/19

26. The estimated overall cost for hearing appeals for 2018/19 is laid out in Table 2 below:

**Table 2 – Proposed Unit Cost for Appeals 2018/19**

	<b>ETA</b>	<b>RUCA</b>	<b>Total</b>
<b>Estimated Appeal Nos.</b>	<b>41,278</b>	<b>7,800</b>	<b>49,078</b>
<b>Average Case per hour</b>	<b>3.14</b>	<b>1.71</b>	<b>2.77</b>
<b>Adjudicator Hours</b>	<b>13,154</b>	<b>4,549</b>	<b>17,703</b>
<b>Expenditure</b>			
Adjudicators Fees	826,195	285,725	1,111,920
Admin Variable Cost	297,606	67,308	364,914
<b>Total</b>	<b>1,123,801</b>	<b>353,033</b>	<b>1,476,834</b>
<b>Income</b>			
Hearing Fees	1,165,080	353,033	1,518,113
<b>Average Indicative Unit Cost of Appeal</b>	<b>27.23</b>	<b>45.26</b>	<b>30.09</b>

27. Subject to specific member approval as outlined in paragraph 4, for ETA appeals, based on an estimated 41,278 appeals and a projected throughput rate of 3.14 cases being heard per hour during 2018/19, it is proposed that the indicative hard copy unit ETA appeal cost for 2018/19 is £30.63, a reduction of £1.37 or 4.29% on the charge of £32.00 for 2017/18. For appeals where electronic evidence is provided by an enforcing authority, it is proposed that the unit cost will reduce by £1.48 to £27.02. The lower charge to boroughs recognises the reduced charge from London Councils contractor for processing electronic appeals, demonstrating that there remains a clear financial incentive for boroughs to move towards submitting electronic evidence under the current contract arrangements. Boroughs will pay a differential charge for the processing of ETA statutory declarations. For hard copy statutory declarations, the proposed unit charge will be £25.21 compared to the charge of £26.74 for the current year, which represents a reduction of £1.53, or 5.71%. For electronic statutory declarations, the proposed unit charge will be £24.49, a reduction of £1.57, or 6.01% on the electronic appeal unit charge for the current year. This proposal will create an estimated surplus of appeals income over projected expenditure of £42,000 and contribute towards delivering a balanced budget for TEC for the year. The Executive Sub-Committee is asked, therefore, to recommend that the main Committee approve these appeal charges to users for 2018/19.
28. London Councils is contracted to provide the RUCA appeals service up until January 2022 under the current contract arrangements effective from 1 January 2017. There is a continuation of the previous agreement for TfL/GLA to reimburse London Councils on an actual cost-recovery basis for the variable cost of these transactions, rather than on a unit cost basis. Continuation of this agreement will ensure that a breakeven position continues in respect of these transactions, so the estimated cost of £353,033 for hearing an estimated 7,800 RUCA appeals will be fully recovered. The fixed cost element of the new contract is £497,372, an increase of £43,761 of the recharge of £453,611 for 2017/18, due to an increase in the proportion of RUCA appeals in relation to the overall number of appeals.

## Parking Managed Services – Other Variable Charges to Users

29. These variable charges form part of the parking managed service contract provided by Northgate, the volumes of which the Committee has no control. The individual boroughs are responsible for using such facilities and the volumes should not, therefore, be viewed as service growth. The volumes are based on those currently being processed by the contractor and are recharged to the boroughs and TfL as part of the unit cost charge. Current trends during the first five months of 2017/18 suggest that the TRACE electronic transactions have slightly increased but that TRACE Fax transactions have reduced by nearly 30%. Comparable figures indicate that use of the TEC system by boroughs has increased by 15% over 2017/18. The estimated effect on expenditure trends are illustrated in Table 3 below:

**Table 3 – Estimated expenditure on variable parking services 2018/19 and 2017/18**

<b>2018/19</b>	<b>Estimated Volumes (Nos)</b>	<b>Contractor Charge (£)</b>	<b>Expenditure Budget (£)</b>
TRACE (Electronic)	34,064	1.737/1.789	60,525
TRACE (Fax Transaction)	7,215	3.825/3.94	28,207
TEC	1,068,010	0.092/0.948	100,691
<b>Total</b>			<b>189,422</b>
<b>2017/18</b>	<b>Estimated Volumes (Nos)</b>	<b>Contractor Charge (£)</b>	<b>Expenditure Budget (£)</b>
TRACE (Electronic)	33,804	1.698/1.732	58,269
TRACE (Fax Transaction)	10,614	3.739/3.814	40,301
TEC	926,540	0.09/0.92	84,790
<b>Total</b>			<b>183,359</b>

30. The estimated increase in expenditure between 2017/18 and 2018/19 based on the current projected transaction volumes for 2018/19 and estimated movement in contract prices is £6,063.
31. The corresponding estimated effect on income trends are illustrated in Table 4 below:

**Table 4 – Estimated income accruing from variable parking services 2018/19 and 2017/18**

<b>2018/19</b>	<b>Estimated Volumes (Nos)</b>	<b>Proposed Unit Charge (£)</b>	<b>Income Budget (£)</b>
TRACE (Electronic)	34,064	7.53	256,502
TRACE (Fax Transaction)	7,215	7.70	55,552
TEC	1,068,010	0.175	186,902
<b>Total</b>			<b>498,955</b>
	<b>Estimated</b>		<b>Income</b>

<b>2017/18</b>	<b>Volumes (Nos)</b>	<b>Actual Unit Charge (£)</b>	<b>Budget (£)</b>
TRACE (Electronic)	33,804	7.31	247,107
TRACE (Fax Transaction)	10,614	7.48	79,393
TEC	926,540	0.17	157,512
<b>Total</b>			<b>484,012</b>

32. The corresponding estimated effect on income, between 2017/18 and 2018/19, based on the current projected transaction volumes for 2018/19 and a 3% increase in charges to users, is an increase of £14,943, leading to a net overall increase in budgeted income of £8,881. The charging structure historically approved by TEC for the provision of the variable parking services (excluding appeals) includes a profit element in each of the charges made to boroughs and other users for these services. The charges to boroughs have not been reviewed since 2010/11 and with increases of up to 3% expected at the next contract anniversary date in July 2018, it is proposed to increase the three charges to boroughs by 3% for 2018/19, subject to specific member approval as outlined in paragraph 4.
33. In addition to the 3% increase in charges in relation to parking services, London Councils proposes from 1 April 2018 to begin phasing out TRACE fax and email as a default means for enforcement authorities to notify the service of vehicles that have been moved. The reasons for this are two-fold. First, it is part of London Councils channel shift programme. Second, the fax and email option was intended at the start of the contract with NPS in July 2015 to be used as a disaster recovery option only. However, use of this method has increased over the past few years, increasing the amount of manual effort required to process information sent by enforcement authorities.
34. In order to encourage enforcement authorities to use the electronic notification systems by default and thereby reduce processing time, London Councils proposes from 1 April 2018 to charge all TRACE fax and email notifications at the electronic rate (£7.53) plus the fax/email rate (£7.70) making a total of £15.23 per transaction. The fax and email option will remain open for enforcement authorities to use, and will be in place for its intended purpose of disaster recovery, but will attract an additional charge when it is not being used for this reason.
35. The Executive Sub-Committee is asked, therefore, to recommend that the main Committee approve the following non-appeal charges to users for 2018/19:
- The TRACE (Electronic) charge of £7.53 per transaction, compared to £7.31 for the current year;
  - The TRACE (Fax/email) Charge of £7.70 per transaction, which from 1 April 2018 would be levied, in addition to the electronic charge of £7.53 per transaction, making a total of £15.23 (2017/18 - £7.48);
  - The TEC charge of £0.175 per transaction, compared to £0.17 for the current year.

## Parking Enforcement Service Charge

36. The majority of this charge is made up of the fixed cost element of the parking managed service contract provided by Northgate and the provision of accommodation and administrative support to the appeals hearing centre. The calculation for 2018/19 reflects a clarification of the level of Business Rates payable at the hearing centre at Chancery Exchange following the recent review of rateable values. The total fixed cost is allocated to users in accordance with the number of PCNs issued, which for 2018/19 will be those issued by enforcing authorities during 2016/17, which is detailed in Appendix D. For 2018/19, expenditure of £2.663 million needs to be recouped, compared to £2.769 million for 2017/18, which is detailed in Table 5 below:

**Table 5 – Breakdown of Parking Enforcement Charge 2017/18**

	<b>2018/19 (£000)</b>	<b>2017/18 (£000)</b>
Fixed Contract Costs	1,112	1,079
Hearing Centre Premises Costs	624	644
Direct Staffing Costs	485	500
General Office Expenditure	46	191
Central Recharges	396	355
<b>Total</b>	<b>2,663</b>	<b>2,769</b>

37. After top-slicing this amount for the revised fixed contract sum of £497,000 attributable to congestion charging and LEZ contraventions rechargeable to the GLA (refer paragraph 28), a total of £2.166 million remains to be apportioned through the 5.126 million PCNs issued by boroughs and TfL in 2016/17 in respect of parking, bus lane, moving traffic and lorry ban enforcement, compared to 4.713 million issued in 2015/16. The increase in the number of PCNs issued over the two comparative years increases the spreading base, which together with a reduction in total costs of £106,000 leads to a reduction in the proposed unit charge to boroughs and TfL of £0.0689, or 14%, from £0.4915 to £0.4226 per PCN for 2018/19, which members are asked to recommend to the main Committee. In addition, under the terms of the contract with Northgate, there is a separate fixed cost identified in respect of the use of the TRACE and TEC systems. For 2017/18, this sum was £89,000 and is estimated to increase to £92,000 in 2018/19. This sum will be apportioned to boroughs in accordance with volumes of transaction generated on each system.

## Parking Core Administration Charge

38. The core subscription covers a proportion of the cost of the central management and policy work of the Committee and its related staff, accommodation, contract monitoring and other general expenses. It is charged to boroughs and TfL at a uniform rate, which for 2017/18 was £1,500 per borough. As there is limited scope for additional savings or efficiencies to be identified from within the £51,000 this levy raises for the Committee, it is recommended that this charge be held at the current level of £1,500 per borough and TfL for 2018/19.

## Registration of Debt at the Traffic Enforcement Centre (TEC) - Northampton County Court

39. Expenditure in respect of the registration of debt related to parking penalties is directly recouped from the registering borough, so the transactions have a neutral effect on the financial position of the Committee. The Court Service last increased the £7 unit fee to £8 in July 2016, although no further increases are envisaged during 2018/19. Volumes generated by users registered parking debt is expected to exceed £3 million for the current year, so it is, therefore, proposed to maintain both the income and expenditure budgets for 2018/19 at £3 million.
40. Estimated individual borough costs for 2018/19, covering the proposed charges highlighted in paragraphs 15-37 above, are detailed in Appendix C.1 and can be compared against the estimated charges for the current year at Appendix C.2, forecast at the budget setting stage for the current year 12 months ago. Indicative overall estimated marginal saving of £15,000 in 2018/19 to boroughs and TfL arising from the proposed charges, together with the projected transaction volumes, are projected, assuming that the detailed proposed charges for 2018/19 are approved in full by the main Committee in December.

## Contractual Commitments

41. **Staffing Costs** -The proposed staffing budget for TEC for 2018/19 is illustrated in Table 6 below:

<b>Table 6– TEC Indicative Staffing Budget 2018/19</b>	<b>£000</b>
<b>2017/18 Revised Budget</b>	<b>2,058</b>
1½% pay award 2018/19	30
Incremental salary drift/other adjustments	(36)
<b>2018/19 Base Budget</b>	<b>2,052</b>
Split between:	
Services – Parking and Traffic	97
Services – ETA	330
Services - RUCA	155
Services – Transport and Mobility	752
PAPA - Policy	366
PAPA - Communications	234
Chief Executive – Committee Servicing	49
Chief Executive – DP/FOI work	69
<b>2017/18 Base Budget</b>	<b>2,052</b>

42. In line with other London Councils funding streams, the vacancy level for 2018/19 remains at 2%. The salary figures include an estimated 1½% cost of living increase on all salary costs and a reduction to cover incremental salary drift of £24,000 plus a reduction in bespoke FOI related work directly recharged to the Committee of £12,000. In addition to the salaries figure of £2.052 million shown in Table 6, the £18,987 budgetary provision for member's allowances has been maintained at the 2017/18 level, as has the provision for maternity cover of £30,000.
43. **Accommodation Costs – Chancery Exchange** – The appeals hearing centre at Chancery Exchange, EC4 has been operational since July 2015. The budget for

2018/19 of £496,893 includes the full year cost of the leasehold agreement plus other premises running costs. In addition, a budget for depreciation in respect of the refurbishment costs of Chancery Exchange of £103,166 is required, along with the continuation of a provision for potential redecoration, dilapidation and reinstatement costs payable at the end of the Chancery Exchange lease of £24,191 per annum. These premises costs are fully recovered as part of the Parking Enforcement service charge (refer paragraphs 34-35).

44. **Accommodation Costs - Southwark Street** – These are included as part of central recharges cost and covers the 16.5 desks at Southwark Street that are used by staff who are directly chargeable to the TEC funding stream. Use of this accommodation will attract a desk space charge of £198,038 for 2018/19. In addition, ancillary premises costs such as cleaning, security and maintenance contracts, plus accumulated depreciation, again apportioned on a per capita basis, come to £80,832. The recharges in respect of the Southwark Street accommodation forms part of the administration charge for the direct services– for the freedom pass, taxicard, health emergency badge and the London lorry control scheme, as detailed in paragraphs 6-20 of this report.

### Discretionary Expenditure

45. **Research Budget** – It is recommended that the budget for 2018/19 is maintained at the current year's level of £40,000.
46. **General/Office Costs** - The budgetary provision of £506,000 for 2018/19 is broken down in Table 7 below:

<b>Table 7 – TEC General/Office costs budget 2018/19</b>	<b>£000</b>
<b>2017/18 Revised Budget</b>	<b>585</b>
Reduction in direct general/office costs	(94)
General/office costs inflation	15
<b>2018/19 Base Budget</b>	<b>506</b>
Split between:	
System Developments	100
General/Office costs – postage, telephones, copiers, etc.	198
Appeals related legal costs	26
Staff Training/Recruitment Advertising	29
Staff Travel	4
External audit fees*	22
City of London finance, legal, HR and IT SLA*	127
<b>2018/19 Base Budget</b>	<b>506</b>

\*forms part of central recharge costs

47. The reduction of £79,000 primarily relates to a reduction in the level of direct general/office costs incurred; the majority of these services are now fully provided for centrally and recharged through central recharges.
48. Inflation of 3% has been allowed for 2018/19 on general running costs, except where there are contractual commitments. This factor has been applied to all London Councils budgets.

## Central Recharges

49. Southwark Street accommodation costs (paragraph 42), the Parking Enforcement Charge (paragraph 34) and general office costs (paragraph 44) all contain significant element of central recharge costs, which are apportioned to all London Councils functions in accordance with a financial model that is subject to annual scrutiny by the external auditors. The premises costs of the hearing centre are split between the ETA and RUCA functions, as detailed in paragraphs 34-35. Of the total central costs apportioned to TEC in 2018/19 (excluding LEPT) of £964,000, a sum of £849,000 feeds into the recharges for the direct services administration charges based at Southwark Street and for the ETA and RUCA services at the appeals hearing centre. The residual £115,000 relates the TEC policy and administrative function based at Southwark Street. In addition, as detailed in paragraph 34, a further sum of £624,000 relates the premises costs at Chancery Exchange.
50. As detailed in paragraph 51 below, it is proposed that this Committee recommend that the main Committee approved the transfer of a sum of £289,000 from uncommitted general reserves to smooth the effect of the underlying increase to direct service costs.

## Other Income

- 51. Miscellaneous Income** – It is estimated that income of £75,000 will continue to accrue from two main sources in 2017/18. Firstly, £44,000 is expected to accrue for the administration of the Health Emergency badge (HEB) in the form of registration fees and charges for badges to medical professionals. This will enable this service to be provided at no cost to boroughs. Secondly, £31,000 is expected to accrue from TfL for secretarial services provided by the Committee during the Freedom Pass negotiations.

## Committee Reserves

52. Table 8 below updates the Committee on the revised projected level of reserves as at 1 April 2018, if all current known liabilities and commitments are considered and the draft proposals outlined in this report are agreed in December:

**Table 8– Analysis of Estimated Uncommitted Reserves as at 1 April 2018**

	<b>General Reserve</b>	<b>Specific Reserve</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Audited reserves at 31 March 2017</b>	<b>3,341</b>	<b>1,734</b>	<b>5,075</b>
Amount carried forward from 2016/17	(227)	-	(227)
Repayment to boroughs and TfL in 2017/18	(340)	-	(340)
Proposed use in setting 2017/18 budget	(288)	-	(288)
Transfer between reserves	(1,000)	1,000	-
Projected Budget Surplus 2018/19	698	303	1,001
<b>Projected uncommitted reserves as at 31 March 2018</b>	<b>2,184</b>	<b>3,037</b>	<b>5,221</b>
Proposed use in setting 2018/19 budget	(289)	-	(289)
<b>Estimated uncommitted reserves as at 1 April 2018</b>	<b>1,895</b>	<b>3,037</b>	<b>4,932</b>

53. The projected level of uncommitted general reserves as at 1 April 2018 assumes that the draft proposals as laid out in this report is agreed are by this Committee and approved by the main TEC meeting in December. It is proposed that a sum of £239,000 be transferred from general reserves to continue to smooth the effect of the underlying increase in direct service charges and also a continuing sum of £50,000 to enhance the IT systems development budget for 2018/19 only as a contingency for any further expenditure on developing the parking managed services IT system at Chancery Exchange.
54. In addition, the overall reserves position also reflects the projected amount expected to be held in the specific reserve as at 1 April 2018 of £3.037 million (£2.837 million to meet the cost of the next bulk freedom pass renewal exercise in 2020 and £200,000 for other TEC project work). For comparative purposes, the final cost of the 2015 bulk freedom pass renewal exercise was £2.61 million.
55. After taking into account the forecast surplus of £1.001 million for the current year, which is subject to a separate report on this agenda, uncommitted general reserves are forecast to be £1.895 million as at 1 April 2018. This equates to 16.2% of proposed operating and trading expenditure of £11.705 million for 2018/19. This figure, therefore, marginally exceeds the Committee's formal policy on reserves, agreed in December 2015 that reserves should equate to between 10-15% of annual operating and trading expenditure.

## **Summary**

56. This report details the outline revenue budget proposals and the proposed indicative borough subscription and charges for 2018/19. The Executive Sub-Committee is asked to comment on these outline proposals in order that any comments can be consolidated in the further report for the full TEC meeting in December, where the detailed budget proposals and levels of subscriptions and charges for 2018/19 will be presented for final approval. The proposed level of expenditure for 2018/19 amounts to £368.775 million. A sum of £357.07 million relates to direct expenditure on the transport operators providing the Freedom Pass and the Taxicard schemes, leaving £11.705 million relating to expenditure on parking and traffic related traded service and other operating expenditure. This compares to a comparable sum of £12.282 million for the current year, a reduction of £577,000, or 4.7%.

## **Recommendations**

57. The Executive-Sub Committee recommends that the main Committee approve at their meeting on 7 December:
- The proposed individual levies and charges for 2018/19 as follows:
    - The Parking Core Administration Charge of £1,500 per borough and for TfL (2017/18 - £1,500; paragraph 38);
    - The total Parking Enforcement Service Charge of £0.4226 which will be distributed to boroughs and TfL in accordance with PCNs issued in 2016/17 (2017/18 - £0.4915 per PCN; paragraphs 36-37);
    - No charge to boroughs in respect of the Freedom Pass Administration Charge, which is covered by replacement Freedom Pass income (2017/18 – nil charge; paragraph 15);



- The Taxicard Administration Charge to boroughs of £338,182 in total (2017/18 - £338,182; paragraphs 17).
- No charge to boroughs in respect of the Lorry Control Administration Charge, which is fully covered by estimated PCN income (2017/18 – nil charge; paragraphs 19-20);
- Road User Charging Appeals (RUCA) – to be recovered on a full cost recovery basis under the new contract arrangements with the GLA (paragraph 28);
- In addition, after considering the specific proposals outlined at paragraph 4, the Executive-Sub Committee is also asked to recommend that the main Committee approve at their meeting on 7 December:
  - A unit charge of £12 for the replacement of a lost or damaged Freedom Pass (2017/18 - £10; paragraph 10);
  - Environment and Traffic Appeals (ETA) charge of £30.63 per appeal or £27.02 per appeal where electronic evidence is provided by the enforcing authority (2017/18 - £32.00/£28.50 per appeal). For hearing Statutory Declarations, a charge of £25.21 for hard copy submissions and £23.53 for electronic submissions (2017/18 - £26.74/£26.06 per SD) (paragraph 27);
  - The TRACE (Electronic) Charge of £7.53 per transaction (2017/18 - £7.31; paragraphs 29-35);
  - The TRACE (Fax/Email) Charge of £7.70 per transaction, which from 1 April 2018 would be levied, in addition to the electronic charge of £7.53 per transaction, making a total of £15.23 (2017/18 - £7.48; paragraphs 29-35);
  - The TEC<sup>4</sup> Charge of £0.175 per transaction (2017/18 - £0.17; paragraphs 29-35).
- The provisional gross revenue expenditure of £368.775 million for 2018/19, as detailed in Appendix A; and
- On the basis of the agreement of the above proposed charges, (including those at paragraph 4), the provisional gross revenue income budget of £368.486 million for 2018/19, with a recommended transfer of £289,000 from uncommitted Committee reserves to produce a balanced budget, as shown in Appendix B.

58. The Executive-Sub Committee is also asked to note:

- the current position on reserves, as set out in paragraphs 52-55 and Table 9 of this report; and
- the estimated total charges to individual boroughs for 2018/19, as set out in Appendix C.1.

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<sup>4</sup> The system that allows boroughs to register any unpaid parking tickets with the Traffic Enforcement Centre and apply for bailiff's warrants.

**Financial Implications for London Councils**

None, other than those detailed in the report

**Legal Implications for London Councils**

None

**Equalities Implications for London Councils**

None

**Appendices**

Appendix A – Proposed revenue expenditure budget 2018/19;

Appendix B – Proposed revenue income budget 2018/19;

Appendix C.1 – Indicative charges to boroughs 2018/19;

Appendix C.2 – Indicative charges to boroughs 2018/19; and

Appendix D – Parking Enforcement statistics 2016/17.

**Background Papers**

TEC Budget Working Papers 2017/18 and 2017/18;

TEC Final Accounts Working Papers 2016/17;

TEC Revenue Budget Forecast Working Papers 2017/18; and

London Councils Consolidated Budget Working Papers 2017/18 and 2018/19.

## TEC Expenditure Base Budget 2018/19

## Appendix A

	Revised 2017/18 £000	Develop- ments £000	Base 2018/19 £000	Inflation £000	Original 2018/19 £000
<b>Payments in respect of Concessionary Fares</b>					
TfL	324,181	-865	323,316	0	323,316
ATOC	18,872	0	18,872	681	19,553
Other Bus Operators	1,700	-200	1,500	0	1,500
Freedom Pass issue costs	1,518	0	1,518	0	1,518
Freedom Pass Administration	484	-5	479	0	479
City Fleet Taxicard contract	12,499	0	12,499	202	12,701
Taxicard Administration	527	10	537	0	537
	359,781	-1,060	358,721	883	359,604
<b>TEC Trading Account Expenditure</b>					
Payments to Adjudicators- ETA	920	-115	805	21	826
Payments to Adjudicators - RUCA	253	26	279	7	286
Northgate variable contract costs - ETA	275	14	289	9	298
Northgate variable contract costs - RUCA	60	6	66	1	67
Northgate variable contract costs - Other	183	0	183	6	189
Payments to Northampton County Court	3,000	0	3,000	0	3,000
Lorry Control Administration	709	-2	707	0	707
ETA/RUCA Administration	2,769	-105	2,664	0	2,664
HEB Administration	43	2	45	0	45
	8,212	-174	8,038	44	8,082
<b>Sub-Total</b>	<b>367,993</b>	<b>-1,234</b>	<b>366,759</b>	<b>927</b>	<b>367,686</b>
<b>Operating Expenditure</b>					
<b>Contractual Commitments</b>					
NG Fixed Costs	89	1	90	2	92
	89	1	90	2	92
<b>Salary Commitments</b>					
Non-operational staffing costs	626	4	630	9	639
Members	19	0	19	0	19
Maternity/Paternity Provision	30	0	30	0	30
	675	4	679	9	688
<b>Discretionary Expenditure</b>					
Supplies and services	297	-139	158	0	158
Research	40	0	40	0	40
One off payment to boroughs	340	-340	0	0	0
	677	-479	198	0	198
<b>Total Operating Expenditure</b>	<b>1,441</b>	<b>-474</b>	<b>967</b>	<b>11</b>	<b>978</b>
<b>Central Recharges</b>	<b>90</b>	<b>21</b>	<b>111</b>	<b>0</b>	<b>111</b>
<b>Total Expenditure</b>	<b>369,524</b>	<b>-1,687</b>	<b>367,837</b>	<b>938</b>	<b>368,775</b>

	Original 2017/18 £000	Develop- ments £000	Revised 2017/18 £000	Inflation £000	Base 2018/19 £000
Borough contributions to TfL	324,181	-865	323,316	0	323,316
Borough contributions to ATOC	18,872	0	18,872	681	19,553
Borough contributions to other bus operators	1,700	-200	1,500	0	1,500
Borough contributions to surveys/reissue costs	1,518	0	1,518	0	1,518
Borough contributions to freedom pass administration	0	0	0	0	0
Income from replacing lost/faulty freedom passes	600	-36	564	120	684
Income from replacing lost/faulty taxicards	24	-3	21	0	21
Borough contributions to Taxicard scheme	2,409	0	2,409	0	2,409
TfL contribution to Taxicard scheme	10,090	0	10,090	202	10,292
Borough contributions to taxicard administration	326	-2	324	0	324
TfL Contribution to taxicard administration	118	6	124	0	124
	359,838	-1,100	358,738	1,003	359,741
<b>TEC trading account income</b>					
Borough contributions to Lorry ban administration	0	0	0	0	0
Lorry ban PCNs	800	0	800	0	800
Borough ETA appeal charges	957	13	970	-40	930
TfL ETA appeal charges	238	7	245	-10	235
RUCA appeals income	313	36	349	4	353
Borough fixed parking costs	2,190	-145	2,045	0	2,045
TfL fixed parking costs	214	0	214	0	214
RUCA fixed parking costs	454	43	497	0	497
Borough other parking services	484	1	485	15	500
Northampton County Court Recharges	3,000	0	3,000	0	3,000
	8,650	-45	8,605	-32	8,573
<b>Sub-Total</b>	<b>368,488</b>	<b>-1,145</b>	<b>367,343</b>	<b>971</b>	<b>368,314</b>
<b>Core borough subscriptions</b>					
Joint Committee	46	0	46	0	46
TEC (inc TfL)	51	0	51	0	51
	97	0	97	0	97
<b>Other Income</b>					
TfL secretariat recharge	41	-10	31	0	31
Sales of Health Emergency badges	43	1	44	0	44
Miscellaneous income	0	0	0	0	0
	84	-9	75	0	75
<b>Transfer from Reserves</b>	<b>855</b>	<b>-566</b>	<b>289</b>	<b>0</b>	<b>289</b>
<b>Central Recharges</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Income Base Budget</b>	<b>369,524</b>	<b>-1,720</b>	<b>367,804</b>	<b>971</b>	<b>368,775</b>

# Indicative Charges to Boroughs 2018/2019

# Appendix C.1

BOROUGH	Core Parking (£)	Fixed Parking (£)	Con.Fares Admin. (£)	Taxicard Admin. (£)	Lorry Ban Admin. (£)	Parking Appeals (£)	TRACE Electronic (£)	TRACE FAX (£)	TEC (£)	Total Estimate 2018/19 (£)	Total Estimate 2017/18 (£)	Estimated Movement (£)
Barking & Dagenham	1,500	45,467	0	6,989	0	29,100	0	55	0	83,111	85,210	-2,099
Barnet	1,500	89,281	0	14,159	0	75,993	0	0	8,777	189,711	195,214	-5,503
Bexley	1,500	27,067	0	4,953	0	12,118	0	0	0	45,638	46,554	-916
Brent	1,500	79,533	0	13,953	0	53,588	1,061	15,155	0	164,790	157,729	7,061
Bromley	1,500	37,690	0	5,918	0	11,699	0	109	0	56,916	62,461	-5,545
Camden	1,500	104,630	0	11,746	0	48,162	19,203	1,056	13,907	200,204	213,498	-13,294
Croydon	1,500	49,019	0	12,002	0	25,085	1,656	0	10,844	100,107	111,088	-10,981
Ealing	1,500	68,022	0	13,863	0	34,449	0	237	9,284	127,355	128,735	-1,380
Enfield	1,500	47,538	0	5,556	0	12,701	7,890	565	4,560	80,310	80,395	-85
Greenwich	1,500	16,433	0	11,449	0	11,771	0	0	3,007	44,160	46,486	-2,326
Hackney	1,500	42,552	0	14,783	0	34,540	13,918	255	3,000	110,549	119,485	-8,936
Hammersmith & Fulham	1,500	100,523	0	9,443	0	31,668	23,036	146	9,512	175,828	186,604	-10,776
Haringey	1,500	79,811	0	11,399	0	17,894	18,868	1,840	15,933	147,244	150,819	-3,575
Harrow	1,500	69,964	0	11,902	0	28,959	0	0	1,907	114,231	144,647	-30,416
Havering	1,500	30,090	0	13,908	0	31,893	0	0	0	77,392	55,238	22,154
Hillingdon	1,500	36,270	0	5,380	0	11,556	0	0	4,310	59,015	50,391	8,625
Hounslow	1,500	51,220	0	10,021	0	20,555	651	7,978	4,905	96,830	95,755	1,075
Islington	1,500	99,715	0	13,958	0	17,653	9,080	1,038	12,875	155,820	148,186	7,633
Kensington & Chelsea	1,500	86,558	0	9,840	0	24,180	39,448	1,548	10,910	173,983	172,160	1,823
Kingston	1,500	74,155	0	9,272	0	29,506	0	91	3,729	118,253	104,073	14,180
Lambeth	1,500	78,368	0	10,288	0	52,780	707	7,905	14,994	166,542	160,114	6,428
Lewisham	1,500	29,780	0	8,794	0	16,181	0	0	5,272	61,528	48,708	12,820
Merton	1,500	60,964	0	10,429	0	27,706	0	18	0	100,617	100,930	-313
Newham	1,500	65,850	0	13,380	0	46,822	56,455	1,311	13,350	198,668	212,665	-13,997
Redbridge	1,500	55,539	0	15,331	0	57,801	0	0	3,100	133,271	122,650	10,621
Richmond	1,500	33,594	0	10,172	0	12,073	0	565	1,544	59,447	58,656	792
Southwark	1,500	48,427	0	15,301	0	16,916	3,256	7,377	5,998	98,775	108,692	-9,918
Sutton	1,500	10,931	0	7,281	0	3,255	0	0	1,693	24,660	23,231	1,429
Tower Hamlets	1,500	49,438	0	8,598	0	37,916	21,287	73	0	118,812	107,939	10,873
Waltham Forest	1,500	62,151	0	8,050	0	29,350	28,413	710	0	130,175	150,596	-20,421
Wandsworth	1,500	58,779	0	9,699	0	12,367	10,550	583	3,052	96,531	100,587	-4,056
City of Westminster	1,500	136,269	0	9,720	0	43,026	1,023	6,940	20,439	218,917	192,310	26,607
City of London	1,500	26,986	0	578	0	7,982	0	0	0	37,046	37,445	-399
	<b>49,500</b>	<b>1,952,615</b>	<b>0</b>	<b>338,118</b>	<b>0</b>	<b>927,244</b>	<b>256,502</b>	<b>55,556</b>	<b>186,902</b>	<b>3,766,436</b>	<b>3,779,251</b>	<b>-12,815</b>
Transport for London - Street Management	1,500	213,753	0	0	0	235,290	0	0	0	450,543	453,075	-2,532
Transport for London - Congestion Charging	0	497,372	0	0	0	353,033	0	0	0	850,405	766,729	83,676
Lorry Control	0	2,550	0	0	0	2,588	0	0	0	5,138	4,863	275
TEC/TRACE fixed costs	0	0	0	0	0	0	0	0	0	92,000	89,000	3,000
Registration of Debt	0	0	0	0	0	0	0	0	0	3,000,000	3,000,000	0
Transfer from Reserves	0	0	0	0	0	0	0	0	0	0	0	0
<b>Grand Total</b>	<b>51,000</b>	<b>2,666,290</b>	<b>0</b>	<b>338,118</b>	<b>0</b>	<b>1,518,155</b>	<b>256,502</b>	<b>55,556</b>	<b>186,902</b>	<b>8,164,522</b>	<b>8,092,918</b>	<b>71,604</b>

## Indicative Charges to Boroughs 2017/2018

## Appendix C.2

BOROUGH	Core Parking (£)	Fixed Parking (£)	Con.Fares Admin. (£)	Taxicard Admin. (£)	Lorry Ban Admin. (£)	Parking Appeals (£)	TRACE Electronic (£)	TRACE FAX (£)	TEC (£)	Total Estimate 2017/18 (£)
Barking & Dagenham	1,500	45,467	0	7,703	0	30,540	0	0	0	85,210
Barnet	1,500	89,281	0	13,975	0	85,222	0	0	5,236	195,214
Bexley	1,500	27,067	0	5,046	0	12,941	0	0	0	46,554
Brent	1,500	79,533	0	13,797	0	43,448	0	19,451	0	157,729
Bromley	1,500	37,690	0	5,806	0	17,446	0	19	0	62,461
Camden	1,500	104,630	0	13,011	0	67,237	13,384	6,341	7,394	213,498
Croydon	1,500	49,019	0	12,146	0	42,288	488	0	5,646	111,088
Ealing	1,500	68,022	0	13,362	0	38,066	17	524	7,244	128,735
Enfield	1,500	47,538	0	4,768	0	10,666	6,326	3,665	5,931	80,395
Greenwich	1,500	16,433	0	11,764	0	13,790	0	582	2,418	46,486
Hackney	1,500	42,552	0	14,284	0	31,888	24,120	931	4,210	119,485
Hammersmith & Fulham	1,500	100,523	0	9,448	0	44,709	23,580	1,377	5,467	186,604
Haringey	1,500	79,811	0	10,952	0	25,468	17,602	4,577	10,910	150,819
Harrow	1,500	69,964	0	14,138	0	52,375	0	0	6,670	144,647
Havering	1,500	30,090	0	13,902	0	9,745	0	0	0	55,238
Hillingdon	1,500	36,270	0	4,611	0	5,822	0	0	2,188	50,391
Hounslow	1,500	51,220	0	9,600	0	19,390	0	9,677	4,368	95,755
Islington	1,500	99,715	0	13,121	0	15,185	8,313	97	10,255	148,186
Kensington & Chelsea	1,500	86,558	0	10,202	0	27,825	36,040	3,161	6,874	172,160
Kingston	1,500	74,155	0	9,647	0	14,412	0	19	4,339	104,073
Lambeth	1,500	78,368	0	10,391	0	36,103	17	7,039	26,695	160,114
Lewisham	1,500	29,780	0	8,992	0	7,182	0	0	1,255	48,708
Merton	1,500	60,964	0	10,333	0	28,113	0	19	0	100,930
Newham	1,500	65,850	0	13,304	0	63,885	58,627	795	8,704	212,665
Redbridge	1,500	55,539	0	15,013	0	43,288	0	0	7,310	122,650
Richmond	1,500	33,594	0	9,820	0	11,789	0	465	1,487	58,656
Southwark	1,500	48,427	0	15,070	0	21,482	174	14,932	7,107	108,692
Sutton	1,500	10,931	0	7,037	0	2,949	0	0	813	23,231
Tower Hamlets	1,500	49,438	0	8,829	0	25,074	23,039	58	0	107,939
Waltham Forest	1,500	62,151	0	8,106	0	52,363	24,381	2,094	0	150,596
Wandsworth	1,500	58,779	0	9,872	0	16,569	8,871	175	4,822	100,587
City of Westminster	1,500	136,269	0	9,883	0	29,415	2,126	2,948	10,169	192,310
City of London	1,500	26,986	0	629	0	7,884	0	446	0	37,445
	<b>49,500</b>	<b>1,952,615</b>	<b>0</b>	<b>338,562</b>	<b>0</b>	<b>954,562</b>	<b>247,107</b>	<b>79,393</b>	<b>157,512</b>	<b>3,779,251</b>
Transport for London - Street Management	1,500	213,753	0	0	0	237,822	0	0	0	453,075
Transport for London - Congestion Charging	0	453,611	0	0	0	313,118	0	0	0	766,729
Lorry Control	0	2,550	0	0	0	2,313	0	0	0	4,863
TEC/TRACE fixed costs	0	0	0	0	0	0	0	0	0	89,000
Registration of Debt	0	0	0	0	0	0	0	0	0	3,000,000
Transfer from Reserves	0	0	0	0	0	0	0	0	0	0
<b>Grand Total</b>	<b>51,000</b>	<b>2,622,529</b>	<b>0</b>	<b>338,562</b>	<b>0</b>	<b>1,507,816</b>	<b>247,107</b>	<b>79,393</b>	<b>157,512</b>	<b>8,092,918</b>

**Parking Enforcement Fixed Costs 2018/19**  
(based on PCNs issued for 2016/17)

**Appendix D**

Enforcing Authority	Total PCNs	Parking Fixed Costs
		0.4226
Barking & Dagenham	107,589	45,467.11
Barnet	211,267	89,281.43
Bexley	64,048	27,066.68
Brent	188,199	79,532.90
Bromley	89,185	37,689.58
Camden	247,586	104,629.84
City of London	63,858	26,986.39
Croydon	115,995	49,019.49
Ealing	160,961	68,022.12
Enfield	112,490	47,538.27
Greenwich	38,885	16,432.80
Hackney	100,692	42,552.44
Hammersmith & Fulham	237,869	100,523.44
Haringey	188,856	79,810.55
Harrow	165,555	69,963.54
Havering	71,203	30,090.39
Hillingdon	85,825	36,269.65
Hounslow	121,202	51,219.97
Islington	235,957	99,715.43
Kensington & Chelsea	204,822	86,557.78
Kingston	175,473	74,154.89
Lambeth	185,443	78,368.21
Lewisham	70,469	29,780.20
Merton	144,260	60,964.28
Newham	155,821	65,849.95
Redbridge	131,422	55,538.94
Richmond	79,494	33,594.16
Southwark	114,592	48,426.58
Sutton	25,866	10,930.97
Tower Hamlets	116,985	49,437.86
Waltham Forest	147,068	62,150.94
Wandsworth	139,090	58,779.43
Westminster	322,454	136,269.06
Transport for London Street Management	505,804	213,752.77
London Councils London Lorry Control Scheme	6,034	2,549.97
<b>Total</b>	<b>5,132,319</b>	<b>2,168,918</b>