

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