

Executive

Proposed Revenue Budget and Borough Item no: 9 Subscriptions and Charges 2018/19

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Summary

Following discussions with the Chair of London Councils, this report proposes the level of boroughs subscriptions and charges to be levied in 2018/19, together with the consolidated revenue income and expenditure budget for 2018/19. The report also updates the Executive on the current level of London Councils reserves after considering all current and proposed commitments and the timetable for the overall budget approval process. Following consideration by this meeting, proposals will be submitted to the Leaders' Committee meeting on 5 December for final consideration and approval.

These proposals involve:

- Containing all budgetary pressures in 2018/19, including the rent review at Southwark Street, the officer pay award, GDPR preparatory work and other contract and general running cost increases, from within the 2017/18 approved budgetary resources, which will allow the three core subscriptions to remain at the current year's level;
- A £1 million reduction in the borough contribution towards the S.48 ESF programme as the three-year borough funding commitment expires at the end of 2017/18. However, as the programme has slipped by roughly 16 months, accumulated funds held in Grants Committee reserves will be applied to fund the programme, along with ESF grant, up until the current stated project end-date of March 2019; and
- The continuation of the Challenge Implementation Fund of £525,000, funded from any underspent funds carried forward from the current year, replenished by uncommitted joint committee reserves.

Recommendations The Executive is asked to recommend that the Leaders' Committee approve at their meeting on 5 December 2017 the following borough subscription and charges:

- The proposed Joint Committee subscription for boroughs of £161,958 per borough for 2018/19, no change on the charge of £161,958 for 2017/18 (paragraph 12);
- The proposed Joint Committee subscription for the MOPAC and the LFEPA of £15,410 for 2018/19, no change on the charge of £15,410 for 2017/18 (paragraph 13);
- An overall level of expenditure of £8.668 million for the Grants Scheme in 2018/19 (inclusive of £2 million gross ESF programme), the same level as for 2017/18; and
- That taking into account the application of £1 million ESF grant and £1 million from earmarked Grants Committee reserves, net borough contributions for 2018/19 should be £6.668 million, compared to £7.668 million for 2017/18 (paragraphs 14-17).

The Executive is also asked to recommend that the Leaders' Committee endorse the following subscription and charges for 2018/19 for TEC, which will be considered by the TEC Executive Sub-Committee on 16 November, before being presented to the main meeting of TEC on 7 December for final approval:

- The Parking Core Administration Charge of £1,500 per borough and for TfL (2017/18 - £1,500) (paragraph 18);
- No charge to boroughs in respect of the Freedom Pass Administration Charge, which is covered by replacement Freedom Pass income (2017/18 – no charge) (paragraph 20);
- The net Taxicard Administration Charge to boroughs of £338,182 in total (2017/18 - £338,182); (paragraph 21);
- No charge to boroughs and TfL in respect of the Lorry Control Administration Charge, which is fully covered by estimated PCN income (2017/18 – no charge) (paragraph 22);
- The Parking Enforcement Service Charge of £0.4226 per PCN, which will be distributed to boroughs and TfL in accordance with the number of PCNs issued in 2016/17 (2017/18 - £0.4915 per PCN; paragraphs 25-26);
- The Parking and Traffic Appeals 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) (paragraphs 27-28);

- Congestion Charging Appeals – to be recovered on a full cost recovery basis, as for 2017/18, under the new contract arrangement with the GLA (paragraph 29);
- The TRACE (Electronic) Charge of £7.53 per transaction (2017/18 - £7.31) (paragraphs 30-32);
- The TRACE (Fax) Charge of £7.70 per transaction (2017/18 - £7.48) (paragraphs 30-32); and
- The PEC Charge of £0.175 per transaction (2017/18 - £0.17) (paragraphs 30-32).

On the basis of the above proposed level of subscriptions and charges, the Executive is asked to recommend to the Leaders' Committee:

- The provisional consolidated revenue expenditure budget for 2018/19 for London Councils of £386.609 million, as per Table 4 at paragraph 33 and Appendix A of this report;
- The provisional consolidated revenue income budget for 2018/19 for London Councils of £384.313 million, also as per Table 4 at paragraph 33 and Appendix B;
- Within the total income requirement, the use of London Council reserves of £2.296 million in 2018/19, as detailed in Table 12 at paragraph 53.

The Executive is also asked to recommend that the Leaders' Committee note:

- The position in respect of forecast uncommitted London Council reserves as at 31 March 2018, as detailed at paragraphs 51-57; and
 - The positive statement on the adequacy of the residual London Councils reserves issued by the Director of Corporate Resources, as detailed in paragraphs 58-59.
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Proposed Revenue Budget and Borough Subscriptions and Charges 2018/19

Introduction

1. The forthcoming financial year, 2018/19, was scheduled to be the first year of a new three-year financial strategy period, covering the period 2018/19 to 2020/21. It also represents the second year of the current four-year Grants Programme from April 2017 to March 2021, as agreed by the Leaders' Committee in March 2016 following recommendations from the Grants Committee.
2. The work agreed by the London Councils Executive on 13 September 2016 to progress the London Councils Challenge process has extended into the current financial year, with key work planned to continue over the remainder of the year. Given that the budget needs to be approved in December, it is hard to reflect that emerging picture fully in what is put forward for 2018/19.
3. Therefore, it would seem sensible to align a new three year planning period with priorities that emerge following the May 2018 London borough elections. That plan can then cover the remaining three years running in to the 2022 London borough elections. This would, therefore, make the 2018/19 budget a single year, stand-alone budget.

Budgetary pressures

4. There are a number of significant budgetary pressures that will impact on the London Councils revenue budget for 2018/19. These are:
 - The rent review for the Southwark Street premises, in accordance with the Heads of Terms signed off by the Executive in April 2011 and is effective from March 2016, is likely to lead to additional annual payments of between £350,000 and £375,000. This is still subject to on-going negotiations with the City of London;
 - The likely officer pay award from April 2018 will add roughly £65,000 per one percentage point increase to the overall salaries bill for London Councils;
 - Auto-enrolment to the pension scheme may increase the total employers pension contributions paid; more specifically for TEC, parking adjudicators are now entitled to be provided with access to a pension scheme and this will have implications for the unit cost of parking appeal charges to boroughs and other

users. Take up cannot currently be quantified, but the employers contribution to the scheme for adjudicators who wish to enrol will be 2% from April 2018;

- Additional resources to meet the requirements of the new General Data Protection Regulations (GDPR), which becomes effective in May 2018. There is a mandatory requirement for public authorities to appoint a Data Protection Officer to fully meet the requirements of the new legislation. The cost is estimated to be between £50,000 to £55,000 per annum;
- CPI in the year to September 2017 is now running at 3%, there will be increased pressure on overall contract prices and in respect of cost of the four SLAs for support services provided by the City of London, which has not been experienced in recent years; and
- Costs relating to the YPES and health related functions of the Joint Committee, that were previously partly funded through a transfer from JC reserves, will need to be accommodated within the JC salary cost budget to reduce the permanent call on JC reserves.

5. Some savings/efficiencies have been identified from within existing approved resources to mitigate the overall effect of the above cost pressures. These include:

- The elimination of the provision for an annual payment of past service pension costs to the LPFA, estimated to save around £200,000;
- An over provision for Southwark Street business rates projected for the current year, estimated to be around £100,000;
- Savings in staffing costs as a result of agreed changes of around £115,000; and
- Full year savings from the cessation of the Access Europe contract of £66,000.

6. This report, therefore, proposes the level of borough subscriptions and charges to be levied in 2018/19, together with the indicative consolidated revenue income and expenditure budget for 2018/19. The proposals include:

- A Joint Committee core subscription of £161,958 per borough, the same level as for 2017/18;
- A TEC parking core administration charge of £1,500 per borough, the same level as for 2017/18;

- Total S.48 grants administration costs (excluding ESF) of £435,000, equating to an average cost of £13,182 per borough, the same level as for 2017/18;
 - A reduction in the borough contribution of £1 million toward the pan-London S.48 ESF grants budget;
 - The continuation of the Challenge Implementation Fund of £525,000, funded from 2017/18 unspent funds carried forward, replenished by uncommitted joint committee reserves; and
 - A reduction in the level of the proposed transfer from reserves of £535,000 (to a maximum of £1.007 million in total) to fund specific areas of expenditure.
7. The timetable for the approval of the budget for 2018/19 following this meeting is as follows:
- 16 November - TEC Executive Sub-Committee considered the indicative budget and borough charges for 2018/19 and make recommendations to the main TEC Committee meeting on 7 December for approval;
 - 22 November – Grants Committee considers and agrees the indicative grants budget and borough contributions for 2018/19, and makes recommendations to the Leaders' Committee meeting on 5 December for approval;
 - 5 December - Leaders' Committee considers this report on the indicative consolidated budget and borough charges for 2018/19 (as amended by this meeting), and a separate report seeking approval of the grants budget and borough contributions for 2018/19. This report will include the indicative budget and borough charges for TEC which the Leaders' Committee is asked to endorse; and
 - 7 December – main TEC Committee – considers recommendations of TEC Executive Sub-Committee and any views arising from the Leaders' Committee and approves final budget and charges for 2018/19. The views of the Leaders' Committee will be reported orally to the main TEC meeting.

Current position on core subscriptions and other charges

8. Members are reminded that since 2010/11 (covering the seven-year period between 2011/12 and 2017/18):
- The Joint Committee core subscription has been reduced by £96,005 or 37%, with the total accumulated benefit to boroughs over this period being £19.8 million;
 - The TEC core parking subscription has been reduced by £500 or 25%, with the total accumulated benefit to boroughs over this period being £116,000;

- Payments for commissioned services funded by the Grants Committee have reduced from an annual average of £754,545 per borough to £218,424, an annual average reduction of £536,121 per borough or 71%, with the total average accumulated benefit to boroughs over this period being £109 million;
 - Payments for the administration of commissioned services have reduced from an average of £43,333 per borough to an average of £13,939, an average reduction of £29,394 per borough or 67.8%, with the total average accumulated benefit to boroughs over this period being £6 million; and
 - The three main TEC administrations charges for direct services – Freedom Pass, Taxicard and Lorry Control, have reduced by between 4% and 100%, with the total accumulated benefit to boroughs over this period being £5 million.
9. In addition, a further sum of £8.7 million has been repaid to member boroughs from uncommitted reserves over the period 2011/12 to 2017/18. The total accumulated benefit to boroughs, therefore, arising from the reduction in the main borough subscriptions and from charges for direct service charges since 2010/11, plus one-off repayments to date, equates to £42 million, with an additional overall reduction of £109 million that relates to payments to commissions funded by the Grants Committee, an average of £4.577 million per borough. In addition, staffing numbers have reduced by 39% over this period.
10. The proposals contained in this report for 2018/19, if agreed, will increase the total accumulated benefit to boroughs since 2010/11 to £47.6 million, which a further £128 million relating to payments to commissions made by the Grants Committee, equating to £5.32 million per borough.

Proposed borough subscriptions and charges

11. The following paragraphs detail the proposed borough subscriptions and charges for 2018/19.

Joint Committee Core Subscription

12. As detailed in the first bullet point of paragraph six above, the proposed amount to be levied on member boroughs in respect of the JC core and associated functions in 2018/19 is £161,958, the same level as for 2017/18. This includes a sum of £5,455 per borough as a contribution towards the funding of the YPES.

13. In line with the overall standstill position, it is proposed that the Joint Committee subscription for the MOPAC and the LFEPA for 2018/19 is £15,410, the same level as for the current year. LFEPA have given formal notice of withdrawal in respect of its membership of London Councils, to be effective from the date of the new governance arrangements for the fire service; however, it is unclear at this stage what the actual effective date will be.

Commissioned services funded by the Grants Committee 2018/19

14. The overall budget for commissioned services for the current year, as agreed by the Leaders' Committee in December 2016, is £8.899 million, inclusive of gross ESF expenditure of £2 million and a repatriation of resources to boroughs from reserves of £156,000, plus a transfer of £75,000 from reserves to fund support to the third sector. At its meeting on 22 November 2017, the Grants Committee will be asked to agree to a S.48 borough funded grants programme of £6.668 million for 2018/19, which is the second year of the four-year programme of commissioned services agreed by the Leaders' Committee in March 2016, following recommendations by the Grants Committee.

15. In addition, the S.48 ESF programme of £2 million will continue until the current scheduled end date of March 2019. However, from 2018/19, the boroughs will no longer make an annual contribution of £1 million towards this element of the programme, as the total agreed borough contribution of £3 million has been collected over the preceding three financial years (2015/16 – 2017/18). Due to slippage in the programme, a significant sum relating to these borough contributions is held in Grants Committee reserves. The £2 million programme in 2018/19 will, therefore, be funded from a transfer from reserves of £1 million, matched by ESF funding of £1 million.

16. Following consideration by the Grants Committee at its meeting on 22 November, the Leaders' Committee will be asked to approve the budget for the Grants Committee for 2018/19 and the effect of a proposed £6.668 million borough funded grants programme plus an ESF grants programme of £2 million is shown in the Table 1 below:

Table 1 – Indicative Grants Budget 2018/19

	2018/19 Indicative £000	2017/18 Actual £000	Variance £000
LC S.48 grants programme	6,233	6,233	-
ESF grants programme	1,880	1,880	-
City Bridge Trust liaison	-	75	(75)
Sub-Total	8,113	8,188	(75)
Grants Administration – LC S.48	435	435	-
Grants Administration – LC S.48	120	120	-
Proposed repayment to boroughs	-	156	(156)
Total expenditure	8,668	8,899	(231)
Financed by:			
Borough contributions to grant payment	(6,173)	(7,173)	1,000
Borough contributions to grants administration	(495)	(495)	-
Total borough contributions	(6,668)	(7,668)	1,000
ESF grant	(1,000)	(1,000)	-
Total Income	(7,668)	(8,668)	1,000
Transfer from Reserves	(1,000)	(231)	(769)
Net expenditure	-	-	-

17. The key features of the proposed budget in Table 1 are :

- A core, pan-London scheme of commissioned services to meet service priorities agreed by the Grants Committee of £6.233 million, which includes the membership subscriptions for boroughs for London Funders of £60,000;
- An additional gross sum of £1.88 million relating to a continuation of the current S.48/ESF commissioned services;
- An indicative gross commissions payments budget, therefore, of £8.113 million;
- A provision for grants administration of £555,000. This comprises of a sum of £435,000, or 6.5% (or 4.2% excluding central recharges of £155,000) for the S.48 borough programme of £6.668 million, reflecting the actual cost of the current contract letting, management and monitoring arrangements for commissions, plus 5.99% of the £2 million gross S.48/ESF commissions, amounting to £120,000 (which reflects the more complex monitoring arrangements of the ESF commissions); and
- Borough contribution of £6.668 million, ESF grant income of £1 million plus a £1 million transfer from uncommitted reserves to fund the total expenditure requirement of £8.668 million; the borough contribution of £6.668 million will be apportioned in accordance with the ONS 2016 mid-year population data.

TEC Core Parking Subscription

18. This subscription is currently £1,500 per borough and there is little scope to reduce this minimal charge to boroughs, so, as agreed by the Leaders' Committee in November 2010, efforts continue to be concentrated on further efficiencies in the overhead cost for TEC direct services, which are explored below.

TEC Direct Services

19. TEC currently provides three direct services on behalf of boroughs, one of which is also provided to TfL, which are recouped by an annual administration fee – the Freedom Pass, Taxicard and the London Lorry Control Scheme (LLCS). In overall terms, a sum of £338,182 needs to be recouped from boroughs in 2018/19, the same as for the current year. The proposed level of charge for each direct service, compared to those for the current year are detailed in Table 2 below:

Table 2 – Proposed TEC Direct Services Administration Charge 2018/19

Charge	Basis	2018/19 (£)	2017/18 (£)	Variance (£)	%
Freedom Pass	Per borough	Nil	Nil	-	-
Taxicard	Total	338,182	338,182	-	-
Lorry Control	Average	Nil	Nil	-	-

20. The **administration of the Freedom Pass** covers London Councils costs in negotiating the annual settlements and managing the relationships with transport operators and other contractors. After considering the overall income requirement for TEC, the proposed charge for 2018/19 remains at zero per borough, as the cost of administering the scheme continues to be met from income collected in respect of lost and damaged freedom passes. This position will be reviewed annually to ensure forecast income streams continue to cover the costs of administering the scheme. Since 2010/11, this charge to boroughs has reduced by £14,231 per borough, or 100%.

21. The **administration of the Taxicard Scheme** covers London Councils costs in processing and issuing passes to members and managing the relationships with various contractors. After considering the overall income requirement for TEC, the proposed net cost to be charged to boroughs in 2018/19 is £338,182, no change on the total charge for 2017/18. The Taxicard membership data as at 30 September 2017 has increased by 2,633 from 64,611 to 67,244 and this increase in the spreading base has reduced the

underlying unit cost of a permit to from £5.24 to £5.03 per member. Since 2010/11, the overall amount recharged to boroughs has reduced by £127,000, or 27.3%.

22. The **Lorry Control administration 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. In the case of 2018/19, the population data for 2016 is used. 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. After consideration of projected income of £800,000 from the enforcement of the scheme in 2018/19, it is proposed that there will be no borough or TfL contribution to the scheme in 2018/19, as for the current year. Again, this position will be reviewed annually to ensure forecast income streams continue to cover the costs of administering the scheme. Since 2010/11, this charge to boroughs has reduced by an average sum of £14,524 per borough and for TfL, or 100%.

TEC Traded Services

23. A further range of services provided by TEC relate to various parking and traffic activities, primarily the London Tribunals (LT). A unit charge for each of these 'traded' services is made to the users, which covers the marginal costs of these services. The volumes of these transactions are solely generated by each borough; London Councils has no influence on the levels generated. In addition, an amount apportioned by the number of PCNs issued by each borough and TfL, covers the fixed costs of the parking related services - principally the LT- covering the actual cost of the appeals hearing centre and the fixed cost of the parking managed services contract.

24. The proposed level of charge for each traded service, compared to those for the current year is detailed in Table 3 below:

Table 3 – Proposed TEC Traded Services Unit Charges 2018/19

Charge	2018/19 (£)	2017/18 (£)	Variance (£)	%
Parking Enforcement Service Charge (total charge)	0.4226	0.4915	(0.0689)	(14.0)
Environment and Traffic Adjudicators (ETA) Appeals (Hard Copy)	30.63	32.00	(1.37)	(4.29)
ETA Appeals (Electronic)	27.02	28.50	(1.48)	(5.19)
ETA Statutory Declarations (Hard Copy)	25.21	26.74	(1.53)	(5.71)
ETA Statutory Declarations (Electronic)	24.49	26.06	(1.57)	(6.01)
TRACE Electronic	7.53	7.31	0.22	3.0
TRACE Fax	7.70	7.48	0.22	3.0
TEC	0.175	0.17	0.005	3.0

25. The **Parking Enforcement Service Charge** is allocated to users in accordance with the number of PCNs issued. For 2018/19, expenditure of £2.663 million needs to be recouped, compared to £2.769 million for 2017/18. The reduction is primarily due to the a reduction in the overall level of premises and general office expenditure, plus some marginal staffing reductions.

26. After top-slicing this amount for the estimated fixed costs of £497,000 attributable to the contract with the GLA/TfL in respect of road user charging appeals (RUCA), a total of £2.166 million remains to be apportioned through the 5.126 million PCN's issued by boroughs and TfL in 2016/17 in respect of parking, bus lane and moving traffic offences, compared to 4.713 million issued in 2015/16. The increase in the number of PCNs issued over the two comparative years increases the cost spreading base, which together with the projected reduction in costs leads to a reduction in the actual unit charge to boroughs and TfL of £0.0689 per PCN, or 14%, from £0.4915 to £0.4266 per PCN for 2018/19. 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.

27. The estimated volume of Environment and Traffic Adjudicators (ETA) appeals for 2018/19, based on indicative volumes to date in 2017/18, is 41,278, compared to the budgeted figure of 40,586 for the current year. The actual number of appeals heard in 2016/17 was 41,855 including Statutory Declarations, Moving Traffic Offences and Lorry Ban Appeals.

28. The average throughput of appeals for to date for the current year was 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. Based on this forecast figure, 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 the 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. As for 2017/18, 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.
29. For RUCA Appeals, the estimated volume of appeals for 2018/19, based on current trends, is 7,800, compared to the budgeted figure of 6,348 for the current year. The actual number of RUCA Appeals dealt with in 2016/17, including Statutory Declarations, was 6,602. 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. Under the terms of the contract, TfL/GLA will reimburse London Councils on a cost-recovery basis for the variable cost of RUCA appeals, ensuring that a break even position continues in respect of these variable transactions. The rechargeable level of fixed costs is £497,000 for 2018/19; a £43,000 increase on the budgeted level of £454,000 for 2017/18.
30. In respect of **all other parking traded services**, the variable charges form part of the parking managed service contract provided by the contractor, Northgate, the volumes of which are again not controlled by London Councils; the individual boroughs are

responsible for using such facilities. The volumes are based on those currently being processed by the contractor and are recharged to the boroughs, TfL and the GLA as part of the unit cost charge. Current trends during the first half of 2017/18 suggest that transaction volumes appear to be reducing of the use of the TRACE Fax system, but are increasing for the use of the TRACE electronic and TEC systems.

31. The estimated increase in expenditure between 2017/18 and 2018/19, due to the projected transaction volumes and contract price changes, is £6,063. However, the corresponding estimated effect on income, between 2017/18 and 2018/19, based on the current projected transaction volumes for 2018/19 and a proposed 3% increase in charges to users, is an increase of £14,943, leading to a net overall increase in budgeted income of £8,880.
32. The charging structure historically approved by TEC for the provision of the variable parking services (excluding appeals) includes a contribution to overheads 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, the TEC Executive Sub-Committee has been asked to consider recommending that the main TEC Committee approve the unit charges for the parking service it provides, as detailed in Table 3 above, at its meeting on 7 December.

Proposed revenue budget for 2018/19

33. Based on the proposed level of subscription and charges, as detailed in paragraphs 12-32 above, the proposed revenue budget position for 2018/19, is summarised in Table 4 below. A detailed breakdown of proposed expenditure and income is shown at Appendices A and B to this report.

Table 4 – Proposed revenue budget 2018/19

	Joint Committee	Grants Committee	TEC	Total
	£000	£000	£000	£000
Indicative Expenditure	8,979	8,509	368,664	386,152
Central Recharges	187	159	111	457
Total Expenditure	9,166	8,668	368,775	386,609
Indicative Income	(6,190)	(7,668)	(368,486)	(382,344)
Use of Reserves	(1,007)	(1,000)	(289)	(2,296)
Sub-total	(7,197)	(8,668)	(368,775)	(384,640)
Central Recharges	(1,969)	-	-	(1,969)
Total Income	(9,166)	(8,668)	(368,775)	(386,609)
Indicative Net Position	-	-	-	-

34. The detailed breakdown of the proposed budgets for the Joint Committee, Grants Committee and TEC funding streams for 2018/19 is outlined in paragraphs 35-49 below.

Grants Committee

35. The provisional position for the Grants Committee for 2018/19 is as follows:

Table 5 – Indicative Grants Committee budget movements for 2018/19

	£000
Expenditure:	
Revised budget 2017/18	8,899
Proposed budget 2018/19	8,668
Budget Movement	(231)
Income	
Revised budget 2017/18	(8,899)
Proposed budget 2018/19	(8,668)
Budget Movement	231
Net Budget Movement	-
Developments - expenditure:	
Funding of City Bridge Trust support	(75)
Reduction in repayment to boroughs	(156)
Total	(231)
Developments - income:	
Reduction in borough subscription toward S.48 ESF programme	1,000
Increase in transfer from reserves	(769)
Total	231
Net Budget Movement	-

36. Paragraph 17 above outlines the proposed budget breakdown for 2018/19 in detail.

Transport and Environment Committee

37. Excluding the position for the payments to transport operators in respect of the Freedom Pass and Taxicard, which are dealt with in paragraphs 39-47 below, the provisional position for TEC for 2018/19 is detailed in Table 6 below:

Table 6 – Indicative TEC budget movements for 2018/19

Expenditure:	£000
Revised budget 2017/18	12,272
Proposed budget 2018/19	11,705
Budget Movement	567
Income	
Revised budget 2017/18	(12,272)
Proposed budget 2018/19	(11,705)
Budget Movement	(567)
Net Budget Movement	-
Developments – expenditure:	
Removal of budgets carried forward from 2016/17	(227)
Reduction in borough repayment	(340)
Decrease in Freedom Pass administration	(5)
Increase in Taxicard administration	10
Increase in Lorry Control administration	34
Reduction in London Tribunals administration	(105)
Increase in Health Emergency Badge administration	2
Increase in non-operational staffing costs	4
Volumes changes – adjudicators fees	(89)
Volume changes – Northgate variable costs	20
Increase in other running costs	53
Increase in central recharges	21
Sub-Total	(622)
Inflation:	
Salary costs	37
Northgate contract costs	18
Other	0
Budget Movement on expenditure	(567)
Developments – income:	
Volumes changes – appeals income	(10)
Volume changes – other parking services income	(16)
Increase in income for replacement Freedom Passes	(84)
Reduction in income for replacement Taxicards	3
Reduction in income for fixed parking costs	102
Other adjustments	5

Proposed reduction in transfer from general reserve	567
Budget Movement on income	567
Net Budget Movement	-

38. The proposals for the level of subscription and charges for TEC related services in 2018/19, which are detailed in paragraphs 18-32 above, provide the rationale for the majority of the budget movements detailed in Table 6.

Freedom Pass

39. The main settlement with TfL for concessionary travel on its service is estimated to be £323.316 million, representing a provisional reduction of £865,000, or 0.27%, on the figure of £324.181 million for 2017/18.

40. The budget in respect of the Rail Delivery Group (formerly ATOC) has been provisionally increased by £681,000 to £19.553 million to take into account the anticipated settlement for 2018/19, an increase of 3.61 % (July 2017 RPI +1.75%) on the figure of £18.872 million for the current year.

41. The budget for payments to other bus operators for local journeys originating in London has been reduced by £200,000 to £1.5 million, following projections for 2018/19, based on the 2016/17 outturn position plus taking into consideration a wider decline in bus ridership.

42. The budget for the freedom pass issuing costs was £1.518 million for 2017/18. For 2018/19, it is proposed that the budget remains at this level to allow the new contract rates approved by TEC in March 2017 to be accommodated and provide a resource to undertake any additional development work to be carried out on the Freedom Pass website and the customer services relationship management system.

43. For income in respect of replacement Freedom Passes, subject to specific member approval from TEC, 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. As stated in

paragraph 20, the estimated cost of the Freedom Pass administration scheme will be fully funded by this income stream in 2018/19.

44. As agreed by TEC in December 2014, any annual surplus arising from both the freedom pass issuing costs budget of £1.518 million (paragraph 42 above) and replacement freedom passes income budget of £684,000 (paragraph 43 above) will be transferred to a specific reserves to accumulate funds to offset the cost of the next pass reissue exercise scheduled for 2020. The current balance on the specific reserve is £2.837 million (after considering a projected surplus of £303,000 in respect of the current year), as detailed in Table 10 at paragraph 51.
45. Final negotiations on the actual amounts payable to operators will be completed in time for the meeting of the main TEC Committee on 7 December and any late variations to these provisional figures will be tabled at this meeting.
46. A summary of the provisional freedom pass costs for 2018/19, compared to the current year, can be summarised in Table 7 below. 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%.

Table 7 – Comparative cost of Freedom Pass 2018/19 and 2017/18

Estimated Cost of Freedom Pass	2018/19(£000)	2017/18(£000)
TfL Settlement	323,316	324,181
ATOC Settlement	19,553	18,872
Non TfL Bus Operators Settlement	1,500	1,700
Freedom Pass Issue Costs	1,518	1,518
Total Cost	345,887	346,271

Taxicard

47. 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 £10.09 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, 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.

Joint Committee

48. The provisional position for the Joint Committee for 2018/19 is as follows:

Table 8 – Indicative Joint Committee budget movements for 2018/19

	£000
Expenditure:	
Revised budget 2017/18	9,664
Proposed budget 2018/19	9,166
Budget Movement	(498)
Income	
Revised budget 2017/18	(9,664)
Proposed budget 2018/19	(9,166)
Budget Movement	498
Net Budget Movement	-
Developments - expenditure:	
Removal of budgets carried forward from 2016/17	(29)
Reduction in borough repayment	(330)
Net reduction in salary costs	(280)
Cessation of Access Europe contract	(66)
Net increase in Southwark Street premises related costs	250
Reduction in central recharges charged to JC functions	(150)
Sub-total	(605)
Inflation	
Salary costs	60
Other	47
Budget Movement on expenditure	(498)
Developments - income:	
Reduction in use of reserves	535
Adjustment to borough subscription income	(38)
Adjustment to central recharge income	1
Total	498
Net Budget Movement	-

49. The key elements included within the net budget movement are detailed below:

- **Reduction in salary cost** - this covers the following salary related costs of the Joint Committee:
 - Senior staffing savings of £115,000 arising from changes in the composition of CMB ;
 - The elimination of the provision for an annual payment of past service pension costs to the LPFA, estimated to save £142,000;
 - Other employee cost adjustments, primarily for YPES staff and health related work, saving £55,000; offset by
 - Additional resources of £33,000 required to fund a Data Protection Officer following the introduction of GDPR in May 2018; and
 - An assumed 1½ pay award for 2018/19, which will add on £60,000 to total salary costs.

- **Cessation of Access Europe contract** – the current contract with Access Europe to provide advice to boroughs in respect of European Funding issues expired on 31 July 2017.

- **Increase in Southwark Street premises costs** – this covers the following premises related expenditure:
 - A provisional assessment of the rent review of the Southwark Street site, in accordance with the Heads of Terms for the lease agreed by the executive in April 2011, indicates that a potential annual increase of £373,000 could become payable; offset by
 - An over provision for Southwark Street business rates projected for the current year, estimated to be around £100,000; and
 - A reduction in the depreciation provisions work previously capitalised works at Southwark Street of £21,000.

- **Reduction in central recharges made to JC functions** - following the mainstreaming of the YPES and health work within the JC functions, there will be a reduction in the level of central overheads recharges to these work areas.

- **Reduction in proposed use of reserves** – the proposed transfer from Joint Committee reserves for 2018/19 is £1.007 million, a £535,000 reduction on the figure of £1.542 million for the current year.

Externally Funded Projects

50. In addition to the proposed expenditure of £386.609 million for largely borough funded activity, expenditure on activities financed through external contributions is currently projected to be in excess of £4 million in 2018/19, with funding being received through various external sources to fully fund the projects, ensuring no cost to boroughs. Once confirmation of continued funding into 2018/19 is received from funders over the coming months, budget plans for expenditure will be revised accordingly to ensure that they match the available funding.

Updated position on Reserves

51. The current position on the overall level of London Councils reserves is detailed in Table 10 below, which includes the forecast outturn position for the current year at the half-year stage:

Table 10 – Current Uncommitted Reserves

	Transport and Environment Committee (£000)	Joint Committee (£000)	Grants Committee (£000)	Total (£000)
General Reserve at 1 April 2017	3,341	5,417	443	9,748
Specific/ESF Reserve at 1 April 2017	1,734	-	1,575	3,308
Total reserves at 1 April 2017	5,075	5,417	2,018	12,510
Committed in setting 2017/18 budget	(488)	(1,183)	(75)	(1,746)
One-off payment to boroughs 2017/18	(340)	(330)	(156)	(826)
Balances c/f into 2017/18	(227)	(29)	-	(256)
Potential ESF grants commitments in 2018/19 and 2019/20	-	-	(1,117)	(1,117)
Freedom Pass reissue exercise 2018/19 - 2019/20	(2,837)	-	-	(2,837)
Write back of 2016/17 grants liabilities	-	-	119	119
Forecast surplus/(deficit) 2017/18	1,001	761	541	2,302
Uncommitted reserves	2,184	4,636	1,330	8,150

52. The current level of commitments from reserves, as detailed in Table 10, come to £6.782 million and are detailed in full in Table 11 below:

Table 11– Current Commitments from Reserves

	2017/18	2018/19	2019/20	Total
	£000	£000	£000	£000
Balances b/f from 2016/17	256	-	-	256
Approved transfer from JC general reserves	164	-	-	164
Approved transfer from TEC general reserves	288	-	-	288
Accumulated YPES funds	293	-	-	293
Slippage of ESG grants funding	-	-	1,117	1,117
One-off repayment to boroughs	826	-	-	826
Challenge Implementation Fund	525	-	-	525
Support to the health transition process	201	-	-	201
2020 Freedom Pass reissue	-	534	2,303	2,837
TEC priority projects	200	-	-	200
Support to 3 rd sector via City Bridge Trust	75	-	-	75
Totals	2,828	534	3,420	6,782

53. After taking into account the budget proposals outlined in this report and the recommended use of reserves of £2.296 million, the level of uncommitted reserves reduces to £5.854 million, as detailed in Table 12 below:

Table 12 - Estimated Uncommitted Reserves as at 1 April 2018

	Transport and Environment Committee (£000)		Joint Committee (£000)	Grants Committee (£000)		Total (£000)
	General	Specific	General	S.48	ESF	
Projected uncommitted reserves (Table 10)	2,184	-	4,636	330	1,000	8,150
Proposal included in 2018/19 budget figures	(289)	-	(1,007)	-	(1,000)	(2,296)
Transfer to Specific Reserves	-	-	-	-	-	-
Estimated residual uncommitted reserves	1,895	-	3,629	330	-	5,854

54. For the Grants Committee, the Grants Executive in September 2013 agreed that the level of reserves to cover the S.48 borough funded commissions should be set at 3.75% of the budget, which will equate to £250,000 in respect of a proposed budget of £6.668 million for 2018/19. The forecast level of uncommitted reserves of £330,000 is, therefore, in excess of this benchmark at 4.94% of the proposed budget. For ESF/borough funded commissions, accumulated reserves of £2.117 million relate to the delayed start of the

2015-18 ESF programme and will be used in full up until the current project end date of 31 March 2019. A sum of £1 million is recommended for transfer to the revenue account in 2018/19 to jointly fund this continuing expenditure, matched by ESF grant.

55. For TEC, forecast uncommitted reserves of £2.184 million as at 31 March 2018 reflects the forecast surplus of £1.001 million for the current year.
56. After taking into account the proposed use of general reserves of £289,000 in setting the 2018/19 budget (all, subject to agreement of main TEC meeting on 7 December), uncommitted general reserves are forecast reduce to £1.895 million, or 16.2% of proposed operating and trading expenditure of £11.705 million. This figure equates to slightly beyond the higher end of TEC's formal policy on reserves, agreed in November 2015, that reserves should equate to between 10-15% of annual operating and trading expenditure.
57. For the Joint Committee functions, uncommitted general reserves are projected to be £3.629 million if the proposals in this report are approved. In a period of continuing financial constraint for London local government, and as demonstrated in the recent past, there is continued value in holding a reasonable level of reserves as a contingency to fund further one-off incidences of expenditure and to explore additional key priorities identified by members during the course of the year, such as the outcome of the London Councils Challenge Process, Business Rates reform as well as continuing work on devolution and public sector reform and on the health, skills and housing agendas.
58. Under existing CIPFA guidance, the Chief Financial Officer of an organisation is advised to make an annual statement on the adequacy of the level of an organisation's reserves. This is achieved by expressing the total level of estimated uncommitted reserves as a percentage of operating costs.
59. If the Leaders' Committee/TEC approves the use of uncommitted reserves of £2.296 million for 2018/19, as detailed in this report, residual uncommitted reserves would reduce to £5.854 million. This would represent 26.7% of total operating and trading expenditure in 2018/19 of £21.951 million. The comparable figures reported to the Executive 12 month ago was uncommitted reserves of £4.705 million, which equated to 19.9% of provisional operating and trading expenditure of £23.643 million for 2017/18. This improvement mirrors the desire expressed at recent meetings of the Executive for a

strengthening of the reserves position, particularly in the current economic climate. The Director of Corporate Resources is, therefore, content to issue a positive statement on the adequacy of the residual London Councils reserves for 2018/19.

Conclusions

60. Following discussions with the Chair of London Councils, this report proposes the level of boroughs subscriptions and charges to be levied in 2018/19, together with the consolidated revenue income and expenditure budget for 2018/19. The report also updates the Executive on the current level of London Councils reserves after considering all current and proposed commitments and the timetable for the overall budget approval process. Following consideration by this meeting, proposals will be submitted to the Leaders' Committee meeting on 5 December for final consideration and approval.

Summary

61. This report proposes the level of boroughs subscriptions and charges to be levied in 2018/19, together with the consolidated revenue income and expenditure budget for 2018/19.

62. The subscription and budget proposals for 2018/19 relating to the Grants Committee, as contained in this report, will be considered by the Grants Committee at its meeting on 22 November. The Grants Committee will be asked to recommend that the Leaders' Committee approve the proposals as laid out in this report.

63. The subscription and budget proposals for 2017/18 relating to the Transport and Environment Committee will be considered by the TEC Executive Sub-Committee at its meeting on 16 November and will be put before the main TEC meeting on 7 December for final approval. The Leaders' Committee is, therefore, asked to endorse the provisional TEC figures as laid out in this report.

Recommendations

64. The Executive is asked to recommend that the Leaders' Committee approve at their meeting on 5 December 2017 the following borough subscription and charges:

- The proposed Joint Committee subscription for boroughs of £161,958 per borough for 2018/19, no change on the charge of £161,958 for 2017/18. (paragraph 12);

- The proposed Joint Committee subscription for the MOPAC and the LFEPA of £15,410 for 2018/19, no change on the charge of £15,410 for 2017/18 (paragraph 13);
- An overall level of expenditure of £8.668 million for the Grants Scheme in 2018/19 (inclusive of £2 million gross ESF programme), the same level as for 2016/17; and
- That taking into account the application of £1 million ESF grant and £1 million from earmarked Grants Committee reserves, net borough contributions for 2018/19 should be £6.668 million, compared to £7.668 million for 2017/18 (paragraphs 14-17).

65. The Executive is also asked to recommend that the Leaders' Committee endorse the following subscription and charges for 2018/19 for TEC, which will be considered by the TEC Executive Sub-Committee on 16 November, before being presented to the main meeting of TEC on 7 December for final approval:

- The Parking Core Administration Charge of £1,500 per borough and for TfL (2017/18 - £1,500) (paragraph 18);
- No charge to boroughs in respect of the Freedom Pass Administration Charge, which is covered by replacement Freedom Pass income (2017/18 – no charge) (paragraph 20);
- The net Taxicard Administration Charge to boroughs of £338,182 in total (2017/18 - £338,182); (paragraph 21);
- No charge to boroughs and TfL in respect of the Lorry Control Administration Charge, which is fully covered by estimated PCN income (2017/18 – no charge) (paragraph 22);
- The Parking Enforcement Service Charge of £0.4226 per PCN, which will be distributed to boroughs and TfL in accordance with the number of PCNs issued in 2016/17 (2017/18 - £0.4915 per PCN; paragraphs 25-26);
- The Parking and Traffic Appeals 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) (paragraphs 27-28);
- Congestion Charging Appeals – to be recovered on a full cost recovery basis, as for 2017/18, under the new contract arrangement with the GLA (paragraph 29);

- The TRACE (Electronic) Charge of £7.58 per transaction (2017/18 - £7.31) (paragraphs 30-32);
- The TRACE (Fax) Charge of £7.70 per transaction (2017/18 - £7.48) (paragraphs 30-32); and
- The PEC Charge of £0.175 per transaction (2017/18 - £0.17) (paragraphs 30-32).

66. On the basis of the above proposed level of subscriptions and charges, the Executive is asked to recommend to the Leaders' Committee:

- The provisional consolidated revenue expenditure budget for 2018/19 for London Councils of £386.609 million, as per Table 4 at paragraph 33 and Appendix A of this report;
- The provisional consolidated revenue income budget for 2018/19 for London Councils of £384.313 million, also as per Table 4 at paragraph 33 and Appendix B;
- Within the total income requirement, the use of London Council reserves of £2.296 million in 2018/19, as detailed in Table 12 at paragraph 53.

67. The Executive is also asked to recommend that the Leaders' Committee note:

- The position in respect of forecast uncommitted London Council reserves as at 31 March 2018, as detailed at paragraphs 51-57; and
- The positive statement on the adequacy of the residual London Councils reserves issued by the Director of Corporate Resources, as detailed in paragraphs 58-59.

Financial Implications for London Councils

As detailed in the body of the report.

Legal Implications for London Councils

None

Equalities Implications for London Councils

None

Appendices

- Appendix A – the provisional consolidated revenue expenditure budget for London Councils for 2018/19;
- Appendix B – the provisional consolidated revenue income budget for London Councils for 2018/19.

Background Papers

London Councils budget working papers 2010/11 to 2018/19

Appendix A

Proposed Consolidated Expenditure Budget 2017/18

	Jt Ctte £000	Grants £000	TEC £000	Total £000
Payments in respect of Concessionary Fares				
TfL	0	0	323,316	323,316
ATOC	0	0	19,553	19,553
Other Bus Operators	0	0	1,500	1,500
Freedom Pass survey and reissue costs	0	0	1,518	1,518
Freedom Pass Administration	0	0	479	479
Comcab	0	0	12,701	12,701
Taxicard Administration	0	0	537	537
Sub-Total	0	0	359,604	359,604
Payments for commissioned services	0	6,173	0	6,173
Payment to London Funders Group	0	60	0	60
City Bridge Trust support	0	0	0	0
ESF grant payments	0	1,880	0	1,880
TEC Trading Account Expenditure				
Payments to Adjudicators- ETA	0	0	826	826
Payments to Adjudicators - RUCA	0	0	286	286
Northgate variable contract costs - ETA	0	0	298	298
Northgate variable contract costs - RUCA	0	0	67	67
Northgate variable contract costs - Other	0	0	189	189
Payments to Northampton County Court	0	0	3,000	3,000
Lorry Control Administration	0	0	707	707
ETA/RUCA Administration	0	0	2,664	2,664
HEB Income	0	0	45	45
Sub-Total	0	0	8,082	8,082
Total Direct Services	0	8,113	367,686	375,799
Operating Expenditure				
Contractual Commitments				
Capital Ambition legacy project costs	265	0	0	265
YPES Regional/Provider Activities	50	0	0	50
Southwark Street Leasehold Costs	1,405	0	0	1,405
Leases for photocopiers	36	0	0	36
Northgate Fixed Costs	0	0	92	92
External audit fees	39	0	0	39
CoL Finance/Legal/HR/IT SLA	449	0	0	449
Depreciation	182	0	0	182
Grants GIFTS system support	0	10	0	10
Sub-Total	2,426	25	92	2,528
Salary Commitments				
Officers	4,080	349	639	5,069
Members	169	19	19	207
Maternity provision	50	10	30	90
Sub-Total	4,299	378	688	5,366
Discretionary Expenditure				
Staff training/recruitment advertising	108	6	0	114
Staff travel	16	2	0	18
Other premises costs	280	0	0	280
SS ICT support	57	0	0	57
Supplies and service	667	0	158	825
Research	600	0	40	640
Challenge Implementation Fund	525	0	0	525
Sub-Total	2,253	8	198	2,459
Total Operating Expenditure	8,979	411	978	10,353
Central Recharges	187	159	111	457
Total Expenditure	9,166	8,683	368,775	386,609

Appendix B

Proposed Consolidated Income Budget 2017/18

	Jt Ctte £000	Grants £000	TEC £000	Total £000
Borough contributions to TfL	0	0	323,316	323,316
Borough contributions to ATOC	0	0	19,553	19,553
Borough contributions to other bus operators	0	0	1,500	1,500
Borough contributions to surveys/reissue costs	0	0	1,518	1,518
Borough contributions to freedom pass administration	0	0	0	0
Income from replacing lost/faulty freedom passes	0	0	684	684
Income from replacing lost/faulty taxicards	0	0	21	21
Borough contributions to Comcab	0	0	2,409	2,409
TfL contribution to Taxicard scheme	0	0	10,292	10,292
Borough contributions to taxicard administration	0	0	324	324
TfL Contribution to taxicard administration	0	0	124	124
Sub-total	0	0	359,741	359,741
Borough contribution to grants payments	0	6,233	0	6,233
ESF Grant Income	0	1,000	0	1,000
Sub-total	0	7,233	0	7,233
TEC trading account income				
Borough contributions to Lorry ban administration	0	0	0	0
Lorry ban PCNs	0	0	800	800
Borough ETA appeal charges	0	0	930	930
TfL ETA appeal charges	0	0	235	235
GLA RUCA appeal income	0	0	353	353
Borough fixed parking costs	0	0	2,045	2,045
TfL fixed parking costs	0	0	214	214
GLA fixed parking costs	0	0	497	497
Borough other parking services	0	0	500	500
Northampton County Court Recharges	0	0	3,000	3,000
Sub-total	0	0	8,573	8,573
Sub-Total	0	7,233	368,314	375,547
Core borough subscriptions				
Joint Committee	5,119	0	46	5,165
Grants Administration	0	435	0	435
TEC (inc TfL)	0	0	51	51
LFEP/MPA subscription	33	0	0	33
Sub-total	5,152	435	97	5,684
Other Borough charges				
Borough contributions towards LCP functions	496	0	0	496
Borough contributions towards YPES functions	180	0	0	180
Borough contributions to HR Metrics service	98	0	0	98
Sub-total	774	0	0	774
Other Income				
DFE grant towards YPES direct costs	0	0	0	0
LEP funding towards YPES direct costs	0	0	0	0
Investments	75	0	0	75
Room bookings and conferences	125	0	0	125
Deskspace charge to funded groups	426	0	0	426
Sales of publications	18	0	0	18
Employment services trading account income	38	0	0	38
TfL secretariat recharge	0	0	31	31
Sales of Health Emergency badges	0	0	44	44
Miscellaneous income	8	0	0	8
Sub-total	690	0	75	765
Transfer from Reserves	1,007	1,000	289	2,296
Central Recharges	1,543	0	0	1,543
Total Income Base Budget	9,166	8,668	368,775	386,609