

London Councils' TEC Executive Sub Committee

Friday 15th September 2017

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

Contact Officer: Alan Edwards

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Agenda item	Pages
1 Apologies for Absence & Announcement of Deputies	-
2 Declarations of Interests*	
3 Air Pollution and Smart Mobility	
4 Cleaner Vehicle Checker	
5 Month 3 Revenue Forecast 2017/18	
6 Minutes of the TEC Executive Sub Committee held on 20 July 2017 (for agreeing)	

Declarations of Interests

If you are present at a meeting of London Councils' or any of its associated joint committees or their sub-committees and you have a disclosable pecuniary interest* relating to any business that is or will be considered at the meeting you must not:

- participate in any discussion of the business at the meeting, or if you become aware of your disclosable pecuniary interest during the meeting, participate further in any discussion of the business, or
- participate in any vote taken on the matter at the meeting.

These prohibitions apply to any form of participation, including speaking as a member of the public.

It is a matter for each member to decide whether they should leave the room while an item that they have an interest in is being discussed. In arriving at a decision as to whether to leave the room they may wish to have regard to their home authority's code of conduct and/or the Seven (Nolan) Principles of Public Life.

*as defined by the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012

If you have any queries regarding this agenda or are unable to attend this meeting, please contact:

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**Declarations of Interest – TEC Executive Sub Committee
15 September 2017**

Freedom Pass Holders/60+ Oyster Cards:

Cllr Phil Doyle (RB Kingston), Cllr Peter Buckwell (LB Richmond), Cllr Jill Whitehead (LB Sutton), and Cllr Caroline Usher (LB Wandsworth)

North London Waste Authority

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

South London Waste Partnership

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

Thames Regional Flood & Coastal Committee (RFCC)

Cllr Lynda Rice (LB Barking & Dagenham) and Cllr Daniel Anderson (LB Enfield)

Car Club:

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

London Cycling Campaign

Cllr Julian Bell (LB Ealing – Chair)

London Waste & Recycling Board (LWARB)

Cllr Feryal Demirci (LB Hackney)

Wandle Valley Regional Park

Cllr Jill Whitehead (LB Sutton)

London Councils' Transport & Environment Committee Executive

Air Pollution and Smart Mobility Item no: 3

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

Date: 15 September 2017

Contact Officer: Katharina Winbeck

Telephone: 020 7934 9945 **Email:** Katharina.winbeck@londoncouncils.gov.uk

Summary: Smart Mobility has the potential to address two of the most pressing transport issues of London today – air quality and congestion. However, it needs to be introduced in such a way that no unintended consequences lead to a reduction of sustainable travel overall. The Institute for Public Policy Research (IPPR) has done some research in this area and will present some of their findings to the Committee. The report also discusses some of the most recent available data about the different car club models and their potential contribution to the smart mobility, air quality and congestion agenda.

Recommendations: The Committee is asked to:

- Note and discuss the report.

Air Pollution and Smart Mobility

1. This report gives a brief overview of air pollution and smart mobility in London. It draws on some of the research that the Institute for Public Policy Research (IPPR) has undertaken and is complemented by a presentation from the author of two of their relevant reports, Laurie Laybourn-Langton.

Air Pollution

2. The air pollution problem in London has now been well documented. Research suggests that more than 9,400 people die prematurely due to poor air quality in London. Furthermore, there are significant health effects from short and long-term exposure. This has been estimated to cost the health system for London alone between £1.4 and £3.7bn per year.
3. For example, episodes of particularly bad air pollution often experienced in the winter or summer months, due to exacerbating weather conditions, can lead to people experiencing irritation of the airways causing severe coughing and exacerbation of existing respiratory illnesses. This is uncomfortable at best and could be dangerous for more vulnerable people, such as children and the elderly.
4. Long term exposure contributes to the risk of developing cardiovascular and respiratory diseases, as well as lung cancer.
5. The two pollutants that are of particular concern due to their prevalence and significant health effects are Nitrogen Dioxide (NO₂) and Particulate Matter (PM).
6. Road transport is the one most significant contributor to these two pollutants (see figures 1&2 below) and changes to the way we travel therefore forms part of the solution to dealing with poor air quality in London.

Figure 1 - NO_x sources in Greater London in 2013 (London Atmospheric Emission Inventory (LAEI) 2013)

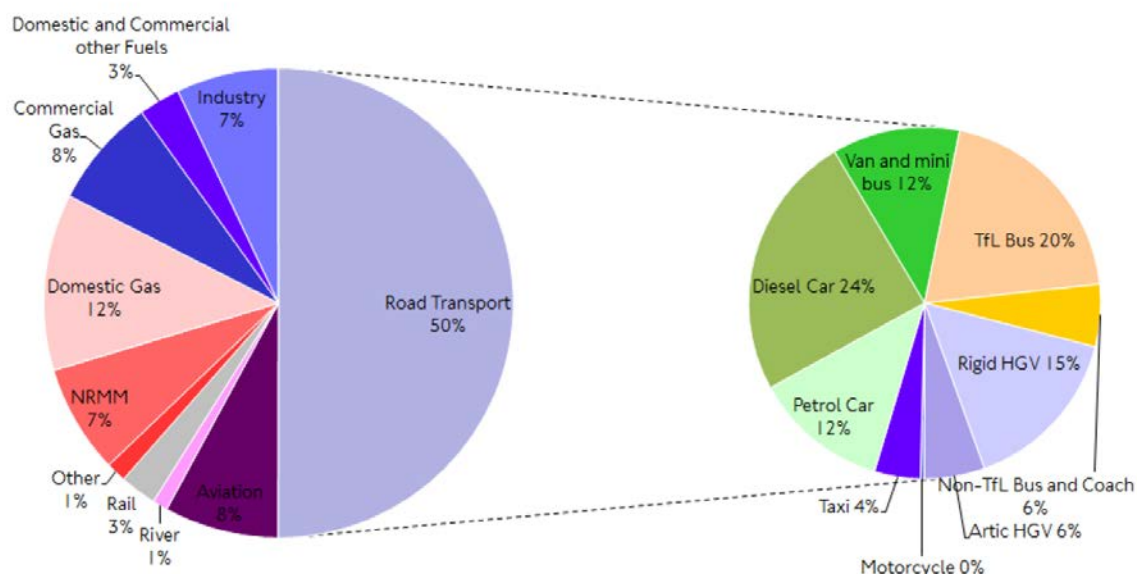
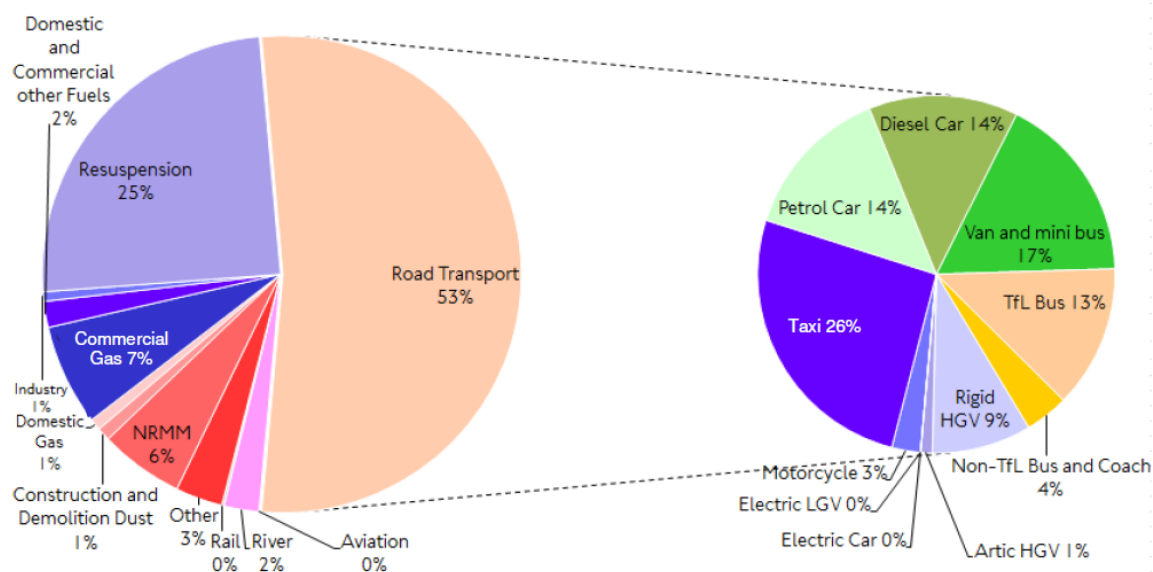


Figure 2 - PM₁₀ sources in central London in 2013 (LAEI 2013)



Smart Mobility

7. The term 'Smart Mobility' encompasses the use of technology to plan the most effective and efficient way to manage the transport system and to travel, whilst reducing its negative effects, such as congestion and air pollution. Flexibility, convenience, communication technology and the availability of many different modes - such as walking, cycling, public transport, car clubs - are crucial elements for a successful transition to a smart mobility system.
8. An example of using technology to better manage the transport system is installing smart sensors at traffic lights that are able to distinguish between cars, Lorries and buses, and therefore enable priority to be given to buses.
9. An example of using technology to make the way we travel more efficient, are the now widely available and used journey planners.

Smart Mobility in London

10. In London, two of the main drivers for smart mobility solutions are to reduce congestion and improve air quality. This means that London needs to reduce the number of cars that are travelling on its road infrastructure and smart mobility is able to help with this, as the IPPR's most recent report "Crossroads – Choosing a future for London's transport in the digital age" discusses.

IPPR report – Crossroads – Choosing a future for London'

11. Digital technology has enabled the development of new transport services, including journey planners, car clubs and on-demand private hire. These new mobility services could interact within London's transport system to complementing efforts to enable more public and active transport, and so allow for an unprecedented opportunity to overcome negative outcomes, such as air pollution and congestion.
12. Evidence suggests that some of these services are already having a tangible positive effect, as, for example, in the case of car clubs, which are unlocking more sustainable travelling behaviours. Conversely, concerns exist over the potential for negative network outcomes that undermine the ongoing move toward more sustainable behaviour.

13. The IPPR suggests that the pace of technological change is such that now is the time in which action should be taken by London's government to ensure the positive potential of these services is realised. They recommend that the mayor should incorporate a vision for new transport technologies into the Mayor's Transport Strategy and that this vision should include clear objectives for London's overall transport network and include a framework through which this vision can be achieved.

Car Clubs

14. Car clubs have been used in London for almost 15 years now and the back to base model is well established. However, the recent surge and popularity of ride hailing smartphone applications for example, suggests, that people require different ways of moving around the city. The Car Club Strategy, put together by the Car Club Coalition in 2014 and published in 2015, suggested that new models are required to deliver the step change and increase of car club membership London would like to see.
15. The car club industry is responding to this challenge and is exploring different models, such as the floating and point to point models, using technology to communicate real time information to the user. There is some evidence now available through the last two annual Carplus Surveys. The 2015/16 survey was previously reported to full TEC in October 2016, the 2016/17 survey data was released in April 2017. Full details of the survey in London can be viewed at the link below¹ but headline figures indicate the following positive information;
- The 2016/17 survey was completed by over 2,900 round-trip car club members and over 1,100 flexible car club members in London from a membership of 193,500 overall.
 - Each car club car resulted in members selling or disposing of 10.5 private cars for the roundtrip model and 13.4 cars for the flexible model.
 - Across London, car club members sold or disposed around 26,400 cars.
 - Round-trip members reported an average reduction in miles driven of 570 miles a year and flexible members reported a lower level of reduction of 239 miles a year.
 - 80% of car club cars are in the lowest three emission bands and 99% of car club cars meet the anticipated Ultra Low Emission Zone (ULEZ) standards.
 - 18 per cent of the car club fleet are electric or hybrid.
16. The research undertaken by Imperial College in 2016 supports this and found that 37 per cent of users of the floating model indicated that their membership has impacted on their ownership of private cars. Of this 37 per cent, a large majority (83 per cent) indicated that they decided not to buy a car that they otherwise would have purchased, 11 per cent reported that they had disposed of a car in the past three months, and 6 per cent stated that they will sell a private car within the next three months².
17. Smart mobility therefore has the potential to address two of the most pressing transport problems London faces today – air pollution and congestion, but it needs to be carefully managed to ensure any unintended consequences are mitigated and the more sustainable forms of transport, such as walking and cycling, continue to be encouraged.

¹ <https://www.carplusbikeplus.org.uk/wp-content/uploads/2017/04/Carplus-Annual-Survey-of-Car-Clubs-2016-17-London.pdf>

² Le Vine, S., Polak, J. (2017) The impact of free-floating carsharing on car ownership: Early stage findings from London. Transport Policy. <http://dx.doi.org/10.1016/j.tranpol.2017.02.004>

Recommendations

The Committee is asked to:

- Note and discuss the report.

Financial Implications

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

Legal Implications

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

Equalities Implications

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

London Councils' Transport & Environment Committee Executive

Cleaner Vehicle Checker

Item no: 4

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

Date: 15 September 2017

Contact Officer: Oliver Lord, Deputy Air Quality Manager, GLA

Telephone: 020 7983 4531 **Email:** Oliver.Lord@london.gov.uk

Summary: It is well documented that emissions in real world driving conditions significantly exceed those in the test laboratories. The GLA will introduce a Cleaner Vehicle Checker that will tell those who want to buy a new car the performance of that car in real world conditions and therefore aims to influence purchasing decisions towards those cars that create less pollution.

Recommendations: The Committee is asked to:

- Note and discuss the report.

Cleaner Vehicle Checker

Overview

1. As is well documented, real driving conditions result in vehicles emitting substantially more pollution than in the laboratory environment in which they are tested. The Euro VI is no exception to this.
2. The Cleaner Vehicle Checker, which is part of the C40's Global Car Rating system, will be launched in London this autumn and will be a web tool where individuals and businesses can check whether the new car or van they want to buy is performing as it should in the real world. It is designed to inform purchasing decisions to cleaner models that are available today.
3. New vehicles will be given ratings from a scale of A+ (best) to H (worst) based on the level of NO_x emissions they emit on the road, outside of laboratories. A+ rating are given to vehicles that meet Euro VI petrol limits for NO_x emissions, while H ratings will be given to those emitting more than 12 times the current NO_x limit for diesel cars.

Aims

4. The Cleaner Vehicle Checker will help Londoners, local authorities and businesses make informed choices when purchasing new vehicles and recognise the environmental benefits of switching to zero or ultra-low emission vehicles. It should also incentivise manufacturers to build cleaner vehicles sooner by holding them to account for the performance of their vehicles in real world driving conditions and encourage a race to the top in the development of clean technology.
5. The cleaner vehicle rating could be used within the procurement system, to ensure that local authorities and businesses procure the vehicles that deliver the emissions expected by the Euro VI standard but not always delivered in real driving conditions. This will help to ensure any diesel or petrol vehicles brought into fleets are as clean as possible and encourage manufacturers to do more.

Delivery Partners

6. The GLA is working with Emissions Analytics, a well-respected independent vehicle testing company that has developed a database of 'real-world' emissions from a wide range of new cars and vans sold in the UK, and other European countries. Emissions Analytics is actively testing new vehicles as they become available and will provide their most current and up-to-date datasets.
7. Given this comprehensive dataset, the Cleaner Vehicle Checker will also be able to offer a free 'health check' service to London fleet operators interested in learning more about their fleets' emissions performance generally. Fleet managers will be able to download, complete and submit a template with their fleet details to receive an analysis report from Emissions Analytics. This will enable fleet operators to quickly identify the worst polluting vehicles of their fleets and prioritise them for replacement. Upon receipt of the results, fleet managers will also have the further option of procuring a consultancy service from Emissions Analytics to design a plan to improve their fleet's overall emissions performance.
8. The GLA will also be working with ICCT (International Council on Clean Transportation), an international research organisation dedicated to supporting government action to improve the environmental performance and energy efficiency of road, marine, and air transportation. ICCT will help to improve our understanding of vehicle emissions by carrying out an extensive roadside testing programme to analyse around 100,000 tailpipe samples around London.

9. This research will enable London to make further, informed policy decisions on how to significantly improve air quality.

Recommendations

The Committee is asked to:

- Note and discuss the report.

Financial Implications

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

There may be financial implications to individual authorities, should they adopt the Vehicle Checker rating system in their procurement practices and make choices based on that information.

Legal Implications

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

Equalities Implications

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

London Councils TEC Executive Sub-Committee

Month 3 Revenue Forecast 2017/18 Item no: 5

Report by: Frank Smith **Job title:** Director of Corporate Resources
Date: 15 September 2017
Contact Officer: Frank Smith
Telephone: 020 7934 9700 **Email:** Frank.smith@londoncouncils.gov.uk

Summary

This report outlines actual income and expenditure against the approved budget to the end of June 2017 for TEC and provides a forecast of the outturn position for 2017/18. At this early stage, a surplus of £786,000 is forecast over the budget figure. In addition, total expenditure in respect of Taxicard trips taken by scheme members is forecast to underspend by a net figure of £830,000, if trip volumes in the first quarter continue for the remainder of the year. The net borough proportion of this underspend is projected to be £630,000, with £200,000 accruing to TfL.

Recommendations

The Executive Sub-Committee is asked to :

- note the projected surplus of £786,000 for the year, plus the forecast net underspend of £830,000 for overall Taxicard trips, as detailed in this report; and
 - note the projected level of Committee reserves, as detailed in paragraph 5 of this report and the commentary on the financial position of the Committee included in paragraphs 6-8.
-

Report

1. This is the first budget monitoring report to be presented to the Committee during the current financial year. The next report will be the Month 6 figures (30 September 2017) for the year, which will be reported to the November 2017 meeting of this Committee.
2. The London Councils Transport and Environment Committee's income and expenditure revenue budget for 2017/18, as approved by the Full Committee in December 2016, is set out in Appendix A (Expenditure) and Appendix B (Income), as adjusted for the confirmation of borough funding and TfL funding for the Taxicard scheme for the year. In addition, carried forward sums from 2016/17 of £227,000 approved by this Sub-Committee in July 2017 have also been added to the revised budget for the current year, funded by additional transfers from reserves. The appendices show the actual income and expenditure at 30 June 2017 and an early estimate of the forecast outturn for the year, together with the projected variance from the approved budget.

Variance from Budget

3. The current figures indicate that the Committee is projected to underspend gross expenditure budgets by £290,000 and achieve a surplus of income of £496,000 over the approved budget target for the year. These figures include offsetting amounts of £830,000 relating to payments and income for taxicard trips, plus additional payments and income for the registration of parking debt of £1 million, making an overall projected surplus of £786,000. Table 1 below summarises the forecast position, with commentary that details the trends that have began to emerge during the first quarter and providing explanations for the variances that are projected.

Table 1 –Summary Forecast as at 30 June 2017

	M3 Actual	Budget	Forecast	Variance
Expenditure	£000	£000	£000	£000
Employee Costs	154	675	614	(61)
Running Costs	37	387	386	(1)
Central Recharges	0	90	90	-
Total Operating Expenditure	191	1,152	1,090	(62)
Direct Services	2,413	8,211	9,213	1,002
Research	0	40	40	-
Payments in respect of Freedom Pass and Taxicard	88,317	359,781	358,551	(1,230)
One-off payment to boroughs	-	340	340	-
Total Expenditure	90,921	369,524	369,234	(290)
Income				
Contributions in respect of Freedom Pass and Taxicard	(87,539)	(359,838)	(359,173)	665
Income for direct services	(562)	(8,650)	(9,823)	(1,173)
Core Member Subscriptions	(97)	(97)	(97)	-
Government Grants	-	-	-	-
Interest on Investments	(3)	-	(3)	(3)
Other Income	(41)	(84)	(69)	15

Transfer from Reserves	-	(855)	(855)	-
Total Income	(88,242)	(369,524)	(370,020)	(496)
Net Expenditure	2,679	-	(786)	(786)

4. The projected surplus of £786,000 is made up broadly of the following:

- A projected overall surplus of £142,000 in respect of TEC parking traded services, after considering an estimate of the level of borough/TfL/GLA usage volumes during the first quarter. This is attributable to a number of areas.
 - Firstly, there is a projected net surplus of £133,000 in respect of parking and traffic appeals. The estimated number of notice of appeals and statutory declarations received over the first three months amounts to 10,430, giving a projected number for the year of 41,720, 1,134 more than the budgeted figure of 40,586. The current indicative throughput of appeals is 3.7 appeals per hour, compared to a budget figure of 2.7.
 - Secondly, the transaction volumes for other parking systems used by boroughs and TfL over the first quarter are projected to result in a net deficit of £33,000; and
 - Finally, the fixed cost element of the RUCA contract with the GLA/TfL is projected to generate additional income of £42,000, due to an increased share of the rechargeable costs of Chancery Exchange attributable to RUCA activities.
- A projected breakeven position in respect of employee costs. The cost of staff providing direct services (included within the direct services administration charge) is estimated to overspend by £31,000, although this is offset by an underspend on staffing costs attributable to non-operational and policy staff of £31,000. In addition, the maternity cover budget is estimated to be underspent by £30,000.
- A reduction of £34,000 in respect of the estimated Business Rates payable in respect of the hearing centre at Chancery Exchange, arising from the actual bill for 2017/18 being less than the projected increase calculated at the budget setting stage in November 2016.
- A projected underspend of £400,000 in respect of the £1.7 million budget for payments to independent bus operators, which is based on Q1 claims and a forecast of 4% increase on average fares assumed to take effect in mid-Q2. However, four of the current operators are new and although there is an assumed 1% increase in journeys on these routes, it is not easy to accurately predict future trends as it takes time for the new operators to build up patronage.
- A projected underspend of £26,000 in respect of the £1.518 million budget for the issuing/reissuing costs of Freedom Passes and undertaking the mid-term review during 2017/18.
- Based on income collected during the first quarter, receipts from Lorry Control PCN income are forecast to breakeven against the budget of £800,000.
- Based on income collected during the first quarter, income receipts from replacement Freedom Passes are forecast to exceed the budget of £600,000 by £169,000. For

replacement Taxicards, there is a projected deficit on the £24,000 income budget of £4,000 for the year.

Committee Reserves

- Table 2 below updates the Committee on the projected level of reserves as at 31 March 2018, if all current known liabilities and commitments are considered:

Table 2– Analysis of Projected Uncommitted Reserves as at 31 March 2018

	General Reserve	Specific Reserve	Total
	£000	£000	£000
Unaudited reserves at 31 March 2017	3,536	1,734	5,270
Transfer between reserves	(1,000)	1,000	-
One-off payments to boroughs 2017/18	(340)	-	(340)
Approved in setting 2017/18 budget (December 2016)	(288)	-	(288)
Carried forward amounts from 2016/17	(227)	-	(227)
Projected Budget Surplus 2017/18	591	195	786
Estimated Residual Balances at 31 March 2018	2,272	2,929	5,201

Conclusions

- This report reflects the position at the first-quarter stage in the current financial year and forecasts a surplus position of £746,000 for the year. In addition taxicard trips are forecast to underspend by £830,000, with the borough proportion of this underspend projected to be £630,000, with £200,000 accruing to TfL.
- The majority of the projected surplus is attributable to a projected surplus on trading operations based on transaction volumes during the first quarter, plus additional projected income from replacement Freedom Passes.
- After taking into account the forecast surplus and known commitments, general reserves are forecast to be £2.272 at the year-end, which equates to 19% of budgeted operating and trading expenditure of £11.705 million. This figure continues to exceed the Committee's formal policy on reserves, agreed in November 2015 that reserves should equate to between 10-15% of annual operating expenditure. As discussed at the July TEC Executive meeting, options for the treatment of general reserves in excess of the benchmark range will be discussed at the November TEC Executive meeting, when the draft budget proposals for 2018/19 will be considered.

Recommendations

- Members are asked to :
 - note the projected surplus of £746,000 for the year, plus the forecast underspend of £830,000 for overall Taxicard trips, as detailed in this report; and

- note the projected level of Committee reserves, as detailed in paragraph 5 of this report and the commentary on the financial position of the Committee included in paragraphs 6-8.

Financial Implications for London Councils

As detailed in report

Legal Implications for London Councils

None

Equalities Implications for London Councils

None

Appendices

Appendix A (Expenditure), Appendix B (Income)

Background Papers

London Councils-TEC Budget working papers 2017/18

London Councils Income and Expenditure Forecast File 2017/18

TEC M3 Expenditure Forecast 2017/18

Appendix A

	Revised 2017/18 £000	Month 3 ATD £000	Month 3 Forecast £000	Month 3 Variance £000
Payments in respect of Concessionary Fares				
TfL	324,181	80,883	324,181	0
ATOC	18,872	4,718	18,872	0
Other Bus Operators	1,700	90	1,300	-400
Freedom Pass issue costs	1,518	101	1,492	-26
Freedom Pass Administration	484	122	488	4
City Fleet Taxicard contract	12,499	2,266	11,669	-830
Taxicard Administration	527	137	549	22
	359,781	88,317	358,551	-1,230
TEC Trading Account Expenditure				
Payments to Adjudicators	1,173	287	1,150	-23
Northgate variable contract costs	518	148	571	53
Payments to Northampton County Court	3,000	1,112	4,000	1,000
London Lorry Control Administration	709	178	712	3
ETA/RUCA Administration	2,769	684	2,737	-32
HEB Expenditure	43	4	43	0
	8,211	2,413	9,213	1,002
Sub-Total	367,993	90,730	367,764	-229
Operating Expenditure				
Contractual Commitments				
NG Fixed Costs	89	22	89	0
	89	22	89	0
Salary Commitments				
Non-operational staffing costs	626	149	595	-31
Members	19	5	19	0
Maternity Provision	30	0	0	-30
	675	154	614	-61
Other Commitments				
Supplies and service	297	14	297	0
Research	40	0	40	0
One off payment to boroughs	340	0	340	0
	677	14	677	0
Total Operating Expenditure	1,441	190	1,380	-61
Central Recharges	90	0	90	0
Total Expenditure	369,524	90,920	369,234	-290

TEC M3 Income Forecast 2017/18

Appendix B

	Revised 2017/18 £000	Month 3 ATD £000	Month 3 Forecast £000	Month 3 Variance £000
Borough contributions to TfL	324,181	80,883	324,181	0
Borough contributions to ATOC	18,872	4,718	18,872	0
Borough contributions to other bus operators	1,700	425	1,700	0
Borough contributions to FP issue costs	1,518	380	1,518	0
Borough contributions to freedom pass administration	0	0	0	0
Income from replacing lost/faulty freedom passes	600	192	769	-169
Income from replacing lost/faulty taxicards	24	5	20	4
Borough contributions to Comcab	2,409	602	1,779	630
TfL contribution to Taxicard scheme	10,090	0	9,890	200
Borough contributions to taxicard administration	334	334	334	0
TfL Contribution to taxicard administration	110	0	110	0
	359,838	87,539	359,173	665
TEC trading account income				
Borough contributions to Lorry ban administration	0	0	0	0
London Lorry Control PCNs	800	123	800	0
Borough parking appeal charges	957	0	1,089	-132
TfL parking appeal charges	238	0	240	-2
GLA Congestion charging appeal income	313	0	368	-55
Borough fixed parking costs	2,190	0	2,190	0
TfL fixed parking costs	214	0	214	0
GLA fixed parking costs	454	124	496	-42
Borough other parking services	484	0	426	58
Northampton County Court Recharges	3,000	315	4,000	-1,000
	8,650	562	9,823	-1,173
Sub-Total	368,488	88,101	368,996	-508
Core borough subscriptions				
Joint Committee	46	46	46	0
TEC (inc TfL)	51	51	51	0
	97	97	97	0
Other Income				
TfL secretariat recharge	41	31	31	10
Investment income	0	3	3	-3
Other income	0	2	5	-5
Sales of Health Emergency badges	43	8	33	10
	84	44	72	12
Transfer from Reserves	855	0	855	0
Central Recharges	0	0	0	0
Total Income Base Budget	369,524	88,242	370,020	-496

LONDON COUNCILS' TRANSPORT AND ENVIRONMENT EXECUTIVE SUB COMMITTEE

Minutes of a meeting of the London Councils' Transport and Environment Executive Sub Committee held on **20 July 2017** at 10:00am, at London Councils, Meeting Room 4, 1st Floor, 59½ Southwark Street, London, SE1 0AL

Present:

Councillor Julian Bell	LB Ealing (Chair)
Councillor Stuart King	LB Croydon
Councillor Daniel Anderson	LB Enfield
Councillor Feryal Demirci	LB Hackney
Councillor Tim Coleridge	RB Kensington & Chelsea
Councillor Phil Doyle	RB Kingston-upon-Thames
Cllr Peter Buckwell	LB Richmond
Councillor Jill Whitehead	LB Sutton

1. Apologies for Absence & Announcement of Deputies

Apologies for absence had been received from Councillor Claudia Webbe (LB Islington), Councillor Caroline Usher (LB Wandsworth) and Christopher Hayward (City of London). No deputies were present.

2. Declarations of Interest

Additional declarations on interest that were not on the sheet were as follows:

Freedom Pass/60+ Oyster Cards

Cllr Peter Buckwell (LB Richmond) and Cllr Phil Doyle (RB Kingston).

South London Waste Partnership

Cllr Stuart King (LB Croydon) and Cllr Phil Doyle (RB Kingston)

London Waste & Recycling Board

Cllr Feryal Demirci (LB Hackney)

It was noted that Councillor Demirci was not a member of the London Cycling Campaign and this should be amended.

3. Transport & Mobility Services Performance Information

The TEC Executive Sub Committee received a paper that provided members with details of the London Councils' Transport and Mobility Services performance information for Quarter 4 in 2016/17 and Quarter 1 in 2017/18.

Spencer Palmer (Director of Transport & Mobility, London Councils) introduced the report, which provided TEC services performance data on behalf of boroughs. The following comments were made:

- *Environment and Traffic Adjudicators:* All had a "Green" rating and good progress and performance was being made.

- *Road User Charging Adjudicators*: “Hearing dates to be issued within five days” (Amber rating) – the Royal Mail had closed the London Tribunals PO Box, which had impacted slightly on the KPI.
- *Freedom Pass*: “percentage of answered within 30 seconds” (Red) – working to improve contractor performance and the new contract would be starting from October 2017.
- *Taxicard & TRACE*: Green ratings and good performance being made/KPIs met.
- *London Lorry Control Scheme*: “Percentage of appeals allowed” (Red) – low number of appeals means performance can fluctuate greatly.
- *Transactional Services and Health Emergency Badges*: All Green and KPIs being met.
- *London European Partnership for Transport (LEPT)*: “Number of boroughs participating in EU projects” (Amber) was lower than was hoped.

Councillor Coleridge asked if there were any trends in the performance data with regards to the number of Penalty Charge Notices (PCNs) that were issued. Spencer Palmer said that the membership numbers were looked at in respect of the Freedom Pass. He said that Taxicard membership had fallen in the past few years, but had now started to rise again. There appeared to be no set pattern as to why the usage went down.

Councillor Doyle said that one of his residents had difficulties booking a taxi as they could not get through on the telephone. Spencer Palmer said that the person that could not get through on the Taxicard call centre should contact TEC Services and this would be investigated.

Councillor Whitehead said that the borough of Sutton had saved money through a “channel shift” where all Freedom Pass renewals were carried out online. She said that some research that had been undertaken by Age UK suggested that there was a low awareness of the Taxicard scheme in general. Councillor Whitehead said that a “take-up” survey of the Freedom Pass was also being carried out. Spencer Palmer said that a paper went to the last TEC Main meeting which gave details of online applications, renewals and options. He informed members that a number of Taxicard members still valued the telephone service, which was why this option was still available.

Spencer Palmer said that levels of public awareness of the Freedom Pass was high, which was why the take-up remained consistent. However, this was less so with Taxicard and dialogue was ongoing with Transport for All and Age UK to ascertain why the level of take-up was lower. Councillor Whitehead said that there was insufficient public transport available in the borough of Sutton for residents to use the Freedom Pass on.

Decision: The TEC Executive Sub Committee noted the report.

4. Transport and Environment Committee Pre-Audited Financial Results 2016/17

The TEC Executive Sub Committee considered a report that detailed the provisional pre-audited final accounts for the Transport and Environment Committee for 2016/17.

Frank Smith (Director of Corporate Services, London Councils) introduced the finance report. He gave an introduction for the benefit of new TEC Executive members and made the following comments:

- Paragraphs 4 and 5 explained the TEC functions with regards to local authority expenditure and administration fees for services like Taxicard and the London Lorry Control Scheme (LLCS) etc.
- With regards to Trading Services undertaken on behalf of boroughs, London Councils had no control over total expenditure as volumes were generated by boroughs at a local level.
- The financial monitoring report is presented to the TEC Executive three times during the financial year and a projected surplus of £868k was forecast at the end of December 2017 (Month 9), largely due to an increase in fees from the LLCS and payments for replacement Freedom passes.
- Table 7 (paragraph 39) showed the Committee reserves as at 31 March 2017, and highlighted the main areas to carry funds forward – the IT systems development budget of £191,000, and the LLCS review budget of £36,000.
- The uncommitted reserves amounted to £2.734 million, of which £2.5million would go towards covering the cost of the next Freedom Pass reissue in 2020.
- £200,000 was available to spend on “other TEC priority projects”.
- TEC finances continue to be stable and in a relatively healthy position, although transactions relating to Trading Services could become more volatile and any trends that appeared to be emerging would be monitored closely.

Councillor Buckwell asked for clarification regarding the pensions’ deficit. Frank Smith said that the pensions issue was technical by nature. He said that an International Accounting Standard 19 (or IAS19) had been devised, which was an international accounting standard that all authorities that administered pension funds had to follow. Assets associated with membership were assessed and offset against liabilities. The IAS19 valuation report was carried out on 31 March each year, and the disclosure was carried out through actuaries of the London Pension Fund Authority (LPFA). IAS19 was apportioned across London Councils’ TEC, Grants Committee and the Joint Committee core functions, in proportion to the actual employer’s pensions contributions paid to staff for the three functions.

Frank Smith said that there would continue to be a pensions’ deficit as long as London Councils operated. The current TEC Pension Fund deficit had increased from £6.823 million in March 2016 to £8.715 million in March 2017. This was due to changes in the key assumptions in relation to discount yields and the CPI inflation rate. Frank Smith said that the annual pensions deficit calculation should not be confused with the cessation deficit, which is likely to be significantly higher and would be crystallised at the point an organisation legally ceased to exist. He also stated that the cessation deficit figure probably gave a better estimate of the true pensions liability of boroughs. Councillor Buckwell asked whether this was an indicative figure. Frank Smith confirmed that it was a best estimate calculated by the actuaries on an annual basis, taking into consideration all current known factors. He said that members need not be unduly concerned about the pensions’ deficit featuring in the annual accounts and it should not be considered a first call on the Committee’s uncommitted general reserves. However, the fact it is required to be disclosed in the final accounts does tend to skew the overall figures and provide an overall negative position.

Councillor Coleridge asked whether the income from the Lorry Control PCNs would continue to increase. Frank Smith said that PCN income had increased year on year since penalties in respect of the LLCS had been decriminalised in 2008. However, budget targets are reviewed and have been increased for the last three financial years. Spencer Palmer informed members that the LLCS was outsourced four years ago and efficiencies had been made resulting in enhanced enforcement. He said that the introduction of CCTV should improve compliance.

Councillor Coleridge asked what the levels of PCN payments were. Spencer Palmer confirmed that there were two levels of charges - the charge to drivers was £130 and the charge to hauliers (operators) was £550, with a 50% reduction if paid within 14 days. He said that London Councils was working with operators to ascertain why some drivers/hauliers failed to comply with the Scheme on a regular basis. Spencer Palmer said that PCN income from the LLCS was fairly stable. Frank Smith informed the Committee that the charge to each borough for the LLCS five years ago was £14,000, and it was now zero, funded largely by additional receipts.

Decision: The TEC Executive Sub Committee:

- Noted the provisional pre-audited final results for 2016/17, which showed an indicative surplus of £1.644 million for the year;
- Agreed the transfer of £734,000 out of the provisional surplus to the specific reserve, in accordance with usual Committee practice;
- Agreed the carry forward of the underspend on the IT system development budget of £191,000 into 2017/18
- Agreed the carry forward of the underspend on the London Lorry Control Scheme review budget of £36,000 into 2017/18; and
- Noted the provisional level of reserves, as detailed in paragraph 39 and the financial outlook, as detailed in paragraphs 40-41 of the report

5. Appointment of TEC Advisers

The TEC Executive Sub Committee received a report that informed members of the proposal to no longer have an "Appointment of TEC Advisers" in the TEC AGM report titled "Nominations to Outside Bodies". There was no constitutional reason for this to continue to take place.

Alan Edwards (Governance Manager, London Councils) said that London Councils' Leaders Committee and Grants Committee did not appoint advisers to their respective committees and there was no reason to continue doing this for TEC. The Chair said that process of formally adopting TEC advisers did not take place anyway, and he was happy for this item to be removed from future AGM reports.

Decision: The TEC Executive Sub Committee:

- Agreed to remove the "Appointment of TEC Advisers" section from future "TEC Nominations to Outside Bodies" reports that were presented to the TEC

AGM, as advice would now be sought on an informal basis, as and when required.

6. Minutes of the TEC Executive Sub Committee held on 9 February 2017 (for agreeing)

The minutes of the TEC Executive Sub Committee meeting held on 9 February 2017 were agreed as an accurate record.

7. Minutes of the TEC AGM Meeting held on 15 June 2017 (for noting)

The Minutes of the TEC Main meeting held on 15 June 2017 were noted

8. Any Other Business

Councillor Coleridge announced that this would be his last TEC meeting. The Chair thanked Councillor Coleridge for all his work on TEC, as did the other members of the TEC Executive Sub Committee.

The meeting finished at 10:40am