

# London Councils' Transport and Environment Committee

**Thursday 7 December 2017**

3:00pm in the Conference Suite, London Councils, 59½ Southwark Street, London, SE1 0AL

**Labour Group:** Meeting Room 4 at 1.15pm (1<sup>st</sup> Floor)

**Conservative Group:** Meeting Room 1 at 1.15pm (1<sup>st</sup> Floor)

**Contact Officer:** Alan Edwards

**Telephone:** 020 7934 9911  
**Email:** alan.e@londoncouncils.gov.uk

Agenda items	
1	Apologies for Absence and Announcement of Deputies
2	Declarations of Interest*
3	Choosing a Future for London's Transport in the Digital Age – Presentation from Laurie Laybourn-Langton (IPPR)
4	Smart Mobility and the Role of Car Clubs
5	Chair's Report
6	Ultra Low Emission Zone
7	Go Ultra Low City Scheme (GULCS) Update
8	Assisted Transport Allowances Update
9	Concessionary Fares Settlement & Apportionment 2018/19
10	Penalty Charge Notice (PCN) Contravention Codes Update
11	Proposed TEC Revenue & Budget Charges 2018/19

<b>12</b>	<b>Minutes of the TEC Executive Sub Committee held on 16 November 2017 (for noting)</b>	
<b>13</b>	<b>Minutes of the TEC Main Meeting held on 12 October 2017 (for agreeing)</b>	

### **Declarations of Interest**

\* 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:

### **Alan Edwards**

Governance Manager

Tel: 020 7934 9911

Email: [alan.e@londoncouncils.gov.uk](mailto:alan.e@londoncouncils.gov.uk)

## **TEC Declarations of Interest as at 7 December 2017**

### Freedom Pass Holders/60+ Oyster Cards

Cllr Wesley Harcourt (LB Hammersmith & Fulham), Cllr Phil Doyle (RB Kingston), Cllr Alan Smith (LB Lewisham), Cllr Pat Murphy (LB Newham), Cllr Peter Buckwell (RB Richmond), Cllr Jill Whitehead (LB Sutton), and Cllr Caroline Usher (LB Wandsworth).

### North London Waste Authority

Cllr Dean Cohen (LB Barnet), Cllr Adam Harrison (LB Camden), Cllr Daniel Anderson (LB Enfield), Cllr Feryal Demirci (LB Hackney), Cllr Peray Ahmet (LB Haringey), Cllr Claudia Webbe (LB Islington), and Cllr Clyde Loakes (LB Waltham Forest).

### Western Riverside Waste Authority

Cllr Wesley Harcourt (LB Hammersmith & Fulham), and Cllr Jenny Brathwaite (LB Lambeth).

### East London Waste Authority

Cllr Lynda Rice (LB Barking & Dagenham), Cllr Pat Murphy (LB Newham) and Cllr John Howard (LB Redbridge).

### South London Waste Partnership

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

### West London Waste

Cllr Ellie Southwood (LB Brent), Cllr Graham Henson (LB Harrow), and Cllr Keith Burrows (LB Hillingdon).

### London Waste & Recycling Board

Cllr Feryal Demirci (LB Hackney) and Cllr Ian Wingfield (LB Southwark).

### Car Club

Cllr Julian Bell (LB Ealing – Chair) and Cllr Feryal Demirci (LB Hackney).

### Thames Regional Flood & Coastal Committee (RFCC)

Cllr Lynda Rice (LB Barking & Dagenham)  
Cllr Dean Cohen (LB Barnet)  
Cllr Jenny Brathwaite (LB Lambeth)  
Cllr Alan Smith (LB Lewisham)  
Cllr Daniel Anderson (LB Enfield)

### London Cycling Campaign

Cllr Julian Bell (LB Ealing, Chair) and Cllr Feryal Demirci (LB Hackney).

Board of Trustees for Groundwork London

Cllr Alan Smith (LB Lewisham)

Wandle Valley Regional Park

Cllr Jill Whitehead (LB Sutton)

London Road Safety Council (LRSC)

Cllr William Huntington-Thresher (LB Bromley)

## 60-SECOND SUMMARY

While London's road transport is of foundational importance to the city's communities and economies, it causes a number of major problems. In 2010, the equivalent of 9,416 deaths were attributed to air pollution, and congestion exacted an estimated economic cost of £5.5 billion. This is the result of the type of transport modes available to Londoners, how they are used, and the systems that determine transport priorities. As such, one of the primary methods of reducing transport-related problems in London is the unprecedented modal shift towards more sustainable forms of transport that has occurred over the last decade or so.

In that time, 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 deliver positive network effects, including 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, and to improve the city's spaces and Londoners' lives. Evidence suggests that some of these services are already having a tangible positive effect, as, for example, is the case of car clubs, which are unlocking more sustainable travelling behaviours. Conversely, concerns exist over the potential for negative network effects that undermine the ongoing move toward more sustainable behaviour.

London is at a tipping point and needs to decide how to react to these changes. Indeed, the pace and reach of technological change is such that a window of opportunity currently exists in which action can be taken by London's government to ensure the positive potential of these services is realised. The chance of negative path dependency is intolerably high without action in this term. As such, the mayor should incorporate a vision for new transport technologies into the Mayor's Transport Strategy in which shared transport and digital technology realise their potential to drive positive transport outcomes. This vision should be defined by a clear set of objectives for London's overall transport network and include a framework through which this vision can be achieved. In doing so, he is offered a unique opportunity to formulate London's, and the UK's, role in responding to the digital revolution and realising the socioeconomic opportunities it affords.

## KEY FINDINGS

- Road transport is the leading cause of a number of problems in London. These include air pollution, congestion, and the large opportunity cost in forgone spatial opportunities.
- The mayor of London and Transport for London (TfL) are seeking to affect a modal shift towards more sustainable forms of transport behaviour. This modal shift is occurring, with a 10.4 per cent net mode shift from private to public and active transport between 2000–2015. Public and active transport now account for about 64 per cent of all one-way commuter movements in London.
- Meanwhile, digital technology has enabled the rise of new models of personal transport services that help travellers to move from ownership of vehicles to their use as a service, including journey planners, car clubs, on-demand private hire, and other shared modes.
- New mobility solutions could help or hinder efforts to effect more sustainable forms of travel behaviour and are already having a tangible impact on London's transport system. Evidence suggests that, in the case of car clubs, for example, membership unlocks positive behaviour change, lowering car use, crowding in higher public and active transport use, and driving the uptake of cleaner vehicles.
- The potential positive benefits of effectively incorporating these services into transport networks are profound, but require the definition of those key objectives they should seek to meet, and the public policy framework through which public and private bodies can achieve them.

## RECOMMENDATIONS

- The mayor of London should incorporate a vision and framework for new transport technologies into the *Mayor's Transport Strategy* in which shared transport and digital technology are able to realise their potential in driving positive transport outcomes. This framework should include:
  - An urgent audit of new mobility markets and their potential and future effects upon key transport-related outcomes.
  - A set of overall positive outcomes for London's transport system, and how each new service and mode can contribute to support the uptake of more sustainable travel behaviours.
  - The rapid development of an explicit framework for new mobility markets, in collaboration with operators of new mobility services.
  - The provision of guidelines for public bodies and private operators on how to best gain from new mobility markets and work within the new market framework.
- Car clubs should be a key part of the mayor's vision for London's transport system and so the Mayor's Transport Strategy should include measures for how car clubs can help achieve key transport objectives.
- TfL and boroughs should work with operators to develop borough-by-borough agreements to enable car club development.
- TfL should become the central intermediary for mobility data in London, acting as a neutral, third-party platform through which data is collated and equal access by all mobility operators is guaranteed.
- TfL should assess the potential for a mobility as a service (MaaS) platform market in London and develop recommendations for policy responses, including a market framework and the feasibility of a TfL MaaS platform.
- The mayor should mandate TfL to investigate the potential for a smart charging system and an integrated road pricing scheme in London.
- The mayor should introduce a new market framework for EV charging networks in London, including regulation to ensure their proper functionality, ubiquity, interoperability and fair access to mobility operators and users.
- The mayor should appoint a chief digital officer for London.

For the full report, including all references, data sources and notes on methodology, see:  
[www.ippr.org/publications/crossroads-choosing-a-future-for-londons-transport](http://www.ippr.org/publications/crossroads-choosing-a-future-for-londons-transport)

**Citation:** Laybourn-Langton L (2017) *Crossroads: Choosing a future for London's transport in the digital age*, IPPR.  
<http://www.ippr.org/publications/crossroads-choosing-a-future-for-londons-transport>

**Permission to share:** This document is published under a creative commons licence: Attribution-NonCommercial-NoDerivs 2.0 UK  
<http://creativecommons.org/licenses/by-nc-nd/2.0/uk/>

# London Councils' Transport & Environment Committee

## Chair's Report

Item no: 05

**Report by:** Katharina Winbeck    **Job title:** Head of Transport, Environment and Infrastructure, London Councils

**Date:** 7 December 2017

**Contact Officer:** Katharina Winbeck

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

---

**Summary**                      This report updates Members on transport and environment policy since the last TEC meeting on 12 October 2017 and provides a forward look until the next TEC meeting on 22 March 2018.

**Recommendations**       Members to note this report.

## Contents

Introduction .....	3
Transport .....	3
Response to draft Mayor's Transport Strategy.....	3
TEC / TfL Commissioner meeting 28 November 2017 .....	3
Local Implementation Plan Guidance (LIP3 Guidance) update.....	3
Taxi and private hire vehicles .....	3
Member briefings.....	3
Press work .....	3
Environment.....	4
Response to the draft London Environment Strategy.....	4
London Assembly Investigation into Waste Management.....	4
Flooding from heavy rainfall strategic summit .....	4
Meeting with Thames Water .....	4
Thames Regional Flood and Coastal Committee.....	4
Natural Capital Accounts for London Launched.....	5
Littering penalties increase .....	5
Littering from vehicles penalties.....	5
Penalty Charge Notice levels – Secretary of State confirmation of levels .....	5
Press work .....	6
Forward Look .....	6



## **Introduction**

1. This report updates Members on London Councils' work on transport and environment policy since the last TEC meeting on 12 October 2017 and provides a forward look until 22 March 2018.

## **Transport**

### **Response to draft Mayor's Transport Strategy**

2. Following the discussion at TEC on 12 October 2017, London Councils submitted its revised responses to the draft Mayor's Transport Strategy and draft Local Implementation Plan Guidance on 20 October 2017. The Chair and Vice-Chairs of TEC signed-off the final responses, which can be found on our website:  
<http://www.londoncouncils.gov.uk/our-key-themes/transport/responses-key-strategies-0>

### **TEC / TfL Commissioner meeting 28 November 2017**

3. This meeting is scheduled after TEC papers dispatch. On the agenda for the meeting is the draft Mayor's Transport Strategy and Local Implementation Plan Guidance, TfL's 2018-19 budget and revised business plan, and a discussion about the Ultra Low Emission Zone (ULEZ).

### **Local Implementation Plan Guidance (LIP3 Guidance) update**

4. The London Councils / Boroughs / TfL / GLA working group continues to meet. Two more meetings are scheduled between now and Christmas as TfL is keen to engage with boroughs during the rewriting of the guidance. This will include a relook at the targets and delivery indicators and officers are pleased to report that to date, engagement from TfL and the GLA on this, and willingness to work together to change the Guidance, has been good.

### **Taxi and private hire vehicles**

5. Officers met with TfL on 2 November 2017 to discuss proposals in the draft Mayor's Transport Strategy on tightening licensing powers and identifying a way to restrict private hire vehicle numbers in the capital.

### **Member briefings**

6. Officers have produced three member briefings since the last TEC meeting, on London Councils' public polling on air pollution, explaining the new Toxicity Charge, and the London Lorry Control Scheme review.
7. All member briefings can be read here: <http://www.londoncouncils.gov.uk/members-area/member-briefings> (member login is required).

### **Press work**

8. Media work this quarter has included quotes in coverage of the GLA's clean vehicle checker, Southwark's use of electric lamppost charging, the consultation on making HGVs safer, and parking offences.

## Environment

### Response to the draft London Environment Strategy

9. London Councils has responded to the draft London Environment Strategy. The response was broadly supportive of the ambitious vision in the strategy, but also highlighted a number of key concerns, including:
- The need for the final strategy to reflect the true state of the funding pressures that the boroughs face and the knock on effect this has on specific areas such as enforcement and ongoing management and maintenance of measures directly linked to the strategy.
  - There is a lack of detail on the practicalities of delivering many of the proposals within the draft LES.
  - There is a lack of costing for many of the targets in the strategy.
  - London Councils' recognises the benefits that using offsetting mechanisms can bring, but should be a last option to reduce carbon.
  - We feel the themes of a low carbon circular economy could be woven throughout the different sections of the draft LES a little more effectively.
  - We feel the Mayor should use his influencing and convening powers to lobby central government for further funding and devolution of powers to London to ensure that the capital can achieve the aims set out in the draft LES.
  - The impacts of Brexit on Environmental legislation in the UK. London should aim to be a leader in environmental standards following the UK's exit from the EU.
10. The submitted response can be read on our website:  
<http://www.londoncouncils.gov.uk/responses-key-strategies>

### London Assembly Investigation into Waste Management

11. Cllr Feryal Demirci, Vice-Chair of TEC attended a meeting of the London Assembly Environment Committee on 9 November 2017 to discuss recycling rates, contamination, food waste and the draft London Environment Strategy proposals relating to waste. She was joined on the panel by members and officers from London Waste and Recycling Board, the GLA and two private waste operators.

### Flooding from heavy rainfall strategic summit

12. On 6 November 2017 a strategic summit for senior officers from the boroughs together with senior leads from a number of emergency response organisations (including the Metropolitan Police, Fire and Rescue Service, Environment Agency and British Red Cross) was held. This included a table-top exercise testing plans for response to flooding from heavy rainfall and was organised by London Resilience Group. The learning from this exercise will be used to further develop and test plans and preparedness.

### Meeting with Thames Water

13. London Councils officers met with Thames Water to discuss its infrastructure work on water and waste water resilience into the future. Thames Water will consult on its 'water resource' proposals in spring 2018, which seek to address the challenges of water scarcity facing London. Whilst this falls into the City Development Portfolio at London Councils, held by Cllr Darren Rodwell, we continue to discuss addressing leakage and burst water mains, as well as water metering with Thames Water, which TEC members will be interested in.

### Thames Regional Flood and Coastal Committee

14. This committee met on 14 November 2017 and unanimously agreed a 1.99 per cent increase in local levy to support the funding of flood defence works.

## **Natural Capital Accounts for London Launched**

15. Shirley Rodrigues, Deputy Mayor for Environment and Energy launched Natural Capital Accounts for public green spaces in London on 23 November 2017. This piece of work, undertaken by independent economists, has found that the net asset of green space in London is valued at £91bn. London's green space provide savings to the health sector of £950m annually, with every £1 spent by boroughs creating £27 in benefits. Most of these benefits are felt by residents, but a small percentage of the benefits are realised by businesses (6 per cent) and the public sector (4 per cent).
16. It is hoped that the natural capital accounts for London will help those organisations managing parks and green spaces; support plan making and policy decision-makers; and support strategic partnerships to develop, for example with health or voluntary partners.
17. The Natural Capital Accounts can be viewed on the GLA's website here: <https://www.london.gov.uk/what-we-do/environment/parks-green-spaces-and-biodiversity/green-infrastructure/natural-capital> and London Councils will produce a members briefing.

## **Littering penalties increase**

18. Defra has announced that from April 2018 councils will be able to increase the amount of Fixed Penalty Notice (FPN) ('on the spot fine') issued for dropping litter. In London boroughs set their own penalty levels; TEC does not have a formal role. The minimum FPN it is possible to set will increase from £50 to £65, the default FPN (if a borough doesn't set an amount) from £75 to £100, and the maximum FPN from £80 to £150.
19. London Councils responded to a Defra consultation on increasing the fixed penalty levels, supporting such an increase. The government will introduce legislation to allow an increase by the end of 2017, and it will be possible for boroughs to introduce higher fixed penalty notices by April 2018.
20. Boroughs will therefore want to start considering the process they need to take to increase their litter penalties, particularly if they have currently adopted the minimum possible level, in order to continue to enforce.

## **Littering from vehicles penalties**

21. Alongside increasing dropping litter penalties, the government is introducing littering from vehicles penalties to the rest of England (London alone currently has the powers). The new powers for the rest of England will match the increased penalties for dropping litter.
22. Officers therefore suggest that TEC may wish to increase the London penalty level for littering from vehicles to remain in line with the rest of England. Officers will bring a report on this to the March TEC.

## **Penalty Charge Notice levels – Secretary of State confirmation of levels**

23. At its last meeting TEC agreed penalty levels for GLC Parks Byelaws for use by LB Wandsworth following consultation under the London Local Authorities Act 2004 and 2007.
24. As required by law, we wrote to the Secretary of State who had one month to register an objection with the penalties set. As this time period has now passed with no correspondence from the Secretary of State, LB Wandsworth is now able to adopt the powers if it chooses to do so.

**Press work**

25. This quarter London Councils' air quality polling was referenced on four occasions, including an interview I did on BBC London TV. I was also quoted about councils tackling flytipping.

**Forward Look**

Forthcoming meetings and consultations between now and the next TEC meeting on 22 March 2018.

**December**

7 – TEC Main, preceded by a private briefing on hostile vehicle mitigation measures

**January**

11 – Resource London Partnership Board meeting

19 – Thames Regional Flood and Coastal Committee meeting

25 – London Waste and Recycling Board meeting

26 – Wider South East Political Summit, including an address from the Mayor of London and discussion on the London Plan

**February**

8 – TEC Executive

22 – TEC Chair and Vice-Chairs meeting with the TfL Commissioner

**March**

2 – London Plan consultation closes

TBC – final Mayor's Transport Strategy and final Local Implementation Plan Guidance published

22 – TEC Main

# London Councils' Transport and Environment Committee

## Assisted Transport Allowances

Item No: 08

**Report by:** Joyce Mamode      **Job title:** Head of Assisted Transport, TfL  
**Date:** 7 December 2017  
**Contact Officer:** Joyce Mamode  
**Telephone:** 020 3054 4358      **Email:** Joyce.mamode@tfl.gov.uk

---

**Summary:** This paper informs the committee of the main areas of progress in defining a pilot for Assisted Transport Allowances; stakeholder engagement, customer research and data modelling. This update includes a high level customer proposition to be presented for discussion at small focus groups in early 2018.

**Recommendations** Members are asked to:

1. Endorse the proposed customer proposition for a pilot of Assisted Transport Allowances
2. Agree to the ongoing engagement with partner boroughs; Southwark and Hounslow
3. Agree to the ongoing participation of London Councils in a joint steering group with TfL to develop the detailed scope of the proposed pilot and support further customer research planned for early 2018
4. Agree that, due to the next full TEC meeting not taking place until March 2018, the TEC Executive meeting in February 2018 will be asked to endorse the launch of the pilot, in order for the pilot to be able to commence at the start of the next financial year

## **Introduction:**

On 12th October 2017, TfL, in partnership with London Councils, presented the following recommendations to TEC;

1. To endorse the proposed objectives and scope for the implementation of a pilot of Assisted Transport Allowances in two London Boroughs
2. To agree to the participation of London Councils in a joint steering group with TfL, to develop the detailed scope of the pilot.

Following the acceptance of both recommendations, a number of meetings have taken place between TfL and London Councils to establish the next level of detail on the proposed pilot.

## **Update on recent discussions:**

Since the submission of the October TEC paper, TfL and London Councils have made progress in the following areas:

1. Borough selection and involvement: Initial meetings have been held with Southwark and Hounslow.
2. Research: Existing research on the usage of Taxicard and Capital Call has been reviewed and summarised to inform the transport allowances proposition. The need for some further specific research has also been identified to supplement our understanding in key areas.
3. Data and Modelling: London Councils have provided anonymised data to enable TfL to understand current usage and travel behaviours of Taxicard customers across the boroughs and to enable some initial modelling for transport allowance amounts.

An update on each of these items is included in this paper.

## **Borough selection and involvement:**

It is proposed that the pilot will run in two boroughs. Both boroughs operate Capital Call and in order to account for any geographic variation, one borough is in inner London and the other in outer London.

Southwark and Hounslow have expressed an interest in partnering with TfL and London Councils to implement the pilot. Initial discussions have been held with Southwark and discussions with Hounslow are scheduled for the coming weeks. It is intended that decision makers from Southwark and Hounslow will be invited to become members of the Steering Group.

## **Expectations on borough involvement:**

- Participate in shaping of the pilot
  - o Participation in Steering Group meetings and decision making process
- Identifying participants:
  - o Assist TfL and London Councils to identify suitable participants for further research/ focus groups
  - o Assist TfL and London Councils to identify individuals to participate in the pilot
- Facilitate the exchange of information:

- Provide ideas and facilitate the exchange of information to individuals on suitable transport methods – assisted transport and mainstream transport
- Where suitable ensure assisted transport is discussed with other travel initiatives
- Be accountable for following borough specific governance procedures relating to the pilot
- Decide financial contributions added to the virtual purse from the borough and trial participants and appropriate mechanisms for allocation

### **Research and proposed research methodology:**

TfL and London Councils have access to a large amount of existing research and stakeholder engagement on assisted transport. This has been reviewed and used to inform key areas of the customer proposition.

As part of the Steering Group's Work, a further need for customer input into the proposals has been identified. It is suggested that this additional research take the form of small scale qualitative research with participants selected by purposive sample to represent groups of elderly and disabled Londoners who will be impacted by the introduction of assisted transport allowances.

It is anticipated that the boroughs will be able to assist in the identification of research participants and in the running of focus groups. This will keep costs to a minimum and facilitate the identification of potentially impacted individuals.

### **Proposed research methodology:**

A number of questions have been identified to assist in defining the next level of detail for the pilot. It is felt that these areas are not addressed in enough detail in existing research.

TfL are currently in the process of developing a research brief in discussions with their internal Customer Insight team. This brief will be agreed with London Councils in advance of conducting any research.

Criteria will be established to ensure a balanced sample and will include the following customer segments;

- a. Individuals who are not registered with Taxicard but are eligible
- b. Registered Taxicard users but not active (no trips in the last year)
- c. Lapsed users (previously members)
- d. Active users (cross section of usage levels)

It is anticipated that the boroughs can assist in recruiting users for segment A. Segments B, C and D can be identified from trip behaviour and contacted in accordance with data protection policies.

It is anticipated the research will be conducted using TfL internal resources and assistance from the boroughs. No budget has been allocated to conducting research.

The results of the research will be shared with the TEC Executive Committee in February.

## Assisted Transport Allowances:

The principle behind the concept of an assisted transport allowance is the combination of the best aspects of the Taxicard and Capital Call schemes to create a new way to access door to door services that is more user friendly and flexible, particularly in respect of users' ability to access longer distance journeys as well as a broad range of vehicles.

### Proposal:

- Each eligible individual receives a single, virtual cash purse, to 'purchase' journeys from approved suppliers of door to door services<sup>1</sup>.
- Customers will be responsible for managing their virtual budget but TfL and London Councils will act as the authorities to commission approved services on behalf of users (Capital Call and Taxicard)
- Several key stakeholders are able to contribute to the virtual purse; i.e. TfL, Boroughs, individuals themselves and other selected third parties over time.
- All transport allowances from TfL will be granted at the same value – there will be no individual assessment of needs/ or analysis of historical usage, prior to the allocation of the personal budget. TfL will establish a foundation level of contribution available to all whom are eligible.
- Boroughs can choose to contribute to the allowances and have autonomy over how they may choose to do this. Some may choose to differentiate their contribution per person based on a tiered system (gold/ silver/ bronze based on need assessment) or may distribute funds evenly across the population.
- Budget will be released annually in the same way as trip allocations are provided for Taxicard and financial allowance given for Capital Call (subject to further consultation and Individual can 'spend' their allowance as they wish on journeys
- Provision of the allowance is partnered with the promotion of other assisted transport services such as travel mentoring and information and advice about the options available for mainstream travel for whole or part journeys (i.e. part journey on door to door services to travel to an accessible underground station)
- Proactive registration to Dial-a-Ride, for those members not already registered. Dial-a-Ride can act as a supplement to the journeys available through the assisted transport allowance as well as mainstream transport modes enabling user's different options in managing their budget. As Dial-a-Ride is free to end-users it is deemed out of scope of the allowance.
- Customers have the choice to nominate a delegate to manage the budget if they feel unable or would like assistance in the management of their budget.

### Operating the pilot:

#### Objectives and success criteria:

Detailed objectives of the pilot are attached in Appendix 1.

High level success criteria have been identified in accordance with the main objective areas of the pilot.

Strategic	Customer	Operational	Commercial	Financial	Governance
-----------	----------	-------------	------------	-----------	------------

<sup>1</sup> Depending on individuals' historic level of Capital Call and Taxicard usage, this figure could represent more, or less, than the value of journeys they have previously experienced.



Achievement of Mayors Transport Strategy: customer feedback on flexibility and convenience of assisted transport and the level of integrated with other public transport modes	Improves customer choice: Customer feedback on ease of use	Changes in demand can be identified and understood: Comparison of travel behaviour survey before and after the pilot and an understanding of any modal shift.	Viable commercial framework: Level of interest from authorities and individuals in “buying into” framework	Provides a viable way of allocating resources: Funding is cost neutral for TfL and Boroughs. The amount allocated per person is reviewed and the associated usage profiles analysed.	Establish framework with an agreed RACI for ongoing partnership between TfL/ London Councils and the Boroughs
--	--	---	--	--	---

#### Pilot sample size and selection:

As an example, using an active population of 47,000 customers<sup>2</sup> (customer making 1 trip on more during 16/17 financial year) an estimated overall a statistically significant sample size can be calculated.

Confidence Level	Confidence Interval	Sample Size Required
99%	5	656
99%	10	166
95%	5	381
95%	10	96

The recommended sample size is therefore approximately 100 users in each of the two boroughs. This will enable us to say that we are 95% certain that the true result we'd expect for the entire population is within +/-10% of this.

Those customer segments included in the pilot should mirror the research groups;

- Individuals who are not registered with Taxicard but are eligible
- Registered Taxicard users but not active (no trips in the last year)
- Lapsed users (previously members)
- Active users (cross section of usage levels)

#### **Data and Modelling:**

It is important to ensure that the pilot acts as a representative test for the potential future implementation of Assisted Transport Allowances. The amount allocated to the virtual purse for each user should be as close as possible to an amount that can be afforded at scale.

London Councils has provided TfL with anonymised customer and trip data to enable summary information to be produced concerning the usage of Taxicard for 16/17. Further work is needed before recommending a suitable amount for the per person allowance.

It is anticipated that there will be an impact on high usage individuals however the level of usage considered 'high' needs to be defined. Steps will then be taken to determine suitable mitigations for this population of users.

A further update will be provided in the February TEC Executive paper.

### **Recommendations:**

Members are asked to:

1. Endorse the proposed customer proposition for a pilot of Assisted Transport Allowances
2. Agree to the ongoing engagement with partner boroughs; Southwark and Hounslow
3. Agree to the ongoing participation of London Councils in a joint steering group with TfL to develop the detailed scope of the proposed pilot and support further customer research planned for early 2018
4. Agree that, due to the next full TEC meeting not taking place until March 2018, the TEC Executive meeting in February 2018 will be asked to endorse the launch of the pilot, in order for the pilot to be able to commence at the start of the next financial year.

## Appendix 1 – Objectives of proposed Assisted Transport Allowances pilot

	Strategic	Customer	Operational	Commercial	Financial	Technology & Data
Aim:	To develop and test a new framework for assisted transport services that improves choice, flexibility and usability and also encourages use of public transport, in line with objectives of draft Mayor's Transport Strategy	To reduce unnecessary restrictions embedded into current Taxicard and Capital Call customer propositions and expand customers' horizon of perceived choices.	To develop cost effective means of allocating limited assisted transport resources that also gives customers visible choices between services.	To establish a framework through which individuals or third party organisations can potentially financially support assisted transport journeys in the longer term.	To understand the financial models and mechanisms required to support virtual cash assisted transport allowances and modal shifts towards public transport.	To create a customer centric admin system from which data can be easily recorded for future planning purposes.
Rationale	'The draft Mayor's Transport Strategy calls for assisted transport services to become more flexible and convenient for its users and better integrated with other public transport services.	Create more choice and flexibility over transport decisions for customers facing accessibility challenges whilst also retaining safeguards for the most vulnerable customers.	Trial new mechanism through which to operate virtual cash based assisted transport allowance as a means of resource allocation.	To provide a way to capture financial contributions in the future from other authorities where appropriate (e.g. NHS transport; social services).	Inform future budget allocation, cost apportioning and management models.	Reporting and analytics to inform future planning of assisted transport services, public transport and potential commercial partnerships.
Questions answered/ concerns addressed	How to deliver more customer choice, flexibility, ease of use and strategic modal shift whilst remaining cost neutral through more efficient delivery and administration.	To what extent are customers able to choose? Is sufficient choice being offered? What information do customers need to make informed choices?	Can we enable more efficient customer choices between assisted transport and mainstream transport to be made available through operating assisted transport allowances?	Are other authorities interested in 'topping up' virtual cash purses to cover additional transport requirements?	How can we meet customer needs whilst also ensuring good financial management for funders?	Balance between preventing fraudulent activity and making services easy to use.
Measures/ metrics:	Stakeholder and delivery partner feedback measured against objectives of Mayor's Transport Strategy. Customer satisfaction ratings and use of public transport before and after pilot.	Analysis on changes in demand/ modal choices from baseline.	Analysis on changes in demand/ modal choices from baseline.	Feedback from individuals and other authorities on level of interest in buying into framework – during and at end of pilot.	Number of users over-spending/ under-spending their allocated budgets and number of users requesting advances. Modal shifts towards public transport.	Ease of use of proposed solution for customers and of data created for planners to extract relevant information.

# London Councils' Transport & Environment Committee

## Concessionary Fares 2018/19 Settlement and Apportionment

Item 09  
no:

**Report by:** Spencer Palmer      **Job title:** Director, Transport & Mobility  
**Date:** 7 December 2017  
**Contact Officer:** Stephen Boon – Chief Contracts Officer  
**Telephone:** 020 7934 9951      **Email:** [stephen.boon@londoncouncils.gov.uk](mailto:stephen.boon@londoncouncils.gov.uk)

---

### Summary

This report informs the Committee of the outcome of negotiations with transport operators (Transport for London (TfL), the Rail Delivery Group (RDG) and independent bus operators) regarding compensation for carrying concessionary passengers in 2018/19. It also seeks members' approval to the proposed settlement and apportionment.

### Recommendations

The Committee is recommended to:

1. Agree the TfL settlement of £322.924 million for 2018/19.
2. Agree to the RDG settlement of £19.552 million for 2018/19
3. Agree a budget for non-TfL bus services of £1.5 million.
4. Agree the reissue budget for 2018/19 of £1.518 million
5. Agree the borough payments for 2018/19 of £345.494 million
6. Agree the payment profile and dates on which boroughs' contributions are paid as 7 June 2018, 8 September 2018, 6 December 2018 and 7 March 2019.
7. Agree the 2018-2019 London Service Permit (LSP) bus operators (non-TfL buses) Concessionary Scheme.

## Background

1. The Freedom Pass gives free travel concessions 24 hours a day to eligible older and disabled residents on Transport for London (TfL) services and after 9.30am on National Rail and independently operated bus services in Greater London.
2. Freedom Pass is largely funded by boroughs with grant support from Government. TfL fund the concession for older people in the weekday morning peak on TfL services (between 04:30 and 09:00). This accounts for around 5% of the cost of the concession overall. TfL also fund the 60+ Pass which is available to people who have reached 60 but have not reached the Government set eligible age for Freedom Pass which is gradually increasing in line with the women's state retirement age.

## Negotiations with Transport Operators

3. Each year, negotiations take place between London Councils Transport and Environment Committee (on behalf of boroughs) and TfL for buses, tubes, DLR, Tram, London Overground and TfL Rail to determine the cost of the scheme on the basis that both parties are neither better nor worse off. This is based on:
  - The revenue foregone by the operators i.e. the revenue which if the concessionary fares scheme did not exist would be collected from Freedom Pass holders. This excludes fares income from generated travel; and
  - The additional costs to the operator i.e. generated travel by permit holders for which operators receive no fares revenue but do receive the cost of increasing the service to allow for the extra trips made.
4. The resulting settlement is based on:
  - a) The estimated average number of journeys made by Freedom Pass holders over the previous two years. In estimating these journey volumes; Oyster data, passenger surveys and automated passenger count information are used.
  - b) The expected average fare per trip, which is the actual adult fare paid in the absence of the scheme taking into account fare increases and decreases within a 'basket of fares'. This basket of fares is modelled to be an accurate reflection of typical fares paid across TfL ticket types.
5. If the overall cost of the TfL elements of the scheme (regardless of whether there has been a change to any part of the scheme) is not agreed by the 31 December the reserve free scheme described in the GLA Act 1999 comes into effect in relation to TfL services.
6. Negotiations are also carried out with RDG for the cost of the Freedom Pass usage on national rail services excluding the London Overground and Crossrail network which is managed by TfL.
7. This year, the negotiations with both TfL and RDG were relatively straightforward. As TfL fares have been frozen by the Mayor, London Councils and TfL agreed a simplified settlement model that account for change in journey numbers, inflation and price elasticity and their effect on real fares demand. Furthermore, London Councils and RDG have negotiated a further extension of the 2016/17 deal, which allows for a year on year increase in line with the Retail Price Index (RPI).

8. Concessions are also offered on local bus services in Greater London outside the TfL bus network. The statutory entitlement is provided under the Transport Act 2000 as amended by the Concessionary Bus Travel Act 2007. The draft Scheme was published on London Councils' website before the 1<sup>st</sup> of December 2018 to meet the statutory notice required to the bus operators. Though there is no change proposed to the scheme, the reimbursement arrangements have to be agreed with bus operators as reimbursement is made in accordance with these arrangements<sup>1</sup>.
9. Overall, the 2018/19 settlement represents a £4.417 million (1.26%) reduction compared with 2017/18-see Table 1. Settlement Overview (below)<sup>2</sup>. This is made up by a decrease of 1.38% for TfL, which accounts for just over 93% of the total cost, an increase of 3.6% for RDG, a decrease of 11.76% for LSPs, and no change in respect of support services and issue costs. A further explanation of each element is provided below.

**Table 1. Settlement Overview**

<b>Operator</b>	<b>2018/19 (£million)</b>	<b>2017/18 (£million)</b>	<b>2018/19 weight</b>	<b>2017/18 weight</b>	<b>Change</b>
TfL	322.924	327.821	93.47%	93.62%	-1.38%
RDG	19.552	18.872	5.66%	5.45%	3.6%
LSP	1.5	1.7	0.43%	0.49%	-11.76%
Reissue	1.52	1.52	0.44%	0.44%	0.00%
<b>Total</b>	<b>345.494</b>	<b>349.911</b>	<b>100%</b>	<b>100%</b>	<b>-1.26%</b>

### **Settlement with Transport for London for 2018/19**

10. The TfL settlement is £322.924 million, which is a 1.38% decrease on 2017/18 (excluding the 'Hopper Fare' retrospection for 2016/17). Given the Mayor's fares freeze, London Councils agreed to use a simplified version of the prevailing settlement model with TfL. This simplified model has two main elements.
11. First, the model considers the change in journey volumes from year to year. Second, the model calculates changes in real fares demand based on the forecast rate of inflation and the assumed price elasticities for each mode used in the 2017/18 settlement. For the purposes of the settlement, the real fares demand changes in each mode (positive numbers) offset the decreases in journeys (mostly negative numbers) to produce a net change in the settlement amount (-1.38% overall).
12. Officers have sense checked the simplified model against the models used in previous years and are confident that it is a robust basis upon which to make the settlement. Each element of the simplified model is presented below.

<sup>1</sup> LSPs have the right to challenge this scheme until April 2018.

<sup>2</sup> The final settlement for 2017/18 also included a retrospective adjustment by TfL for the 'hopper fare' of £3.64 million for the year 2016/17, which took the overall settlement figure for TfL down to £346.271 million. This report considers the in-year changes in settlement.

## Journey numbers

13. Overall, journey volumes were down by 2.30% in comparison to the previous year. This downwards trend was seen across all TfL modes with the exceptions of DLR and services that were transferred to TfL from Greater Anglia in 2015.
14. The pattern of journey change on bus, underground, overground and trams is largely consistent and ranges from between -2.37% and -2.88%. Officers consider that these changes reflect two factors. First, the increase in the age of eligibility of the scheme from 63 to 64 years' old, over the past year. And second, a general decrease in usage across TfL modes.
15. The only mode that saw a decrease outside of this range was Crossrail (-8.84%), which in addition to the factors outlined above, has been subject to a degree of service disruption as wider developments on the line have been undertaken.
16. The two modes where increases in journeys have occurred are the DLR (+5.39%) and part of the London Overground network that was transferred from Greater Anglia in May 2015 (+12.85%). These increases are largely due to more accurate counting of passenger journeys as a result of infrastructure investments at gate lines e.g. installation of ticket barriers. In both cases increases are lower than in last year's settlement (+13.4% and +30.2% for DLR and ex-Greater Anglia services respectively). Officers anticipate that in future years, the trends in journey volumes on these modes will more closely follow those of the wider network.

**Table 2. TfL Modes**

<b>Journeys in million</b>	<b>2018/19</b>	<b>2017/18</b>	<b>% change</b>	<b>Weight of the journey volumes</b>	<b>Weighted change in respect of settlement</b>
Bus	283.167	290.096	-2.39%	70.91%	-1.41%
London Underground	49.111	50.385	-2.53%	23.45%	-1.85%
DLR	4.652	4.414	5.39%	1.50%	6.68%
London Overground	3.343	3.424	-2.37%	1.43%	-1.24%
Tramlink	4.379	4.509	-2.88%	1.26%	-1.98%
Crossrail	1.661	1.822	-8.84%	0.81%	-7.68%
Greater Anglia	1.3	1.152	12.85%	0.63%	14.31%
	<b>347.613</b>	<b>362.336</b>	<b>-1.7%</b>	<b>100.0%</b>	<b>-1.38%</b>

## Real Fares Demand Change

17. The next element of the simplified model used to calculate the settlement is real fares demand change. This is derived from two elements. First, Her Majesty's Treasury inflation forecasts for 2018 (3.3%) and second, price elasticity by mode. The inflation rate is multiplied by the assumed price elasticities for each mode used in the 2017/18 settlement to provide real fares demand change ratio.
18. Real fares demand change accounts for the relationship between price changes in the wider economy and the cost of travel on TfL modes and their impact on assumed passenger behaviour. In short, as TfL fares have been frozen, but prices in the wider economy have increased, transport on TfL modes has become relatively cheaper, and therefore, demand increases.
19. The effect of this, on next year's settlement is to uplift journeys by the real fares demand change ratios for each mode shown in Table 3. Real Fares Demand Change (below). While this effect may seem counter intuitive given that passenger journeys across the TfL network are decreasing, it is consistent with the Department for Transport models that underpin the national approach taken to concessionary fares settlement and apportionment. Officers have compared the outcome of the simplified model presented here against the full model used for previous settlements and are confident that this approach leaves boroughs and TfL no better and no worse off.

**Table 3. Real Fares Demand Change**

<b>Mode</b>	<b>Inflation: 3.3% (HMT Forecast for 2018)</b>	<b>Elasticity by Mode (as used in 17/18)</b>	<b>Real Fares Demand Change (Ratio Change)</b>
Bus	3.3%	0.43	1.014
London Underground	3.3%	0.37	1.012
DLR	3.3%	0.37	1.012
London Overground	3.3%	0.35	1.012
Tramlink	3.3%	0.28	1.009
Crossrail	3.3%	0.39	1.013
Greater Anglia	3.3%	0.39	1.013

## Settlement

20. The final settlement with TfL for 2018/19 is presented in Table 4 TfL Settlement (below). In addition to the journey volume changes outlined above, small adjustments have been made by TfL. These are to £0.95 million on the bus settlement to account for the annualised effect of the including more than two journeys on the bus hopper fare and a retrospection of £0.392 million in respect of veterans' journeys that had been mistakenly coded as Freedom Pass journeys for London Underground.



**Table 4 TfL Settlement**

<b>Mode</b>	<b>Settlement 2018/19 (£m)</b>	<b>Settlement 2017/18 (£m)</b>	<b>% change</b>
Bus	228.995	232.275	-1.41%
London Underground	75.724	77.541	-1.85%
DLR	4.835	4.532	6.68%
Tramlink	4.074	4.156	-1.98%
London Overground	4.632	4.690	-1.24%
Crossrail	2.618	2.836	-7.68%
Greater Anglia	2.047	1.791	14.31%
<b>Sub-Total</b>	<b>322.924</b>	<b>327.821</b>	<b>-1.38%</b>
Retrospection		-3.640	
<b>Total</b>		<b>324.181</b>	

#### **Settlement with RDG for 2018/19**

21. The settlement in respect of the Rail Delivery Group (RDG) for 2018/19 is £19.552 million. This represents a £0.680 million (3.6%) increase on 2017/18, in line with July 2017 inflation. It is based on an agreed extension to the previous settlement with the RDG.
22. One of the key components of this deal is an estimate of actual journeys, which at present, is based on a study conducted in 2010 which used survey and usage data to arrive at a negotiated settlement. Next year, RDG has indicated that its preference to move to a settlement based on actual usage derived from Oyster clicks and on the elasticity of demand. At this stage it is not possible to accurately estimate the impact of this change. However, it could lead to an increase in costs in respect of RDG services as outlined in previous papers to this committee.

#### **Settlement with other bus operators for 2018/19**

23. Bus companies operating eligible services outside the TfL bus network have to seek reimbursement under an agreed scheme. The proposed scheme for 2018/19 remains unchanged in principle from the 2017/18 scheme. Under the Transport Act 2000 provisions it is not possible to agree in advance with those bus operators the actual cash sums they will receive.
24. Officers propose a reduced budget of £1.5 million for payments to non-TfL bus operators for local journeys originating in London. This is based on a review of the previous two years' actual costs, which have been significantly lower than the £1.7 million budget (£1.4 million in 2016/17 and forecast of £1.4 million in 2017/18). It also factors in increases to the age of eligibility for the Freedom Pass scheme.
25. Members are recommended to agree the budget of £1.5 million for 2018/19 in order to leave sufficient headroom for fluctuations in demand, or new operators

and/or routes. This will be kept under review in the light of the level of actual claims being made by providers.

### **Administration and re-issue costs**

26. The total cost of the administering the Freedom Pass is estimated to be £478,830 in 2018/19 compared to the subsidised £483,814 in 2016/17. This equates to £14,450 per borough. However, after determining the overall financial position of the Committee through the range of charges proposed and taking account levels of replacement card income, for 2018/19 a nil charge is recommended (to be kept under review annually).
27. This amount covers London Councils' costs in negotiating the annual settlements and managing the relationships with transport operators and contractors. This is billed separately as part of the subscriptions and does not form part of the settlement apportionment. The budget for the administration and pass issuing costs has been maintained at £1.518 million.
28. Any annual surplus arising from both the Freedom Pass administration and issuing costs budget of £1.518 million and replacement Freedom Pass income budget of £684,000 (net of administration costs) will be transferred to a specific reserve to accumulate funds to offset the cost of the next large-scale pass reissue exercise scheduled for 2020. This process will be reviewed on an annual basis and may result in an annual contribution from reserves at a later stage in order to ensure a sufficient fund is accumulated for the 2020 reissue.

### **Summary of settlement to be apportioned**

29. The 2018/19 Freedom Pass Scheme settled cost to be apportioned is as follows:

**Table 5 Settlement to Be Apportioned**

	2018/19 (£m)
TfL	322.924
RDG	19.552
Non TfL Bus	1.500
Administration and Reissue Cost	1.518
Total Cost	345.494

30. The total estimated cost payable by boroughs towards the scheme in 2018/19 of £345.494 million compared to £349.911 million payable for 2017/18, represents a reduction of £4.417m or 1.26%.

### **Apportionment of 2018/19 costs between boroughs**

31. In order to apportion costs between boroughs, London Councils has obtained usage data from Oyster clicks on the various transport modes; bus, underground, DLR, tram, London Overground and National Rail. The following paragraphs set out how this data is used when apportioning costs to boroughs. They also

consider factors determining borough-level apportionment. Further detail is provided at Appendices 1 and 2.

### **Usage data – general principles**

32. On the bus and underground, there is a very close match between total usage data derived from Oyster clicks and the total number of estimated journeys outlined in the paragraphs above. On these modes, which largely require customers to tap their passes on readers, 95% of the concessionary journeys are captured electronically. This gives officers a high level of confidence regarding the accuracy of apportionment of costs to boroughs for these two main modes, which account for 88% of the total concessionary fares costs.
33. On the other modes, the proportion of journeys captured electronically is lower, either because there is no requirement for Freedom Pass holders to touch in on the readers and/or because there are still ungated stations. On London Overground, 77% of journeys are captured, on National Rail the figure is 60% and for the DLR and tram modes only about 13% of concessionary journeys are captured.
34. Nevertheless, officers closely scrutinise the profile of journeys shown by the usage data that is available and are confident that it is sufficiently robust i.e. in line with expected observations, to be used for the purposes of apportionment. In simple terms, for example, the data shows that residents of boroughs nearest to tram and DLR services use these modes more than residents of boroughs who reside further away from these services.

### **Distribution of transport modes – impact on individual borough settlements**

35. The fact that the individual modes of transport included in the Freedom Pass settlement are not evenly geographically distributed means that while the overall settlement is down by 1.26%, not all boroughs will benefit in equal measure. In this settlement, this is particularly true of boroughs served proportionally more by rail because of the inflation based increase in the settlement with RDG.
36. However, in the final analysis, 29 boroughs will see decreased costs in 2018/19. The range of these decreases is -3.89% (Camden) to -0.15% (Richmond). Four boroughs will see an increase in costs. The range of these increases varies between +0.31% (Royal Borough of Kingston upon Thames) and +0.96% (Wandsworth).

### **Payment dates and profiling**

37. The payment dates and profile of payments are agreed as part of the apportionment. The proposed payment dates on which boroughs' contributions are paid are 7 June 2018, 6 September 2018, 6 December 2018 and 7 March 2019. The proposed profile for TfL, RDG, the non-TfL operators and other charges e.g. re-issue, is equal instalments of 25% each quarter. Appendix 2 shows the apportionment per borough by quarter.

## **Financial Implications**

38. The financial implications arising from the Freedom Pass settlement negotiations for 2018/19 have been fully reflected the proposed revenue budget report for 2018/19, which is a separate report to this Committee.

## **Legal implications**

39. There is a legislative requirement as set out in this report for London boroughs to fund concessionary travel for eligible London residents on the TfL network and eligible residents of England on buses in Greater London. Failure to agree a settlement with TfL by 31 December in any year would enable TfL to invoke the free reserve scheme and to set the cost of this scheme for each borough.

## **Equalities implications**

40. Concessionary fares schemes, as exemplified by London's Freedom Pass scheme, provide a major economic benefit to eligible older and disabled people by meeting the cost of their use of local bus services. In London this benefit is substantially enhanced as a consequence of the additional modes available in the scheme.

## **Recommendations**

The Committee is recommended to:

1. Agree the TfL settlement of £322.924 million for 2018/19.
2. Agree to the RDG settlement of £19.552 million for 2018/19
3. Agree a budget for non-TfL bus services of £1.5 million.
4. Agree the reissue budget for 2018/19 of £1.518 million
5. Agree the borough payments for 2018/19 of £345.494 million
6. Agree the payment profile and dates on which boroughs' contributions are paid as 7 June 2018, 8 September 2018, 6 December 2018 and 7 March 2019.
7. Agree the 2018-2019 London Service Permit (LSP) bus operators (non-TfL buses) Concessionary Scheme.

## **Appendices**

Appendix 1: 2018/19 apportionment by mode and borough

Appendix 2: 2018/19 apportionment by quarter and borough

## **Background papers**

Transport & Environment Committee: 8 December 2016: Item 5 - Concessionary Fares Settlement Apportionment for 2017-18.

# Appendix 1: 2018/19 Apportionment by mode and borough

BOROUGH	Bus Boardings	Bus Charge	% Tram Boardings	Tram Charge	% LUL Exits	LUL Charge	% DLR Exits	DLR Charge	% LO+GA+CR Exits	LO+GA+CR Charge	Total TFL charges	% NR Exits	NR Charge	Formula Funding Percentage	Non TFL buses and Reissue charges	Non TFL service charges	Total overall
Barking & Dagenham	1.61%	£3,675,972	0.06%	£2,480	1.68%	£1,271,316	0.97%	£46,849	3.01%	£279,737	£5,276,354	0.70%	£135,895	1.71%	£51,659	£187,554	£5,463,908
Barnet	4.33%	£9,907,454	0.13%	£5,257	6.43%	£4,866,182	0.42%	£20,411	1.62%	£150,541	£14,949,844	1.34%	£261,973	4.64%	£140,096	£402,069	£15,351,913
Bexley	2.12%	£4,852,748	0.15%	£6,209	0.74%	£561,857	4.16%	£201,062	0.33%	£31,068	£5,652,944	4.73%	£924,925	2.02%	£60,846	£985,771	£6,638,716
Brent	4.72%	£10,817,533	0.26%	£10,441	5.54%	£4,191,588	0.55%	£26,522	5.80%	£539,642	£15,585,726	1.50%	£292,428	4.68%	£141,197	£433,625	£16,019,351
Bromley	3.16%	£7,237,733	9.17%	£373,737	1.60%	£1,212,266	1.96%	£94,914	0.99%	£92,187	£9,010,837	11.62%	£2,271,279	2.93%	£88,360	£2,359,638	£11,370,475
Camden	3.35%	£7,681,100	0.20%	£8,249	4.76%	£3,603,476	0.62%	£29,872	7.10%	£659,825	£11,982,523	1.40%	£273,170	3.79%	£114,385	£387,555	£12,370,078
City of London	0.07%	£170,643	0.02%	£826	0.37%	£279,773	0.19%	£9,167	0.13%	£12,264	£472,672	0.12%	£23,451	0.13%	£3,907	£27,358	£500,030
Croydon	4.05%	£9,264,644	57.87%	£2,357,439	1.69%	£1,278,106	0.59%	£28,637	1.84%	£171,314	£13,100,140	12.69%	£2,481,849	3.87%	£116,778	£2,598,627	£15,698,768
Ealing	4.79%	£10,972,229	0.17%	£7,013	5.23%	£3,959,415	0.36%	£17,280	1.83%	£170,275	£15,126,213	1.88%	£366,873	4.42%	£133,415	£500,287	£15,626,500
Enfield	3.52%	£8,055,058	0.12%	£4,704	3.28%	£2,486,755	0.50%	£23,934	6.50%	£604,485	£11,174,936	1.52%	£296,400	3.40%	£102,463	£398,862	£11,573,798
Greenwich	2.97%	£6,804,275	0.37%	£15,170	1.57%	£1,185,228	14.69%	£710,145	0.66%	£61,812	£8,776,630	4.26%	£833,662	2.82%	£84,991	£918,654	£9,695,284
Hackney	4.04%	£9,248,398	0.11%	£4,457	2.09%	£1,582,146	2.38%	£114,894	9.54%	£886,796	£11,836,691	1.03%	£201,032	3.77%	£113,628	£314,660	£12,151,351
Hammersmith & Fulham	2.60%	£5,947,721	0.39%	£15,841	3.75%	£2,840,632	0.36%	£17,299	1.65%	£153,584	£8,975,077	0.72%	£140,352	2.71%	£81,916	£222,268	£9,197,345
Haringey	4.30%	£9,838,238	0.13%	£5,143	4.54%	£3,434,296	0.63%	£30,270	2.84%	£263,746	£13,571,694	1.20%	£234,148	4.31%	£129,987	£364,135	£13,935,829
Harrow	2.70%	£6,193,867	0.13%	£5,162	4.42%	£3,345,244	0.39%	£18,787	3.43%	£318,593	£9,881,653	0.55%	£107,946	2.71%	£81,674	£189,620	£10,071,272
Havering	2.29%	£5,251,206	0.06%	£2,420	1.80%	£1,360,526	2.29%	£110,622	10.63%	£987,889	£7,712,663	1.99%	£388,741	2.50%	£75,457	£464,198	£8,176,861
Hillingdon	2.36%	£5,403,771	0.09%	£3,590	3.41%	£2,585,572	0.30%	£14,333	0.57%	£53,236	£8,060,501	0.79%	£153,616	2.52%	£76,002	£229,618	£8,290,120
Hounslow	2.96%	£6,784,648	0.22%	£8,879	2.33%	£1,762,378	0.30%	£14,445	0.55%	£51,436	£8,621,786	2.17%	£424,849	2.68%	£80,975	£505,824	£9,127,610
Islington	3.54%	£8,103,327	0.17%	£6,956	3.63%	£2,747,537	0.72%	£34,584	3.03%	£281,830	£11,174,234	1.05%	£205,214	3.27%	£98,648	£303,862	£11,478,096
Kensington & Chelsea	2.43%	£5,554,609	0.24%	£9,980	3.93%	£2,978,775	0.38%	£18,385	0.91%	£84,961	£8,646,710	0.69%	£134,619	2.61%	£78,830	£213,449	£8,860,160
Kingston	1.65%	£3,772,002	0.80%	£32,732	0.94%	£708,471	0.15%	£7,042	0.22%	£20,015	£4,540,261	4.39%	£857,793	1.53%	£46,317	£904,110	£5,444,371
Lambeth	4.09%	£9,361,077	2.23%	£90,712	3.66%	£2,768,128	0.49%	£23,560	1.02%	£94,899	£12,338,376	5.01%	£979,942	4.26%	£128,592	£1,108,534	£13,446,910
Lewisham	3.56%	£8,144,160	2.31%	£94,039	1.49%	£1,131,562	6.18%	£298,849	4.75%	£441,372	£10,109,983	5.99%	£1,171,077	3.49%	£105,275	£1,276,353	£11,386,336
Merton	2.34%	£5,356,454	13.33%	£542,815	2.58%	£1,951,193	0.19%	£8,975	0.33%	£31,108	£7,890,545	4.93%	£963,940	2.40%	£72,424	£1,036,364	£8,926,909
Newham	3.47%	£7,945,568	0.17%	£6,788	3.53%	£2,670,668	17.87%	£864,097	4.59%	£426,358	£11,913,478	1.03%	£201,870	3.21%	£96,735	£298,605	£12,212,083
Redbridge	2.36%	£5,393,335	0.18%	£7,354	3.83%	£2,902,208	1.96%	£94,942	7.78%	£723,357	£9,121,196	0.77%	£150,802	2.61%	£78,769	£229,571	£9,350,767
Richmond	2.32%	£5,303,904	0.31%	£12,501	2.19%	£1,659,138	0.28%	£13,603	0.57%	£52,585	£7,041,730	6.26%	£1,224,715	2.21%	£66,708	£1,291,423	£8,333,153
Southwark	4.01%	£9,179,837	1.06%	£43,262	2.88%	£2,183,820	1.90%	£91,924	3.39%	£315,156	£11,813,998	3.58%	£699,099	3.80%	£114,831	£813,930	£12,627,928
Sutton	1.87%	£4,281,930	6.19%	£252,309	1.03%	£779,797	0.18%	£8,722	0.33%	£30,251	£5,353,008	5.16%	£1,007,906	1.77%	£53,503	£1,061,409	£6,414,417
Tower Hamlets	2.00%	£4,571,546	0.22%	£9,091	2.99%	£2,267,200	34.86%	£1,685,542	3.25%	£302,555	£8,835,933	0.73%	£143,074	2.25%	£67,765	£210,840	£9,046,773
Waltham Forest	2.85%	£6,516,451	0.18%	£7,395	3.08%	£2,334,194	2.03%	£98,358	8.73%	£811,426	£9,767,824	0.74%	£143,944	2.66%	£80,391	£224,335	£9,992,160
Wandsworth	3.99%	£9,126,281	2.51%	£102,412	4.01%	£3,036,307	0.39%	£18,956	0.95%	£88,649	£12,372,605	7.76%	£1,517,425	4.23%	£127,618	£1,645,043	£14,017,647
Westminster	3.61%	£8,276,933	0.45%	£18,188	5.02%	£3,798,140	0.78%	£37,644	1.12%	£104,327	£12,235,233	1.73%	£337,509	4.10%	£123,856	£461,365	£12,696,597
<b>Total</b>	<b>100%</b>	<b>£228,994,651</b>	<b>100%</b>	<b>£4,073,549</b>	<b>100%</b>	<b>£75,723,896</b>	<b>100%</b>	<b>£4,834,624</b>	<b>100%</b>	<b>£9,297,280</b>	<b>£322,924,000</b>	<b>100%</b>	<b>£19,551,517</b>	<b>100%</b>	<b>£3,018,000</b>	<b>£22,569,517</b>	<b>£345,493,517</b>

## NOTE

1. TFL settlement does not include the cost of the am journeys
2. Bus, Tram, Underground, DLR, TFL rail and NR costs are apportioned by respective usage.
3. Non TFL buses and reissue elements are apportioned by proportion of the 2013/14 Formula Funding allocated to boroughs (as calculated by Central Government, which is fixed till 2020)

**Appendix 2: 2018/19 Apportionment by quarter and borough**

Authority	First payment 07/06/2018 (£) Paid to TFL	First payment 07/06/2018 (£) Paid to London Councils	Second payment 06/09/2018 (£) Paid to TFL	Second payment 06/09/2018 (£) Paid to London Councils	Third payment 06/12/2018 (£) Paid to TFL	Third payment 06/12/2018 (£) Paid to London Councils	Fourth payment 07/03/2019 (£) Paid to TFL	Fourth payment 07/03/2019 (£) Paid to London Councils	Total per borough (£) Paid to TFL	Total per borough (£) Paid to London Councils	Total per borough (£)
Barking & Dagenham	1,319,089	46,889	1,319,089	46,889	1,319,089	46,889	1,319,089	46,889	5,276,354	187,554	5,463,908
Barnet	3,737,461	100,517	3,737,461	100,517	3,737,461	100,517	3,737,461	100,517	14,949,844	402,069	15,351,913
Bexley	1,413,236	246,443	1,413,236	246,443	1,413,236	246,443	1,413,236	246,443	5,652,944	985,771	6,638,716
Brent	3,896,432	108,406	3,896,432	108,406	3,896,432	108,406	3,896,432	108,406	15,585,726	433,625	16,019,351
Bromley	2,252,709	589,910	2,252,709	589,910	2,252,709	589,910	2,252,709	589,910	9,010,837	2,359,638	11,370,475
Camden	2,995,631	96,889	2,995,631	96,889	2,995,631	96,889	2,995,631	96,889	11,982,523	387,555	12,370,078
City of London	118,168	6,839	118,168	6,839	118,168	6,839	118,168	6,839	472,672	27,358	500,030
Croydon	3,275,035	649,657	3,275,035	649,657	3,275,035	649,657	3,275,035	649,657	13,100,140	2,598,627	15,698,768
Ealing	3,781,553	125,072	3,781,553	125,072	3,781,553	125,072	3,781,553	125,072	15,126,213	500,287	15,626,500
Enfield	2,793,734	99,716	2,793,734	99,716	2,793,734	99,716	2,793,734	99,716	11,174,936	398,862	11,573,798
Greenwich	2,194,158	229,663	2,194,158	229,663	2,194,158	229,663	2,194,158	229,663	8,776,630	918,654	9,695,284
Hackney	2,959,173	78,665	2,959,173	78,665	2,959,173	78,665	2,959,173	78,665	11,836,691	314,660	12,151,351
Hammersmith & Fulham	2,243,769	55,567	2,243,769	55,567	2,243,769	55,567	2,243,769	55,567	8,975,077	222,268	9,197,345
Haringey	3,392,924	91,034	3,392,924	91,034	3,392,924	91,034	3,392,924	91,034	13,571,694	364,135	13,935,829
Harrow	2,470,413	47,405	2,470,413	47,405	2,470,413	47,405	2,470,413	47,405	9,881,653	189,620	10,071,272
Havering	1,928,166	116,050	1,928,166	116,050	1,928,166	116,050	1,928,166	116,050	7,712,663	464,198	8,176,861
Hillingdon	2,015,125	57,405	2,015,125	57,405	2,015,125	57,405	2,015,125	57,405	8,060,501	229,618	8,290,120
Hounslow	2,155,447	126,456	2,155,447	126,456	2,155,447	126,456	2,155,447	126,456	8,621,786	505,824	9,127,610
Islington	2,793,558	75,966	2,793,558	75,966	2,793,558	75,966	2,793,558	75,966	11,174,234	303,862	11,478,096
Kensington & Chelsea	2,161,678	53,362	2,161,678	53,362	2,161,678	53,362	2,161,678	53,362	8,646,710	213,449	8,860,160
Kingston	1,135,065	226,027	1,135,065	226,027	1,135,065	226,027	1,135,065	226,027	4,540,261	904,110	5,444,371
Lambeth	3,084,594	277,134	3,084,594	277,134	3,084,594	277,134	3,084,594	277,134	12,338,376	1,108,534	13,446,910
Lewisham	2,527,496	319,088	2,527,496	319,088	2,527,496	319,088	2,527,496	319,088	10,109,983	1,276,353	11,386,336
Merton	1,972,636	259,091	1,972,636	259,091	1,972,636	259,091	1,972,636	259,091	7,890,545	1,036,364	8,926,909
Newham	2,978,370	74,651	2,978,370	74,651	2,978,370	74,651	2,978,370	74,651	11,913,478	298,605	12,212,083
Redbridge	2,280,299	57,393	2,280,299	57,393	2,280,299	57,393	2,280,299	57,393	9,121,196	229,571	9,350,767
Richmond	1,760,433	322,856	1,760,433	322,856	1,760,433	322,856	1,760,433	322,856	7,041,730	1,291,423	8,333,153
Southwark	2,953,500	203,482	2,953,500	203,482	2,953,500	203,482	2,953,500	203,482	11,813,998	813,930	12,627,928
Sutton	1,338,252	265,352	1,338,252	265,352	1,338,252	265,352	1,338,252	265,352	5,353,008	1,061,409	6,414,417
Tower Hamlets	2,208,983	52,710	2,208,983	52,710	2,208,983	52,710	2,208,983	52,710	8,835,933	210,840	9,046,773
Waltham Forest	2,441,956	56,084	2,441,956	56,084	2,441,956	56,084	2,441,956	56,084	9,767,824	224,335	9,992,160
Wandsworth	3,093,151	411,261	3,093,151	411,261	3,093,151	411,261	3,093,151	411,261	12,372,605	1,645,043	14,017,647
Westminster	3,058,808	115,341	3,058,808	115,341	3,058,808	115,341	3,058,808	115,341	12,235,233	461,365	12,696,597
<b>Overall Total</b>	<b>80,731,000</b>	<b>5,642,379</b>	<b>80,731,000</b>	<b>5,642,379</b>	<b>80,731,000</b>	<b>5,642,379</b>	<b>80,731,000</b>	<b>5,642,380</b>	<b>322,924,000</b>	<b>22,569,517</b>	<b>345,493,517</b>

# London Councils Transport and Environment Committee

## Penalty Charge Notice (PCN) Contravention Codes Update

Item No: 10

**Report by:** Andrew Luck      **Job title:** Transport Officer  
**Date:** 07 December 2017  
**Contact Officer:** Andrew Luck  
**Telephone:** 020 7934 9646      **Email:** andrew.luck@londoncouncils.gov.uk

---

**Summary:** This report seeks member approval for amendments to the standard list of parking, traffic and environmental contravention codes and descriptions.

**Recommendations:** The Committee is recommended to:

- Agree the revisions to the contravention code list as outlined in this report.

### Background

1. When parking enforcement was decriminalised in London under the provisions of the Road Traffic Act 1991, a set of contravention codes and descriptions was created to inform the motorist why they had received a Penalty Charge Notice (PCN). This standard set of codes and descriptions was largely built on existing codes that were used by the police and traffic wardens under the previous criminal system. Over the years this set of codes and suffixes has been amended and improved to account for changes in parking habits, new legislation, and technological developments.
2. Today, parking enforcement is undertaken under the provisions of the Traffic Management Act 2004. The contravention code list is a major component in the enforcement process for all authorities both in and outside London. It should be noted that the key element for enforcement purposes is the contravention description rather than the code itself, which forms more of an administrative function.
3. The current contravention code list includes contravention codes for both on and off street parking contraventions; moving traffic contraventions in London and reserved codes for other enforcement schemes such as road user charging, DVLA road tax and littering offences.

4. London Councils TEC is responsible for maintaining and updating the London contravention code list. However, any updates to this list have consequences not only for London, but also for all authorities undertaking decriminalised parking throughout England and Wales as they use the same set of codes. It has been agreed with Department for Transport (DfT) that London Councils will not seek to amend the contravention code list more than once a year. This ensures that DfT can make any necessary amendments for authorities outside London.
5. London Councils has developed the proposed amendments to the contravention code list and descriptions to reflect changing authority requirements. An informal consultation was undertaken with traffic and parking managers in London as well as the British Parking Association and other key stakeholders across England and Wales. The proposed updates and amendments can be seen below, with the new full list of proposed Penalty Charge Notice (PCN) codes document available in Appendix 1.

### **Proposed amendments**

6. London Councils has not created any new codes but added three new suffixes and amended Code 75 to make it applicable outside of London. There is capacity at this stage to facilitate the introduction of these new suffixes but further additions will be limited. Parking Managers have been asked to look at their IT systems, as future developments may be required to accommodate any further increase in codes and suffixes.
7. The list of proposed amendments of the contravention code list is contained below. A full version can be seen in Appendix 1
  - Suffix 7 – added for 'taxis only'.
  - Suffix 8 – added 'zero emission capable taxis only'.
  - Suffix 9 – added 'electric vehicle car club bay'.
  - Code 14 – suffix "8" added, suffix "9" added.
  - Code 16 – suffix "9" added.
  - Code 18 – suffix "1" added, Suffix "2" added, suffix "3" added, suffix "5" added, suffix "6" added, suffix "7" added, suffix "8" added, suffix "9" added.
  - Code 21 – suffix "7" added, suffix "8" added, suffix "9" added.
  - Code 22 – suffix "1" added, suffix "2" added, suffix "8" added, suffix "9" added.
  - Code 23 – suffix "7" added, suffix "8" added, suffix "9" added.
  - Code 24 – suffix "7" added, suffix "8" added, suffix "9" added.
  - Code 30 – suffix "c" added, suffix "2" added, suffix "7" added, suffix "8" added, suffix "9" added.
  - Code 75 – general note "London Only" removed from table.
  - Code 82 – suffix "4" added.
  - Code 83 – suffix "4" added.
8. Once the committee has agreed to the amendments to the contravention code list the new version (version 6.7.6) will become applicable from 1 January 2018.
9. Before 1 January 2018 the new list will be circulated to all Parking Managers so that the necessary amendments can be made to IT systems and all relevant published documentation. It is also important that all staff and especially Civil Enforcement Officers (CEOs) are aware of the amendments and trained accordingly.



10. London Councils will circulate the agreed amended list to DfT so that provisions can be made for authorities outside London to adopt version 6.7.6 in the future.

### **Financial Implications**

11. There may be minor financial implications for boroughs in updating their systems to accommodate the revisions outlined in this report

### **Legal Implications**

12. London Councils Transport and Environment Committee has a statutory responsibility for setting the penalty charge levels in London. The proposed contravention code revisions only create new suffixes for existing codes. Therefore by agreeing this revised contravention code list any enforcement using the new suffixes will align to existing agreed penalty charge levels.

### **Equalities Implications**

13. There are no equalities implications for London Councils or the boroughs arising from this report.

**Recommendations:** The Committee is recommended to:

- Agree the revisions to the contravention code list as outlined in this report.

**Standard PCN Codes v6.7.6****On-Street**

Code	General suffix(es)	Description	Diff. level	Notes
01	aoyz	Parked in a restricted street during prescribed hours	Higher	Suffixes y & z for disabled badge holders only
02	ao	Parked or loading / unloading in a restricted street where waiting and loading / unloading restrictions are in force	Higher	
04	cs	Parked in a meter bay when penalty time is indicated	Lower	
05	cpsuv1	Parked after the expiry of paid for time	Lower	
06	cipv1	Parked without clearly displaying a valid pay & display ticket or voucher	Lower	
07	cmprsv	Parked with payment made to extend the stay beyond initial time	Lower	'meter feeding'
08	c	Parked at an out-of-order meter during controlled hours	Lower	Electronic meters only
09	ps	Parked displaying multiple pay & display tickets where prohibited	Lower	
10	p	Parked without clearly displaying two valid pay and display tickets when required	Lower	"two" may be varied to another number or "multiple".
11	gu	Parked without payment of the parking charge	Lower	
12	rstuw4	Parked in a residents' or shared use parking place or zone without either clearly displaying a valid permit or voucher or pay and display ticket issued for that place, or without payment of the parking charge	Higher	
13		---- RESERVED FOR TfL USE (LOW EMISSION ZONE) ----	n/a	
14	89	Parked in an electric vehicles' charging place during restricted hours without charging	Higher	
16	bdehqstwx4569	Parked in a permit space or zone without clearly displaying a valid permit	Higher	Suffix "s" only for use where bay is completely non-resident
17		---- RESERVED FOR ROAD USER CHARGING USE ----	n/a	
18	bcdefhmprsv12356789	Using a vehicle in a parking place in connection with the sale or offering or exposing for sale of goods when prohibited	Higher	
19	irsuwx4	Parked in a residents' or shared use parking place or zone either displaying an invalid permit or voucher or pay and display ticket, or after the expiry of paid for time	Lower	
20		Parked in a part of a parking place marked by a yellow line where waiting is prohibited	Higher	
21	bcdefghlmnpqrsv1256789	Parked wholly or partly in a suspended bay or space	Higher	
22	cflmnopsv1289	Re-parked in the same parking place or zone within one hour after leaving	Lower	"one hour" may be varied to another time period or "the prescribed time period"
23	bcdefghklprsv123789	Parked in a parking place or area not designated for that class of vehicle	Higher	Suffix required to fully describe contravention
24	bcdefhlmnpqrsv1256789	Not parked correctly within the markings of the bay or space	Lower	
25	n2	Parked in a loading place or bay during restricted hours without loading	Higher	On-street loading bay or place
26	n	Parked in a special enforcement area more than 50 cm from the edge of the carriageway and not within a designated parking place	Higher	"50 cm" may be varied to another distance in Scotland
27	no	Parked in a special enforcement area adjacent to a footway, cycle track or verge lowered to meet the level of the carriageway	Higher	
28	no	Parked in a special enforcement area on part of the carriageway raised to meet the level of a footway, cycle track or verge	Higher	
30	cflmnopsv12789	Parked for longer than permitted	Lower	

31	j	Entering and stopping in a box junction when prohibited	n/a	London only
32	jdtw	Failing to drive in the direction shown by the arrow on a blue sign	n/a	Code-specific suffixes apply. London only
33	jbcfe ghikqrs	Using a route restricted to certain vehicles	n/a	Code-specific suffixes apply. London only
34	j0	Being in a bus lane	n/a	
35		Parked in a disc parking place without clearly displaying a valid disc	Lower	
37	j	Failing to give way to oncoming vehicles	n/a	London only
38	jlr	Failing to comply with a sign indicating that vehicular traffic must pass to the specified side of the sign	n/a	Code-specific suffixes apply. London only
40	n	Parked in a designated disabled person's parking place without displaying a valid disabled person's badge in the prescribed manner	Higher	
41		Stopped in a parking place designated for diplomatic vehicles	Higher	
42		Parked in a parking place designated for police vehicles	Higher	
43		Stopped on a cycle docking station parking place	Higher	
45	nw	Stopped on a taxi rank	Higher	"stopped" may be varied to "waiting"
46	n	Stopped where prohibited (on a red route or clearway)	Higher	
47	jn	Stopped on a restricted bus stop or stand	Higher	
48	j	Stopped in a restricted area outside a school, a hospital or a fire, police or ambulance station when prohibited	Higher	CCTV can be used on a restricted area outside a school only
49		Parked wholly or partly on a cycle track or lane	Higher	
50	jlr u	Performing a prohibited turn	n/a	Code-specific suffixes apply. London only
51	j	Failing to comply with a no entry restriction	n/a	London only
52	jgmsvx	Failing to comply with a prohibition on certain types of vehicle	n/a	Code-specific suffixes apply. London only
53	j	Failing to comply with a restriction on vehicles entering a pedestrian zone	n/a	London only
54	j	Failing to comply with a restriction on vehicles entering and waiting in a pedestrian zone	n/a	London only
55		A commercial vehicle parked in a restricted street in contravention of the Overnight Waiting Ban	Higher	
56		Parked in contravention of a commercial vehicle waiting restriction	Higher	Non- overnight waiting restriction
57		Parked in contravention of a bus ban	Higher	Non- overnight waiting restriction
58		Using a vehicle on a restricted street during prescribed hours without a valid permit	n/a	London Lorry Control Scheme
59		Using a vehicle on a restricted street during prescribed hours in breach of permit conditions	n/a	London Lorry Control Scheme
61	124cgn	A heavy commercial vehicle wholly or partly parked on a footway, verge or land between two carriageways	Higher	Code-specific suffixes apply
62	124cgn	Parked with one or more wheels on or over a footpath or any part of a road other than a carriageway	Higher	Code-specific suffixes apply
63		Parked with engine running where prohibited	Lower	
64	124	Parked in contravention of a notice prohibiting leaving vehicles on a grass verge, garden, lawn or green maintained by a local authority	n/a	Code-specific suffixes apply. For use in Essex only
65	124	Parked in contravention of a notice prohibiting leaving vehicles on land laid out as a public garden or used for the purpose of public recreation	n/a	Code-specific suffixes apply. For use in Essex only.
66	124cg	Parked on a verge, central reservation or footway comprised in an urban road	n/a	Code-specific suffixes apply. For use in Exeter only.
72		--- RESERVED FOR BUILDERS' SKIPS CONTRAVENTIONS ---		London only
75		--- RESERVED FOR LITTERING FROM MOTOR VEHICLES ---		



76		-- RESERVED FOR WASTE RECEPTACLE CONTRAVENTIONS --		London only
99	no	Stopped on a pedestrian crossing or crossing area marked by zigzags	Higher	Pedestrian Crossings

## Off-Street

70		Parked in a loading place or bay during restricted hours without loading	Higher	Off-street loading areas
71		Parked in an electric vehicles' charging place during restricted hours without charging	Higher	Off-street car parks
73	u	Parked without payment of the parking charge	Lower	Off-street car parks
74	prs	Using a vehicle in a parking place in connection with the sale or offering or exposing for sale of goods when prohibited	Higher	Off-street car parks
77		--- RESERVED FOR DVLA USE ---	n/a	
80	u	Parked for longer than permitted	Lower	Off-street car parks
81	o	Parked in a restricted area in a car park	Higher	Off-street car parks
82	puv4	Parked after the expiry of paid for time	Lower	Off-street car parks
83	4	Parked in a car park without clearly displaying a valid pay & display ticket or voucher or parking clock	Lower	Off-street car parks
84	u	Parked with payment made to extend the stay beyond initial time	Lower	Off-street car parks
85	btrwyz45	Parked without clearly displaying a valid permit where required	Higher	Off-street car parks
86	prs	Not parked correctly within the markings of a bay or space	Lower	Off-street car parks
87		Parked in a designated disabled person's parking place without displaying a valid disabled person's badge in the prescribed manner	Higher	Off-street car parks
89		Vehicle parked exceeds maximum weight or height or length permitted	Higher	Off-street car parks
90	psuv	Re-parked in the same car park within one hour after leaving	Lower	Off-street car parks. "one hour" may be varied to another time period or "the prescribed time period"
91	cg	Parked in a car park or area not designated for that class of vehicle	Higher	Off-street car parks
92	o	Parked causing an obstruction	Higher	Off-street car parks
93		Parked in car park when closed	Lower	Off-street car parks
94	p	Parked in a pay & display car park without clearly displaying two valid pay and display tickets when required	Lower	Off-street car parks. "two" may be varied to another number or "multiple"
95		Parked in a parking place for a purpose other than that designated	Lower	Off-street car parks
96		Parked with engine running where prohibited	Lower	Off-street car parks

## Suffixes

### General suffixes:–

a) temporary traffic order	b) business bay	c) buses only	d) doctor's bay
e) car club bay	f) free parking bay	g) motor cycle bay	h) hospital bay
i) wrong type of voucher	j) camera enforcement	k) ambulance bay	l) loading place
m) parking meter	n) red route	o) blue badge holder	p) pay & display
q) market traders' bay	r) residents' bay	s) shared use bay	t) voucher/P&D ticket used in permit bay
u) electronic payment	v) voucher	w) wrong parking zone	x) incorrect VRM
y) obscured / illegible permit	z) out of date permit	0) local buses / trams only	1) electric vehicles bay
2) goods vehicle loading bays	3) bicycle bay	4) virtual permit	5) dedicated disabled bay
6) hotel bay	7) taxis only	8) zero emission capable taxis only	9) electric vehicle car club bay

### Taxi Ranks (code 45) only

w) amends the contravention code description to change the wording from 'stopped' to 'waiting'

### Footway parking (codes 61, 62, 64, 65 and 66) only:–

1) one wheel on footway	2) partly on footway	4) all wheels on footway
c) on vehicle crossover	g) on grass verge	

### Moving traffic contraventions only:–

32 d) proceeding in the wrong direction	t) turning in the wrong direction	w) one way traffic
33 b) buses only	c) buses and cycles only	e) buses, cycles and taxis only
g) local buses only	h) local buses and cycles only	f) buses and taxis only
q) tramcars and local buses only	r) tramcars only	i) local buses, cycles and taxis only
		k) local buses and taxis only
		s) tramcars and buses only
38 l) must pass to the left	r) must pass to the right	
50 l) no left turn	r) no right turn	u) no U-turn
52 g) goods vehicles exceeding max gross weight indicated	m) motor vehicles	s) solo motorcycles
v) all vehicles except non-mechanically propelled ones being pushed	x) motor vehicles except solo m/cycles	

### Supplement to the Notes

Suffix 'j' identifies a contravention that can be used on highways other than red routes using CCTV. The suffix itself is not required on a PCN.

## RECORD OF ADDITIONS & AMENDMENTS

VERSION	AMENDMENTS	EFFECTIVE DATE
6.7.6	Code 14 – suffixes “8” and “9” added	1 January 2018
	Code 16 – suffix “9” added	
	Code 18 – suffixes “1”, “2”, “3”, “5”, “6”, “7”, “8” and “9” added	
	Code 21 – suffixes “7”, “8” and “9” added	
	Code 22 – suffixes “1”, “2”, “8” and “9” added	
	Code 23 – suffixes “7”, “8” and “9” added	
	Code 24 – suffixes “7”, “8” and “9” added	
	Code 30 – suffixes “c”, “2”, “7”, “8” and “9” added	
	Code 75 – note referencing “London only” removed	
	Code 82 – suffix “4” added	
	Code 83 – suffix “4” added	
6.7.5	Code 72 added (reserved for Builders’ Skips Contraventions)	15 December 2016
6.7.4	Code 51 – amended to remove references to complying with a sign	10 June 2016
6.7.3	Code 21 – suffix “n” added.	2 April 2015
	Code 26 – suffix “n” added	
	Code 27 – suffix “n” added	
	Code 28 – suffix “n” added	
	Code 61 – suffix “n” added	
	Code 62 – suffix “n” added	
	Code 99 – suffix “n” added	
	Supplement to notes added for suffix “j” and the use of CCTV	
6.7.2	Suffix “j” removed from contravention codes where CCTV enforcement is no longer permitted.	1 April 2015
	Code 63 – suffix “c” and note removed.	
	Code 96 – suffix “c” and note referring to bus bays removed.	
6.7.1	Code 75 added (reserved for Littering from Motor Vehicles).	1 December 2014
	Code 76 added (reserved for Waste Receptacle Contraventions).	
6.7	Code 16 – suffixes “5” and “6” added.	1 April 2014
	Code 17 – general description note amended to state “Reserved for Road User Charging Use”.	
	Code 21 – suffixes “5” and “6” added.	
	Code 24 – suffixes “5” and “6” added.	

	Code 25 – “or bay” added to the description and “or place” added to the notes.	
	Code 30 – suffix “1” added.	
	Code 41 – “parked” amended to “stopped”.	
	Code 63 – note amended to replace “coach” with “bus”.	
	Code 70 – amended for consistency.	
	Code 80 – amended for consistency.	
	Code 85 – description amended to remove reference to “permit bays”. Suffixes “y”, “z” and “5” added.	
	Code 89 – amended to simplify description.	
	Code 95 – amended to simplify description.	
	Code 96 – note amended to replace “coach” with “bus”.	
	Suffix “u” – amended from “mobile phone parking” to “electronic payment”.	
	Suffix “5” – added for dedicated disabled bays.	
	Suffix “6” – added for hotel bays.	
6.6.2	Code 45 – “parked” amended to “stopped” and a note added indicating that “stopped” may be varied to “waiting” with use of a code specific ‘w’ suffix.	1 November 2013
6.6.1	Code 12 – suffix “4” added.	1 April 2012
	Code 16 – suffix “4” added.	
	Code 18 – suffix “j” added.	
	Code 19 – suffix “4” added.	
	Code 23 – Notes added to indicate that “suffix required to fully describe contravention”	
	Code 25 – suffix “2” added.	
	Code 55 – suffix “j” added.	
	Code 85 – suffix “4” added.	
	Suffix “4” – added for virtual permits.	
6.6	Code 1 – suffix “e” removed (old definition of suffix). Suffixes “a” and “j” added.	1 April 2011
	Code 2 – suffix “e” removed (old definition of suffix).	
	Code 5 – suffix “1” added.	
	Code 6 – suffix “1” added.	
	Code 7 – suffix “u” added.	
	Code 10 – notes amended to allow use of “multiple” instead of a specific number.	
	Code 11 – suffix “g” added.	
	Code 12– suffix “u” added. Suffix “x” removed. Description amended to take account of parking meters and payments where nothing is displayed in the vehicle.	

Code 16 – "or zone" added. "clearly" added Suffix "e" added (new definition of suffix).
Code 18 – suffix "e" added (new definition of suffix).
Code 19 – suffix "u" added. Description amended to take account of parking meters and payments where nothing is displayed in the vehicle.
Code 20 – amended to remove "loading gap" and clarify contravention. Suffix "j" added.
Code 21 – amended to simplify description. Suffixes "e" (new definition of suffix), "g", "1" and "2" added.
Code 22 – suffix "j" added. Notes amended to allow use of "prescribed time period" instead of a specific period.
Code 23 – suffixes "e" added (new definition of suffix) "1", "2" and "3" added.
Code 24 – suffixes "e" (new definition of suffix) "1", "1" and "2" added.
Code 26 – suffix "e" removed (old definition of suffix). Suffix "j" added.
Code 27 – amended to include cycle tracks and verges.
Code 28 – added for raised carriageways.
Code 30 – suffixes "j" "l", "m", "p" and "s" added.
Code 36 deleted – covered by code 30.
Code 43 added – cycle hire bays.
Code 48 – amended to include TSRGD variations for hospitals and fire, police and ambulance stations.
Code 57 – "coach" amended to "bus".
Codes 64 and 65 – police use no longer needed – amended to apply to Section 6 of the Essex Act 1987.
Code 66 – police use no longer needed – amended to apply to Section 30 of the Exeter City Council Act 1987.
Codes 67 and 68 deleted – vehicle emissions codes no longer needed.
Code 71 added.
Code 80 – suffix "u" added.
Code 84 – suffix "u" added and code amended for consistency.
Code 86 – amended for consistency.
Code 90 – suffix "u" added. Notes amended to allow use of "prescribed time period" instead of a specific period.
Code 94 – notes amended to allow use of "multiple" instead of a specific number.
Suffix "c" – amended to apply to buses.
Suffix "e" – amended to refer to car club bays.
Suffix "1" – added for electric vehicles bays.
Suffix "2" – added for goods vehicles loading bays.



	Suffix "3" – added for bicycle bays.	
6.5.1	Code 32 – suffix "p" removed.	1 November 2009
	Codes 37, 50, 52, 53 and 54 – amended to remove references to complying with a sign.	
	Code 38 added with code-specific suffixes.	
6.5	Code 6 – suffix "s" removed;	31 March 2008
	Codes 6 & 83 – "or voucher" removed as option and added to description	
	Code 12 – no longer London only	
	Codes 12, 19, 22 – "or zone" removed as option and added to description	
	Code 15 deleted	
	Code 16 – suffix "s" removed from use in relation to shared residents' / other use bays	
	Code 26 – "in a special enforcement area" added	
	Code 27 – "in a special enforcement area" added	
	Code 40 – "clearly" removed; "in the prescribed manner" added	
	Code 48 – "during term time" option removed; "when prohibited" added	
	Code 49 – "or lane" removed as option and added to description	
	Code 62 – "or over a footpath or" added	
	Code 83 – "or parking clock" removed as option and added to the description	
	Code 87 – amended to the same description as code 40	
6.4.1	Code 12 – "zone" added as an option	14 June 2007
	Code 19 – "zone" added as an option	
6.4	Code 6 – suffix "s" removed from use in London	8 June 2007
	Code 12 added	
	Code 15 withdrawn from use in London	
	Code 15 – "zone" added as an option	
	Code 16 – suffix "s" removed from use in London in relation to shared residents' / other use bays	
	Code 19 amended	
6.3	Code 5 – suffix (u) added	27 November 2006
	Code 11 added (for use in parking places where payment can be made using mobile phones)	
	Code 14 added (for use in electric vehicles' charging places where parking is only allowed if charging is taking place)	
	Code 17 deleted (and reserved for Congestion Charging)	
	Code 18 – suffixes (p) (r) (s) and (v) added	

	Code 19 added (in place of previous code 17)	
	Code 21 – suffix (u) added	
	Code 22 – “zone” added as an additional option	
	Code 25 – suffix (j) added	
	Code 26 – distance becomes variable and no longer London only	
	Code 30 – suffix (u) added	
	Code 40 – “and parking disc” added as an option for use on time limited bays	
	Code 61 – suffix (j) added	
	Code 73 added (for use in car parks where payment can be made using mobile phones)	
	Code 82 description changed (“in a pay and display** car park” removed) – suffixes (p) (u) and (v) added	
	Code 87 - “and parking disc” added as an option for use on time limited bays	
	Code 89 – “and/or length” added	
	Code 91 – “a car park or” added	
	Suffix (p) changed – “bay” removed to allow for use in all off-street car parks	
	Suffix (u) added for use where mobile phones used to pay for parking	
	Suffix (v) changed – “bay” removed to allow for use in all off-street car parks	
6.2	Code 5 description changed (“at a pay and display** bay” removed)	1 March 2006
	Code 07 – suffix (r) included and ‘meter feeding’ moved from description to notes	
	Code 17 added (for use in shared use permit/ paid for parking bays)	
	Code 18 added (for use in parking places, e.g. Pay & Display, where unauthorised trading is being conducted)	
	Code 26 description changed from “Vehicle parked more than 50 cm from the kerb and not within a designated parking place”	
	Code 34 no longer London only	
	Code 47 description changed from “Parked on a restricted bus stop/stand”	
	Code 49 - “lane” included as optional alternative to ‘track’ - N.B. In general, where there is a mandatory cycle lane, there is a waiting restriction, and the code 01 can still be used	
	Code 83 – description changed (“pay & display” removed from before “car park”)	
	Code 95 added (for use in Park & Ride car parks or similar facilities)	
	Code 96 added (for use in certain off-street coach bays)	
6.1	Code 83 - “or parking clock” included as additional option	6 June 2005
6.0	Code 10 added (Parked without clearly displaying two**** pay and display tickets when required)	July 2004
	Code 27 added (Parked adjacent to a dropped footway)	
	Code 34 description changed from “Vehicle seen contravening bus lane regulations”	

	Codes 31, 32, 33, 37, 50, 51, 52, 53 and 54 added (Moving traffic contraventions)	
	Code 46 description changed from "Parked on a clearway where stopping is prohibited"	
	Codes 58 and 59 added (Lorry Ban contraventions)	
	Code 60 deleted and "(except L B of Barnet)" deleted from note for code 62	
	Code 62 no longer London only	
	Code 94 added (Parked in a pay & display** car park without clearly displaying two**** valid pay and display tickets when required)	
	Suffix (n) added to indicate contravention on a red route	
	Suffix (o) changed from "orange" to "blue" badge holder	
	Suffixes for moving traffic contraventions added	
5.5	Description of code 01 altered to "prescribed" which relates to roads listed in the schedule	January 2001
	Codes 64, 65, 66 added for use on Metropolitan Police removals	
5.4	Additional suffix (j) added to those contraventions which could, in some circumstances, be enforced by camera – subject to alteration during pilot of CCTV enforcement	November 2000
	Bus lane contravention code changed to Code 34 with suffixes (j) – camera enforcement and (0) – local buses or trams only	
5.3	Code 26 added (LLAA 2000)	September 2000
	Code 60 repealed by LLAA 2000 and replaced by Code 62 in London (except for L B of Barnet)	

# London Councils' Transport and Environment Committee

## Proposed Revenue Budget and Borough Charges 2018/19

Item  
No:11

**Report by:** Frank Smith                      **Job title:** Director of Corporate Resources  
**Date:** 7 December 2017  
**Contact Officer:** Frank Smith  
**Telephone:** 020 7934 9700                      **Email:** frank.smith@londoncouncils.gov.uk

---

### Summary

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

These proposals were considered by the Executive Sub-Committee at its meeting on 16 November. The Executive Sub-Committee agreed to recommend that the main Committee approves these proposals.

### Recommendations

The Committee is asked to approve:

- The proposed individual levies and charges for 2018/19 as follows:
  - The Parking Core Administration Charge of £1,500 per borough and for TfL (2017/18 - £1,500; paragraph 38);
  - The Parking Enforcement Service Charge of £0.4226 per PCN which will be distributed to boroughs and TfL in accordance with PCNs issued in 2016/17 (2017/18 - £0.4915 per PCN; paragraphs 36-37);
  - No charge to boroughs in respect of the Freedom Pass Administration Charge, which is covered by replacement Freedom Pass income (2017/18 – nil charge; paragraph 15);
  - The Taxicard Administration Charge to boroughs of £338,182 in total (2017/18 - £338,182; paragraphs 17).
  - No charge to boroughs in respect of the Lorry Control Administration Charge, which is fully covered by estimated PCN income (2017/18 – nil charge; paragraphs 19-20);
  - Road User Charging Appeals (RUCA) – to be recovered on a full cost recovery basis under the new contract arrangements

with the GLA (paragraph 28);

- A unit charge of £12 for the replacement of a lost or damaged Freedom Pass (2017/18 - £10; paragraphs 4 and 10);
- Environment and Traffic Appeals (ETA) charge of £30.63 per appeal or £27.02 per appeal where electronic evidence is provided by the enforcing authority (2017/18 - £32.00/£28.50 per appeal). For hearing Statutory Declarations, a charge of £25.21 for hard copy submissions and £23.53 for electronic submissions (2017/18 - £26.74/£26.06 per SD) (paragraphs 4 and 27);
- The TRACE (Electronic) Charge of £7.53 per transaction (2017/18 - £7.31; paragraphs 4, 29-35);
- The TRACE (Fax/Email) Charge of £7.70 per transaction, which from 1 April 2018 would be levied, in addition to the electronic charge of £7.53 per transaction, making a total of £15.23 (2017/18 - £7.48; paragraphs 4, 29-35);
- The TEC<sup>1</sup> Charge of £0.175 per transaction (2017/18 - £0.17; paragraphs 4, 29-35).
- The provisional gross revenue expenditure of £368.382 million for 2018/19, as detailed in Appendix A;
- On the basis of the agreement of all the above proposed charges as outlined in this report, the provisional gross revenue income budget of £368.093 million for 2018/19, with a recommended transfer of £289,000 from uncommitted Committee reserves to produce a balanced budget, as shown in Appendix B; and
- A transfer of a sum of £140,000 from the general reserve to the specific reserve, to be used for priority projects as determined by this Committee (paragraph 53).

The Committee is also asked to note:

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

---

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

## **Introduction**

1. This report details the outline revenue budget proposals and the proposed indicative borough subscription and charges for 2018/19. These proposals were considered by the Executive Sub-Committee at its meeting on 16 November. The Executive Sub-Committee agreed to recommend that the main Committee approves these proposals.
2. The report will, therefore, examine the key features of the proposed budget for 2018/19 and make proposals as to the level of charges for the Committee's consideration.

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

3. The budget proposals in this report incorporate the following assumptions:
  - A reduction in the TfL element of the Freedom Pass settlement for 2018/19 of £1.257 million, or 0.39%;
  - An increase in the Rail Delivery Group (formerly ATOC) element of the freedom pass settlement of £680,000, or 3.6% (subject to confirmation from DfT of the permitted fares increases in 2018/19);
  - The budget for payments to other bus operators for local journeys originating in London has been reduced from the current year's level of £1.7 million to £1.5 million, following projections for 2018/19, based on current claim trends being lodged by operators.
  - The annual Freedom Pass survey and reissue costs budget to remain at the current year's level of £1.518 million, which will be able to contain the increases in contract prices arising from the recent tender exercise;
  - Subject to its annual business plan approval process, TfL will provide an estimated fixed contribution of £10.292 million, inclusive of an assumed annual Taxicard tariff inflation of £202,000 (2%), compared to £10.090 million for 2017/18. At this stage, the total borough contribution towards the Taxicard scheme in 2018/18 is estimated to be £2.409 million, the same as for the current year, although the decision on boroughs' contributions is a matter for boroughs to take individually and will be confirmed in February 2018. The indicative budgetary provision for the taxicard trips contract with CityFleet Networks Limited, will, therefore, be an amalgam of the TFL and borough funding, currently equating to £12.701 million for 2018/19, a provisional increase of £202,000 on the revised budget of £12.499 million for the current year;
  - A continued nil charge to boroughs in respect of the Freedom Pass administration fee, which remains fully funded by income receipts from replacing Freedom Passes that are lost or damaged;
  - A continued nil charge to boroughs in respect of the London Lorry Control scheme, which remains fully financed from PCN income receipts. The income budget for such receipts is proposed to remain at £800,000 for 2018/19. A sum of £50,000 will remain in the budget to fund further work on the

- development of the Lorry Control scheme during 2018/19, as a result of the recent scheme review;
- The total Taxicard administration charge of £338,182 being held at the current year's level, which will be apportioned to boroughs in accordance with the total scheme membership as at 30 September 2017;
  - The Parking Core administration charge being held at the 2017/18 level of £1,500;
  - A reduction in the Parking Enforcement service charge of £0.0689 per PCN, or 14%, which will be apportioned to boroughs and TfL in accordance with the total number of PCNs issued by enforcing authorities in 2016/17;
  - An estimated 1½% cost of living increase on all officer salary costs and 1% in respect of adjudicators' fees. A provision of 2% is also required to cover the employers' pension contributions for adjudicators who have been automatically enrolled into a pension scheme and have elected to remain within the scheme. The overall staffing budget continues to include a £30,000 provision for maternity cover and the vacancy level remains at 2%; and
  - A 3% inflationary increase in all other running cost budgets for 2018/19, unless subject to binding contractual increases.
4. In order to deliver a balanced budget for 2018/19, it is necessary to reduce expenditure or increase income sources. This would be the position after the proposed transfer of £289,000 from uncommitted general reserves. The indicative deficit could be managed by the transfer of an additional £141,000 from uncommitted reserves. However, this would lead to a total transfer of £430,000 from reserves for 2018/19, which is clearly not a sustainable budget strategy in the medium to long term, and for that reason, this course of action is not recommended by the Director of Corporate Resources. Officers identified a number of areas where it would be possible to increase income in order to eliminate the projected deficit. The Executive Sub-Committee debated these proposals at its meeting on 16 November and agreed to recommend that this Committee agree:
- To increase the unit cost of a replacement Freedom Pass by £2 from £10 to £12. The cost has not increased since it was introduced in November 2012 and the proposed increase would offset some of the increased direct service administration contract costs reported to the main TEC meeting in March 2017. There would be an estimated 5% falloff in the base number of replacement passes issued due to the proposed increase. The income budget for such receipts would, therefore, increase by a net figure of £84,000 to £684,000 for 2018/19. The Executive Sub-Committee indicated that in the future, it would be preferable to review this charge at more regular intervals to minimise the impact on pass holders;
  - To top slice the forecast reductions in the unit cost of all ETA appeals and statutory declarations by £1. The forecast reductions are based on significantly improved performance levels, which have been achieved through systems and service improvements over the past 12 months. If the proposed £1 top slice is approved, this would still reduce the unit cost of hard copy parking appeals charged to boroughs and TfL by a net figure of £1.37 per appeal, or 4.29%. For appeals where evidence is submitted electronically, the

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

- To increase the charges to boroughs for TEC and TRACE fax and electronic transactions by 3%, which reflect anticipated increases in contract costs during 2018/19. This will raise an additional £15,000 in 2018/19. The Sub-Committee also agreed that attempts should be made to phase out of the use of TRACE fax and email transactions for purposes other than disaster recovery<sup>2</sup>. This also accords with London Councils wider programme of channel shift in relation to the ETA Tribunal. These charges have not been increased to users since 2010/11.
5. The following paragraphs detail the main proposed budget headings for 2018/19 and highlight any significant changes over 2017/18. The proposed level of expenditure for 2018/19 amounts to £368.382 million. A sum of £356.677 million relates to direct expenditure on the transport operators providing the Freedom Pass and the Taxicard schemes, leaving a sum of £11.705 million relating to expenditure on parking and traffic related traded service and other operating expenditure. This compares to a revised budget figure of £12.272 million for the current year, a reduction of £567,000, or 4.6%.

### **Freedom Pass**

6. The main settlement with TfL for concessionary travel on its service is estimated to be £322.924 million. This represents a provisional cash reduction of £1.257 million, or 0.39%, on the figure of £324.181 million for 2017/18.
7. The ATOC (now Rail Delivery Group (RDG)) settlement is based on a further two year extension to the settlement agreed in 2011. The agreement extension allows for inflationary increases at July RPI +1.75% (3.6%). This leads to an increase of £680,000 to £19.552 million over the budget of £18.872 million for the current year, although the final figure is subject to confirmation from the DfT of the level of permitted fares increases in 2018/19.
8. The budget for payments to other bus operators for local journeys originating in London has been reduced by £200,000 from the current year's level of £1.7 million to £1.5 million, following projections for 2018/19, based on previous years' outturn and the wider decline in bus ridership.
9. The budget for pass issue and support services remains at £1.518 million, which is intended to provide sufficient headroom to allow for the new contract rates advertised to TEC in March 2017 and any additional development and maintenance work to be carried out on the Freedom Pass web service and customer relationship management system. The budget will continue to be reviewed each year in the light of estimated annual reissue numbers in the run up to the next substantive reissue exercise in 2020.

---

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



10. For income in respect of replacement Freedom Passes, current trends indicate that significant income continues to accrue. After consideration by the Executive Sub-Committee on 16 November, as outlined in paragraph 4, it is proposed to increase the unit cost of a replacement pass by £2 from £10 to £12 from 1 April 2018. However, it is estimated that there will be a 5% falloff in overall income arising from behavioural change due to the price increase, so the net increase in income will be £84,000, increasing the budget to £684,000 and contributing to the setting of a balanced budget for the year. As stated in paragraph 3 and detailed in paragraph 15 below, it is proposed that the in-house cost of administering the Freedom Pass scheme will be fully funded by this income stream in 2018/19.
11. As agreed by this Committee in December 2014, any annual surplus arising from both the freedom pass issuing costs budget of £1.518 million (paragraph 9 above) and replacement freedom passes income budget of £684,000 (paragraph 10 above) will be transferred to a specific reserves to accumulate funds to offset the cost of the next major pass reissue exercise scheduled for 2020. The current projected balance on this element of the specific reserve is £2.837 million, as highlighted in paragraph 52.
12. A detailed report on the outcome of negotiations is subject to a separate report on this agenda. Final negotiations on the actual amounts payable to transport operators will be completed in time for the meeting of this Committee and any late variations to these figures will be tabled at this meeting.
13. A summary of the provisional Freedom Pass costs for 2018/19, compared to the actual costs for the current year, are summarised in Table 1 below:

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

<b>Estimated Cost of Freedom Pass</b>	<b>2018/19(£000)</b>	<b>2017/18(£000)</b>
TfL Settlement	322,924	324,181
ATOC Settlement	19,552	18,872
Non TfL Bus Operators Settlement	1,500	1,700
Support services and issue costs	1,518	1,518
<b>Total Cost</b>	<b>345,494</b>	<b>346,271</b>

14. The total cost of the scheme is fully funded by boroughs and the estimated cost payable by boroughs in 2018/19 is £345.494 million, compared to £346.271 million payable for 2017/18. This represents a reduction of £777,000 or 0.22%. The majority of costs payable by boroughs will be apportioned in accordance with usage data, in accordance with the agreed recommendations of the arbitrator in 2008.
15. The administration of the Freedom Pass covers London Councils in-house costs in negotiating the annual settlements and managing the relationships with transport operators and contractors. For 2018/19, the total cost is estimated to be £478,830, compared to £483,814 in 2017/18. This equates to £14,450 per borough. However, it is proposed to continue to use income accruing from the replacement of lost and damaged Freedom Passes (refer paragraph 10) to continue to levy a nil charge in 2018/19, which members are approve. This position will be reviewed annually to ensure forecast income streams continue to cover the in-house costs of administering the scheme.

## **Taxicard**

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

### **Lorry Control Scheme**

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

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

21. The budget for adjudicators' fees and training will be increased for 2018/19, in accordance with the recommendation of the Senior Salaries Review Board in respect of the 2017 pay award. This mechanism, which was agreed by TEC in November 2001, keeps the Adjudicators' pay at 80% of that for Group 7 full-time judicial appointments outside London. This hourly rate increases by £0.61, or 1% from £61.21 to £61.82, inclusive of employers' National Insurance Contributions. In addition, all adjudicators have been entitled to be provided with a workplace

pension scheme from August 2017. The employers' contribution to the scheme offered to the adjudicators will be 2% from 1 April 2018. Current estimates indicate that 80% of ETA adjudicators will be eligible to remain in the scheme under current earnings eligibility rules. This will add a further 1.6% onto the payroll cost in 2018/19, giving an average hourly rate of £62.81.

22. The estimated volume of ETA appeals and statutory declarations for 2018/19, based on volumes generated in the first five months of 2017/18 is 41,278, slightly higher than the 40,586 budgeted level for the current year. The actual number of appeals heard in 2016/17 was 41,855 including Statutory Declarations, Moving Traffic Contraventions and Lorry Control Appeals, indicating that the current number of ETA appeals is relatively stable.
23. The average throughput of appeals for the first five months of the current year is 3.14 appeals heard per hour (compared to 2.7 appeals per hour when the current year's budget was set in December 2016). This average figure takes account of all adjudicator time spent on postal and personal appeal hearing and also non-appeal 'duty adjudicator' activities. The increase in throughput is attributable to system and service improvements introduced during 2016/17 that is now feeding through into the processing figures. The ETA adjudicator fees base budget of £920,100 has, therefore, been reduced by £114,967 to £805,133 for 2018/19 to reflect the current volumes and throughput rate, and then inflated by £21,062 to £826,195 to reflect the pay award and the estimated effect of enrolment to the adjudicators' pension scheme.

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

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

#### **Appeals Unit Charges 2018/19**

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

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

	<b>ETA</b>	<b>RUCA</b>	<b>Total</b>
<b>Estimated Appeal Nos.</b>	<b>41,278</b>	<b>7,800</b>	<b>49,078</b>
<b>Average Case per hour</b>	<b>3.14</b>	<b>1.71</b>	<b>2.77</b>
<b>Adjudicator Hours</b>	<b>13,154</b>	<b>4,549</b>	<b>17,703</b>
<b>Expenditure</b>			

Adjudicators Fees	826,195	285,725	1,111,920
Admin Variable Cost	297,606	67,308	364,914
<b>Total</b>	<b>1,123,801</b>	<b>353,033</b>	<b>1,476,834</b>
<b>Income</b>			
Hearing Fees	1,165,080	353,033	1,518,113
<b>Average Indicative Unit Cost of Appeal</b>	<b>27.23</b>	<b>45.26</b>	<b>30.09</b>

27. After consideration by the Executive Sub-Committee on 16 November, as outlined in paragraph 4, for ETA appeals, based on an estimated 41,278 appeals and a projected throughput rate of 3.14 cases being heard per hour during 2018/19, it is proposed that the indicative hard copy unit ETA appeal cost for 2018/19 is £30.63, a reduction of £1.37 or 4.29% on the charge of £32.00 for 2017/18. For appeals where electronic evidence is provided by an enforcing authority, it is proposed that the unit cost will reduce by £1.48 to £27.02. The lower charge to boroughs recognises the reduced charge from London Councils contractor for processing electronic appeals, demonstrating that there remains a clear financial incentive for boroughs to move towards submitting electronic evidence under the current contract arrangements. Boroughs will pay a differential charge for the processing of ETA statutory declarations. For hard copy statutory declarations, the proposed unit charge will be £25.21 compared to the charge of £26.74 for the current year, which represents a reduction of £1.53, or 5.71%. For electronic statutory declarations, the proposed unit charge will be £24.49, a reduction of £1.57, or 6.01% on the electronic appeal unit charge for the current year. This proposal will create an estimated surplus of appeals income over projected expenditure of £42,000 and contribute towards delivering a balanced budget for TEC for the year. The Committee is asked, therefore, to approve these appeal charges to users for 2018/19.
28. London Councils is contracted to provide the RUCA appeals service up until January 2022 under the current contract arrangements effective from 1 January 2017. There is a continuation of the previous agreement for TfL/GLA to reimburse London Councils on an actual cost-recovery basis for the variable cost of these transactions, rather than on a unit cost basis. Continuation of this agreement will ensure that a breakeven position continues in respect of these transactions, so the estimated cost of £353,033 for hearing an estimated 7,800 RUCA appeals will be fully recovered. The fixed cost element of the new contract is £497,372, an increase of £43,761 of the recharge of £453,611 for 2017/18, due to an increase in the proportion of RUCA appeals in relation to the overall number of appeals.

### **Parking Managed Services – Other Variable Charges to Users**

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

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

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

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

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

<b>2018/19</b>	<b>Estimated Volumes (Nos)</b>	<b>Proposed Unit Charge (£)</b>	<b>Income Budget (£)</b>
TRACE (Electronic)	34,064	7.53	256,502
TRACE (Fax Transaction)	7,215	7.70	55,552
TEC	1,068,010	0.175	186,902
<b>Total</b>			<b>498,955</b>
<b>2017/18</b>	<b>Estimated Volumes (Nos)</b>	<b>Actual Unit Charge (£)</b>	<b>Income Budget (£)</b>
TRACE (Electronic)	33,804	7.31	247,107
TRACE (Fax Transaction)	10,614	7.48	79,393
TEC	926,540	0.17	157,512
<b>Total</b>			<b>484,012</b>

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 £8,881. The charging structure historically

approved by TEC for the provision of the variable parking services (excluding appeals) includes a profit element in each of the charges made to boroughs and other users for these services. The charges to boroughs have not been reviewed since 2010/11 and with increases of up to 3% expected at the next contract anniversary date in July 2018, and after consideration by the Executive Sub-Committee on 16 November, as outlined in paragraph 4, it is proposed to increase the three charges to boroughs by 3% for 2018/19.

32. In addition to the proposed 3% increase in charges in relation to parking services, London Councils proposes from 1 April 2018 to begin phasing out TRACE fax and email as a default means for enforcement authorities to notify the service of vehicles that have been moved. The reasons for this are two-fold. First, it is part of London Councils channel shift programme. Second, the fax and email option was intended at the start of the contract with NPS in July 2015 to be used as a disaster recovery option only. However, use of this method has increased over the past few years, increasing the amount of manual effort required to process information sent by enforcement authorities.
33. In order to encourage enforcement authorities to use the electronic notification systems by default and thereby reduce processing time, London Councils proposes from 1 April 2018 to charge all TRACE fax and email notifications at the electronic rate (£7.53) plus the fax/email rate (£7.70) making a total of £15.23 per transaction. The fax and email option will remain open for enforcement authorities to use, and will be in place for its intended purpose of disaster recovery, but will attract an additional charge when it is not being used for this reason.
34. The Committee is asked, therefore, to approve the following non-appeal charges to users for 2018/19:
- The TRACE (Electronic) charge of £7.53 per transaction, compared to £7.31 for the current year;
  - The TRACE (Fax/email) Charge of £7.70 per transaction, which from 1 April 2018 would be levied, in addition to the electronic charge of £7.53 per transaction, making a total of £15.23 (2017/18 - £7.48);
  - The TEC charge of £0.175 per transaction, compared to £0.17 for the current year.

### **Parking Enforcement Service Charge**

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

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

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

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

### **Parking Core Administration Charge**

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

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

38. Expenditure in respect of the registration of debt related to parking penalties is directly recouped from the registering borough, so the transactions have a neutral effect on the financial position of the Committee. The Court Service last increased the £7 unit fee to £8 in July 2016, although no further increases are envisaged during 2018/19. Volumes generated by users registered parking debt is expected to exceed £3 million for the current year, so it is, therefore, proposed to maintain both the income and expenditure budgets for 2018/19 at £3 million.

39. Estimated individual borough costs for 2018/19, covering the proposed charges highlighted in paragraphs 15-37 above, are detailed in Appendix C.1 and can be compared against the estimated charges for the current year at Appendix C.2, forecast at the budget setting stage for the current year 12 months ago. Indicative overall estimated marginal saving of £15,000 in 2018/19 to boroughs and TfL arising from the proposed charges, together with the projected transaction

volumes, are projected, assuming that the proposed charges for 2018/19 as detailed in this report are approved by this Committee.

## Contractual Commitments

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

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

41. In line with other London Councils funding streams, the vacancy level for 2018/19 remains at 2%. The salary figures include an estimated 1½% cost of living increase on all salary costs and a reduction to cover incremental salary drift of £24,000 plus a reduction in bespoke FOI related work directly recharged to the Committee of £12,000. In addition to the salaries figure of £2.052 million shown in Table 6, the £18,987 budgetary provision for member's allowances has been maintained at the 2017/18 level, as has the provision for maternity cover of £30,000.
42. **Accommodation Costs – Chancery Exchange** – The appeals hearing centre at Chancery Exchange, EC4 has been operational since July 2015. The budget for 2018/19 of £496,893 includes the full year cost of the leasehold agreement plus other premises running costs. In addition, a budget for depreciation in respect of the refurbishment costs of Chancery Exchange of £103,166 is required, along with the continuation of a provision for potential redecoration, dilapidation and reinstatement costs payable at the end of the Chancery Exchange lease of £24,191 per annum. These premises costs are fully recovered as part of the Parking Enforcement service charge (refer paragraphs 34-35).
43. **Accommodation Costs - Southwark Street** – These are included as part of central recharges cost and covers the 16.5 desks at Southwark Street that are used by staff who are directly chargeable to the TEC funding stream. Use of this accommodation will attract a desk space charge of £198,038 for 2018/19. In addition, ancillary premises costs such as cleaning, security and maintenance contracts, plus accumulated depreciation, again apportioned on a per capita basis, come to £80,832. The recharges in respect of the Southwark Street accommodation forms part of the administration charge for the direct services–



for the freedom pass, taxicard, health emergency badge and the London lorry control scheme, as detailed in paragraphs 6-20 of this report.

### Discretionary Expenditure

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

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

\*forms part of central recharge costs

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

### Central Recharges

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

49. As detailed in paragraph 51 below, it is proposed that this Committee approves the transfer of a sum of £289,000 from uncommitted general reserves to smooth the effect of the underlying increase to direct service costs.

## Other Income

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

## Committee Reserves

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

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

	<b>General Reserve</b>	<b>Specific Reserve</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Audited reserves at 31 March 2017</b>	<b>3,341</b>	<b>1,734</b>	<b>5,075</b>
Amount carried forward from 2016/17	(227)	-	(227)
Repayment to boroughs and TfL in 2017/18	(340)	-	(340)
Proposed use in setting 2017/18 budget	(288)	-	(288)
Transfer between reserves	(1,000)	1,000	-
Projected Budget Surplus 2018/19	698	303	1,001
<b>Projected uncommitted reserves as at 31 March 2018</b>	<b>2,184</b>	<b>3,037</b>	<b>5,221</b>
Proposed use in setting 2018/19 budget	(289)	-	(289)
Proposed transfer between reserves	(140)	140	-
<b>Estimated uncommitted reserves as at 1 April 2018</b>	<b>1,755</b>	<b>3,177</b>	<b>4,932</b>

52. The projected level of uncommitted general reserves as at 1 April 2018 assumes that the budget proposals for 2018/19 as laid out in this report is agreed are by this Committee. It is proposed that a sum of £239,000 be transferred from general reserves to continue to smooth the effect of the underlying increase in direct service charges and also a continuing sum of £50,000 to enhance the IT systems development budget for 2018/19 only as a contingency for any further expenditure on developing the parking managed services IT system at Chancery Exchange.
53. In addition, following consideration by the Executive Sub-Committee on 16 November, it is proposed to transfer a sum of £140,000 from the general reserve to the specific reserve. This will increase the projected amount expected to be held in the specific reserve as at 1 April 2018 to £3.177 million (£2.837 million to meet the cost of the next bulk freedom pass renewal exercise in 2020 and £340,000 for other TEC project work). For comparative purposes, the final cost of the 2015 bulk freedom pass renewal exercise was £2.61 million.

54. After taking into account the forecast surplus of £1.001 million for the current year and the above transfers proposed in respect of the 2018/19 budget, uncommitted general reserves are forecast to be £1.755 million as at 1 April 2018. This equates to 14.99% of proposed operating and trading expenditure of £11.705 million for 2018/19. This figure, therefore, accords with the Committee's formal policy on reserves, agreed in December 2015 that reserves should equate to between 10-15% of annual operating and trading expenditure.

## Summary

55. This report details the outline revenue budget proposals and the proposed indicative borough subscription and charges for 2018/19. The Executive Sub-Committee considered these proposals at its meeting on 16 November. The Executive Sub-Committee agreed to recommend that the main Committee approves these proposals, which are now presented for final approval. The proposed level of expenditure for 2018/19 amounts to £368.382 million. A sum of £356.677 million relates to direct expenditure on the transport operators providing the Freedom Pass and the Taxicard schemes, leaving £11.705 million relating to expenditure on parking and traffic related traded service and other operating expenditure. This compares to a comparable sum of £12.282 million for the current year, a reduction of £577,000, or 4.7%.

## Recommendations

56. The Committee is asked to approve:

- The proposed individual levies and charges for 2018/19 as follows:
  - The Parking Core Administration Charge of £1,500 per borough and for TfL (2017/18 - £1,500; paragraph 38);
  - The total Parking Enforcement Service Charge of £0.4226 which will be distributed to boroughs and TfL in accordance with PCNs issued in 2016/17 (2017/18 - £0.4915 per PCN; paragraphs 36-37);
  - No charge to boroughs in respect of the Freedom Pass Administration Charge, which is covered by replacement Freedom Pass income (2017/18 – nil charge; paragraph 15);
  - The Taxicard Administration Charge to boroughs of £338,182 in total (2017/18 - £338,182; paragraphs 17).
  - No charge to boroughs in respect of the Lorry Control Administration Charge, which is fully covered by estimated PCN income (2017/18 – nil charge; paragraphs 19-20);
  - Road User Charging Appeals (RUCA) – to be recovered on a full cost recovery basis under the new contract arrangements with the GLA (paragraph 28);
  - A unit charge of £12 for the replacement of a lost or damaged Freedom Pass (2017/18 - £10; paragraphs 4 and 10);
  - Environment and Traffic Appeals (ETA) charge of £30.63 per appeal or £27.02 per appeal where electronic evidence is provided by the enforcing authority (2017/18 - £32.00/£28.50 per appeal). For hearing Statutory

Declarations, a charge of £25.21 for hard copy submissions and £23.53 for electronic submissions (2017/18 - £26.74/£26.06 per SD) (paragraphs 4 and 27);

- The TRACE (Electronic) Charge of £7.53 per transaction (2017/18 - £7.31; paragraphs 4, 29-35);
  - The TRACE (Fax/Email) Charge of £7.70 per transaction, which from 1 April 2018 would be levied, in addition to the electronic charge of £7.53 per transaction, making a total of £15.23 (2017/18 - £7.48; paragraphs 4, 29-35); and
  - The TEC<sup>3</sup> Charge of £0.175 per transaction (2017/18 - £0.17; paragraphs 4, 29-35).
- The provisional gross revenue expenditure of £368.382 million for 2018/19, as detailed in Appendix A;
  - On the basis of the agreement of the above proposed charges, the provisional gross revenue income budget of £368.093 million for 2018/19, with a recommended transfer of £289,000 from uncommitted Committee reserves to produce a balanced budget, as shown in Appendix B; and
  - A transfer of a sum of £140,000 from the general reserve to the specific reserve, to be used for priority projects as determined by this Committee (paragraph 53).

57. The Committee is also asked to note:

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

---

### **Financial Implications for London Councils**

None, other than those detailed in the report

### **Legal Implications for London Councils**

None

### **Equalities Implications for London Councils**

None

### **Appendices**

Appendix A – Proposed revenue expenditure budget 2018/19;

---

<sup>3</sup> The system that allows boroughs to register any unpaid parking tickets with the Traffic Enforcement Centre and apply for bailiff's warrants.

Appendix B – Proposed revenue income budget 2018/19;

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

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

Appendix D – Parking Enforcement statistics 2016/17.

**Background Papers**

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

TEC Final Accounts Working Papers 2016/17;

TEC Revenue Budget Forecast Working Papers 2017/18; and

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

## TEC Expenditure Base Budget 2018/19

## Appendix A

	Revised 2017/18 £000	Develop- ments £000	Base 2018/19 £000	Inflation £000	Original 2018/19 £000
<b>Payments in respect of Concessionary Fares</b>					
TfL	324,181	-1,257	322,924	0	322,924
ATOC	18,872	0	18,872	680	19,552
Other Bus Operators	1,700	-200	1,500	0	1,500
Freedom Pass issue costs	1,518	0	1,518	0	1,518
Freedom Pass Administration	484	-5	479	0	479
City Fleet Taxicard contract	12,499	0	12,499	202	12,701
Taxicard Administration	527	10	537	0	537
	359,781	-1,452	358,329	882	359,211
<b>TEC Trading Account Expenditure</b>					
Payments to Adjudicators- ETA	920	-115	805	21	826
Payments to Adjudicators - RUCA	253	26	279	7	286
Northgate variable contract costs - ETA	275	14	289	9	298
Northgate variable contract costs - RUCA	60	6	66	1	67
Northgate variable contract costs - Other	183	0	183	6	189
Payments to Northampton County Court	3,000	0	3,000	0	3,000
Lorry Control Administration	709	-2	707	0	707
ETA/RUCA Administration	2,769	-105	2,664	0	2,664
HEB Administration	43	2	45	0	45
	8,212	-174	8,038	44	8,082
<b>Sub-Total</b>	<b>367,993</b>	<b>-1,626</b>	<b>366,367</b>	<b>926</b>	<b>367,293</b>
<b>Operating Expenditure</b>					
<b>Contractual Commitments</b>					
NG Fixed Costs	89	1	90	2	92
	89	1	90	2	92
<b>Salary Commitments</b>					
Non-operational staffing costs	626	4	630	9	639
Members	19	0	19	0	19
Maternity/Paternity Provision	30	0	30	0	30
	675	4	679	9	688
<b>Discretionary Expenditure</b>					
Supplies and services	297	-139	158	0	158
Research	40	0	40	0	40
One off payment to boroughs	340	-340	0	0	0
	677	-479	198	0	198
<b>Total Operating Expenditure</b>	<b>1,441</b>	<b>-474</b>	<b>967</b>	<b>11</b>	<b>978</b>
<b>Central Recharges</b>	<b>90</b>	<b>21</b>	<b>111</b>	<b>0</b>	<b>111</b>
<b>Total Expenditure</b>	<b>369,524</b>	<b>-2,079</b>	<b>367,445</b>	<b>937</b>	<b>368,382</b>

	Original 2017/18 £000	Develop- ments £000	Revised 2017/18 £000	Inflation £000	Base 2018/19 £000
Borough contributions to TfL	324,181	-1,257	322,924	0	322,924
Borough contributions to ATOC	18,872	0	18,872	680	19,552
Borough contributions to other bus operators	1,700	-200	1,500	0	1,500
Borough contributions to surveys/reissue costs	1,518	0	1,518	0	1,518
Borough contributions to freedom pass administration	0	0	0	0	0
Income from replacing lost/faulty freedom passes	600	-36	564	120	684
Income from replacing lost/faulty taxicards	24	-3	21	0	21
Borough contributions to Taxicard scheme	2,409	0	2,409	0	2,409
TfL contribution to Taxicard scheme	10,090	0	10,090	202	10,292
Borough contributions to taxicard administration	326	-2	324	0	324
TfL Contribution to taxicard administration	118	6	124	0	124
	359,838	-1,492	358,346	1,002	359,348
<b>TEC trading account income</b>					
Borough contributions to Lorry ban administration	0	0	0	0	0
Lorry ban PCNs	800	0	800	0	800
Borough ETA appeal charges	957	13	970	-40	930
TfL ETA appeal charges	238	7	245	-10	235
RUCA appeals income	313	36	349	4	353
Borough fixed parking costs	2,190	-145	2,045	0	2,045
TfL fixed parking costs	214	0	214	0	214
RUCA fixed parking costs	454	43	497	0	497
Borough other parking services	484	1	485	15	500
Northampton County Court Recharges	3,000	0	3,000	0	3,000
	8,650	-45	8,605	-32	8,573
<b>Sub-Total</b>	<b>368,488</b>	<b>-1,537</b>	<b>366,951</b>	<b>970</b>	<b>367,921</b>
<b>Core borough subscriptions</b>					
Joint Committee	46	0	46	0	46
TEC (inc TfL)	51	0	51	0	51
	97	0	97	0	97
<b>Other Income</b>					
TfL secretariat recharge	41	-10	31	0	31
Sales of Health Emergency badges	43	1	44	0	44
Miscellaneous income	0	0	0	0	0
	84	-9	75	0	75
<b>Transfer from Reserves</b>	<b>855</b>	<b>-566</b>	<b>289</b>	<b>0</b>	<b>289</b>
<b>Central Recharges</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Income Base Budget</b>	<b>369,524</b>	<b>-2,112</b>	<b>367,412</b>	<b>970</b>	<b>368,382</b>

# Indicative Charges to Boroughs 2018/2019

# Appendix C.1

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



## Indicative Charges to Boroughs 2017/2018

## Appendix C.2

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

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

**Appendix D**

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

## **LONDON COUNCILS' TRANSPORT AND ENVIRONMENT EXECUTIVE SUB COMMITTEE**

Minutes of a meeting of the London Councils' Transport and Environment Executive Sub Committee held on **16 November 2017** at 10:00am, at London Councils, Meeting Room 4, 1<sup>st</sup> Floor, 59½ Southwark Street, London, SE1 0AL

### **Present:**

Councillor Julian Bell	LB Ealing (Chair)
Councillor Lynda Rice	LB Barking & Dagenham
Councillor Stuart King	LB Croydon
Councillor Daniel Anderson	LB Enfield
Councillor Feryal Demirci	LB Hackney
Councillor Claudia Webbe	LB Islington
Councillor Peter Buckwell	LB Richmond
Councillor Jill Whitehead	LB Sutton

### **1. Apologies for Absence & Announcement of Deputies**

Apologies for absence had been received from Councillor Phil Doyle (RB Kingston) and Councillor Caroline Usher (LB Wandsworth). No deputies were present.

### **2. Declarations of Interest**

Councillor Demirci declared an interest that she was a member of Ofo Bikes.

### **3. London Councils' Response to the Draft Mayor's Environment Strategy Consultation**

The Committee received a report that summarised the development process of the London Councils' draft response to the draft London Environment Strategy (LES) and sought member approval for its contents.

Owain Mortimer, Principal Policy Officer, Transport, Infrastructure & Environment, London Councils, introduced the report. He made the following comments:

- Deadline for responses to the draft Mayor's London Environment Strategy (LES) Consultation was 17 November 2017;
- London Councils engagement process to produce its response involved three elements, including two large scale events (13 April 2017 – a pre-consultation event with the GLA, for borough input, and 31 October 2017 – over 50 attendees, members and officers);
- Also, a Task and Finish Group met twice on 8 September and 30 October 2017, with borough representatives from all the environment policy areas covered in the draft LES. This fed into the final response;
- Key message in the London Councils response was the ambitiousness of the Strategy. The Strategy was welcomed and the main aims were supported (eg zero carbon emissions and zero waste);

- One of the key themes was the financial pressure boroughs are under, lack of costings (eg for tree maintenance) and concern that offsetting mechanisms be used as a last resort. The Mayor needed to use his convening and influencing powers;
- London Councils wanted to see the circular economy woven more through the LES and the impact of Brexit (ie lack of clarity at moment).

Councillor Whitehead asked whether the boroughs or the GLA would be monitoring the KPIs. She said that there was also the assumption that areas like waste would be undertaken Londonwide, whereas the borough of Sutton undertook its own waste programme and had its own contractual arrangements. Councillor Whitehead said that Planning Inspectors had said that LB Sutton had to build new homes on green spaces and Metropolitan Open Land despite continued protection for these in the draft Strategy. She said this was being resisted by the borough.

Councillor Anderson said that the Strategy had a lot of ambition, but not much detail on how it would be achieved. He felt that there was a great deal of expectation on the boroughs, which had cost implications attached, especially with regards to transport issues. Councillor Anderson said that outer London boroughs were more car dependent. He felt that there was a lack of interim targets in the Strategy. The Mayor also had a shortfall in funding. Councillor Anderson said that the waste recycling target of 65% was unrealistic. There also appeared to be a lack of real awareness in the Strategy regarding businesses and packaging.

Councillor Demirci said that the 65% waste target included commercial waste as well as residential waste. She voiced concern at the lack of enforcement powers boroughs had with regards to requiring residents to recycle and felt that the paragraph in the response (125, page 26) needed to be strengthened.

Councillor King felt that the zero emissions paragraph (26, page 6) for buses by 2037 needed to be strengthened. Katharina Winbeck, Head of Transport, Environment and Infrastructure, London Councils, said that it would be problematic to change this at this stage of the consultation as the response aligned with the response to the Mayor's Transport Strategy.

Councillor Anderson said that the Mayor's Environment Strategy needed to overlap with the Transport Strategy, and should not be seen as separate. Owain Mortimer said that London Councils had been developing both responses with reference to each other, especially with regards to air quality. Councillor Anderson said that many elements of the Transport Strategy fitted with the Environment Strategy. Katharina Winbeck said that the GLA Act stated that there needed to be two separate strategies (Environment and Transport). She said that London Councils had been cross-referencing both strategies. Owain Mortimer said that this would be fed in to the London Plan when it came out in December 2017. Councillor Whitehead asked how the issue of planning inspectors would be dealt with. Katharina Winbeck said that this was national policy.

Katharina Winbeck asked members if they felt that the expectations on boroughs and implications on funding needed strengthening in London Councils' response.

Councillor Anderson said that the draft LES was aspirational and dependent on the boroughs, and this needed to be recognised. Katharina Winbeck said that it was an expectation of the Mayor at the moment to measure KPIs.

The Chair said that further clarification was needed in the section that referenced the government's Litter Strategy, including fly-tipping (page 28, paragraph 139).

Katharina Winbeck said this section of the report could be strengthened. Jennifer Sibley, Principal Policy Officer, London Councils, said that fly-tipping was a borough responsibility. The Chair said that more powers were needed to enforce fly-tipping. Councillor Whitehead voiced concern about the amount of packaging that was being produced. She said that national and regional action was required to address this. Councillor Rice said that the borough of Barking and Dagenham was developing an app for the reporting of fly-tipping. She said that the enforcement side had to work as well though, along with a change in the public's behaviour. Katharina Winbeck said that the public needed to be engaged with this.

The Chair suggested that the minor changes to the response be made and then circulated to himself and the vice chairs of TEC.

**Decision:** The TEC Executive Sub Committee:

- Noted and discussed the draft response to the draft London Environment Strategy at Appendix 1;
- Agreed that the following minor changes to the response would be made and sent to the Chair and vice chairs of TEC's for final sign-off:
  - (i) to strengthen the paragraph regarding the lack of effective borough powers to enforce residential recycling rates;
  - (ii) to strengthen the issue of expectations and costs in delivering the Environment Strategy; and
  - (iii) more clarification was needed on the Government's litter strategy and fly-tipping and this should be mentioned in the specific section on this in the response (page 28/para 139).
- Agreed to submit the draft response to the draft London Environment Strategy as outlined at Appendix A, subject to the above minor amendments being made.

#### **4. Transport and Mobility Services Performance Information 2017/18 (Q2)**

The TEC Executive Sub Committee considered a report that detailed the London Councils' Transport and Mobility Services performance information for Q1 and Q2 in 2017.

Spencer Palmer, Director of Transport and Mobility, London Councils, introduced the performance report. He said that the "amber" rating for the "average number of days (from receipt) to decide appeals" under Road User Charging Adjudicators (RUCA) was due to an increase in personal and postal appeals. TfL had also changed contractors at the beginning of the year resulting in many more appeals being produced. Spencer Palmer informed members that there was no real cause for concern regarding this.

Spencer Palmer explained that the “red” rating for the decline in the “percentage of calls answered within 30 seconds (BAU)” for the Freedom Pass in Q2 was due to resource issues with the contractor, and an increase in calls in general. He said that the new contract had started on 1 October 2017 and there were signs of improvements already. There had also been no increase in customer complaints during this period. Spencer Palmer informed members that the “red” rating for the “percentage of appeals allowed” for the London Lorry Control Scheme was due to the relatively low number of appeals received, along with the number of allowed appeals that were not contested by London Councils.

Spencer Palmer informed members that the “amber” rating given to the “number of boroughs participating in EU transport funding projects” under the London European Partnership for Transport (LEPT) was given because only 5 out of the target of 7 boroughs were participating. He said that the first stage of a bid had been submitted on 25 January 2017 and the results of the second bid submitted would be known in May 2018.

**Decision:** The TEC Executive Sub Committee noted the performance information report for Q1 and Q2 in 2017.

## **5. Month 6 Revenue Forecast 2017/18**

The TEC Executive Sub Committee received a report that outlined actual income and expenditure against the approved budget to the end of September 2017 for TEC and provided a forecast of the outturn position for 2017/18.

Frank Smith, Director of Corporate Resources, London Councils, introduced the report. He informed members that there was a projected surplus of £1.01 million for the year. During the course of discussion on the main variances projected for the year, he said that income collected for the month of October alone for lost or damaged Freedom passes had generated £65,000, which equated to over £700,000 annually.

Councillor Buckwell asked whether any of the £1.001 projected surplus would be returned to the boroughs. Frank Smith informed members that the London Councils’ Executive currently wanted to maintain a healthy balance of reserves, in light of the recent increases in inflation and the projected effect this would have on London Councils’ budgets and would not be recommending any return to boroughs from reserves for 2018/19. This would continue to be monitored over the next twelve months. Following a question from the Chair, Frank Smith stated that a projected net deficit of £23,000 in respect of transaction volumes generated by boroughs for other parking systems was also forecast.

**Decision:** The TEC Executive Sub Committee:

- Noted the projected surplus of £1.001 million for the year, plus the forecasted net underspend of £809,000 for overall Taxicard trips, as detailed in the report; and
- Noted the projected level of Committee reserves, as detailed in paragraph 5 of the report, and the commentary on the financial position of the Committee included in paragraphs 6-9.

## **6. Draft Revenue Budget and Borough Charges 2018/19**

The TEC Executive Sub Committee received a report that detailed the outline revenue budget proposals and the proposed indicative borough subscription and charges for 2018/19. The Executive Sub Committee was also asked to comment on these outline proposals, with particular consideration to the three specific proposals detailed at paragraph 4, in order that any comments could be consolidated in the further report for the TEC Main meeting in December 2017.

Frank Smith informed members that the budget report would be presented to London Councils' Leaders Committee on 5 December and then to TEC for final approval on 7 December 2017. He said that there were no current proposals to return funds to the boroughs, as London Councils was facing a number of budgetary pressures during 2018/19, including a rent review for the Southwark Street site, along with the new requirement to providing access to a pension scheme for the adjudicators.

Frank Smith said that paragraph 4 in the report highlighted three specific proposals for 2018/19 that the Sub-Committee were being asked to consider in order to balance the budget. Councillor Buckwell felt that a 20% rise in the unit cost of a replacement Freedom Pass (from £10 to £12) was quite high. Frank Smith said that there had not been an increase in this charge since it had been introduced in November 2012. Spencer Palmer said that the increase was still more or less in keeping with other concessionary travel schemes across the country. He said that the increase would also encourage people to look after their passes more. Councillor Anderson said that more frequent reviews needed to be built in, and the time between future reviews needed to be fixed.

Spencer Palmer informed members that the first Freedom Pass was issued free of charge. If the pass was faulty it would be replaced free of charge. A stolen pass would also be replaced free of charge, as long as the passholder had a relevant crime number. If the pass was physically damaged, then the passholder would be charged £12 for a replacement from 2018/19. Councillor Anderson asked how many passes were replaced each year. Spencer Palmer confirmed that based on income collected in October 2017, 6,500 lost passes were replaced in that month. Councillor Anderson asked if this was typical. Frank Smith said that up to 5% of passes were replaced, on average, in a year. Councillor Anderson asked what determined a pass to be damaged. Spencer Palmer said that the passes had a 5-year lifespan. The type of damage would be determined when the passes were sent back.

Councillor Webbe asked whether passes would be made contactless in the future, and whether the need for the separate part of the pass would be eliminated. Spencer Palmer said that the Freedom Pass had to be compatible with the Oyster Scheme (chip), as Freedom Pass journeys needed to be recorded. The pass needed to carry an ITSO chip for the national scheme. Spencer Palmer said that the ID element was also required, although London Councils was looking into the use of smart phone technology.

Councillor Buckwell asked what costs were involved regarding stolen passes. Spencer Palmer said that he did not know what the total costs for this were. He informed members that the police would become involved if cards were being used fraudulently.

Frank Smith informed members that the second bullet point in paragraph 4 related to top slicing the forecast reductions in the unit costs of all Environment and Traffic appeals (ETAs) and statutory declarations by £1. The third bullet point proposed a 3% increase in the charge to boroughs for TEC and TRACE electronic transactions and the phasing out of TRACE fax and email charges. Spencer Palmer said that this would only affect some local authorities. Councillor Buckwell suggested giving a specific date for when faxes would no longer be used. Spencer Palmer said that plans were in place to increase the charge, although faxes could stop altogether at a later date. Frank Smith said that if boroughs were mandatorily required to use the electronic TRACE link at some point in the future, they would require assurances that third parties would not have access to borough systems, especially in light of the requirements of the forthcoming General Data Protection Regulation (GDPR), which come into effect in May 2018.

Frank Smith said that the projected reserves as at 1 April 2018 would marginally exceed the upper limit of the agreed 10%-15% benchmark, although an additional recommendation could be added to the report going to the main TEC meeting in December to transfer £140,000 from uncommitted reserves to the specific reserve. The Chair agreed that this was a reasonable strategy that would allow the level of uncommitted reserves to be brought back to within the 15% benchmark. The Sub-Committee, therefore, agreed that this additional recommendation should be put before the main TEC meeting for approval.

Councillor King asked whether the ONS figures used to determine potential borough contributions influenced the enforcement of the London Lorry Control Scheme (LLCS). Spencer Palmer said that this was not the case. In addition, he commented that boroughs, in fact, had not contributed to the scheme for three years owing to the level of receipts collected from Lorry Control PCNs.

**Decision:** The TEC Executive Sub Committee approved the proposed individual levies and charges for 2018/19 as follows:

- The Parking Core Administration Charge of £1,500 per borough and for TfL (2017/18 - £1,500; paragraph 36);
- The total Parking Enforcement Service Charge of £0.4226 which would be distributed to boroughs and TfL in accordance with PCNs issued in 2016/17 (2017/18 - £0.4915 per PCN; paragraphs 34-35);
- No charge to boroughs in respect of the Freedom Pass Administration Charge, which was covered by replacement Freedom Pass income (2017/18 – nil charge; paragraph 15);
- The Taxicard Administration Charge to boroughs of £338,182 in total (2017/18 - £338,182; paragraphs 17).
- No charge to boroughs in respect of the Lorry Control Administration Charge, which was fully covered by estimated PCN income (2017/18 – nil charge; paragraphs 19-20);



- Road User Charging Appeals (RUCA) – to be recovered on a full cost recovery basis under the new contract arrangements with the GLA (paragraph 28);
- In addition, after considering the specific proposals outlined at paragraph 4, the Executive-Sub Committee was also asked to recommend that the Full Committee approve at their meeting on 7 December:
  - A unit charge of £12 for the replacement of a lost or damaged Freedom Pass (2017/18 - £10; paragraph 10);
  - Environment and Traffic Appeals (ETA) charge of £30.63 per appeal or £27.02 per appeal where electronic evidence was provided by the enforcing authority (2017/18 - £32.00/£28.50 per appeal). For hearing Statutory Declarations, a charge of £25.21 for hard copy submissions and £23.53 for electronic submissions (2017/18 - £26.74/£26.06 per SD) (paragraph 27);
  - The TRACE (Electronic) Charge of £7.53 per transaction (2017/18 - £7.31; paragraphs 29-33);
  - The TRACE (Fax) Charge of £7.70 per transaction, in addition to the electronic charge of £7.53 per transaction (2017/18 - £7.48; paragraphs 29-33);
  - The TEC<sup>1</sup> Charge of £0.175 per transaction (2017/18 - £0.17; paragraphs 29-33);
  - Agreed to transfer £140,000 from uncommitted general reserves into the specific reserve to ensure the Committee's formal policy on reserves of between 10 to 15% of annual operating expenditure was adhered to.
- The provisional gross revenue expenditure of £368.775 million for 2018/19, as detailed in Appendix A; and
- On the basis of the agreement of all the above proposed charges as outlined in this report (including those at paragraph 4), the provisional gross revenue income budget of £368.486 million for 2018/19, with a recommended transfer of £289,000 from uncommitted Committee reserves to produce a balanced budget, as shown in Appendix B.

The Executive-Sub Committee was also asked to note:

- the current position on reserves, as set out in paragraphs 52-55 and Table 8 of this report; and
- the estimated total charges to individual boroughs for 2018/19, as set out in Appendix C.1.

## **6. Minutes of the TEC Main Meeting held on 12 October 2017 (for agreeing)**

Councillor Whitehead made the following amendments to the draft TEC minutes:

*Item 3 Mayor's Environment Strategy Q & As (page 4, 1<sup>st</sup> para)* – Noted that the rate of recycling in the borough of Sutton had averaged between 51 to 53% each month, since April, since the introduction of the new South London Waste Partnership contract (and not 55%, as stated in the minutes).

---

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

*Item 6 Flooding Investment in London Q & As (page 8, 1<sup>st</sup> para)* – noted that the “Beverley Brook Flood Scheme” covered Sutton and Merton, and not the borough of Richmond. This needed to be amended in the “Decision” part at the bottom of page 8 as well.

Subject to the above minor changes being made, the minutes of the TEC Main Meeting held on 12 October 2017 were agreed as an accurate record.

**7. Minutes of the TEC Executive Sub Committee held on 15 September 2017 (for noting)**

The minutes of the TEC Executive Sub Committee held on 25 September 2017 were noted.

**8. Any Other Business**

Councillor Webbe asked whether the boroughs would be given more time to return their forms to give delegated authority of Go Ultra Low City Scheme (GULCS). The Chair said that the official body had not been established yet so more time could be given to boroughs who had not yet returned their forms. Spencer Palmer confirmed that a written reminder would be sent out to the boroughs regarding this and a copy would be sent to TEC members, as well as borough officers.

Spencer Palmer said that a presentation would be taking place on protective security and hostile vehicle mitigation at 2pm in the Conference Suite on 7 December 2017. The TEC party group meetings would convene at 1:15pm (instead of 1:30pm) and the Main TEC meeting would take place at 3pm (instead of 2:30pm). Alan Edwards would email TEC members with the details nearer the time.

**The meeting finished at 11:15am**

## London Councils' Transport and Environment Committee – 12 October 2017

Minutes of a meeting of London Councils' Transport and Environment Committee held on Thursday 12 October 2017 at 2:30pm in the Conference Suite, London Councils, 59½ Southwark Street, London SE1 0AL

### Present:

Council	Councillor
Barking and Dagenham	Cllr Lynda Rice
Barnet	<b>Apologies</b>
Bexley	Cllr Colin Tandy (Deputy)
Brent	
Bromley	Cllr Tim Stevens (Deputy)
Camden	
Croydon	Cllr Stuart King
Ealing	Cllr Julian Bell (Chair)
Enfield	Cllr Vicki Pite (Deputy)
Greenwich	Cllr Sizwe James
Hackney	Cllr Feryal Demirci
Hammersmith and Fulham	Cllr Larry Culhane (Deputy)
Haringey	
Harrow	Cllr Graham Henson
Havering	Cllr Jason Frost
Hillingdon	Cllr Douglas Mills (Deputy)
Hounslow	<b>Apologies</b>
Islington	Cllr Claudia Webbe
Kensington and Chelsea	Cllr Will Pascall
Kingston Upon Thames	Cllr Phil Doyle
Lambeth	Cllr Jennifer Brathwaite
Lewisham	
Merton	Cllr Nick Draper (Deputy)
Newham	Cllr Pat Murphy
Redbridge	Cllr John Howard
Richmond Upon Thames	Cllr Peter Buckwell
Southwark	
Sutton	Cllr Jill Whitehead
Tower Hamlets	
Waltham Forest	Cllr Clyde Loakes
Wandsworth	Cllr Caroline Usher
City of Westminster	
City of London	
Transport for London	Alex Williams

## **1. Apologies for Absence & Announcement of Deputies**

### Apologies:

Cllr Dean Cohen (LB Barnet)  
Cllr Alex Sawyer (LB Bexley)  
Cllr Colin Smith (LB Bromley)  
Cllr Daniel Anderson (LB Enfield)  
Cllr Wesley Harcourt (LB Hammersmith & Fulham)  
Cllr Keith Burrows (LB Hillingdon)  
Cllr Amrit Mann (LB Hounslow)  
Cllr Martin Whelton (LB Merton)

### Deputies:

Cllr Colin Tandy (LB Bexley)  
Cllr Tim Stevens (LB Bromley)  
Cllr Vicki Pite (LB Enfield)  
Cllr Larry Culhane (LB Hammersmith & Fulham)  
Cllr Douglas Mills (LB Hillingdon)  
Cllr Nick Draper (LB Merton)

## **2. Declaration of Interests**

### Freedom Pass Holders/60+ Oyster Cards

Cllr Phil Doyle (RB Kingston), Cllr Pat Murphy (LB Newham), Cllr Peter Buckwell (LB Richmond), Cllr Jill Whitehead (LB Sutton), Cllr Caroline Usher (LB Wandsworth), Cllr Colin Tandy (LB Bexley), Cllr Vicki Pite (LB Enfield), and Cllr Nick Draper (LB Merton).

### North London Waste Authority

Cllr Daniel Anderson (LB Enfield), Cllr Claudia Webbe (LB Islington), and Cllr Clyde Loakes (LB Waltham Forest).

### East London Waste Authority

Cllr Lynda Rice (LB Barking & Dagenham), Cllr Pat Murphy (LB Newham) and Cllr John Howard (LB Redbridge)

### West London Waste Authority

Cllr Peter Buckwell (RB Richmond upon Thames) and Cllr Graham Henson (LB Harrow)

### Western Riverside Waste Authority

Cllr Wesley Harcourt (LB Hammersmith & Fulham) and Cllr Jenny Brathwaite (LB Lambeth)

### South London Waste Partnership

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

#### London Waste & Recycling Board

Cllr Feryal Demirci (LB Hackney)

#### Car Club

Cllr Julian Bell (LB Ealing – Chair) and Cllr Feryal Demirci (LB Hackney)

#### Thames Regional Flood & Coastal Committee (Thames RFCC)

Cllr Lynda Rice (LB Barking & Dagenham)

Cllr Jenny Brathwaite (LB Lambeth)

Cllr Nick Draper (LB Merton)

#### London Cycling Campaign

Cllr Julian Bell (LB Ealing - Chair) and Cllr Feryal Demirci (LB Hackney)

#### Wandle Valley Regional Park

Cllr Jill Whitehead (LB Sutton)

### **3. Mayor's Environment Strategy – Introduction by Shirley Rodrigues, Deputy Mayor for Environment and Energy, GLA**

Shirley Rodrigues introduced the Mayor's draft London Environment Strategy and made the following comments:

- The Environment Strategy would cover areas like air quality, climate change and waste, and would be aligned with the Transport Strategy being undertaken by Val Shawcross, Deputy Mayor for Transport, GLA.
- It was an ambitious strategy to 2050 and aims to provide certainty in the long-term.
- The Mayor's aim was to improve the environment now through implementing policies for air quality, green infrastructure, energy efficiencies and fuel poverty.
- A new "T-Charge" (Toxicity Charge) would come in to force on 23 October 2017 and would have wide reaching implications for health. The introduction of the Ultra Low Emission Zone (ULEZ) would improve air quality further.
- Part of plans for increasing green infrastructure was to make London a "National Park City" by 2050. Green belt land would continue to be protected. A "Green Spaces Commission" would be set-up to look at parks and open spaces.
- The Environment Strategy included targets for waste and recycling (65% recycling rate by 2030).
- There would be a new Thames Flood Barrier in the future.
- There were health issues regarding ambient noise, especially with regards to aircraft noise due to aviation expansion. The Environment Strategy contained proposals to have areas of respite to get away from ambient noise.
- The Mayor's draft Environment Strategy consultation would end on 17 November 2017.

### Q and As

Councillor Brathwaite asked whether the Mayor would have an influence on manufacturers and retail organisations with regards to waste. She felt that TfL needed to be more accountable when it came to its tree funding programme. Councillor Loakes asked whether the Mayor would call for the devolution of landfill tax. Councillor Whitehead said that the rate of recycling in the borough of Sutton had averaged between 51 to 53% each month, since April, since the introduction of the new South London Waste Partnership contract. She asked how the Mayor's 65% recycling target would affect this rate. Councillor Whitehead said that the borough of Sutton had a problem with helicopter noise, especially in the summer months.

Shirley Rodrigues said that the Mayor had strong convening powers when it came to influencing manufacturers on waste. The GLA was working with organisations to help reduce waste. The London Waste and Recycling Board (LWARB) would be leading and supporting small businesses on this. Shirley Rodrigues informed members that part of the Healthy Streets approach in the draft Transport Strategy included planting more trees and ensuring environmental integration – TfL would be looking further into this. With regards to the devolution of landfill tax, Shirley Rodrigues said that there was uncertainty over this while the UK was leaving the EU, but this would be flagged-up post Brexit. Shirley Rodrigues said that the waste targets were not borough targets, but Londonwide targets. She confirmed that the Mayor had no powers over helicopter noise.

Councillor Webbe asked if any dovetailing with regards to the Environment Strategy and tackling air pollution from diesel vehicles was being carried out. Shirley Rodrigues said that more work was being undertaken on air pollution from non-transport areas, like indoor air quality and wood burners, along with emissions from river transport. She said that these areas had been cross referenced with other Mayoral strategies. Councillor Webbe felt that the strategies should be made clearer to the public. Shirley Rodrigues said that major policies like the ULEZ and T-Charge were being communicated to the public. She said that details of a scrappage fund for diesel vehicles would also be released soon. Residents should no longer be using coal on open fires as well. Val Shawcross said that the next stage after ULEZ/Euro 6 would be to have zero emissions from exhausts, through the take-up of hydrogen and electric vehicles.

The Chair introduced Councillor Will Pascall, the new TEC member from RB Kensington and Chelsea and Councillor Phil Doyle (RB Kingston), the new Conservative TEC Vice Chair.

Councillor Pascall asked whether the Mayor would be trying to influence consumer decision making, when it came to purchasing new vehicles. Shirley Rodrigues said that a "cleaner vehicle checker" had been introduced, where a person could go to a website and check how clean their vehicle was. She said this information was being made available for consumers through communication including social media.

The Chair said that the process now was for London Councils' officers to continue to develop the response to the Environment Strategy consultation. Katharina Winbeck said that the draft response would be presented to the TEC Executive Sub Committee on 16 November 2016, and submitted on 17 November 2017. She said that all TEC members would be invited to attend the TEC Executive meeting. The Chair thanked Shirley Rodrigues for her presentation to TEC.

**4. Response to Mayor's Draft Transport Strategy – Val Shawcross, Deputy Mayor for Transport, GLA, was available to answer questions.**

The Committee received a report that summarised the development process of the London Councils' draft response to the draft Mayor's Transport Strategy and sought member approval for its contents.

Val Shawcross added the following comments:

- London Councils' draft response to the Mayor's Transport Strategy was very substantial and was very welcomed.
- 350 detailed submissions had been received from stakeholders, along with 6000 individual submissions.
- A large number of seminars, workshops and public focus groups had convened and this had helped to develop a stronger transport strategy. There might also be an Annual Conference Programme, something that would continue to be explored with the Chair and officers at London Councils.
- A lot more work would be carried out on freight which included the "Vision Zero" road safety policies.
- A change to modal shift in outer London needed to take place, facilitated by more public transport.
- On the draft LIP 3 Guidance, it was recognised that this needed to be more policy led and TfL and London Councils' officers were starting to work on this jointly.

The Chair said that this agenda item, and agenda item 5 ("Response to the Mayor's Draft LIP Guidance") would be taken together.

Q and As

Councillor Tandy said that it was hoped that the extension from Barking Riverside to Abbey Wood would extend to Bexleyheath in due course. Councillor Tandy said that it was very difficult to get to places like Croydon from Bexley, without experiencing a great deal of traffic and pollution. He said that there also used to be an upper station at Brockley and consideration needed to be given to re-establishing this link.

Councillor Whitehead said that it would be very beneficial if the tramlink could be extended to the borough of Sutton. She said that there was poor public transport in Sutton and some areas had no bus services at all. Councillor Whitehead said that a large number of new development sites were being built and therefore the need for better public transport was increasing. She said that the issue of school runs did not appear to be in the document. Councillor Whitehead said that the majority of parents dropped their children off by car, owing to the poor public transport in the borough. Councillor Frost said that he acknowledged the variations in outer London. He said that population growth in the borough of Havering was expected to increase rapidly over the coming years and infrastructure needed to be in place to support this. Reference to this was not in the current MTS.

Val Shawcross said that TfL was moving forward with a river crossing section on the Gospel Oak line. Network Rail was looking at integrating freight and increasing network links for outer London. Val Shawcross said it was hoped that tram extensions would link into the Crossrail 2 project, although there were only a certain amount of resources available. She said funding being made available was reliant on boroughs putting together a planning framework to support the scheme. Val Shawcross said that the "STARS" programme could encourage better access to

schools. A review had also taken place which looked at providing better bus services to hospitals in London.

Councillor Stevens said that it would be beneficial if the tram could be extended to Crystal Palace. Councillor Loakes said that the police did not have the resources to enforce speeding and boroughs should have the powers to carry this out. Councillor Rice said that she appreciated what TfL were doing with regards to buses and the school run, although more capacity was needed on these routes. Councillor King said that more journeys were now taking place on trams and the tram networks in Nottingham and Manchester were being extended. He felt that the tram network now needed to be extended in London.

Councillor Webbe said that she had hoped that the MTS would be looking at a 20mph limit for all London roads and for London to be diesel free by 2025. She said that the electrification of the Barking to Gospel Oak line was a good thing and these benefits should be spread across London. Councillor Usher said that she would like to see some of the targets in the MTS brought forward. The Chair voiced concern at the loss of the Local Transport Funding element of £100,000 per borough that was being taken away from LIP funding annually.

Val Shawcross said that it would be useful to visit Bromley to look at how the borough was connected via transport links. She said that the LGA supported local authorities to have increased powers for speed enforcement and more lawfulness was needed on the roads. Val Shawcross said that the issue of road space allocation and looking at the next generation of technology were in the MTS. She said that proposals to extend the tramlink were being looked at more closely. Val Shawcross said southern boroughs were getting more efficiency out of the National Rail network. She confirmed that the DLR was set to be extended and an extension across the river was currently being discussed.

Val Shawcross said that the issue of road safety around schools was being looked into. She said that the GLA also supported a 20mph limit on London roads where appropriate. Val Shawcross informed members that the MTS document was a 25-year vision document. It was hoped to be more ambitious, but resources had to be balanced. Discussions were taking place with regards to autonomous vehicles. With regards to phasing out diesel vehicles, Val Shawcross said that TfL could only do what was realistic. She informed the Committee that the trials that had been carried out on electric double decker buses had not been going very well, but single decker buses were successful.

Val Shawcross confirmed that TfL and the Mayor were keen to drive-up transport investment, but resources were limited and prioritisation was key. She said that TfL no longer received a grant from the Government and decisions needed to be made on what could be delivered with the resources available.

The Chair said that he would like both references to emission standards in the draft MTS response to highlight that London should be aiming for the more stringent World Health Organisation ones.

Councillor Webbe said that the need for more opportunities for groups of boroughs to work on issues with a lot of commonality had been discussed at the TEC Labour Group meeting. The Chair said that the submission mentioned the role of sub-regional partnerships. Val Shawcross said that south west London was a good example of this. She said that TfL now had a Stakeholder Manager for each of the boroughs, and London Councils was welcome to approach them with regards to sub-



regional meetings. The Chair thanked Val Shawcross for her discussion at TEC on the MTS.

**Decision:** The Committee:

- Noted and discussed the report and draft response to the draft Mayor's Transport Strategy; and
- Agreed that further re-drafting of the draft response, as outlined at Appendix 1, including the comments made at the meeting, would take place, and the Chair and vice chairs would sign this off for submission.

**5. Local Implementation Plan Guidance Response – Val Shawcross available to answer any questions.**

The Committee received a report that summarised the development process of London Councils' draft Local Implementation Plan (LIP) Guidance and sought member approval for its contents.

This item had already been discussed in conjunction with agenda item 4.

**Decision:** The Committee:

- Noted and discussed the report and draft response to the draft LIP Guidance at Appendix 1; and
- Agreed to submit the draft response to the draft LIP Guidance as outlined at Appendix 1.

**6. Flooding Investment in London and Introduction of the new Chair of the Thames Regional Flood & Coastal Committee**

The Committee considered a report that provided members with the annual update from the Thames Regional Flood and Coastal Committee (Thames RFCC) on its work and progress on the six-year capital programme to improve flood defence. The report included a business case presented by the Environment Agency on behalf of the Thames RFCC for an increase in local levy.

Robert Van de Noort, the new Chair of the Thames Regional Flood and Coastal Committee (Thames RFCC), introduced the report and the following comments were made:

- Robert Van de Noort was new to the role and had been Chair of the Thames RFCC for only three weeks. He works at the University of Reading. He had previously chaired the South West RFCC for four years.
- One million people were currently at risk from flooding in London.
- A 25-year approach to flooding had been agreed this year by the Thames RFCC.
- The Thames RFCC was working on a number of "themes", including:
  - (1) Slowing the flow – keeping water further upstream to help prevent flooding. A grant of £500k had been received for this;
  - (2) Reducing surface flooding and sewage flooding – work was taking place with Thames Water on this;
  - (3) Promoting the value of flood plains;

- (4) Reducing the tidal flow risk in the Thames Estuary – this was ongoing;
- (5) Empowering communities to become more resilient to flooding;
- (6) Delivering forward-looking, integrated schemes, including major projects; and
- (7) Promoting maintenance and the need for contingency plans.
- TEC supported, in principle, a levy increase in 2014 of 1.99% per annum for a six-year programme. Members were now being asked to provide a steer to the TEC members who sat on the Thames RFCC recommending a levy increase of 1.99% for 2018/19.
- The national six-year programme would benefit the whole country. There was still much more to do to reduce flood risks.

#### Q and As

Councillor Whitehead confirmed that the “Beverley Brook Flood Scheme” was in the borough of Merton and Sutton and not Richmond (page 35, Appendix B). She said that there was concern over residents concreting over their gardens, which was contributing to flooding. Councillor Tandy said that there was currently a skills shortage within boroughs with regards to flooding experts and this was making the delivery of schemes, within deadlines, very difficult. He felt that more work needed to be undertaken between London Councils and the Thames RFCC to help break through this skills shortage.

Councillor Draper said that the issue of flooding tended to get pushed down the list of priorities due to the fact it happened so rarely. He said that there were a number of borough officers in south west London that had experience in flooding matters and closer relations were needed between them. The Thames RFCC could help in that respect.

Robert Van de Noort said that concreting over drives and gardens accelerated rain water run-off. He said that people needed to be made aware of the effects that concreting over their drives had on flooding. Robert Van de Noort said that it was recognised that there was a skills shortage. He informed members that the Thames RFCC had a group of advisers that were agreeing a programme to help develop more flood engineers. There would also be opportunities to develop scheme using the apprenticeship levy and discussions were already taking place on this.

#### **Decision:** The Committee:

- Agreed that the steer to the TEC members who sit on the Thames RFCC would be to increase the levy by 1.99% for 2018/19;
- Noted the new Chair of the Thames RFCC was Robert Van de Noort; and
- Noted that “Beverly Park Flood Scheme” page 35 of the report) was in the borough of Merton and Sutton, and not the borough of Richmond.

## **7. Chair’s Report**

The Committee received a report that updated members on transport and environment policy since the last TEC meeting on 15 June 2017 and provided a forward look until the next TEC meeting on 7 December 2017.

The Chair said that agreement was now being sought from TEC for the Healthy Streets Board to become an official advisory board. He also asked boroughs that had not already done so, to return the delegated authority forms that allowed London

Councils' TEC to have operational management over the Go Ultra Low City Scheme (GULCS). An email would be sent to those boroughs to remind them to send back the form. Councillor Doyle said that a TfL communications plan regarding Healthy Streets had been discussed. He said that more momentum was needed on this as this helped the boroughs.

**Decision:** The Committee:

- Agreed that the Healthy Streets Board would become an official advisory board to which London Councils' TEC would nominate members annually at its June AGM; and
- Agreed that an email would be circulated to the boroughs that had not yet returned their delegated authority forms for GULCS (ie to give authority for London Councils to potentially undertake the operational management of the Go Ultra Low City Scheme).

## **8. GLC Parks Byelaws – Setting Penalty Levels**

The Committee considered a report that provided members with the results of the GLC Parks Byelaws consultation which was run over the summer on behalf of TEC.

The Chair asked whether the old byelaws would be brought up-to-date. Jennifer Sibley, Principal Policy Officer, London Councils, said that it was a complex process to try and update the byelaws, although the consultation was part of efforts by the London borough of Wandsworth to modernise its Parks Byelaws.

**Decision:** The Committee:

- Noted the consultation outcome;
- Agreed to set a fixed penalty level of £80 for breaches to the GLC Parks Byelaws; and
- Agreed to set the level of reduced payment at £50 if the fixed penalty was paid within 14 days from the date of the notice.

## **9. Proposed Freedom Pass Settlement Adjustment for Rail Network Disruption**

This report was withdrawn.

## **10. Direct Vision Standard for Heavy Goods Vehicles**

The Committee received a report that gave members an update on Transport for London's (TfL) work on using a Direct Vision Standard (DVS) for Heavy Goods Vehicles (HGVs) to deliver the Mayoral commitment to ban or restrict the most unsafe (zero star) HGVs from London by 2020, and ensure that only HGVs suitable for urban environments (three star and above) were used in London from 2024.

Alex Williams said that there had been 19 pedestrian and cyclist fatalities so far this year, and 25 the previous year involving HGVs. He said that two of the main issues that needed looking at were: (a) how to define the standard and (b) how to apply the standard by 2020. A phased delivery would take place and the preferred regulatory

option was currently through TEC's London Lorry Control Scheme (LLCS). The emerging scheme proposals were due out for consultation in November 2017. He urged members to consider the standard in relation to their own fleets and contracts.

Councillor Frost said that the borough of Havering did not operate the LLCS. Spencer Palmer confirmed that although Havering currently opts out of enforcement of the Scheme, it was in the Traffic Order. He said that the borough of Barnet, however, was not in the Traffic Order and changes would have to be made if Barnet was to become part of the LLCS or the DVS if the LLCS Order was used to implement it.

Councillor Usher asked TfL about collision avoidance systems for HGVs. She said that many new cars were now fitted with these systems. Alex Williams said that TfL had looked at such systems for HGVs. They found that they did not always work so well in a busy urban environment, as the sensors around the vehicle would make the alarm go off all the time. Councillor Usher asked how long ago these tests had been carried out. Alex Williams said that the tests were carried out approximately two years ago. Councillor Usher asked if she could be sent details of the TfL tests on this. Councillor Bell mentioned that his own authority had successfully fitted sensors that used missile detection technology to some of their own fleet.

**Decision:** The Committee:

- Noted the progress made in developing the Direct Vision Standard and proposals to ban or restrict the most unsafe HGVs from London's roads;
- Noted and supported TfL's intention to carry out a policy consultation on a HGV Safety Standard Permit scheme proposal in autumn 2017;
- Noted TfL's work with London Councils to explore the existing London Lorry Control Scheme as the implementation mechanism for any permit scheme; and
- Noted that Alex Williams would let Councillor Usher have the information regarding the tests carried out on HGVs and poor visibility.

## **11. Assisted Transport Allowances**

The Committee received a report that informed the Committee of the outcome of a recent Assembly investigation into improving door-to-door transport services in London and the recommendations made by the Assembly in their subsequent report "Door-to-Door Transport in London – Delivering a User-Led Service".

Joyce Mamode, Head of Passenger Services, TfL, introduced the report and made the following comments:

- There was a proposal for London Councils to work with TfL in scoping a pilot for the Assisted Transport Allowances concept.
- The concept of the small pilot would be to replace individual trips with a "virtual" budget.
- The risks and challenges would be looked at, along with the potential benefit to improve the choice of flexibility. The pilot was currently at the early stages of development.
- Members were being asked to endorse the draft and agree to London Councils participating in a joint steering group to develop the pilot.

**Decision:** The Committee:

- Endorsed the outline proposed objectives and scope for a pilot of Assisted Transport Allowances in two London boroughs;
- Proposed that one of the pilots would be an inner London and the other an outer London borough;
- Agreed to the participation of London Councils in a joint steering group with TfL, to develop the detailed scope of the proposed pilot during October and November 2017;
- Noted that TfL would provide the majority of resources required to undertake the analysis and modelling required to scope the pilot with subject matter expertise provided by London Councils' staff, and
- Noted that an update on the proposed pilot, together with a more detailed proposal, would be presented to members at the TEC meeting in December 2017.

## **12. Code of Practice for Parking Enforcement Part 2**

The Committee considered a report that updated members on the Code of Practice for Parking Enforcement in London. The code was being updated in two parts. The revised Part 1 was agreed at TEC in December 2016. This report sought approval of Part 2 of the revised Code of Practice relating to back office functions.

**Decision:** The Committee:

- Noted the contents of the revised Part 2 of the Code of Practice and agree that it should replace of the existing part of the Code relating the back office functions; and
- Recommended the adoption of Part 2 of the Code of Practice by all London authorities that carried out civil parking enforcement of parking regulations.

## **13. TfL Consultation on Penalty Charge Levels**

The Committee received a report that contained details of TfL's consultation on plans to increase Penalty Charge notices (PCNs) on their network and outlined the reasons why London Councils was not undertaking a similar consultation for PCN levels on borough roads at this time.

**Decision:** The Committee noted the contents of the report regarding TfL plans to increase PCN levels on their network.

## **14. Re-appointment of Environment and Traffic Adjudicators**

The Committee considered a report that proposed the re-appointment of nine environment and traffic adjudicators under the terms of the Traffic Management Act 2004.

Councillor Tandy asked how many times the environment and traffic adjudicators could be re-appointed. Caroline Hamilton, Chief Adjudicator, London Tribunals, confirmed that the adjudicators could get re-appointed every five years, up to the age of 70 years old.

**Decision:** The Committee agreed that the following adjudicators be appointed for a period of 5 years from 10 December 2017:

Neeti Haria  
Caroline Hamilton  
John Hamilton  
Mamta Parekh  
Sean Stanton-Dunne  
Carl Teper  
Timothy Thorne.

Michel Aslangul to be appointed until 26<sup>th</sup> July 2020.

Francis Lloyd to be appointed until 13<sup>th</sup> March 2021.

#### **15. Environment & Traffic Adjudicators' Annual Report 2016/17**

The Committee received a joint Annual Report by the Environment and Traffic Adjudicators for the reporting year 2016/17.

Caroline Hamilton informed members that the report contained various statistics on appeals over the year and drew attention to a number of individual parking cases. The report could be found on the London Tribunals' website.

**Decision:** The Committee received and noted the report.

#### **16. TEC Constitutional Matters**

The Committee received a report that summarised the key changes to constitutional documents agreed by the Leaders' Committee AGM on 11 July 2017. Changes were being recommended for the following documents: (a) London Councils' Standing Orders, (b) London Councils' Scheme of Delegation to Officers, (c) Terms of Reference for Sub-Committees, and (d) Financial Regulations.

**Decision:** The Committee noted the changes to the London Councils' constitutional documents.

#### **17. Minutes of the TEC Executive Sub Committee held on 15 September 2017 (for noting)**

*Item 3: Air Pollution & Smart Mobility, Q and As (page 2, end of para 4)* – agreed to replace “car” pollution with “air” pollution, (re sentence by Councillor Rice).

Subject to the above minor amendment, the minutes of the TEC Executive Sub Committee held on 15 September 2017 were noted.

#### **18. Minutes of the TEC Main Meeting held on 15 June 2017 (for agreeing)**

The Minutes of the TEC Main Meeting held on 15 June were agreed as an accurate record.

**The meeting finished at 16:25pm**