

London Councils' Transport and Environment Committee

Taxicard Progress Report

Item No 09

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Date: 23 March 2017
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Summary This paper informs the Committee of the projected Taxicard spend for 2016/17 and the estimated budget requirements for 2017/18. It also provides an update on the re-letting of the Taxicard taxi supply contract.

Recommendations Members are asked to:

1. Note the projected Taxicard spend for 2016/17 and the estimated budget for 2017/18.

Introduction

Taxicard Budget Final Outturn 2016/17

1. The Taxicard trip budget for 2016/17 is £12.295 million, with £9.78million funded by Transport for London (TfL) and £2.51 million from the boroughs.
2. Taxicard journeys have increased by 4.22% between April 2016 and February 2017 compared to the same months in 2015/16, with 21 boroughs showing an increase and 12 showing a decrease. This has resulted in the following budget projections:
 - A spend of £11.536 million
 - An overall underspend of £758,732
 - 11 boroughs to overspend totalling £247,625
 - 12 boroughs to underspend totalling £803,096.
 - An underspend of the TfL budget of £203,261
3. All boroughs currently projected to overspend have confirmed they will fund any deficit at the end of the year, and those boroughs that underspend their budgets

will be refunded by London Councils. A summary of each borough's projected spend can be found in Appendix One.

4. There are two months' journeys still to factor into the budget, but the above figures give a reasonable indication of final spend.

Taxicard Budget estimates 2017/18

5. TfL has confirmed that they will fund Taxicard for a further year in 2017/18. This means boroughs will be allocated the current budget of £9.78million plus an increase equivalent to the annual TfL taxi tariff inflation rate, which is currently projected to be approx +2.75%. The TfL contribution will be apportioned to the boroughs on the basis of a formula previously agreed by this Committee.
6. London Councils has written to boroughs to inform them of their estimated financial contribution from TfL in 2017/18, and the minimum budgets they are likely to have to provide based on this year's projected spend and trip trends. They have also been asked to provide their trip limits and Taxicard member charges.

Taxicard Taxi Supply Contract Re-Let

7. Following the *Taxicard Update* report to this committee on 8 December 2016, London Councils continues to work with TfL in exploring the option for joint procurement.
8. Since the last TEC meeting, London Councils and TfL have launched a consultation with Taxicard members to obtain their views of potential changes to the scheme. The consultation was opened on 16 February and will close on 5 April. To date, over 2,000 responses have been received from a range of interested parties, including; Taxicard members, taxi drivers, and voluntary and community organisations.
9. In addition to the consultation with the public, London Councils and TfL have started market engagement with taxi and PHV suppliers. A prior information notice was published on the Official Journal of the European Union asking interested parties to register their interest in the tendering opportunity.
10. This has been supplemented by a market sounding questionnaire that seeks to elicit views from suppliers on the outline proposals. In addition, a bidder briefing is being held on 20 March 2017. This briefing will be an opportunity to open dialogue to inform the procurement strategy for this tendering exercise.
11. Officers expect to have analysed and responded to the results of both the consultation and the wider market engagement activities in time to submit a report for consideration by TEC in June 2017.

Financial Implications for London Councils

The Taxicard budget is forecast to underspend by a net figure of £758,732 in 2016/17, based on trips to February 2017, with refunds forecast to be made to 12 contributing boroughs and TfL, amounting to £1,006,357. 11 boroughs are forecast to overspend by a combined £247,625. All boroughs projected to overspend have given a commitment to cover the position once the actual year-end position has been determined.

Legal Implications for London Councils

London Councils will give due regard to the results of the consultation when making its recommendation to TEC.

Equalities Implications for London Councils

The Taxicard scheme provides subsidised trips in licensed taxis and private hire vehicles to London residents whose severe mobility or visual impairments make it very difficult for them to use mainstream public transport. The scheme plays an important role in reducing social exclusion.

Recommendations

Members are asked to:

1. Note the projected Taxicard spend for 2016/17 and the estimated budget for 2017/18.

Background papers

Taxicard Update Report (8 December 2016, Item 10)