

London Councils' TEC Executive Sub Committee

Thursday 19 July 2018

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

Contact Officer: Alan Edwards

Tel: 020 7934 9911

Email: Alan.e@londoncouncils.gov.uk

Agenda item	Pages
1 Apologies for Absence & Announcement of Deputies	-
2 Declarations of Interests*	
3 Briefing on Vision Zero & Walking Action Plans, by Lilli Matson, Director of Transport Strategy, TfL	-
4 Defra's Draft Clean Air Strategy - London Councils' Response	<i>To Follow</i>
5 Transport & Mobility Performance Information	
6 TEC Pre-Audited Financial Results 2017/18	
7 Freedom Pass – Rail Delivery Group's Compensation	
8 Minutes of the TEC Main Meeting held on 14 June 2018 (for noting)	
9 Minutes of the TEC Executive Sub Committee held on 8 February 2018 (for agreeing)	

Declarations of Interests

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

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

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

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

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

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

Alan Edwards
Governance Manager
Corporate Governance Division
Tel: 020 7934 9911
Email: alan.e@londoncouncils.gov.uk

**Declarations of Interest – TEC Executive Sub Committee
19 July 2018**

North London Waste Authority

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

South London Waste Partnership

Cllr Manuel Abellan (LB Sutton)

East London Waste Authority

Cllr Rachel Tripp (LB Newham)

Thames Regional Flood & Coastal Committee (RFCC)

Cllr Daniel Anderson (LB Enfield)

Car Club:

Cllr Julian Bell (LB Ealing – Chair), Cllr Feryal Demirci (LB Hackney), Cllr Claudia Webbe (LB Islington) and Cllr Tim Mitchell (City of Westminster)

London Cycling Campaign

Cllr Julian Bell (LB Ealing – Chair), Cllr Feryal Demirci (LB Hackney) and Cllr Rachel Tripp (LB Newham)

London Waste & Recycling Board (LWARB)

Cllr Feryal Demirci (LB Hackney)

South East Waste Disposal Group

Cllr Denise Scott-McDonald (RB Greenwich)

Environmental Protection UK

Cllr Denise Scott-McDonald (RB Greenwich)

Dockless Bike Scheme

Cllr Julian Bell (LB Ealing – Chair), Cllr Daniel Anderson (LB Enfield), Cllr Feryal Demirci (LB Hackney), Cllr Claudia Webbe (LB Islington), and Cllr Rachel Tripp (LB Newham)

London Road Safety Council

Cllr Denise Scott-McDonald (RB Greenwich)

London Councils' TEC Executive Sub Committee

Transport & Mobility Services Performance Information

Item no: 05

Report by: Tony O'Connor **Job title:** Mobility Services Manager
Date: 19 July 2018
Contact Officer: Tony O'Connor
Telephone: 020 7934 9501 **Email:** tony.o'connor@londoncouncils.gov.uk

Summary: This report details the London Councils Transport and Mobility Services performance information for Q4 in 2017/18.

Recommendation: Members are asked to note the report.

Performance Monitoring and Reporting

1. London Councils provides a number of transport and mobility services on behalf of the London boroughs. These include London Tribunals, Freedom Pass, Taxicard, the London European Partnership for Transport, the London Lorry Control Scheme, the Health Emergency Badge scheme and providing a range of parking services and advice to authorities and the public.
2. Appendix 1 sets out the latest position against key performance indicators for each of the main services. This report covers Q4 in 2017/18, and provides complete figures for 2017/18.

Equalities Considerations

None.

Financial Implications

None.

APPENDIX 1: TRANSPORT & MOBILITY SERVICES: PERFORMANCE QUARTER 4

LONDON TRIBUNALS

	Target (where appropriate)	2017/18 Full Year	2017/18 Q3	2017/18 Q4	Red / Amber / Green (RAG) rating Q4
Environment and Traffic Adjudicators (ETA)					
No. of appeals received	N/A	42,088	10,322	11,054	N/A
No. of appeals decided	N/A	36,183	8,005	9,520	N/A
% allowed	N/A	49%	49%	47%	N/A
% Did Not Contest	N/A	26%	28%	24%	N/A
% personal hearings started within 15 minutes of scheduled time	80%	88%	87%	87%	Green
Average number of days (from receipt) to decide appeals (postal)	56 days	27 days	27 days	28 days	Green
Average number of days (from receipt) to decide appeals (personal)	56 days	44 days	41 days	44 days	Green
Average number of days (from receipt) to decide appeals (combined)	56 days	33 days	31 days	33 days	Green
Road User Charging Adjudicators (RUCA)					
No. of appeals received	N/A	11,676	2,640	2,276	N/A
No. of appeals decided	N/A	10,627	3,377	1,961	N/A
% allowed	N/A	35%	31%	27%	N/A
% Did Not Contest	N/A	25%	20%	19%	N/A
% personal hearings started within 15 minutes of scheduled time	80%	85%	84%	89%	Green
Average number of days (from receipt) to decide appeals (postal)	56 days	51 days	54 days	50 days	Green
Average number of days (from receipt) to decide appeals (personal)	56 days	52 days	49 days	55 days	Green
Average number of days (from receipt) to decide appeals (combined)	56 days	52 days	55 days	53 days	Green
Overall service					
Notice of Appeal acknowledgments issued within 2 days of receipt	97%	99%	99%	99%	Green
Hearing dates to be issued to appellants within 5 working days of receipt	100%	100%	100%	100%	Green
Number of telephone calls to London Tribunals	N/A	38,550	9,353	8,530	N/A
% of calls answered within 30 seconds of the end of the automated message	85%	99%	100%	98%	Green

Comment:

FREEDOM PASS

	Target (where appropriate)	2017/18 Full Year	2017/18 Q3	2017/18 Q4	Red / Amber / Green (RAG) rating Q4
Number of active passes at end of period	N/A	1,170,403	1,227,398	1,170,403	N/A
Number of new passes issued (BAU)	N/A	53,808	12,347	11,274	N/A
Number of passes issued (2018 Renewal)	N/A	47,089	0	47,089	N/A
Number of replacement passes issued	N/A	98,100	18,243	18,823	N/A
Number of phone calls answered (BAU)	N/A	220,986	46,009	55,092	N/A
% Answered within 45 seconds (BAU)	85%	78.74%*	86.00%	72.03%	Red*
Number of phone calls answered (2018 Renewal)	N/A	5,752	0	5,752	N/A
% Answered within 45 seconds (2018 Renewal)	85%	62.6%*	N/A	62.6%	Red*
Number of letters and emails answered	N/A	63,202	13,844	18,606	N/A
Number of emails answered (2018 Renewal)	N/A	1,192	N/A	1,192	N/A

BAU = Business as Usual

Comment:

*The percentage of calls answered within the 85% target was disappointing. The contractor reported a number of issues with forecasting, volumes and staffing. Officers have been exploring ways with the contractor to improve performance, and Q1 of 2018/19 will show a considerable improvement.

TAXICARD

	Target (where appropriate)	2017/18 Full Year	2017/18 Q3	2017/18 Q4	Red / Amber / Green (RAG) rating Q4
Number of active passes at end of period	N/A	60,944	60,694	60,944	N/A
Number of new passes issued	N/A	6,986	2,074	1,747	N/A
Number of replacement cards issued	N/A	4,052	1,024	892	N/A
Number of phone calls answered at London Councils	N/A	35,354	7,741	10,600	N/A
% Answered within 30 seconds	85%	96.78%	95.42%	97.17%	Green
Number of journeys using Taxicard	N/A	1,251,047	306,733	286,658	N/A
% in private hire vehicles	N/A	10%	10%	10%	N/A
% of vehicles arriving within 15 minutes (advance booking)	95%	96.23%	95.51%	96.62%	Green
% of vehicles arriving within 30 minutes (on demand)	95%	97.06%	97.05%	97.58%	Green

TRACE (TOWAWAY, RECOVERY AND CLAMPING ENQUIRY SERVICE)

	Target (where appropriate)	2017/18 Full Year	2017/18 Q3	2017/18 Q4	Red / Amber / Green (RAG) rating Q4
Number of vehicles notified to database	Number of vehicles notified to database	42,335	10,666	11,026	N/A
Number of phone calls answered	Number of phone calls answered	14646	3,633	3,890	N/A
% of calls answered within 30 seconds of the end of the automated message	85%	99%	94%	94%	Green

LONDON LORRY CONTROL SCHEME

	Target (where appropriate)	2017/18 Full Year	2017/18 Q3	2017/18 Q4	Red / Amber / Green (RAG) rating Q4
Number of permits on issue at end of period	N/A	59,850	66,021	59,850	N/A
Number of permits issued in period	N/A	18,206	5,310	5,514	N/A
Number of vehicle observations made	10,800 per year 2,700 per quarter	13,116	3,013	3,012	Green
Number of penalty charge notices issued	N/A	5,038	2,254	1,616	N/A
Number of appeals considered by ETA	N/A	86	37	20	N/A
% of appeals allowed	Less than 40%	49%	48%	45%	Amber*

Comment:

*The relatively low number of appeals means performance against this objective can fluctuate greatly. Allowed appeals include those that are not contested by London Councils as the enforcement authority. Appellants often do not provide evidence that vehicles were not in contravention until the appeal stage rather than at enquiry stage as they should do.

TRANSACTIONAL SERVICES: DEBT REGISTRATIONS AND WARRANTS

	Target (where appropriate)	2017/18 Full Year	2017/18 Q3	2017/18 Q4	Red / Amber / Green (RAG) rating Q4
Traffic Enforcement Court: number of debt registrations	N/A	638,191	141,508	184,504	N/A
Traffic Enforcement Court: number of warrants	N/A	462,784	111,483	89,004	N/A
Traffic Enforcement Court:	100%	100%	100%	100%	Green

HEALTH EMERGENCY BADGES

	Target (where appropriate)	2017/18 Full Year	2017/18 Q3	2017/18 Q4	Red / Amber / Green (RAG) rating Q4
Number of badges on issue at end of period	N/A	3,758	3,960	3,758	N/A
Number of badges issued in period	N/A	1,874	520	607	N/A

LONDON EUROPEAN PARTNERSHIP FOR TRANSPORT

	Target (where appropriate)	2016/17 Full Year	2017/18 Q3	2017/18 Q4	Red / Amber / Green (RAG) rating Q4
Number of Boroughs participating in EU transport funding projects	7	5	5	4	Amber*

Comment:

*The number of suitable funding calls and borough bid proposals has limited the ability for the target to be met to date.

Transport and Environment Executive Sub-Committee

Transport and Environment Committee – Item no: 06 Pre-Audited Financial Results 2017/18

Report by: Frank Smith **Job title:** Director of Corporate Resources

Date: 19 July 2018

Contact Officer: Frank Smith

Telephone: 020-7934-9700 **Email:** frank.smith@LondonCouncils.gov.uk

Summary: This report details the provisional pre-audited final accounts for the Transport and Environment Committee for 2017/18. The summary figures are detailed in the box below:

Revenue Account	Budget £000	Actual £000	Variance £000
Expenditure	369,524	368,695	(829)
Income	<u>(368,669)</u>	<u>(369,728)</u>	<u>(1,059)</u>
Sub-Total	855	(1,033)	(1,888)
Net Transfer to/ (from) reserves	(855)	(855)	-
Reduction in bad debt provision	-	<u>(53)</u>	<u>(53)</u>
(Surplus)/Deficit for the year	-	<u>(1,941)</u>	<u>(1,941)</u>
Reserves and Provisions	General Reserve £000	Specific Reserve £000	Total Reserves £000
Audited as at 1 April 2017	3,341	1,734	5,075
Transfer between reserves	(1,000)	1,000	-
Transfer (to)/from revenue	(855)	-	(855)
Surplus/(Deficit) for the Year	<u>1,564</u>	<u>377</u>	<u>1,941</u>
Provisional as at 31 March 2018	<u>3,050</u>	<u>3,111</u>	<u>6,161</u>

Recommendations: The TEC Executive Sub-Committee is asked:

- To note the provisional pre-audited final results for 2017/18, which show an indicative surplus of £1.941 million for the year;
- To agree the transfer of £377,000 out of the provisional surplus to the specific reserve, in accordance with usual Committee practice;
- To agree the carry forward of the underspend on the IT system development budget of £44,000 into 2018/19;
- To agree the carry forward of the underspend on the LLC Scheme review budget of £86,000 into 2018/19; and
- To note the provisional level of reserves, as detailed in paragraph 39 and the financial outlook, as detailed in paragraphs 40-41 of this report.

Introduction

1. The appendices to this report show the following information:
 - Appendix A – The provisional outturn expenditure position for 2017/18; and
 - Appendix B – The provisional outturn income position for 2017/18.
2. Following the abolition of the Audit Commission Act 1998, with effect from the 2015/16 financial year, London Councils is no longer obliged to produce an annual statutory account to a statutory deadline for each of its three funding streams, as the successor legislation, the Local Audit and Accountability Act 2014, does not apply to joint committees. However, under the London Councils Agreement (as amended), London Councils has on-going obligations to prepare and arrange for the independent audit of the three annual accounts, outside of any statute, and there is still a requirement to submit audited accounts under the Companies Act 2006 for London Councils Limited. As a result of these continuing obligations, the London Councils Audit Committee agreed in March 2015 that London Councils should continue to prepare three separate accounts under the existing Local Authority Accounting Code of Practice and that the accounts should be independently audited and presented to members broadly in accordance with the previous statutory timescale. Following recommendations by the Audit Committee, the Leaders' Committee appointed KPMG LLP as London Councils external auditor for a three year period commencing 1 April 2015. At its meeting in March 2018, the Audit Committee agreed to extend this appointment for a further year in accordance with the contract conditions to cover the 2018/19 financial year.
3. KPMG LLP will, therefore, audit the accounts for 2017/18 during July 2018 and present the accounts to the Audit Committee, along with the annual audit report, on 27 September. At its November 2018 meeting, the London Councils Executive will be asked to adopt the three audited accounts and the annual audit report, with this Committee being asked to separately adopt the audited accounts for the TEC at its November meeting. This report, therefore, details the provisional financial results prior to audit and provides commentary on the variances against the revised approved budgets for the year – in effect, the format is the same as the revenue forecast monitoring report presented to this Committee three times each financial year at the end of each quarter.

TEC Functions

4. Members will recall that TEC's activities are accounted for in two separate ways. The first can be classified as traditional local authority-type expenditure, where specific committee approved borough subscriptions and charges are levied by the Committee to cover the costs of the policy, permit-issuing and concessionary fares functions of the committee. Income and expenditure in these areas are relatively consistent year-on-year, with few significant variations from the budgeted figures at the year-end.
5. The second method is classified as traded services and covers the boroughs and TfL/GLAs use of the various services provided by the Committee, the main services being the hearing of environmental and traffic appeals and road user charging appeals at the London Tribunal hearing centre based at Chancery Exchange. Levels of income and expenditure cannot be precisely forecast, as overall levels of activity are based on usage volumes determined by the public (in the case of appeals), boroughs and TfL/GLA. The contractor, Northgate public services (NPS), currently provides these services to the Committee for a combination of a fixed contract sum of just under £1.2 million per annum and by a unit charge for each time the various services are used by the boroughs, the GLA and TfL. Users are recharged for

their actual usage of the variable cost services, plus a fixed charge to cover the fixed costs of operating these functions. The fixed charge is apportioned to each borough in accordance with the proportion of Penalty Charge Notices (PCNs) issued in London during the course of the last full financial year for which figures are available. For 2017/18, this period was the 2015/16 financial year.

6. The Committee also leads on projects that are funded from non-London Councils/borough sources. The single significant project that continued to be managed by the Committee in 2017/18 was the London European Partnership for Transport (LEPT). Funding for these projects is ring-fenced, meaning that any surplus or deficit of income over expenditure at the year-end will be carried forward in the Committee's general balances for application to or recovery from this project in the next financial year.

Revised Budget 2017/18

7. The Full Committee approved the original budget for TEC for 2017/18 in December 2016. The revised revenue expenditure budget for 2017/18, as adjusted for the confirmation of borough funding and TfL funding for the Taxicard scheme for the year, was £369.524 million.
8. The corresponding revised revenue income budget was £377.008 million, with the approved transfer of £855,000 from reserves producing a balanced budget for the year.

Provisional Results 2017/18

9. The provisional outturn figures for income and expenditure for 2017/18, compared against the above revised budgets, are detailed in full at appendices A and B, and summarised in Table 1 below:

Table 1 – Comparison of Provisional Income and Expenditure against Revised Budget 2017/18

Actual 2016/17		Revised Budget 2017/18	Actual 2017/18	Variance 2017/18	
£000	Expenditure	£000	£000	£000	%
582	Non-operational Staffing	675	627	(48)	(7.1)
188	Running Costs	387	376	(11)	(2.8)
102	Central Recharges	90	125	35	38.9
872	Total Operating Expenditure	1,152	1,128	(24)	(2.1)
9,202	Direct Services	8,211	9,218	1,007	12.3
367,426	Payments in respect of Freedom Pass and Taxicard	359,781	357,973	(1,808)	(0.5)
-	Research	40	36	(4)	(10.0)
340	One off payment to boroughs	340	340	-	-
12	Debt write-off	-	-	-	-
377,852	Total Expenditure	369,524	368,695	(829)	(0.2)
	Income				
(368,446)	Contributions in respect of Freedom Pass and Taxicard	(359,838)	(358,988)	850	0.2
(10,004)	Charges for direct services	(8,650)	(10,523)	(1,873)	(21.7)
(97)	Core Member Subscriptions	(97)	(97)	-	-

Actual 2016/17		Revised Budget 2017/18	Actual 2017/18	Variance 2017/18	
(1)	Interest on Investments	-	(19)	(19)	-
(140)	Other Income	(84)	(101)	(17)	(20.2)
91	Net transfer to/(from Reserves	(855)	(855)	-	-
(378,597)	Total Income	(369,524)	(370,583)	(1,059)	(0.29)
30	Increase/(Reduction) in bad debt provision	-	(53)	(53)	-
(715)	Deficit/(Surplus)	-	(1,941)	(1,941)	-

10. In addition to the transactions detailed in Table 1 above are costs and income associated with the London European Partnership for Transport (LEPT), which is TfL/EU funded. The provisional outturn indicates are breakeven position, which is summarised in Table 2 below:

Table 2 – Income and Expenditure relating to LEPT 2017/18

	£000
Employee Related Costs	74
Premises Costs	17
Running/Central Costs	39
Other Costs	19
Total Expenditure	149
Grant/Other Income	(149)
Deficit/(Surplus)	-

11. A provisional surplus on revenue activities of £1.941 million has been posted for 2017/18, the headlines of which are summarised in Table 3 below, compared to the position reported at the end of December 2017 (Month 9), highlighting the movement between the two positions. From this provisional surplus figure, the Committee is being asked to carry forward balances amounting to £130,000 into 2018/18 (paragraphs 20 and 26 below refer). If this request is approved, the provisional surplus reduces to £1.811 million. An explanation for each of the variances is provide in subsequent paragraphs:

Table 3 – TEC – Analysis of revenue account surplus 2017/18

	Outturn	M9	Movement
	£000	£000	£000
Freedom Pass non-TfL bus services	478	400	78
Freedom Pass survey and reissue costs (net of additional replacement Freedom Passes income)	377	240	137
Interest earned on investment of cash-balances	20	11	9
Research	4	-	4
Net position on Taxicard	2	-	2
Shortfall in replacement taxicard passes income	(4)	(5)	1
Net position on parking appeals	284	221	63
Net position on other traded parking services	88	26	62
London Tribunals Administration	172	35	137
Lorry Control Administration	50	(6)	56
Lorry Control PCNs	310	75	235

Freedom Pass Administration	25	(1)	26
Taxicard Administration	11	(14)	25
Non-operational staffing costs	48	57	(9)
Overspend on running costs/central recharges	(48)	-	(48)
Underspend on IT system developments	44	27	17
Rechargeable parking systems related work	-	-	-
Net additional in Health Emergency Badge income	10	1	9
Miscellaneous Income	17	(8)	25
Reduction in Bad Debt provision	53	-	53
Provisional surplus for the year	1,941	1,059	882

Freedom Pass non-TfL bus services (-£478,000)

12. In December 2016, TEC approved a budgetary provision of £1.7 million for 2017/18 to cover the cost of payments to non-TfL bus operators under the national concessionary fares scheme, the overall cost of which is demand led by eligible bus users. Claims from operators amounting to £1.213 million have been received and accepted for 2017/18, which has led to an underspend of £478,000, or 28%. This is broadly attributable to a 5.7% overestimate of the increase on the 2016/17 cost base, a 10.4% fall in journey volumes and 4% attributable to reimbursement agreements with new operators that took over the services from the existing operators, the terms of which were more favourable to London Councils. There was also a 7.9% reduction in the projected average trip fare of £3.90 to an actual unit fare of £3.59.

Net Freedom Pass survey and issue costs (-£377,000)

13. The budget for the pass survey and issue processes for the year was £1.518 million. This budget covers the issuing of Freedom Passes to new applicants and for the replacement of passes which are lost, stolen or faulty. For 2017/18, it also covered the cost of the mid-term review of pass eligibility. Total expenditure for 2017/18 is £1.296 million, of which £187,000 was spent on the mid-term review, leading to an underspend of £222,000. In addition, a sum of £777,000 was collected during 2017/18 in respect of replacement Freedom Passes, £177,000 in excess of the £600,000 budgetary provision, which reduces by £22,000 to £155,000 once bank charges are taken into account. In net terms, therefore, there was a surplus of £377,000, which, in accordance with approved TEC practice, will be transferred from the provisional surplus to the specific reserve created to fund the full 2020 freedom pass renewal process.

Interest earned on investment of cash-balances (-£19,000)

14. Cash-flow management undertaken at the City of London, who invest London Councils cash balances on behalf of boroughs, has yielded interest receipts of £18,924 against a zero budgetary provision.

Research Budget (-£4,000)

15. Expenditure on research of £36,000 was incurred during the year, against an approved budget of £40,000, resulting in a minor underspend of £4,000.

Taxicard (Net -£2,000)

16. Total payments to the contractor, City Fleet were £11.433 million, £1.066 million below the revised total budgetary provision of £12.499 million. This is primarily due to the total number of trips taken during the year having decreased by 1.99% on the comparative figure for 2016/17. Both TfL's budget and many of the borough budgets are still higher than the required projected spend so underspending boroughs and TfL will be refunded. TfL also funded the management charge for LB of Barnet of £13,975. Total expenditure, therefore, was £11.447 million. The boroughs and TfL have provided total combined trips funding for the year of £12.499 million, so net refunds totalling £1.052 million have been made; to boroughs of £849,000 (£863,000 underspends less £14,000 overspends) and £203,000 refunded to TfL. The £2,000 surplus is attributable to a minor reduction on a refund payable to TfL in respect of 2016/17.

Income from the issue of replacement Taxicards (+£6,000)

17. A sum of £18,453 was collected against a full year budgetary provision of £24,000, leading to a £5,547 shortfall.

Traded Services (-£332,000)

18. The net surplus position of £332,000 is made up of a number of elements, which are regularly reviewed by TEC during the year. These are listed below:
- Firstly, there are two elements where the effect on income and expenditure levels produces a neutral effect and does not change the overall net surplus position:
 - A provisional overspend of £1.203 million for increased payments to Northampton County Court, which is a borough demand led service for the registration of persistent non-payers of parking PCN's in the County Court at £7 per time. The costs are fully recovered from boroughs, leading to a compensating increased level of income collected for the year.
 - Expenditure on congestion charging appeals is estimated to be £395,000, £82,000 more than the budgetary provision of £313,000. The number of appeals represented by corresponding financial transactions posted in the accounts during the year was 11,326, which is 4,978 more than the budgeted figure of 6,348. The throughput of appeals was calculated at 2.37 appeals per hour, compared to 1.68 per hour for 2016/17. However, as the cost of these appeals is recharged to the GLA/TfL at full cost, there was a corresponding increase in income due for the year of £82,000, which therefore has a zero effect on the Committee's provisional financial position for the year.
 - Secondly, there is a net surplus of £284,000 in respect of environmental and traffic appeals. The number of appeals and statutory declarations represented by corresponding financial transactions posted in the accounts during the year was 42,557 against a budget of 40,586, generating income of £1.366 million, £171,000 more than the budget estimate of £1.195 million. In addition, there is an underspend of £147,000 in adjudicators costs, offset by additional contractor costs of £34,000. The throughput of appeals was 3.66 appeals per hour, compared to a budget figure of 2.76 and an actual figure of 2.5 appeals per hour for 2016/17.

- Thirdly, the transaction volumes for other parking systems¹ used by boroughs and TfL continue to fluctuate overall, resulting in a projected net surplus of £8,000. On the expenditure side, this takes into account the pricing structure offered by Northgate and expenditure was £8,000 more than the £183,000 budget. On the income side, unit cost recharges to boroughs for 2017/18 were set by the full Committee in December 2016 and amounted to £500,000, £16,000 more than the £484,000 income target.
- Finally, additional income of £80,000 arose to offset additional recoverable fixed costs in respect of the RUCA contract, in accordance with the current contract conditions agreed with TfL/GLA in December 2016.

London Tribunals Administration (-£172,000)

19. The appeals Hearing Centre underspent the budget of £2.769 million by £172,000. There was a provisional underspend on ETA operations of £227,000, spread across salaries (£15,000), premises costs (£83,000), legal costs (£26,000) plus savings of £103,000 in respect of general office running costs and contract costs. Additional costs apportioned to RUCA operations, due to the increased proportion of RUCA appeals during 2017/18 amounted to £55,000 and is fully rechargeable to TfL/GLA.

Lorry Control Administration/PCN income (-£360,000)

20. The administration of the London Lorry Control Scheme underspent the budget of £709,000 by £50,000. This is attributable to underspends on salary costs of £2,000, offset by additional premises costs of £5,000, additional central recharges of £21,000, additional general office costs of £5,000 and additional contract payments of £9,000. These overspends were offset by an underspend of £86,000 in respect of the review of LLC Scheme. The TEC Executive Sub-Committee is asked to approve the carry forward of the underspend on the review of the LLC Scheme of £86,000 into 2018/19. Much of the progress with the review recommended actions was deferred until after the local elections. Progress is now continuing, starting with a major signing review and trial of ANPR camera enforcement planned for later this summer.

21. However, there was a significant overachievement in the collection of PCN income of £310,000 above the budgetary provision of £800,000, due to continued effective performance of the outsourced enforcement function meaning that transaction volumes continue to increase, leading to higher levels of debt actually being raised and collected. In addition, the continued development of the computer management system allows outstanding debt to be registered at the Court more quickly. Of the £1.194 million income due for the year, £105,000 has yet to be collected and has been registered with the County Court. A bad debt provision of £84,000 has been established in respect of this outstanding amount, in accordance with usual accounting practice. This is a reduction of £53,000 on the bad debt provision of £137,000 as at 31 March 2017, so the net surplus income increases to £363,000 for the year.

¹ These consist of TRACE, which allows a vehicle owner to find out the exact location of their towed-away vehicle and how much the release fee will be; and TEC, the system that allows boroughs to register any unpaid parking tickets with the Traffic Enforcement Centre and apply for bailiff's warrants.

Freedom Pass Administration (-£25,000)

22. The administration of the freedom pass under spent the budget by £25,000, attributable to underspends on salary costs of £9,000, £27,000 on general office costs and £3,000 on central recharges, offset by additional premises costs of £14,000.

Taxicard Administration (-£11,000)

23. The administration of the taxicard scheme underspent the budget by £11,000. Additional salary costs of £2,000 were incurred, along with additional central costs of £25,000. These were offset by an underspend of £38,000 on general office costs.

Non Operational Staffing Costs (-£48,000)

24. The non-operational employee cost budget of £675,000, including £19,000 for member's allowances plus £30,000 maternity cover, underspent by £48,000 at £627,000. This is primarily attributable to the maternity cover budget not being used, together with vacancies being held in respect of policy staff in the Policy and Public Affairs Directorate, leading to a reduced recharge to TEC for these salary costs of £17,000. Non-operational salaries have been fully recharged, where appropriate, to reflect actual support to direct service and externally funded operations.

Running Costs/Central Recharges (+£48,000)

25. This overspend is primarily attributable to overspends of £47,000 for grossed up bank charges (offset by commensurate additional income) and additional central recharges of £35,000, offset by underspends on general office expenses of £34,000.

IT Systems Developments (-£44,000)

26. The budgetary provision of £50,000 was allocated in 2017/18 for IT developments within transport and mobility, with expressed intention of undertaking further developments to London Tribunals systems. This budget was supplemented by the carry forward of unspent budget of £150,000 from 2016/17, as approved by this Committee in July 2017, plus a sum of £42,000 from Northgate in respect of service credits accrued during 2016/17, making a total budgetary provision of £242,000 for the year. Expenditure of £198,000 has been incurred during 2017/18, leading to an underspend of £44,000. The Executive Sub-Committee is requested to approve that this amount be carried forward into 2018/19 to continue the development work.

Other income (-£17,000)

27. Other income exceeded the £84,000 budget by £17,000 as follows:
- £2,000 in respect of sponsorship income;
 - Income from hosting the GULCs project of £9,000;
 - Rechargeable parking system development work of £13,000; offset by
 - A reduction in income of £10,000 from TfL in respect of administrative duties performed in respect of the concessionary fares settlement.

Bad Debts provision (-£53,000)

28. The Committee's bad debt provision as at 1 April 2017 was £139,000, of which £137,000 related to Lorry Control PCNs that had been registered at the County Court but which were unpaid at 31 March 2017. A review of the aged debts at the year-end has resulted in a revised year-end provision of £86,000, £84,000 of which relates to Lorry Control PCN income, a reduction of £53,000, as highlighted in paragraph 21. The remaining £2,000 relates to other parking debt, in accordance with London Councils accounting policies, no change on the £2,000 provision for 2016/17.

Balance Sheet as at 31 March 2018

29. The summary provisional balance sheet position as at 31 March 2018 is shown in Table 6 below, compared to the position 12 months ago:

Table 6 – Balance Sheet Comparison - Provisional Figures 2017/18 and 2016/17

	As at 31 March 2018 (£000)	As at 31 March 2017 (£000)
Fixed Assets	720	827
Current Assets	8,800	7,937
Current Liabilities	(3,396)	(3,723)
Long-term liabilities	(8,613)	(8,715)
Total Assets less Liabilities	(2,489)	(3,674)
General Fund	3,050	3,341
Specific Fund	3,111	1,734
Pension Fund	(8,613)	(8,715)
Accumulated Absences Fund	(37)	(34)
Total Reserves	(2,489)	(3,674)

30. The main features of the provisional balance sheet as at 31 March 2018 are as follows:

- Fixed Assets have decreased by £107,000 to £720,000 from £827,000. The reduction is attributable to an annual depreciation charge of £107,000;
- Current assets have increased by £863,000 from £7.937 million to £8.8 million which is attributable to an decrease in cash balances of £423,000 offset by an increase in debtors of £1.286 million. The rise in debtors is due to increases of £1.383 million in respect of the TfL grant to the Taxicard scheme, £319,000 in respect of TfL payments for the congestion charging appeals service, £278,000 in respect of VAT refunds owed by HMRC and £165,000 in respect of amounts owed by boroughs for the registration of PCN debts at Northampton County Court. The total value of these increases which amounts to £2.145 million is offset by decreases of £359,000 in respect of borough contributions to the Non-TfL concessionary fare schemes, £255,000 in respect of borough Taxicard budget overspends, £203,000 in respect of the advance payments for the registration of PCN debts at Northampton County Court and residual variances of £42,000;
- Current liabilities have decreased by £327,000 from £3.723 million to £3.396 million, which is attributable to reductions of £301,000 in respect of TfL grant to the Taxicard scheme, £113,000 in respect of a receipt in advance for parking appeals and residual

variances of £31,000. The total value of these reductions which amounts to £445,000 is offset by an increase of £118,000 in payments owed to NPS; and

- Long-term liabilities, which consists solely of the IAS19 pension deficit, has decreased by £102,000 from £8.715 million to £8.613 million.

The above movements have resulted in an overall decrease in the balance of reserves to a £2.489 million debit balance as at 31 March 2017, inclusive of the IAS19 deficit which is explored from paragraph 31 onwards.

Effect of IAS19 Employee Benefits

31. International Accounting Standard 19 (IAS19), Employee Benefits (formerly Financial Reporting Standard 17, Retirement Benefits or FRS17) is an international accounting standard that all authorities administering pensions funds must follow. London Councils through its Admitted Body status as part of the Local Government Pension Scheme (LGPS) administered by the London Pensions Fund Authority (LPFA) through the Local Pensions Partnership (LPP), is subject to this accounting standard.
32. IAS19 requires an organisation to account for retirement benefits when it is committed to give them, even if the actual giving will be many years to come and is, therefore, a better reflection of the obligations of the employer to fund pensions promises to employees. It requires employers to disclose the total value of all pension payments that have accumulated (including deferred pensions) at the 31 March each year.
33. This value is made up of:
 - The total cost of the pensions that are being paid out to former employees who have retired; and
 - The total sum of the pension entitlements earned to date for current employees – even though it may be many years before the people concerned actually retire and begin drawing their pension.
34. IAS19 also requires London Councils to show all investments (assets) of the Pension Fund at their market value, as they happen to be at the 31 March each year. In reality, the value of such investments fluctuates in value on a day-to-day basis but this is ignored for the purpose of the accounting standard. Setting side by side the value of all future pension payments and the snapshot value of investments as at the 31 March, results in either an overall deficit or surplus for the Pension Fund. This is called the IAS19 deficit or surplus.
35. London Councils has to obtain an IAS19 valuation report as at 31 March each year in order to make this required disclosure. This is done through the actuaries of the LPFA fund, Barnett Waddington. The effect of IAS19 is apportioned across London Councils three functions – this Committee, the London Councils Grants Committee (GC) and the London Councils Joint Committee (JC) core functions in proportion to the actual employer's pensions contributions paid in respect of staff undertaking each of the three functions. IAS19 has no effect on the net position of income and expenditure for the year. However, the IAS19 deficit or surplus needs to be reflected in the balance sheet. For the TEC, the Pension Fund deficit as at 31 March 2018 is £8.613 million, which compares against the deficit on the Pension Fund as at 31 March 2017 of £8.715 million, a reduction of £102,000.

36. The reason for this reduction in the pensions deficit is due to a marginal return across all asset classes, including equities, offset by an increase in the defined benefit obligation as a result of a reduction in the discount rate (which is based on corporate bond yields) used in the calculation of the obligation.
37. London Councils' External Auditors, KPMG, will test the assumptions made by the actuary in arriving at this valuation in the course of their external audit during July/August.
38. Table 6 clearly demonstrates that the Committee's balances are notionally reduced by £8.613 million as a result of the requirement to fully disclose the pension fund deficit on the balance sheet. However, future reviews of the employer's pension contribution rate is intended, over time, to assist in reducing the overall deficit and the Committee should not view general balances as being a call on funding the pension fund deficit.

Committee Reserves

39. The Committee's unaudited balances as at 31 March 2018 are broken down in Table 7 below, together with known commitments for the 2018/18 and 2019/20 financial years:

Table 7 – Analysis of Committee Reserves as at 31 March 2018

	General Reserve	Specific Reserve	Total
	£000	£000	£000
Audited reserves at 1 April 2017	3,341	1,734	5,075
One-off payments to boroughs 2017/18	(340)	-	(340)
Approved in setting 2017/18 budget	(288)	-	(288)
Transfer between reserves	(1000)	1,000	-
Carried forward amounts from 2016/17	(227)	-	(227)
Projected revenue surplus 2017/18	1,564	377	1,941
Estimated Residual Balances at 31 March 2018	3,050	3,111	6,161
IT systems development budget b/f from 2017/18*	(44)	-	(44)
LLC review budget b/f from 2017/18*	(86)	-	(86)
Utilised in 2018/19 budget setting process	(289)	-	(289)
Transfer between reserves agreed during 2018/19 budget setting process	(140)	140	-
Estimated uncommitted reserves	2,491	3,251	5,742

*Subject to approval by this Committee

Conclusions

40. The provisional financial results for the Transport and Environment Committee for 2017/18 show a surplus over budget of £1.941 million. This compares of a forecast underspend as at 31 December 2017, the three quarter stage of the year of £1.059 million. The £882,000 movement is highlighted in Table 3 and explored in detail in the analysis of actual income and expenditure against the approved budgets from paragraphs 12-28 above and is mainly due to:
- an increase in Lorry Control PCN income, including a reduction in the bad debt provision, of £288,000;
 - an improvement on the net position for spend on Freedom Pass issue costs and replacement Freedom Pass income of £137,000;

- an increase of £137,000 in respect of the underspend of the administration of the London Tribunal;
- an increase in the underspend of £78,000 in respect of non-TfL bus costs;
- an increase in the surplus of £125,000 in respect of parking traded services, including appeals; and
- savings in respect of the administration of direct services of £107,000.

41. Provisional uncommitted general reserves of £2.491 million remain after deducting all known future commitments. This equates to 21.3% of estimated operating and direct trading expenditure of £11.705 million for 2018/19, which is in excess of the upper limit of the 10%-15% yardstick established by the Committee in November 2015.

Recommendations

42. The TEC Executive Sub-Committee is asked to:

- To note the provisional pre-audited final results for 2017/18, which show an indicative surplus of £1.941 million for the year;
- To agree the transfer of £377,000 out of the provisional surplus to the specific reserve, in accordance with usual Committee practice;
- To agree the carry forward of the underspend on the IT system development budget of £44,000 into 2018/19;
- To agree the carry forward of the underspend on the LLC Scheme review budget of £86,000 into 2018/19; and
- To note the provisional level of reserves at paragraph 39 and the financial summary, as detailed in paragraphs 40-41 of this report.

Background Papers

London Councils TEC Budget File 2017/18;

London Councils TEC Forecast File 2017/18;

London Councils TEC Final Accounts Files 2016/17 and 2017/18; and

London Councils Consolidated Final Accounts File 2017/18.

TEC Provisional Outturn Expenditure 2017/18

Appendix A

	Revised Budget 2017/18 £000	Provisional Outturn £000	Variance £000
Payments in respect of Concessionary Fares			
TfL	324,181	324,181	0
ATOC	18,872	18,872	0
Other Bus Operators	1,700	1,222	-478
Freedom Pass issue costs	1,518	1,263	-255
Freedom Pass Administration	484	459	-25
City Fleet Taxicard contract	12,499	11,436	-1,063
Taxicard Administration	527	521	-6
Interest on late payments to TfL	0	19	19
	359,781	357,973	-1,808
TEC Trading Account Expenditure			
Payments to Adjudicators	1,173	1,073	-100
Northgate variable contract costs	518	644	126
Payments to Northampton County Court	3,000	4,203	1,203
Lorry Control Administration	709	659	-50
ETA/RUCA Administration	2,769	2,597	-172
HEB Expenditure	43	37	-6
Depreciation	0	4	4
	8,211	9,217	1,006
Sub-Total	367,993	367,190	-803
Operating Expenditure			
Contractual Commitments			
Northgate Fixed Costs	89	90	1
Bank charges	0	47	47
	89	137	48
Salary Commitments			
Non-operational staffing costs	626	609	-17
Members	19	19	0
Maternity Provision	30	0	-30
	675	628	-47
Other Commitments			
Supplies and service	297	239	-58
Research	40	36	-4
One off payment to boroughs	340	340	0
	677	615	-62
Total Operating Expenditure	1,441	1,380	-61
Central Recharges	90	125	35
Total Expenditure	369,524	368,695	-829

TEC Provisional Outturn Income 2017/18

Appendix B

	Revised Budget 2017/18 £000	Provisional Outturn £000	Variance £000
Borough contributions to TfL	324,181	324,181	0
Borough contributions to ATOC	18,872	18,872	0
Borough contributions to other bus operators	1,700	1,700	0
Borough contributions to FP issue costs	1,518	1,518	0
Borough contributions to freedom pass administration	0	0	0
Income from replacing lost/faulty freedom passes	600	782	-182
Income from replacing lost/faulty taxicards	24	20	4
Borough contributions to Comcab	2,409	1,560	849
TfL contribution to Taxicard scheme	10,090	9,887	203
Borough contributions to taxicard administration	334	338	-4
TfL Contribution to taxicard administration	110	111	-1
Borough contributions towards interest on late payments to TfL	0	19	-19
	359,838	358,988	850
TEC trading account income			
Borough contributions to Lorry ban administration	0	0	0
Lorry ban PCNs	800	1,110	-310
Borough parking appeal charges	957	1,109	-152
TfL parking appeal charges	238	236	2
GLA Congestion charging appeal income	313	427	-114
Borough fixed parking costs	2,190	2,191	-1
TfL fixed parking costs	214	215	-1
GLA fixed parking costs	454	557	-103
Borough other parking services	484	474	10
Northampton County Court Recharges	3,000	4,203	-1,203
	8,650	10,522	-1,872
Sub-Total	368,488	369,510	-1,022
Core borough subscriptions			
Joint Committee	46	46	0
TEC (inc TfL)	51	51	0
	97	97	0
Other Income			
TfL secretariat recharge	41	31	10
Investment income	0	20	-20
Other income	0	24	-24
Sales of Health Emergency badges	43	46	-3
	84	121	-37
Transfer from Reserves	855	855	0
Central Recharges	0	0	0
Reduction in Bad Debt provision	0	53	-53
Total Income Base Budget	369,524	370,636	-1,112

London Councils' TEC Executive Sub Committee

Freedom Pass – Rail Delivery Group's Item no: 07 Compensation.

Report by: Stephen Boon **Job title:** Chief Contracts Officer
Date: 19 July 2018
Contact Officer: Stephen Boon
Telephone: 020 7934 9951 **Email:** Stephen.boon@londoncouncils.gov.uk

Summary: In June 2018 TEC members accepted the Rail Delivery Group's offer of £150,000 compensation for disruption to the Southern Rail network. This report considers three ways in which this compensation could be apportioned to boroughs.

Recommendation: Members accept option 3 as the basis for apportioning costs

Background

1. Following significant disruption on Southern Rail in 2016/17, TEC tasked London Councils' officers with investigating whether compensation was due. Following negotiations with the Rail Delivery Group (RDG), an offer of a goodwill gesture of £150,000 was made.
2. In June 2018, officers put this offer to members and suggested that the £150,000 was apportioned to boroughs on the basis of the proportion of Freedom Pass journeys each borough's pass holders made on the rail network.
3. Members accepted the offer of compensation, but felt that they needed more information on the options that had been considered, including a clearer rationale for the recommendation. This paper sets this out.

The RDG Agreement

4. The basis for reimbursing the RDG is set out in a legal agreement, which also covers overpayments. The agreement sets out the circumstances under which repayments by the RDG to London Councils and by extension, the boroughs, is due. The relevant clause states:

"by virtue of a suspension of travel services on any of the [train operating companies] TOCs other than by force majeure purposes where such a suspension totals more than one calendar month in any one fiscal year the amount of such repayment being on a

proportionate basis relative to both the aggregate length of such suspension and the payment from ATOC [now RDG] to that TOC as part of this settlement.”

5. The RDG maintains that the level of disruption experienced was not sufficiently severe to trigger the provisions of this clause. Nevertheless, they did recognise that one service, Southern’s West London line, had suffered a particular period of prolonged disruption.

Apportionment General Considerations

6. It is not possible to know how many people were affected by the disruption because they could not travel and therefore no journey could have been recorded. Moreover, London Councils does not hold information on the number of journeys undertaken per train operating company, as this is not provided by TfL in the P.401 report of Freedom Pass journeys, used as the basis for settlement and apportionment.
7. Therefore, any consideration to how to apportion the refund must be based on known factors. The most logical known factor to use is the number of National Rail exits, provided in the P.401 report generated by TfL. This information¹ is broken down by borough and has been used to inform all of the options presented below.

Option 1 – Reimburse Boroughs Served by the West London Line

8. One option considered by officers was to apportion the refund to those boroughs served by the West London Line. The West London line traverses the following boroughs;
 - Brent
 - City of London Corporation
 - Lambeth
 - Southwark
 - Wandsworth
9. To calculate the apportionment for this option, officers considered the proportion of national rail exits made by these boroughs’ passholders and uplifted them.
10. For example, City of London Corporation pass holders represent 0.12% of all national rail exits and the five boroughs listed above represent 18% of all national rail exits. $0.12\% / 18\% = 0.67\%$, therefore, in this model the City of London Corporation would receive 0.67% of the £150,000 refund (£12,489). The results of this apportionment method are set out in appendix 1.
11. On balance, officers do not consider this method to be the most appropriate, as it does not take into account the wider disruption suffered on Southern Rail services and would result in no refund to some boroughs whose passholders were significantly affected during the period in question.

Option 2 – Reimburse Boroughs Served by Southern Rail

12. The second option (see appendix 2) apportions the costs using a similar method to that outlined above, but rather than including just those boroughs served by the West London line, it includes all boroughs served by Southern Rail.
13. While this method is more representative of the geographical scope of the disruption experienced, it does not account for disruption experienced on Southern Rail services by Freedom Pass holders from boroughs not served by Southern Rail. For example, it would not

¹ Officers have used the TfL and National Rail apportionment percentages used for the 2018/19 settlement, which are based on average usage in 2015/16 and 2016/17.

make any allowance for a Barnet passholder who was affected by disruption when visiting a friend in Croydon.

14. Therefore, on balance, officers do not consider that this method of apportionment fully recognises the impact of the disruption on all Freedom Pass users regardless of where they are from.

Option 3 – Reimburse All Boroughs According to the Proportion of National Rail Exits

15. The third option (see appendix 3) is to reimburse boroughs based on the proportions of National Rail exits made by their pass holders. Officers recognise that this may in practice slightly overcompensate boroughs not served by Southern Rail. However, on balance, given that the Freedom Pass scheme is pan-London in scope, and disruption could affect any passholder regardless of whether their borough is served by a particular operator, it is probably the most equitable method.

Conclusion

16. Officers acknowledge that none of the methods presented above reflect perfectly the impact of the service disruption for boroughs and their Freedom Pass holders. However, given the information available, officers recommend option three as being the method that most fairly compensates for it.

Equalities Considerations

None.

Financial Implications

RDG will issue a credit note to London Councils for the £150,000 compensation payment due for service disruption and this amount will be deducted from the boroughs' Quarter 3 payments to London Councils in the proportions agreed by members and a revised schedule of payments will be issued.

Legal Considerations

None.

Appendix 1 – Apportionment Option 1

Borough	% NR Exits	NR Refund Option 1 Apportioned based on proximity to Southern Lines
Barking and Dagenham		£0
Barnet		£0
Bexley		£0
Brent	8.33%	£12,489
Bromley		£0
Camden		£0
City of London Corporation	0.67%	£1,002
Croydon		£0
Ealing		£0
Enfield		£0
Greenwich		£0
Hackney		£0
Hammersmith and Fulham		£0
Haringey		£0
Harrow		£0
Havering		£0
Hillingdon		£0
Hounslow		£0
Islington		£0
Kensington and Chelsea		£0
Kingston		£0
Lambeth	27.90%	£41,850
Lewisham		£0
Merton		£0
Newham		£0
Redbridge		£0
Richmond		£0
Southwar	19.90%	£29,856
Sutton		£0
Tower Hamlets		£0
Waltham Forest		£0
Wandsworth	43.20%	£64,804
Westminster		£0
	100.00%	£150,000

Appendix 2 – Apportionment Option 2

Borough	% NR Exits	NR Refund Option 2 Apportioned based on service by Southern Lines
Barking and Dagenham	5.64%	£8,462
Barnet		£0
Bexley		£0
Brent	1.78%	£2,675
Bromley	13.85%	£20,781
Camden		£0
City of London Corporation	0.14%	£215
Croydon	15.14%	£22,707
Ealing		£0
Enfield		£0
Greenwich	5.08%	£7,627
Hackney		£0
Hammersmith and Fulham	0.86%	£1,284
Haringey		£0
Harrow	0.66%	£988
Havering		£0
Hillingdon		£0
Hounslow	2.59%	£3,887
Islington		£0
Kensington and Chelsea	0.82%	£1,232
Kingston	5.23%	£7,848
Lambeth	5.98%	£8,966
Lewisham	7.14%	£10,714
Merton	5.88%	£8,819
Newham		£0
Redbridge		£0
Richmond	7.47%	£11,205
Southwar	4.26%	£6,396
Sutton	6.15%	£9,222
Tower Hamlets		£0
Waltham Forest		£0
Wandsworth	9.26%	£13,883
Westminster	2.06%	£3,088
	100.00%	£150,000

Appendix 3 – Apportionment Option 3

Borough	% NR Exits	NR Refund Option 3 % NR Exits
Barking and Dagenham	0.70%	£1,043
Barnet	1.34%	£2,010
Bexley	4.73%	£7,096
Brent	1.50%	£2,244
Bromley	11.62%	£17,425
Camden	1.40%	£2,096
City of London Corporation	0.12%	£180
Croydon	12.69%	£19,041
Ealing	1.88%	£2,815
Enfield	1.52%	£2,274
Greenwich	4.26%	£6,396
Hackney	1.03%	£1,542
Hammersmith and Fulham	0.72%	£1,077
Haringey	1.20%	£1,796
Harrow	0.55%	£828
Havering	1.99%	£2,982
Hillingdon	0.79%	£1,179
Hounslow	2.17%	£3,259
Islington	1.05%	£1,574
Kensington and Chelsea	0.69%	£1,033
Kingston	4.39%	£6,581
Lambeth	5.01%	£7,518
Lewisham	5.99%	£8,985
Merton	4.93%	£7,395
Newham	1.03%	£1,549
Redbridge	0.77%	£1,157
Richmond	6.26%	£9,396
Southwar	3.58%	£5,364
Sutton	5.16%	£7,733
Tower Hamlets	0.73%	£1,098
Waltham Forest	0.74%	£1,104
Wandsworth	7.76%	£11,642
Westminster	1.73%	£2,589
	100.00%	£150,000

London Councils' Transport and Environment Committee – 14 June 2018

Minutes of a meeting of London Councils' Transport and Environment Committee held on Thursday 14 June 2018 at 2:30pm in the Conference Suite, London Councils, 59½ Southwark Street, London SE1 0AL

Present:

Council	Councillor
Barking and Dagenham	Cllr Syed Ghani
Barnet	Cllr Dean Cohen
Bexley	Apologies
Brent	Apologies
Bromley	Cllr William Huntington-Thresher
Camden	Apologies
Croydon	Cllr Stuart King
Ealing	Cllr Julian Bell (Chair)
Enfield	Cllr Daniel Anderson
Greenwich	Cllr Denise Scott-McDonald
Hackney	Cllr Feryal Demirci
Hammersmith and Fulham	Cllr Wesley Harcourt
Haringey	Cllr Matt White (Deputy)
Harrow	Cllr Varsha Parmar
Havering	
Hillingdon	
Hounslow	Cllr Hanif Khan
Islington	Cllr Claudia Webbe
Kensington and Chelsea	Cllr Will Pascall
Kingston Upon Thames	Cllr Hilary Gander
Lambeth	Apologies
Lewisham	Cllr Sophie McGeevor (Deputy)
Merton	Cllr Nick Draper (Deputy)
Newham	Cllr Rachel Tripp
Redbridge	Apologies
Richmond Upon Thames	Cllr Alexander Ehmann
Southwark	Cllr Richard Livingstone
Sutton	Cllr Manuel Abellan
Tower Hamlets	Cllr David Edgar
Waltham Forest	Cllr Clyde Loakes
Wandsworth	Cllr Richard Field
City of Westminster	Cllr Tim Mitchell
City of London	
Transport for London	Alex Williams

1. Apologies for Absence & Announcement of Deputies

Apologies:

Councillor Alex Sawyer (LB Bexley)
Councillor Shama Tatler (LB Brent)
Councillor Adam Harrison (LB Camden)
Councillor Kirsten Hearn (LB Haringey)
Councillor Claire Holland (LB Lambeth)
Councillor Brenda Dacres (LB Lewisham)
Councillor Martin Whelton (LB Merton)
Councillor John Howard (LB Redbridge)

Deputies:

Councillor Matt White (LB Haringey)
Councillor Sophie McGeevor (LB Lewisham)
Councillor Nick Draper (LB Merton)

2. Declaration of Interests

60+ Oyster & Freedom Pass

Cllr Wesley Harcourt (LB Hammersmith & Fulham), Cllr Hilary Gander (RB Kingston), Cllr Nick Draper (LB Merton), Cllr David Edgar (LB Tower Hamlets), and Cllr Richard Field (LB Wandsworth)

Dockless Bike Scheme

Cllr Julian Bell (LB Ealing – Chair), Cllr Daniel Anderson (LB Enfield), Cllr Feryal Demirci (LB Hackney), Cllr Claudia Webbe (LB Islington), and Cllr Clyde Loakes (LB Waltham Forest)

North London Waste Authority

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

East London Waste Authority

Cllr Rachel Tripp (LB Newham)

South London Waste Partnership

Cllr Stuart King (LB Croydon), Cllr Hilary Gander (RB Kingston), Cllr Nick Draper (LB Merton), and Cllr Manuel Abellan (LB Sutton)

South East Waste Disposal Group

Cllr Denise Scott-McDonald (RB Greenwich)

Western Regional Waste Authority

Cllr Wesley Harcourt (LB Hammersmith & Fulham)

Environmental Protection UK

Cllr Denise Scott-McDonald (RB Greenwich)

Thames Regional Flood & Coastal Committee

Cllr Daniel Anderson (LB Enfield)

London Waste & Recycling Board

Cllr Feryal Demirci (LB Hackney)

London Cycling Campaign

Cllr Julian Bell (LB Ealing – Chair), Cllr Feryal Demirci (LB Hackney) and Cllr Rachel Tripp (LB Newham).

Car Club

Cllr Feryal Demirci (LB Hackney), Cllr Claudia Webbe (LB Islington), Cllr David Edgar (LB Tower Hamlets), and Cllr Tim Mitchell (City of Westminster).

Dockless Bike Hire Scheme

Cllr Julian Bell (LB Ealing – Chair), Cllr Daniel Anderson (LB Enfield), Claudia Webbe (LB Islington), Cllr Rachel Tripp (LB Newham), and Cllr Clyde Loakes (LB Waltham Forest).

London Road Safety Council

Cllr William Huntington-Thresher (LB Bromley) and Cllr Denise Scott-McDonald (RB Greenwich).

3. Election of Chair of TEC for 2018/19

Councillor Loakes nominated Councillor Julian Bell (LB Ealing) to be Chair of TEC. This was seconded by Councillor Mitchell. Councillor Julian Bell was elected as Chair of TEC for 2018/19.

4. Election of TEC Vice Chairs for 2018/19

The following members were elected to be the vice chairs of TEC:

Cllr Feryal Demirci (LB Hackney – Labour Vice Chair)
Cllr Tim Mitchell (City of Westminster – Conservative Vice Chair)
Cllr Manuel Abellan (Liberal Democrat Vice Chair)

5. Membership of London Councils' Transport & Environment Committee for 2018/19 (tabled report)

It was noted that LB Enfield's main TEC representative was Councillor Daniel Anderson, and not Councillor Guney Dogan. Councillor Dogan would be a deputy for LB Enfield and this needed to be amended. It was also noted that Cllr Peter Scott was the first named deputy for LB Croydon, and this needed to be added to the TEC membership report.

Decision: The Committee noted and agreed the membership of TEC for 2018/19, subject to the above revisions being made.

6. Appointment of the TEC Executive Sub Committee 2018/19

The Committee received a report that set out the arrangements for the TEC Executive Sub Committee for 2018/19.

Decision: The following appointments to the TEC Executive Sub Committee were made:

Labour

Cllr Julian Bell (LB Ealing – Chair)
Cllr Feryal Demirci (LB Hackney)
Cllr Daniel Anderson (LB Enfield)
Cllr Claudia Webbe (LB Islington)
Cllr Rachel Tripp (LB Newham)
Cllr Denise Scott-McDonald (RB Greenwich)

Conservative

Cllr William Huntington-Thresher (LB Bromley)
Cllr Tim Mitchell (City of Westminster)
Cllr Richard Field (LB Wandsworth)
X 1 Conservative nomination – To follow

Liberal Democrat

Cllr Manuel Abellan

City of London

Christopher Hayward

7. Electric Vehicle Rapid Charging-Point Sub Group

The Committee received a report that set out arrangements for the Electric Vehicle Rapid Charging-Point Sub Group (EV Rapid Charging-Point Sub Group, or EVRCP). The EVRCP Terms of Reference could be found at Appendix A of the report.

The new membership of the EV Rapid Charging-Point Sub Group for the municipal year for 2018/19 was as follows:

Labour Member

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

Conservative Members

Cllr Tim Mitchell (City of Westminster)
Cllr William Huntington-Thresher (LB Bromley)

Liberal Democrat Member

Cllr Hilary Gander (RB Kingston upon Thames)

Decision: The Committee:

- Noted the revised membership of the EV Rapid Charging-Point Sub Group for 2018/19 (as above); and
- Noted the report and approved the EV Rapid Charging-Point Terms of Reference at Appendix A of the report

8. Nominations to Outside Bodies

The Committee received a report that sought nominations to the various outside bodies that related to the work of TEC for 2018/19.

The Committee nominated the following members to the outside bodies below:

(a) Heathrow Airport Consultative Committee (HACC)

Cllr Steve Curran (LB Hounslow)

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

West: To be confirmed

South West: Cllr Martin Elengorn (LB Richmond – Liberal Democrat)

South East: Cllr Denise Scott-McDonald (RB Greenwich – Labour)

North East: Cllr Syed Ghani (LB Barking & Dagenham – Labour)

Central North: Cllr Wesley Harcourt (LB Hammersmith & Fulham – Labour)

Central South: Cllr Richard Livingstone (LB Southwark – Labour)

North: Cllr Daniel Anderson (LB Enfield)

(c) The London Sustainable Development Commission (LSDC)

Councillor Claudia Webbe (LB Islington – Labour)

(d) Urban Design London

Cllr Nigel Haselden (LB Lambeth – Labour)

Daniel Moylan (Conservative nomination)

(e) Thames River Basin Liaison Panel (Thames LP)

No new nominations needed until 2019 (currently Cllr Sizwe James – RB Greenwich, Labour)

(f) London City Airport Consultative Committee (LCACC)

Cllr John Howard (LB Redbridge)

(g) London Waste & Recycling Board (LWARB)

Councillor Guy Senior (LB Wandsworth) to replace Councillor Page-Brown (RB Kensington & Chelsea) as he is no longer a councillor.

(h) London Cycling Campaign (LCC) Policy Forum

Cllr Feryal Demirci (LB Hackney – Labour)

(i) The Thames & London Waterways Forum

Cllr Denise Scott-McDonald (RB Greenwich – Labour)

Cllr Nick Draper (LB Merton – Labour)

Councillor Peter Craske (LB Bexley – Conservative)

Decision: The Committee:

- Agreed to pass on the above names to the Chief Executive of London Councils, for appointment to outside bodies, once they were all confirmed; and
- Agreed that Alan Edwards would write to the outside bodies to inform them of the TEC nominations.

9. TEC AGM Minutes of 15 June 2017 (for noting – previously agreed)

The Committee noted the TEC AGM minutes of the 15 June 2017, which had previously been agreed.

10. Constitutional Matters – Minor Variations to London Councils' Financial Regulations

The Committee received a report that detailed proposed variations to the London Councils' Financial Regulations. This was reported to Leaders' Committee at its AGM on 5 June 2018.

Decision: The Committee noted the changes to the London Councils' Financial Regulations which were agreed by London Councils' Leaders Committee on 5 June 2018.

It was agreed to take Item 16 next – "Direct Vision Standard for Heavy Goods Vehicles".

16. Direct Vision Standard for Heavy Goods Vehicles

The Committee received a report that updated members on the development of a Direct Vision Standard (DVS) for Heavy Goods Vehicles (HGVs) and the HGV Safety Standard Permit Scheme (HSSP) to reduce road danger in London.

Alex Williams (Director, City Planning, Transport for London) introduced the report. He said that the number of deaths caused by HGVs continued to rise, especially among cyclists. The DVS would now create a 5-star rating system to ensure that HGVs were much safer than they currently were.

Alex Williams said that approval was needed by TEC to allow the London Lorry Control Scheme (LLCS) traffic order to be used as a legal framework. Councillor Field voiced concern that the concept was flawed. He felt that TfL should be promoting collision avoidance systems more widely. Alex Williams said that such technology would help meet the proposed safe system requirement, until more higher star-rated direct vision vehicles become available.

Councillor Ehmann said that he would like to see the evidence for the proposed direct vision approach, as well as including the element of human error. He felt that there needed to be proof that this was the right response being taken. Alex Williams said that human error related to the issue of visibility as well. He said that evidence could be found on the TfL website. Extensive research had taken place to help TfL come up with the 5-star rating system, which was also based on evidence (eg windows in HGV doors had helped). Alex Williams said that Members and officers from the boroughs of Wandsworth and Richmond were welcome to experience a 5-star rated vehicle if they wished.

Councillor Loakes said that cyclist fatalities by HGVs were still occurring. He informed members that the North London Waste Authority had recently procured a new HGV fleet, where driver visibility was outstanding. Councillor Loakes said that he welcomed the TfL Direct Vision Standard for HGVs. The Chair asked whether the borough of Barnet would be joining the LLCS. Councillor Cohen said that Barnet was considering joining the Scheme.

Councillor Scott-McDonald said that more efforts were needed to make pedestrians safer. She asked whether this new DVS for HGVs was going to be communicated to the public. Alex Williams said that the road user groups were already aware of the DVS, and there was also a lot of information on the TfL website. He said that the general public would be informed as soon as the permit system was ready in 2019. This could also be put in the contracts when new fleets were procured. Alex Williams said that the DVS for HGVs would come into force in October 2020. Permit applications would be available from October 2019, and this would be a good opportunity to re-shape borough fleets. Alex Williams said that he did recognise the point about making the DVS more visible to the general public.

The Chair said that there were a couple of “any other business” items that members wanted to be present to TfL, before Alex Williams left the meeting. The Chair said that it was noted that the TfL Transport Conference fell on the same day as the LGA Annual Conference (4 July), and asked whether there was any chance of TfL re-arranging this. It was also agreed that Alex Williams would discuss with the Mayor the issue of re-allocating the funds that were set aside for making Oxford Street a pedestrian zone only, back to borough LIP funding (approximately £80 million was allocated to this project that is now not being progressed). Councillor Cohen voiced concern at the cuts to borough LIP funding and encouraged members to lobby hard on this.

Decision: The Committee:

- Noted the progress made in developing the DVS and proposals to ban or restrict the most unsafe HGVs from London’s roads;
- Noted the timeline and future TEC requirements;
- Supported, in principle, the use of London Councils’ LLCS traffic order as the most efficient legal mechanism to implement and enforce the HSSP Scheme (any final proposal to be subject to the outcome of statutory consultation);
- Endorsed the formal notification of the HSSP Scheme to the European Commission by the Government under Directive(EU) 2015/1535 on the basis that the 1985 TRO is the implementation mechanism; and
- Noted that future DVS for HGVs reports would be presented to TEC, either individually, or incorporated in the Chair’s report

11. TEC Priorities and Business Plan for 2018/19

The Committee considered a report that provided members with a look back at what had been achieved in 2017/18 and look forward to the priorities to the priorities for 2018/19.

Spencer Palmer, Director of Transport and Mobility, London Councils, introduced the report, which outlined the key roles and responsibilities of TEC. This was divided into

services (headed by Spencer Palmer) and the Transport and Environment policy function (headed by Katharina Winbeck).

Katharina Winbeck, Head of Transport, Environment and Infrastructure, London Councils, welcomed the new TEC members and said that TEC covered a wide range of areas like the setting of penalty notices for littering, skips etc, along with PCNs in general. She said that her team consisted of two policy officers, a LEDNet officer and a secondee from the GLA who was working on the Go Ultra Low City Scheme (GULCS) work.

Katharina Winbeck said that TEC worked closely with a wide range of stakeholders, including TfL and the Mayor of London. Four meetings a year took place with the TfL Commissioner and TEC, and the Chair of TEC also met with the deputy mayors of London. Katharina Winbeck informed members that TEC also appointed to a number of outside bodies and internal sub groups like the EV Rapid Charging-Point Group. She said that some of the key TEC actions were on air quality and waste and draft constitutions, along with climate change and the GULCS work.

Katharina Winbeck said that there were also a number of strategies that TEC worked on (transport, environment, waste etc). Other areas of work included dockless bikes and new technology and water management. Two papers a year were also presented to TEC on flooding.

Spencer Palmer informed members that a number of services that TEC delivered were statutory, whilst others were discretionary. He made the following comments:

- The Freedom Pass was a very large and invaluable scheme to members. TEC was responsible for issuing the Freedom Pass and checking eligibility. The scheme was run as efficiently as possible and TEC handled a huge amount of personal data.
- Taxicard was a discretionary scheme for the visually impaired and disabled, which was part-funded by the boroughs and TfL. Taxicard was used for local journeys. Most of the services had been contracted out, although there was a small in-house team that worked on Taxicard.
- London Tribunals was a statutory function to administer an independent appeals service carried out by Environment and Traffic adjudicators. There was a hearing centre and the service was free to the user.
- The London Lorry Control Scheme (LLCS) was an environmental scheme that had been carried out for over 30 years now, and controlled the movement of the largest lorries over night and at weekends. The scheme was now self-financing at no cost to the boroughs. The scheme now also generated some revenue for TEC.
- Other TEC services included the Health Emergency Badge Scheme (HEB), TRACE (a service to look-up where your vehicle has been towed away to), London European Partnership for Transport (LEPT) – the future of LEPT is being reviewed in light of Brexit, although there still will be access to some if not all European funding streams. TEC had a statutory role in the setting of Penalty Charge Notice (PCN) levels.

Councillor Ehmann voiced concern that the current Ultra Low Emissions Zone (ULEZ) divided the borough of Richmond in half. He said that there was also no mention of airport expansion in the TEC Business Plan. The Chair confirmed that both of these issues had been discussed at length by TEC and it had been very difficult to come to an agreed London Councils' position. He said that most people

supported the ULEZ and some had asked for the ULEZ to go right to the edge of the M25, whereas others were completely opposed to this. The Chair said that TEC did not take a position with regards to the expansion of Heathrow Airport as this had been dealt with at Leaders' Committee. It was the view of London Councils that boroughs should make their own individual representations.

Councillor Ehmann said that boroughs might take a different view now on the ULEZ, now the local elections had taken place. The Chair confirmed that sufficient time would be allocated to the ULEZ. Councillor Demirci said that she was sympathetic to Richmond's position on this. She said that her borough of Hackney would be pushing for a Londonwide ULEZ. Councillor Mitchell said that the ULEZ consultation document was very useful. He said that it would be interesting to know how technological changes would affect vehicles' breaks, tyres and road surfaces in general. The Chair said that it was important to tackle air quality, especially PM2.5 and PM10. Councillor Mitchell said that some diesel vehicles were better than their petrol counterparts when it came to particulates. The Chair suggested that TEC members be circulated with all the ULEZ documents to date, as this would bring new TEC members up-to-speed with ULEZ.

Councillor Huntington-Thresher said that there were practical aspects to the ULEZ, and TEC did not want to be in a position that restricted other boroughs to central London, as opposed to outer London boroughs. He said that some electric vehicles had a higher acceleration than standard cars and he asked how this would fit in to the issue of road safety. Councillor King said that over 50% of borough roads now operated 20mph speed limits, although there were restrictions around the enforcement of this, therefore a TEC working party was required to work with the Met Police to help enforce this. Councillor Loakes felt that these enforcement powers should be devolved to the boroughs, and discussions needed to take place with the new Deputy Mayor on this.

Councillor Gander said that there did not appear to be anything on cycling in the TEC Business Plan and asked whether cycling was still a priority. The Chair confirmed that cycling was still a priority. Katharina Winbeck explained that cycling was widely incorporated in the Mayor's Transport Strategy and the London Environment Strategy.

Decision: The Committee:

- Noted the progress and key achievements of 2017/18;
- Discussed and agreed the TEC priorities for 2018/19; and
- Agreed to circulate to all TEC members the documents/discussions that had taken place so far on the ULEZ, in order for new TEC members to be brought up-to-speed in this area of TEC work.

12. Flooding Investment in London

The Committee received a report that gave TEC its annual update from the Thames Regional Flood and Coastal Committee (Thames RFCC) and explained the background to flood risk management in London. The report also presented a business case, on behalf of Thames RFCC for an increase in locally raised levy (1.99%) to invest in flood risk management schemes across the Thames catchment.

Robert Van de Noort, Chair of Thames RFCC introduced the report and informed members that he had been the Chair of the Thames RFCC for 4 years. He said that the role of the Thames RFCC was to reduce the risks of flooding in London, including surface water flooding, and protecting London's water supply. The Thames RFCC worked in partnership with the Environment Agency (EA) and Central Government, and was supported by independent members. The Thames RFCC was also reducing the risk of flooding to approximately 14,000 homes across London.

Robert Van de Noort informed members that work would be undertaken on a second Thames Barrier in the future. He said that there was also a need to replace old flood risk assets, which would be costly. The Thames RFCC used the local levy to support the boroughs and to also help deal with surface flooding. There were also various flood alleviation schemes, including SUDs for schools. Robert Van de Noort said that a steer for a 1.99% increase to the flood levy was now being sought from the London boroughs. TEC had previously agreed to a 1.99% increase in 2015, 2016 and 2017. The Chair also introduced Sarah Smith from the Environment Agency (EA).

Councillor Draper thanked the Thames RFCC for working on old projects as well as new ones, and assisting with the prevention of flooding to households. He said that the Thames RFCC was now an effective body.

Robert Van de Noort said that the Thames RFCC was now working on a broader 6-year programme. The Chair said that robust discussions regarding the levy increase had taken place with the Thames RFCC back in 2015. He said that the Thames RFCC were now effective partners with the boroughs and had presented a sound business case to support the increase in the levy. Match funding for the levy was also received from the Government. The Chair said that he had hoped that the boroughs would continue to honour the 1.99% increase. He said that the Thames RFCC needed a degree of certainty in order for to continue with projects to prevent flooding.

Councillor Ehmann queried the City of London's contribution to the Thames RFCC. Robert Van de Noort confirmed that this was based on the number of Band D properties in the boroughs. Councillor Webbe said that she supported the increase to the levy. She said that it was important for boroughs to put forward schemes to the Thames RFCC.

Councillor Huntington-Thresher voiced concern that the issue of waste extraction had not been included in the report. The Chair said that this was a future project. Robert Van de Noort said that any worthwhile projects could be addressed. Sarah Smith confirmed that the Environment Agency managed water extraction.

Decision: The Committee:

- Noted and discussed the report;
- Agreed to look at potential projects that could be included in the long list for the next 6-year programme; and
- Provided a steer to the TEC members who sat on the Thames RFCC to support a levy increase of 1.99% for 2019/20.

13. Chair's Report

The Committee received a report that updated members on transport and environmental policy since the last TEC meeting on 22 March 2018, and provided a forward look until the next TEC meeting on 11 October 2018.

The Chair informed members that an Electric Vehicle (EV) Rapid Charging-Point Sub Group had been set up to help get the Mayoral amendments withdrawn from the EV Bill. The Chair said that he was also planning to host a TEC/LEDNet conference, which would consist of a day session to discuss the Transport and Environment strategies. He said that meetings would take place with Environment strategy officers to look at how boroughs could contribute to these strategies. Members would be informed of a date as soon as it became available.

Councillor Loakes encouraged boroughs to put forward their schemes to the Transport Awards.

Decision: The Committee:

- Noted that boroughs were encouraged to enter their schemes for the National Transport Awards; and
- Noted the Chair's Report.

14. A New National Clean Air Act

The Committee considered a report that informed TEC about the latest data on air quality in London and suggested a strengthening of its current policy position to include support for a new national Clean Air Act.

Katharina Winbeck introduced the report. She said that air quality had been a priority for TEC for quite some time. More needed to be done though in order to spell out what TEC was trying to achieve with regards to air quality. Katharina Winbeck said that the boroughs did not have any control over enforcement powers. TEC was also keen on getting a targeted diesel scrappage scheme introduced. Katharina Winbeck said that TEC would be taking part in "Clean Air Day" on 21 June 2018.

Councillor Ehmann said that it was important to make the obligations of National Government explicit, with regards to air quality (paragraph 9 of the report). Councillor Demirci asked whether TEC needed to start talking about UK air quality legal limits, before the UK left the EU. The Chair said that the World Health Organisation (WHO) had a benchmark, which was of a high standard. He said that an opportunity could be taken to increase the limits to the WHO's standard, when the UK left the EU. Katharina Winbeck said that this could be incorporated in the Clean Air Act (ie targets and legal air quality limits).

Katharina Winbeck said that part of the Clean Air Act would include a shift to zero emissions transport (last bulletpoint, paragraph 16 of the report). She informed members that this referred to tail pipe emissions, as opposed to breaks and tyres. Councillor Webbe said that although she welcomed the Clean Air Act, she felt that a new Local Authority Act was needed to support air pollution. The Chair said that parliamentary legislation would still be required for this, and that it would more beneficial for the boroughs to join other cities.

Councillor Huntington-Thresher said that it was important to ensure that the boroughs were able to implement the policies on air pollution. He said that it was very difficult to monitor wood burning stoves, aside from checking that the stove had the appropriate certification. Councillor Huntington-Thresher said that there were also issues regarding a lack of borough funding for this in general.

The Chair said that TEC had been calling for a Clean Air Act for some time now. He said that LB Ealing was looking to have a “Car Free Day” on 22 September 2018. A number of roads would be closed on this day and “play streets” would be activated. The Chair said that a third recommendation should be added to the report for members to endorse a “Car Free Day”.

Decision: The Committee:

- Noted the issue of what UK legal air quality limits should be, once Britain left the EU. This could be incorporated into the Clean Air Act (as well as targets etc);
- Agreed that TEC would actively call for a new National Clean Air Act with the details outlined in paragraph 9 and 16; and
- Agreed to add a third recommendation to endorse a “Car Free Day” on 22 September 2018.

15. Action on Dockless Bicycles

The Committee received a report that informed TEC about the potential option for the coordination and enforcement of Dockless Bicycle hire schemes for London boroughs.

Katharina Winbeck said that boroughs did not have enough powers to currently manage Dockless Bicycles in London, and a Londonwide bye-law was now required. She said that an appropriate amendment would be needed to the TEC Agreement in order to delegate this power to TEC. Katharina Winbeck informed members that it would take approximately two years to get these powers.

Councillor Demirci said that, although she welcomed the proposal, TEC was only at the beginning of this process. She said that LB Hackney only had the power to remove bicycles if they posed a safety risk. Councillor Demirci voiced concern that people were dumping bicycles on the roads in Hackney. She said that it was not down to the boroughs or residents to remove these bicycles. Councillor Demirci said that the powers to deal with Dockless Bicycles were needed sooner.

Councillor Ehmann asked if this would need all boroughs to opt in. He said that this issue may no longer be around in two years’ time. Councillor Ehmann said that an interim measure was needed for the boroughs to implement more quickly. Councillor Loakes felt that bye-laws were antiquated and inadequate. He said that controls over Dockless Bike operators were needed. Councillor Loakes also felt that this issue needed to be addressed sooner. Councillor Mitchell said that he endorsed all these comments. He said that scooters would be the next issue after Dockless Bikes.

Councillor Anderson asked what TEC could practically do with regards to Dockless Bikes. He asked whether Public Space Protection Orders (PSPOs) could be used to remove bikes. Councillor Anderson felt that it was not practical to have to wait for two years to deal with this issue.

Spencer Palmer said that he shared members’ concerns around the time taken to get the new bye-law. He said that TfL were currently working very hard on this and was liaising with borough officers. The longest part would be getting boroughs’ legal team to agree to delegate. Katharina Winbeck confirmed that PSPOs could be used to remove bikes, but could not be used to manage incoming Dockless Bicycle schemes.

Councillor Field suggested that a timetable with deadlines should be compiled for boroughs to work towards. This should include what was feasible and could be achieved. The Chair confirmed that each individual borough would need to sign up to agree to amend the TEC Agreement.

Councillor Demirci said that her borough did not have the resources to take away the bikes. She felt that TfL needed to engage better with the Dockless Bike companies before the bikes were placed in the boroughs. Councillor Loakes said that it would not be an easy process to get all boroughs to sign up to amending the TEC Agreement. He felt that TfL should lead on this. Councillor Ehmann agreed that something in the short-term should be drawn up for boroughs to implement. Councillor Loakes said that adopting a bye-law was not his preferred option. He said that TEC needed to come up with something quicker to deal with this.

Decision: The Committee:

- Noted that Public Space Protection Orders (PSPOs) could be used to remove bikes, but could not be used to manage incoming Dockless Bicycle schemes;
- Agreed, in principle, that a draft scheme for a Londonwide bye-law to manage Dockless Bicycles in London should be prepared (paragraphs 17-21);
- Recommended to the London boroughs that an appropriate amendment be made to the TEC Agreement to delegate to TEC the relevant power to make bye-laws to enable a Londonwide bye-law to be progressed; and
- Agreed that a quicker short-term solution to manage Dockless Bicycles be sought, while the amendment to the TEC Agreement was being progressed.

17. Taxicard Update

The Committee considered a report that provided members with a summary of Taxicard scheme performance in 2017/18, and updated members with progress towards implementation of the new Taxicard supply contract in October 2018.

Councillor Anderson asked if a borough by borough breakdown of Taxicard usage could be compiled (inner and outer London usage, percentage of borough participation etc). Stephen Boon, Chief Contracts Officer, London Councils, confirmed that this information was available to boroughs and officers. He said that there was currently a supply problem in the borough of Enfield, and officers were looking to address this. Councillor Anderson said that there were not many other alternative transport options in Enfield.

Decision: The Committee:

- Noted that there were concerns about a supply issue with regards to Taxicard in LB Enfield and this was being looked into and planned to be improved with the new contract changes later this year; and
- Noted the contents of the report

18. Freedom Pass Progress Report

The Committee received a report that provided members with an update on the Freedom Pass mid-term review and 2018 renewal exercise. The report also set out the result of negotiations with the Rail Delivery Group (RDG) regarding previous disruptions to Southern Rail.

Stephen Boon said that the Rail Delivery Group's (RDG) offer of compensation had been apportioned among the boroughs in the fairest way possible, and was a more equitable way of giving a goodwill payment. Councillor Huntington-Thresher asked how the process of apportionment worked. Stephen Boon said that there needed to be a month's worth of disruption on a particular line in order for the RDG to issue a compensation payment under our agreement with them. He said that there was not quite a complete month of disruption but owing to the interruption to the service, the RDG offered compensation anyway. The boroughs that were worse affected by this disruption to services would receive the most compensation. Spencer Palmer suggested that additional information regarding the apportionment of the compensation to boroughs could be brought to the TEC Executive Sub Committee for agreement in July.

Decision: The Committee:

- Noted the outcome of the Mid-Term Review of eligibility of Freedom Passes that expire on 31 March 2020;
- Agreed that Eligibility Reviews were carried out every year;
- Noted progress on the renewal of Freedom Passes that expired on 31 March 2018;
- Accepted the Rail Delivery Group's offer of compensation; and
- Agreed that additional information regarding the disruption on Southern Rail and on the apportionment of the compensation to boroughs would be brought to the TEC Executive Sub Committee for agreement in July.

19. TEC Committee & TEC Executive Sub Committee Dates for 2018/19

The Committee received a report that notified members of the proposed TEC and TEC Executive Sub Committee dates for 2018/19.

Decision: The Committee noted and agreed the dates for TEC and TEC Executive Sub Committee meetings for 2018/19.

20. Minutes of the TEC Main meeting held on 22 March 2018

The minutes of the TEC Main meeting held on 22 March 2018 were agreed as an accurate record.

It was agreed that officers would look into sending the minutes/summaries of the TEC meetings to members sooner, in order for members to chase up any actions in their boroughs.

The Chair requested that members of the Press and Public left the meeting while the exempt part of the agenda was discussed.

The meeting finished at 16:50pm

LONDON COUNCILS' TRANSPORT AND ENVIRONMENT EXECUTIVE SUB COMMITTEE

Minutes of a meeting of the London Councils' Transport and Environment Executive Sub Committee held on **8 February 2018** at 10:00am, at London Councils, Meeting Room 4, 1st Floor, 59½ Southwark Street, London, SE1 0AL

Present:

Councillor Julian Bell	LB Ealing (Chair)
Councillor Lynda Rice	LB Barking & Dagenham
Councillor Stuart King	LB Croydon
Councillor Daniel Anderson	LB Enfield
Councillor Feryal Demirci	LB Hackney
Councillor Nick Greenwood	RB Kingston (Deputy)
Councillor Jill Whitehead	LB Sutton
Councillor Caroline Usher	LB Wandsworth

1. Apologies for Absence & Announcement of Deputies

Apologies for absence had been received from Councillor Phil Doyle (RB Kingston.) and Councillor Peter Buckwell (LB Richmond). No deputies were present. Councillor Nick Greenwood deputised for Councillor Phil Doyle (RB Kingston).

2. Declarations of Interest

There were no additional declarations on interest other than those already on the declarations sheet (item 2).

3. Transport & Mobility Services Performance Information

The TEC Executive Sub Committee received a paper that provided members with details of the London Councils' Transport and Mobility Services performance information for Quarters 2 and 3 in 2017/18.

Spencer Palmer, Director of Transport & Mobility, London Councils, introduced the report. He informed members that there had been further improvements in the last quarter, with the majority of the ratings now being "Green". The two remaining "Amber" ratings related to (1) the "% of appeals allowed" for the London Lorry Control Scheme – the relatively low number of appeals meant that performance against this objective fluctuated greatly, and (2) the number of boroughs that were participating in EU transport funding projects – the number of suitable funding calls and borough bid proposals had limited ability for the target to be met (ie 5 out of the target of 7 boroughs).

Decision: The TEC Executive Sub Committee noted the report and the improvements in performance made in Quarters 2 and 3 in 2017/18.

4. Draft Consultation Responses to Phase 3b of the Mayor's Air Quality Consultation

The TEC Executive Sub Committee considered a report that gave members details of the two proposals that the Mayor of London was currently consulting on, namely: (1) extending the Ultra Low Emission Zone (ULEZ) for central London up to the North and South Circular Roads for light vehicles from 25 October 2021, and (2) introducing a Euro VI requirement (matching the current ULEZ standard) London-wide for heavy vehicles from 26 October 2020, through changes to the current London-wide LEZ.

Katharina Winbeck, Head of Transport, Environment and Infrastructure, London Councils, introduced the report. She said that there were two separate proposals, as outlined in the report. An additional member event had been organised by London Councils on 22 February 2018, to discuss this draft consultation. Katharina Winbeck said that there was currently no complete consensus among the boroughs at the moment. She said that some boroughs were concerned about air quality outside of the Ultra Low Emission Zone (ULEZ). Data provided by TfL regarding this was insufficient.

Katharina Winbeck said that boroughs were welcome to put forward their own local low/zero emission zones in areas of high pollution, provided they were fully funded. Councillor Rice said that she would want the ULEZ to cover the whole of London, as the borough of Barking and Dagenham bordered the North Circular and this could cause traffic displacement. The Chair said that London Councils was trying to get modelling data from TfL on displacement. Katharina Winbeck said that there were cost implications in obtaining this modelling data.

Councillor Demirci said that TEC had been asking for information on modelling since 2013. She said that this was a huge scheme that the Mayor would want the boroughs on to be on board with. Spencer Palmer asked whether TfL had promised more modelling. Owain Mortimer, Principal Policy Officer, London Councils, said that the majority of the data received tended to be aggregated data.

Councillor Anderson said that the current ULEX extension proposal would benefit the inner London boroughs, but could cause displacement issues for some outer London boroughs. Councillor Anderson said that there was a need to know what the negative impacts would be to the outer London boroughs, and to look at the totality as a whole (ie the whole of London).

The Chair said that there were two main questions that needed to be discussed: (a) to go with a London-wide ULEZ that goes beyond the North and South Circulars, or (b) to extend the ULEZ to the North and South Circulars only, and use funds to look into extending the ULEZ beyond this in the future. The Chair said that proposals could be brought forward for having low emission zones, which could tie in with the funding provided for liveable neighbourhoods in areas like west Ealing. He said that there was currently no blueprint or map available to show how zero emissions would be achieved in London by 2025.

Councillor Whitehead said that traffic that went through the borough of Sutton was generated by people driving to Sutton's schools, as a number of them were the best in London. Also, traffic travelled from east to west and came from the M25 and beyond. Councillor Whitehead felt that the zone should go as far as the M25. Councillor Demirci felt that a London-wide scheme was needed. She said that the extension up to the North and South Circular roads was not enforceable, and also

went around residential areas. She said that reassurances were needed that the scheme would be enforced. Councillor Demirci said that cars that passed through the borough of Hackney caused pollution. She said that London needed to be looked at as a whole. Modelling was also needed and reassurances of a London-wide scheme. Councillor Demirci said that it would not be beneficial to say no to the extension of the ULEZ up to the North and South Circulars, and this should be supported. However, there was also the need to look at expanding the ULEZ London-wide.

The Chair said that an indicative timetable was required for a London-wide LEZ and details were needed of what this would entail. Councillor Anderson said that the impact of the ULEZ in boroughs was needed, especially if there was any displacement to the outer London boroughs as this would have a negative impact. Katharina Winbeck said that there were varying views on extending the ULEZ (eg some outer London boroughs were against being in an all London ULEZ). The Chair said that the views of the inner and outer London boroughs on this issue. He suggested that a table be drawn-up, outlining what each boroughs' position was in respect of the ULEZ extension. Owain Mortimer confirmed that he already had some information on this, which could be brought to the event on 22 February 2018.

Councillor Usher voiced concern that the effect of the ULEZ extension would have on SMEs in inner London town centres like Wandsworth. She asked if any economic assessments had been carried to look at the potential effects on businesses. Owain Mortimer said that this issue had been raised, and there appeared to be a minor negative impact on SMEs.

The Chair asked whether the proposal to maintain a Euro 3 PM standard for large vans was an error. Owain Mortimer confirmed that it was not an error. Councillor King said that assurances from TfL were needed to ensure that polluting bus fleets in inner London were not transferred to the outer London boroughs. Councillor Rice asked how the ULEZ fitted in with liveable neighbourhoods funding. Katharina Winbeck confirmed that the first round of liveable neighbourhoods funding (?) had been completed. Councillor Whitehead said that pollution also came from the Transport for London Road Network (TLRN).

Katharina Winbeck said that strengthening the LEZ for heavy goods vehicles would deal with some of the pollution coming from the TLRN and their buses, as this would include parts of the TLRN. London Councils would have to liaise with TfL to work through these issues. The Chair asked how pollution in areas around Heathrow would be tackled if there was not a London-wide ULEZ. Spencer Palmer said that Heathrow was supposed to publish its own traffic and environmental impact assessments. Katharina Winbeck said that Heathrow was aware of this and had put out proposals for consultation. The Chair said that Heathrow would need its own ULEZ eventually, irrespective of any proposed expansion.

Decision: The TEC Executive Sub Committee:

- Noted and commented on the report;
- Noted that London Councils had organised an additional member event to discuss this draft consultation response for 22 February 2018, where all TEC members had been invited;
- Agreed to bring a table to the ULEZ engagement event for TEC on 22 February 2018, to show where the boroughs currently stood with regards to extending the ULEZ. The table would not be published;

- Agreed that assurances would be needed from TfL to ensure that polluting bus fleets would not be transferred from inner London to outer London;
- Noted that an indication of what the timetable for a London-wide ULEZ would be, and what this would entail was required;
- Noted that more modelling was needed on the potential effects of extending the ULEZ up to the north and South Circulars, especially with regards to specific local issues in outer London boroughs near the boundary; and
- Agreed that the TEC Chair and vice chairs would sign off the final response, taking comments made on 22 February 2018 into account, before submitting it by 28 February 2018.

5. Month 9 TEC 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 December 2017 for TEC, and provided a forecast of the outturn position for 2017/18. At this stage, a surplus of £1.059 million was forecast over the budget figure, compared to £1.001 million at the half-year point. In addition, total expenditure in respect of Taxicard trips taken was forecasted to underspend by a net figure of £891,000, if current trip volumes continued for the remainder of the year.

Frank Smith, Director of Corporate Resources, London Councils, introduce the report. He informed members that £1.059 million was forecast at this stage. Receipts from Lorry Control PCN income was forecast to generate an additional £75,000, along with a £27,000 underspend in respect of the IT systems development budget for 2017/18. Frank Smith said that, after taking into account the forecast surplus and known commitments, the general reserves were forecasted to be £1.849 million, which equated to 15.8% (marginally over the Committee' formal policy on reserves of between 10-15% of annual operating expenditure).

Frank Smith asked members what area of TEC work they wanted to ear-mark to spend the specific projects reserve on. The Chair said that this reserve should go towards work on the Go Ultra Low City Scheme (GULCS). Spencer Palmer said that work had already been carried out on reviewing how GULCS was centrally managed and members would receive an update on this at the TEC meeting on 22 March 2018. He said that this specific reserve might start to be utilised after then. More details on this would be available in the summer.

Decision: The TEC Executive Sub Committee:

- Noted the projected surplus of £1.059 million for the year, plus the forecasted net underspend of £891,000 for overall Taxicard trips, as detailed in the report;
- 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;
- Agreed that funds in the specific projects reserve would be ear-marked to spent on the Go Ultra Low City Scheme (GULCS); and
- Noted that an update on the work on reviewing how the GULCS was centrally managed would be presented to TEC on 22 March 2018.

6. Minutes of the TEC Main Meeting held on 7 December 2017 (for noting)

The minutes of the TEC Main meeting held on 7 December 2017 were noted.

7. Minutes of the TEC Executive Sub Committee Meeting held on 16 November 2017 (for agreeing)

The Minutes of the TEC Executive Sub Committee meeting held on 16 November 2017 were agreed as an accurate record.

8. Any Other Business

The Chair informed Committee that an agreement had now been secured with TfL to ensure that Taxicard funding for 2018/19 would not be reduced. He said that TfL had also made a commitment that further efficiencies would be made in the TfL budget to mitigate the cuts to borough LIP funding. The final TfL budget would be released next week. The Chair said that he would be writing a letter to Val Shawcross today to keep pressing the LIP funding case on behalf of the boroughs.

Councillor Anderson asked what boroughs had already had a meeting with Val Shawcross regarding LIP funding. Katharina Winbeck said that she had a list of the boroughs that had already received a visit from Val Shawcross. She confirmed that she would be writing to all the boroughs that had not yet had a meeting with Val Shawcross to discuss LIP funding.

The meeting finished at 10:43am