

London Councils' TEC Executive Sub Committee

Thursday 16 November 2023

14:30pm in Meeting Room 5, London Councils, 1st Floor,
59½ Southwark Street, London, SE1 0AL

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Declarations of Interests

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

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

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

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

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

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

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**Declarations of Interest – TEC Executive Sub Committee
16 November 2023**

Freedom Pass & 60+ Oyster Card

Cllr Richard Diment (LB Bexley)

Cllr Nicholas Bennett (LB Bromley)

North London Waste Authority

Cllr Mike Hakata (LB Haringey)

Western Riverside Waste Management

Councillor Rezina Choudhury (LB Lambeth)

West London Waste Authority

Cllr Krupa Sheth (LB Brent)

Cllr Deidre Costigan (LB Ealing)

ReLondon

Cllr Krupa Sheth (LB Brent) and Cllr Nicholas Bennett (LB Bromley)

Thames Regional Flood & Coastal Committee

Cllr Mike Hakata (LB Haringey)

London Road Safety Council (LRSC)

Cllr Krupa Sheth (LB Brent)

Cllr Mike Hakata (LB Haringey)

Member of SERA

Cllr Deidre Costigan (LB Ealing)

Cllr Rezina Choudhury (LB Lambeth)

Cllr James Asser (LB Newham)

Friends of London Transport Museum

Cllr Nicholas Bennett (LB Bromley)

London Underground Transport Museum

Cllr Nicholas Bennett (LB Bromley)

UK 100

Cllr Mike Hakata (LB Haringey)

London Councils' TEC Executive Sub Committee

Transport & Mobility Services Performance Information

Item no: 5

Report by: Andy Rollock **Job title:** Mobility Services Manager

Date: 16 November 2023

Contact Officer: Andy Rollock

Telephone: 020 7934 9544 **Email:** andy.rollock@londoncouncils.gov.uk

Summary: This report details the London Councils Transport and Mobility Services performance information for Q2 2023/24 and full year 2022/23.

Recommendation: Members are asked to note the report.

Performance Monitoring and Reporting

1. London Councils provides various 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 Q2 in 23/24, figures for Q1(23/24) and full year 2022/23.

Equalities Considerations

None.

Financial Implications

None.

APPENDIX 1: TRANSPORT & MOBILITY SERVICES: PERFORMANCE QUARTER 2

LONDON TRIBUNALS

	Target (where appropriate)	2022/23 Full Year	2023/24 Q1	2023/24 Q2	Red / Amber / Green (RAG) rating Q2
Environment and Traffic Adjudicators (ETA)					
No. of appeals received	N/A	44,784	9,993	10,111	N/A
No. of appeals decided	N/A	35,656	8,509	8,405	N/A
% allowed	N/A	46%	50%	53%	N/A
% Did Not Contest	N/A	24%	25%	23%	N/A
% personal hearings started within 15 minutes of scheduled time	80%	N/A	N/A	N/A	N/A
Average number of days (from receipt) to decide appeals (postal)	56 days	46 Days	34 Days	35 Days	Green
Average number of days (from receipt) to decide appeals (personal)	56 days	35 Days	42 Days	45 Days	Green
Average number of days (from receipt) to decide appeals (combined)	56 days	38 Days	36 Days	38 Days	Green
Road User Charging Adjudicators					
No. of appeals received	N/A	22,053	4,161	5,093	N/A
No. of appeals decided	N/A	20,862	5,153	4,614	N/A
% allowed	N/A	39%	35%	46%	N/A
% Did Not Contest	N/A	29%	26%	35%	N/A
% personal hearings started within 15 minutes of scheduled time	80%	N/A	100%	91%	Green
Average number of days (from receipt) to decide appeals (postal)	56 days	76 Days	60 Days**	37 Days	Green
Average number of days (from receipt) to decide appeals (personal)	56 days	51 Days	49 Days	39 Days	Green
Average number of days (from receipt) to decide appeals (combined)	56 days	73 Days	59 Days**	37 Days	Green
Overall Service					
Notice of Appeal acknowledgments issued within 2 days of receipt	97%	99%	99%	100%	Green
Hearing dates to be issued to appellants within 5 working days of receipt	100%	99%	99%***	100%	Green

Number of telephone calls to London Tribunals	N/A		7,408	8,445	N/A
% of calls answered within 30 seconds of the end of the automated message	85%		98%	98%	Green

Comment

*This metric is no longer recorded for ETA. The mix of telephone and face-to-face hearings made this measure difficult to record and, following discussions with the ETA Chief Adjudicator, it was decided that the measure does not provide any useful information. The RUCA measure has recently been reinstated for face-to face personal hearings only.

** The targets for the Average number of days (from receipt) to decide appeals (postal) and Average number of days (from receipt) to decide appeals (combined) were missed in in Q1 for RUCA. However, Q2 saw significant improvement. New adjudicators have been recruited to help address the anticipated rise ULEZ in considering cases, in late 2023..

*** The target for Hearing dates to be issued to appellants within 5 working days of receipt was missed as 1 ETA appeal was processed incorrectly.

FREEDOM PASS

	Target (where appropriate)	2022/23 Full Year	2023/24 Q1	2023/24 Q2	Red / Amber / Green (RAG) rating Q2
Number of active passes at end of period	N/A	1,137,395	1,164,056	1,172,797	N/A
Number of new passes issued (BAU)	N/A	106,731	27,435	28,165	N/A
Number of passes issued (2022 Renewal)	N/A	81,896	4,471	943	N/A
Number of replacement passes issued	N/A	55,803	20,820	18,738	N/A
Number of phone calls answered (BAU)	N/A	187,116	44,617	53,861	N/A
% Answered within 45 seconds (BAU)	85%	59%	68%	53%	Red
% of calls abandoned	<2%	11%	4%	8%	Red
Customer Satisfaction Survey rating (scoring 7 or above)	75%	83%	86%	79%	Green
Number of phone calls answered (2022 Renewal)	N/A	38,759	16095	N/A	N/A
% Answered within 45 (2022 Renewal)	85%	56	67	N/A	N/A

Number of letters and emails answered	N/A	117,947	24,260	26,857	N/A
Number of emails answered (2022 Renewal)	N/A	24,231	13,954	N/A	N/A

(BAU = Business as Usual)

Comment

Contact centre performance continues to be a concern. The contractor continues to experience problems with forecasting as call traffic is unpredictable with no consistent pattern being established. The contractor also experienced some staff attrition due to seasonal workers returning to college and university. However, the contractor is running a rolling recruitment campaign to add to their resources.

The contractor has recently upgraded their telephone platform, which provides more options on handling customer contact, ranging from webchat to improved IVR messaging at first point of contact. London Councils officer are working with the contractor to explore what options could be implemented to assist with channel shift and self-help, providing customers with better options on getting their enquiries resolved without the need to always speak to an agent.

Whilst performance is a concern, it should be noted that customer satisfaction remains above the set target.

TAXICARD

	Target (where appropriate)	2022/23 Full Year	2022/23 Q1	2023/24 Q2	Red / Amber / Green (RAG) rating Q2
Number of active passes at end of period	N/A	62,623	62,623	60,820	N/A
Number of new passes issued	N/A	6,082	2,345	2,093	N/A
Number of replacement cards issued	N/A	2,560	269	254	N/A
Number of phone calls answered at London Councils	N/A	15,314	3,707	3,559	N/A
% Answered within 30 seconds	85%	96%	94%	94%	Green
Number of journeys using Taxicard	N/A	448,927	121,094	130,801	N/A
% in private hire vehicles	N/A	22.5%	23%	24%	N/A
% of vehicles arriving within 15 minutes (advance booking)	95%	95%	96%	96%	Green
% of vehicles arriving within 30 minutes (on demand)	95%	93%	94%	94%	Amber

Comment

Taxicard performance remains strong for this quarter, with the contractor achieving target for advanced bookings and just under the 95% for ASAP bookings. We have seen journeys increase during his period.

ComCab London continue to integrate more of private hire suppliers to the scheme to improve performance on ASAP bookings. Following some integration issues ComCab London have managed to add three private hire suppliers to their fleet, in areas where additional supply is required. They continue to actively promote advanced bookings along with encouraging drivers to use their Futures platform, which allows drivers to take bookings in advance, giving them the ability plan their day and know what jobs they need to fulfil.

ComCab London have also made some improvements to their app booker, which provides customers with the ability to track their booking to the point of vehicle arrival.

TRACE (TOWAWAY, RECOVERY AND CLAMPING ENQUIRY SERVICE)

	Target (where appropriate)	2022/23 Full Year	2023/24 Q1	2023/24 Q2	Red / Amber / Green (RAG) rating Q2
Number of vehicles notified to database	N/A	40,545	10,395	9,642	N/A
Number of phone calls answered	N/A	21,522	5,293	5,043	N/A
% of calls answered within 30 seconds of the end of the automated message	85%	94%	93%	93%	Green

LONDON LORRY CONTROL SCHEME

	Target (where appropriate)	2022/23 Full Year	2023/24 Q1	2023/24 Q2	Red / Amber / Green (RAG) rating Q2
Number of permits on issue at end of period	N/A	70,007	70,930	70,305	N/A
Number of permits issued in period	N/A	16,862	5,187	4,818	N/A
Number of vehicle observations made	10,800 per year 2,700 per quarter	11,714	2,652	2,257	Red
Number of penalty charge notices issued	N/A	4,344	1,040	845	N/A
Number of appeals considered by ETA	N/A	66	14	16	N/A
% of appeals to PCNs issued.	Monitor only	1.5%	1.1%	1.9%	N/A

Comment

Enforcement activity was significantly reduced due to contractor deployment issues. Agreed KPI figures of 900 observations per month were not met, resulting in fewer PCNs issued.

The NSL enforcement contract incurred under achievement in Q2 due to unexpected staffing issues. In-depth contract discussions took place between London Councils officers and the NSL management team to agree a strategy to mitigate the negative impact on the service in the future.

NSL have agreed that in the event of any unplanned absences, they will engage with an employment agency to supply short term resource, to cover any enforcement shortfall. As an additional contingency, NSL will identify suitable officers from within their wider enforcement contracts to investigate the possibility of any Civil Enforcement Officers that could work to fill in any absences on a temporary basis at short notice.

TRANSACTIONAL SERVICES: DEBT REGISTRATIONS AND WARRANTS

	Target (where appropriate)	2022/23 Full Year	2023/24 Q1	2023/24 Q2	Red / Amber / Green (RAG) rating Q2
Traffic Enforcement Court: number of debt registrations	N/A	849,248	263,748	230,835	N/A
Traffic Enforcement Court: number of warrants	N/A	733,610	177,274	292,723	N/A
Traffic Enforcement Court: transactions to be processed accurately within 1 working day	100%	100%	100%	100%	Green

HEALTH EMERGENCY BADGES

	Target (where appropriate)	2022/23 Full Year	2023/24 Q1	2023/24 Q2	Red / Amber / Green (RAG) rating Q2
Number of badges on issue at end of period	N/A	4,113	5,388	4,889	NA
Number of badges issued in period	N/A	2,632	445	660	NA

Comment

Current application assessment and badge production are good with a turnaround time of five days.

LONDON EUROPEAN PARTNERSHIP FOR TRANSPORT**Comment**

LEPT is engaged in minimal activity as we have not been able to secure LIP funding moving forward.

There remains a commitment to continue working with pan-European city networks such as POLIS to enable knowledge sharing and best practice.

London Councils TEC Executive Sub-Committee

Month 6 Revenue Forecast 2023/24 Item no: 6

Report by: David Sanni **Job title:** Director of Corporate Resource
Date: 16 November 2023
Contact Officer: David Sanni
Telephone: 020 7934 9722 **Email:** David.sanni@londoncouncils.gov.uk

Summary This report outlines actual TEC income and expenditure against the approved budget to the end of September 2023 and provides a forecast outturn position for 2023/24. At this 6 month stage, a surplus of £539,000 is forecast. In addition, total expenditure in respect of Taxicard trips taken by scheme members is forecast to underspend by a net figure of £2.372 million. This is matched by a reduction in income of the same value so there is no impact on the bottom line. The net borough proportion of this underspend is projected to be £1.588 million, with £784,000 accruing to TfL.

Recommendations The Executive Sub-Committee is asked to:

- note the projected surplus of £539,000 for the year, plus the forecast net underspend of £2.372 million for overall Taxicard trips, as detailed in this report; and
- note the projected level of Committee reserves, as detailed in paragraph 5 of this report and the commentary on the financial position of the Committee in paragraphs 6-8.

Report

1. This is the second budget monitoring report to be presented to the Committee during the current financial year. The next report will be the Month 9 figures (31 December 2023) for the year, which will be reported to the February 2024 meeting of this Committee.
2. The London Councils Transport and Environment Committee's income and expenditure revenue budget for 2023/24 as approved by the Full Committee in December 2022, is set out in Appendix A (Expenditure) and Appendix B (Income). The appendices show the actual income and expenditure at 30 September 2023 and an estimate of the forecast outturn for the year, together with the projected variance from the approved budget. The budget has been adjusted for:
 - confirmation of borough and TfL funding for the Concessionary Fares scheme for the year (a reduction of £9.242 million from the initial budget which was set early in discussions with TfL);
 - confirmation of payments made to the Rail Delivery Group (a decrease of £983,000);
 - Contribution to Records management project of £109,000 and website development of £62,000, to be funded by reserves, as agreed by Leaders Committee; and
 - confirmation of the resources carried forward from 2022/23 of £123,000 approved by this Sub-Committee in July 2023.

Variance from Budget

3. The current figures indicate that the Committee is projected to underspend gross expenditure budgets by £2 million and post a deficit of income of £1.46 million over the approved budget target for the year. However, these figures include offsetting amounts of £2.372 million relating to payments and income for Taxicard trips making an overall projected net surplus of £539,000. When setting the budget for the Taxicard scheme, officers forecast a recovery based on observed demand trends, which suggested further increases in demand post-pandemic. However, demand for Taxicard trips remains low this year. Officers intend to investigate this in the coming months. Table 1 below summarises the forecast position, with commentary that details the trends that have emerged during the year and provides explanations for the variances that are projected.

Table 1 –Summary Forecast as at 30 September 2023

4. The projected surplus of £539,000 is due to the net impact of the following:

	M6 Actual	Revised Budget	Forecast	Variance
Expenditure	£000	£000	£000	£000
Employee Costs	326	745	694	(51)
Running Costs	101	269	205	(64)
Central Recharges	235	469	469	-
Total Operating Expenditure	662	1,483	1,368	(115)
Payments in respect of Freedom Pass and Taxicard	118,265	237,386	234,854	(2,532)
Direct Services	7,677	11,691	12,342	651
Research	-	40	40	-
Records Management / Website projects	-	154	154	-
Environmental Initiatives	177	345	345	-
Total Expenditure	126,781	251,099	249,103	(1,996)
Income				
Contributions in respect of Freedom Pass and Taxicard	(117,696)	(237,602)	(235,268)	2,334
Income for direct services	(7,800)	(12,327)	(13,115)	(788)
Core Member Subscriptions	(49)	(97)	(97)	-
Interest on Investments	(36)	-	(73)	(73)
Other Income	(48)	(75)	(91)	(16)
Transfer from Reserves	-	(998)	(998)	-
Total Income	(125,629)	(251,099)	(249,642)	1,457
Net Expenditure	1,152	-	(539)	(539)

- Traded Services budget is made up of several elements the majority of which produce a neutral effect and do not change the overall net surplus position. When taking into account all items of income and expenditure, based on adjudicator claims, system costs and the number of appeals heard, an overspend of £81,000 is forecast across the various budget lines. This can fluctuate in year and can be the result of timing differences which will be monitored closely.
- There is an underspend of £51,000 on general administration staff who work outside of the various TEC services. This is inclusive of the maternity provision and member allowances, which will continue to be monitored throughout the year.

- An underspend of £64,000 on running costs due to fluctuations across a number of small supplies and services budgets, however as inflation continues to rise, these budgets will be monitored closely through the year.
- The level of trips made in the claims submitted by the independent bus operators has not recovered to the extent anticipated post-pandemic, which was reflected when setting the 2023/24 budget. Trip data for the first six months, which takes into account two operators leaving the scheme, indicates that expenditure is forecast to be £700,000 compared to an annual budget of £1.1 million, a projected reduction of £400,000. Details of the Q1 to Q3 claims will be reported to this Committee as part of the month 9 forecast report.
- A projected overspend in respect of the £1.518 million budget for the issuing/reissuing costs of Freedom Passes of £268,000. Costs associated with this budget can fluctuate throughout the year based on activity levels and inflationary pressures across various contracts and suppliers. Officers will continue to monitor and manage this budget during the year, in conjunction with the contractors, in order to reduce the projected overspend.
- Based on income collected to date, receipts from replacement Freedom Passes appear to have recovered to pre pandemic levels. The 2023/24 revenue budget was increased by £150,000 to reflect this recovery. Of the £900,000 annual budget, forecast receipts are anticipated to be approximately £958,000, net of bank charges, resulting in a surplus of £58,000 which will be offset against the projected reissue budget overspend details above, reducing the use of the Freedom Pass Renewal Specific Reserve.
- Based on income collected to date, receipts from Lorry Control PCN income are forecast to exceed the £1.2 million budget by £150,000.
- Included within the £150,000 underspend on Lorry Control Administration is a budget of £123,000 which was carried forward from 2022/23 to contribute towards

a review of the service and ANPR project. Due to the timing of this work, expenditure may be recognised later in the year and in to 2024/25. A carry forward request may be made to members at the year-end with regard to any residual work to be undertaken during 2024/25.

- A forecast amount of interest on investments of £73,000 not included in the budget.
- In addition to the above variances there has been a significant reduction in the level of taxicard expenditure, based on actual trips undertaken. Expenditure against the £9.588 million budget is forecast to be £7.216 million. This underspend of £2.372 million is matched with a corresponding decrease in income and has no impact on London Councils net outturn for the year. An amount of £1.588 million of this underspend will be passed back to the Boroughs.

Committee Reserves

5. Table 2 below updates the Committee on the projected level of reserves as at 31 March 2024, if all current known liabilities and commitments are considered:

Table 2– Analysis of Projected Uncommitted Reserves as at 31 March 2024

	Transport & Environment Committee	
	£000	£000
	General	Earmarked
Unaudited reserves at 1 April 2023	3,194	1,606
Committed in setting the 2023/24 budget	(463)	(258)
Balances b/f into 2023/24	(123)	123
Records Management Project	(109)	109
Website Development project	(45)	45
London Tribunal Systems Development	-	(171)
Use of Earmarked Funds 2023/24	-	(277)
Projected surplus / (deficit) for 2023/24	749	(210)
Estimated Residual reserves	3,203	967

Conclusions

6. This report reflects the position at the second-quarter stage in the current financial year and forecasts a surplus position of £539,000 for the year. In addition, taxicard trips are forecast to underspend by £2.372 million, with the borough proportion of this underspend projected to be £1.588 million and £784,000 accruing to TfL.
7. The majority of the projected surplus is a net effect of various factors such as significant reductions in payments made to independent bus operators, an increase in Lorry Control income and an increase on projected income from investments compared to budget.
8. After considering the forecast surplus, known commitments and use of reserves in setting the 2023/24 budget, general reserves are forecast to be £3.203 million at the year-end, which equates to 19.88% of budgeted operating and trading expenditure of £16.109 million. This figure exceeds the Committee's formal policy on reserves, agreed in November 2015 that reserves should equate to between 10-15% of annual

operating expenditure. There remains a level of uncertainty surrounding the rising inflation and the impact this may have on TEC budgets.

Recommendations

9. Members are asked to :

- note the projected surplus of £539,000 for the year, plus the forecast underspend of £2.372 million for overall Taxicard trips, as detailed in this report; and
- note the projected level of Committee reserves, as detailed in paragraph 5 of this report and the commentary on the financial position of the Committee included in paragraphs 6-8.

Financial Implications for London Councils

As detailed in report

Legal Implications for London Councils

None

Equalities Implications for London Councils

None

Appendices

Appendix A (Expenditure), Appendix B (Income)

Background Papers

London Councils-TEC Budget working papers 2023/24

London Councils Income and Expenditure Forecast File 2023/24

TEC M6 Expenditure Forecast 2023/24

Appendix A

	Revised 2023/24 £000	Month 6 YTD £000	Month 6 Forecast £000	Month 6 Variance £000
Payments in respect of Concessionary Fares				
TfL	207,770	103,885	207,770	0
RDG	16,255	9,087	16,255	0
Other Bus Operators	1,100	350	700	-400
Freedom Pass issue costs	1,518	702	1,786	268
Freedom Pass Administration	516	257	522	6
City Fleet Taxicard contract	9,588	3,674	7,216	-2,372
Taxicard Administration	639	309	605	-34
	237,386	118,265	234,854	-2,532
TEC Trading Account Expenditure				
Payments to Adjudicators- ETA	844	288	862	18
Payments to Adjudicators - RUCA	595	144	433	-162
NEC Software Solutions variable contract costs - ETA	300	109	263	-37
NEC Software Solutions variable contract costs - RUCA	153	55	122	-31
NEC Software Solutions variable contract costs - Other	290	154	328	38
Payments to Northampton County Court	5,000	4,807	6,000	1,000
Lorry Control Administration	969	369	820	-149
ETA/RUCA Administration	3,496	1,726	3,465	-31
HEB Administration	43	24	49	6
	11,691	7,677	12,342	651
Sub-Total	249,077	125,941	247,195	-1,882
Operating Expenditure				
Contractual Commitments				
NEC Software Solutions Fixed Costs	105	54	105	0
	105	54	105	0
Salary Commitments				
Non-operational staffing costs	694	316	673	-21
Members	21	10	21	0
Maternity Provision	30	0	0	-30
	745	326	694	-51
Other Commitments				
Supplies and service	165	48	101	-64
Research	40	0	40	0
Records Management and Website development	154	0	154	0
Environmental initiatives	345	177	345	0
	704	225	640	-64
Total Operating Expenditure	1,554	605	1,439	-115
Central Recharges	469	235	469	0
Total Expenditure	251,099	126,781	249,103	-1,996

TEC M6 Income Forecast 2023/24

Appendix B

	Revised 2023/24 £000	Month 6 YTD £000	Month 6 Forecast £000	Month 6 Variance £000
Borough contributions to TfL	207,770	103,885	207,770	0
Borough contributions to ATOC	16,255	8,128	16,255	0
Borough contributions to other bus operators	1,100	550	1,100	0
Borough contributions to FP issue costs	1,518	702	1,518	0
Borough contributions to freedom pass administration	0	0	0	0
Income from replacing lost/faulty freedom passes	900	367	958	-58
Income from replacing lost/faulty taxicards	18	0	1	17
Borough contributions to Comcab	1,588	295	0	1,588
TfL contribution to Taxicard scheme	8,000	3,379	7,216	784
Borough contributions to taxicard administration	324	326	326	-2
TfL Contribution to taxicard administration	129	64	124	5
	237,602	117,696	235,268	2,334
TEC trading account income				
Borough contributions to Lorry Control administration	0	0	0	0
Lorry Control PCNs	1,200	280	1,350	-150
Borough parking appeal charges	968	351	834	134
TfL parking appeal charges	176	64	152	24
GLA Congestion charging appeal income	748	192	555	193
Borough fixed parking costs	2,095	1,045	2,119	-24
TfL fixed parking costs	233	117	233	0
GLA fixed parking costs	1,273	617	1,218	55
Borough other parking services	634	327	654	-20
Northampton County Court Recharges	5,000	4,807	6,000	-1,000
	12,327	7,800	13,115	-788
Sub-Total	249,929	125,496	248,383	1,546
Core borough subscriptions				
Joint Committee	46	23	46	0
TEC (inc TfL)	51	26	51	0
	97	49	97	0
Other Income				
TfL secretariat recharge	30	15	30	0
Investment income	0	36	73	-73
TfL Environment policy priorities	0	0	0	0
Sales of Health Emergency badges	45	33	61	-16
	75	84	164	-89
Transfer from Reserves	998	0	998	0
Central Recharges	0	0	0	0
Total Income Base Budget	251,099	125,629	249,642	1,457

London Councils' TEC Executive Sub-Committee

Proposed Revenue Budget and Borough Subscriptions and Charges 2024/25 and Medium Term- Financial Strategy

Item no:7

Report by: David Sanni **Job title:** Director, Corporate Resources
Date: 16 November 2023
Contact Officer: David Sanni
Telephone: 020 7934 9704 **Email:** David.sanni@londoncouncils.gov.uk

Summary

This report details the outline revenue budget proposals and the proposed indicative borough subscription and charges for 2024/25, together with indicative income and expenditure budgets for 2025/26 and 2026/27.

The Executive Sub-Committee is asked to comment on these outline proposals, in order that any comments can be consolidated in the further report for the main TEC meeting in December, where the detailed budget proposals and levels of subscriptions and charges for 2024/25 will be presented for approval.

Recommendations The Executive-Sub Committee is asked to recommend that the main Committee approve at their meeting on 7 December, the proposed individual levies and charges for 2024/25 as follows:

- The Parking Core Administration Charge of £1,500 per borough and for TfL (2023/24 - £1,500) (paragraph 13);
- No charge to boroughs in respect of the Freedom Pass Administration Charge, which is covered by replacement Freedom Pass income (2023/24 – no charge) (paragraph 15);
- The net Taxicard Administration Charge to boroughs of £481,000 in total (2023/24 - £338,000); (paragraph 16);
- No charge to boroughs and TfL in respect of the Lorry Control Administration Charge, which is fully covered by estimated PCN income (2023/24 – no charge) (paragraph 17);
- The Parking Enforcement Service Charge of £0.3208 per PCN, which will be distributed to boroughs and TfL in accordance with the number of PCNs issued in 2022/23 (2023/24 - £0.2975 per PCN; paragraphs 19);
- The Parking and Traffic Appeals Charge of £33.60 per appeal or £29.04 per appeal where electronic evidence is provided by the enforcing authority (2023/24 - £29.75/£25.57 per appeal). For hearing Statutory Declarations, a charge of £26.75 for hard copy submissions and £25.84 for electronic

submissions (2023/24 - £23.49/£22.65 per SD).
(paragraphs 19);

- Congestion Charging Appeals including the ULEZ scheme – to be recovered on a full cost recovery basis, as for 2023/24, under the current contract arrangement with the GLA (paragraph 21);
- The TRACE (Electronic) Charge of £7.53 per transaction (2023/24 - £7.53) (paragraph 19);
- The TRACE (Fax/Email) Charge of £7.70 per transaction, which is levied in addition to the electronic charge of £7.53 per transaction, making a total of £15.23 (2023/24 - £15.23) (paragraph 19);
and
- The TEC Charge of £0.175 per transaction (2023/24 - £0.175) (paragraph 19).

Based on the above proposed level of subscriptions and charges, **the Executive-Sub Committee is asked to recommend** that the main Committee approve at their meeting on 7 December:

- The provisional consolidated revenue expenditure budget for 2024/25 of £332.788 million, as per Appendix A of this report;
- The provisional consolidated revenue income budget for 2024/25 of £332.323 million, as per Appendix B of this report;
- Use of the Premises Transition Earmarked Reserve of £465,000 to support the move to a smaller premises. (paragraphs 6 and 38)

- Transfer to the Change Management Earmarked reserve of £200,000, as detailed in paragraph 11.
- To consider the current position on reserves, as set out in paragraphs 42-44 and Table 5 of this report.

The Executive-Sub Committee is also asked to note:

- the indicative total charges to individual boroughs for 2024/25, dependent upon volumes generated through the various parking systems, as set out in Appendix C.1;
 - The indicative income and expenditure budgets for 2025/26 and 2026/27 detailed at Appendices E-F.
 - Continuation of the review of London Councils operating model to identify potential savings and efficiencies to ensure its financial arrangements remain affordable and sustainable.
-

Proposed Revenue Budget and Borough Subscriptions and Charges 2024/25

Introduction

1. This report details the outline revenue budget proposals and the proposed indicative borough subscription and charges for 2024/25. The report seeks comments from the Executive Sub-Committee in order that recommendations can be made to the main Committee meeting in December, who will formally set the budget and the associated level of subscriptions and charges for 2024/25. It also presents indicative income and expenditure budgets for 2025/26 and 2026/27.

Budgetary pressures

2. This budget report is prepared against a backdrop of continued high inflation rates with the Consumer Prices Index (CPI) rising by 6.7% in the 12 months to September 2023. Significant inflation continues put additional financial pressure on budgets including employee costs, contractual commitments and general supplies and services. Economic instability has led to rising interest rates which along with the high levels of inflation, contribute to the rising cost of living faced by London's residents and businesses.
3. The significant budgetary pressures that will have an impact on the 2024/25 revenue budget include, amongst other factors:
 - High inflation rates – currently 6.7% (September 2023 CPI)
 - Employee costs
 - Contractual commitments
 - General supplies and services

- An estimated increase to employee costs of £89,000 due to a 4% pay award, subject to negotiations, and contractual obligations – although this is mitigated by some savings on posts as detailed in paragraph 4.
- An estimated increase to contractual services of £281,000.

Savings, Efficiencies and Developments

4. To address the pressures detailed above and the steer received from Leaders to reduce the reliance on uncommitted reserves, a review of the operating model was undertaken during 2023 and some of the key outcomes were:

- a line-by-line review of historic surpluses and underspends to identify areas where budgets can be increased/decreased, including:
 - an increase of £120,000 in income from the London Lorry Control Scheme PCN income; and
 - a net reduction of £50,000 in staff costs due to savings on corporate posts and realignment of other staff charges;
 - a reduction of £58,000 in general office expenditure across a number of budgets;
 - Increase in income from Boroughs in relation to the administration of the Taxicard service, reducing the reliance on the use of reserves as done in previous years;
 - Realignment previously centralised development costs which are directly attributable to the Hearing Centre, resulting in a reduction of £100,000 in operating budgets; and
 - proposed reduction to ongoing premises costs of £177,000, subject to formal agreement by the City of London on proposals in relation to the early surrender of the Southwark Lease.

5. In November 2022, London Councils' Executive agreed that officers should explore a move to a smaller office space in order to reduce its premises costs. The adoption of agile working in 2019 followed by an increase in remote working in the wake of the COVID-19 pandemic has led to a reduction in the amount of space required to carry out operations. Moveworks, a workspace consultancy firm commissioned to establish the amount of space the organisation needs, estimated that only 33% of the available space at London Councils main site is required for its operations. The decrease in premises costs will reduce reliance on the use of uncommitted reserves when setting annual budgets and ensure that the organisation's financial arrangements remain sustainable.
6. An extensive search for a new premises commenced in May 2023. Based on the outcome of the workspace assessment and feedback received from members and officers the following criteria was developed for the premises search:
 - Location: The property should be in an accessible location with good transport links that make it easy to get to from all parts of the capital;
 - Size/floorspace – The property should be able to accommodate the required floor space for London Councils' main office as advised by Moveworks;
 - Meeting Rooms: A property that can accommodate committee meetings that are open to the public;
 - Energy Efficiency and Sustainability: The property should be energy efficient, compliant with relevant regulations, and contribute London Councils' environmental sustainability goals;

- **Functional Infrastructure:** The property should have a fully functioning air conditioning system capable of efficiently adapting to changes in office layout, including partitioning for offices, meeting rooms, IT storage, kitchen, and break-out areas. Raised floors and ceiling voids should be available for cables, lighting, and equipment as needed;
 - **Accessibility and Security:** The property should be fully compliant with the Equality Act and have suitable security arrangements;
 - **Facilities for Active Commuting (End of trip)** – The property should have adequate facilities to encourage cycling and running to work, including shower rooms, lockers, bike racks, and sufficient storage options; and
 - **Cost:** lease arrangements that represent good value for money.
7. A total of 17 sites were visited before a suitable premises at 12 Arthur Street, London, EC4 9AB was found. London Councils has entered into negotiations with the landlord of the property and agreed an initial Heads of Terms for the new lease. London Councils' Executive considered a paper at its meeting on 7 November 2023, and agreed to enter into a lease for the new premises subject to the satisfactory conclusion of legal checks and negotiations.
8. The current lease at Southwark Street runs until 25 March 2026. There is no break clause provision contained in the lease, meaning that London Councils is liable to pay up the agreed rent for the full term of the lease. Discussions have been held with the City of London regarding proposals for the early surrender of the lease. These proposals will be subject to formal agreement by the City of London.
9. After taking into account fit out, relocation and exit costs, the estimated savings on premises costs over the 10-year lease, ignoring inflation, amounts to £4.582 million. The saving that will accrue to TEC over the 10 year period is estimated at £1.227 million.

10. In order to facilitate the move to the new premises, a request to top-up the TEC Premises Transition Earmarked Reserve by £465,000 is included in these budget proposals. This is to fund on an invest to save basis, the one-off costs associated with the office relocation including the early surrender of the existing lease, costs associated with holding two properties during the fit out stage and the write-down of capitalised leasehold expenditure costs. This amount represents 29% of the total amount of £1.608 million requested from London Councils' three funding streams to support the move to a smaller premises and has been calculated in accordance with the accounting policy for distributing overhead costs. Any unused funds will be returned to the TEC General Reserve.
11. The review of London Councils' operating model is ongoing with the aim to transform the organisation into one that is in the right shape to deliver the Shared Ambitions. The outcome of the review will result in the reduction in staff numbers. It is recommended that TEC transfers funds of £200,000 to a Change Management Earmarked Reserve to meet one-off costs associated with the reduction of staff numbers. As with the Premises Transition Reserve, any unused funds will be returned back to the General Reserve.

TEC Budget, Subscriptions and Charges for 2024/25

12. Following consideration by the TEC Executive Sub-Committee, TEC will be asked to approve the budget for 2024/25 as shown in Table 1 below.

Table 1 – Indicative TEC Budget 2024/25

	2024/25 Proposed Budget	2023/24 Revised Budget
	£000	£000
Employee & Member Costs (excludes service administration staff)	668	745
Running Costs	5	165
Payment in respect of Freedom Pass and Taxicard	319,007	237,386
Direct Services	11,921	11,795
Other Operating Expenditure	385	539
Costs Associated with Premises move	465	-
Central Recharges	337	469
Total Expenditure	332,788	251,099
Contributions in respect of Freedom Pass and Taxicard	(319,435)	(237,602)
Income for Direct Services	(12,716)	(12,327)
Other Income	(172)	(172)
Sub-total	(332,323)	(250,101)
General Reserves	-	(617)
Use of Earmarked Funds	(465)	(381)
Sub-total	(465)	(998)
Total Income	(332,788)	(251,099)

TEC Core Parking Subscription

13. The TEC Core Parking Subscription is frozen at £1,500 per borough.

TEC Direct Services

14. TEC currently provides three direct services on behalf of boroughs, one of which is also provided to TfL, which are recouped by an annual administration fee – the Freedom Pass, Taxicard and the London Lorry Control Scheme

(LLCS). In overall terms, a sum of £481,000 needs to be recouped from boroughs in 2024/25, an increase of £143,000 for the current year, which reflects the full cost recovery of the Taxicard administration which is no longer covered by a transfer from reserves. The proposed level of charge for each direct service, compared to those for the current year are detailed in Table 2 below:

Table 2 – Proposed TEC Direct Services Administration Charge 2024/25

Charge	Basis	2024/25 (£)	2023/24 (£)	Variance (£)	%
Freedom Pass	Per borough	Nil	Nil	-	-
Taxicard	Total	481,000	338,000	143,000	29.7
Lorry Control	Average	Nil	Nil	-	-

15. The **administration of the Freedom Pass** covers London Councils costs in negotiating the annual settlements and managing the relationships with transport operators and other contractors. After considering the overall income requirement for TEC, the proposed charge for 2024/25 remains at zero per borough, as the cost of administering the scheme continues to be met from income collected in respect of lost and damaged freedom passes. This position is reviewed on an ongoing basis to ensure forecast income streams continue to cover the costs of administering the scheme.
16. The **administration of the Taxicard Scheme** covers London Councils costs in processing and issuing passes to members and managing the relationships with various contractors. After considering the overall income requirement for TEC, the proposed net cost to be charged to boroughs in 2024/25 is £481,000, an increase of £143,000. This proposal recognises that the ongoing use of uncommitted TEC reserves to fully cover the cost of administering the scheme, which was the case in previous, year is not sustainable. The active Taxicard total membership as at 30 September 2023 is 60,761, compared to

59,107 as at 30 September 2022, an increase of 1,654, or 2.8% which reflects the continuing recovery. The increase in the spreading base netted off against the additional charge as a result of no longer utilising uncommitted reserves has increased the underlying subsidised unit cost of a scheme member from £5.72 to £7.92 per member. Members have benefited by approximately £650,000 over the last 5 years from the use of TEC reserves to subsidise the administration charge.

17. The **Lorry Control administration charge** is calculated in the same manner as the Freedom Pass and taxicard administration charge, although it is apportioned to boroughs in accordance with the ONS mid-year population figures for, in the case of 2024/25, June 2022. The total cost of administering the scheme is estimated to be £811,000 in 2024/25, compared to £846,000 in 2023/24, reflecting apportionment of premises savings against the scheme. This figure includes a sum of £50,000 that has been retained in anticipation of further development of the scheme in 2024/25. After consideration of projected income of £1.32 million from the enforcement of the scheme, it is proposed that there will be no borough contribution in 2024/25, as for the current year. Again, this position will be reviewed annually to ensure forecast income streams continue to cover the costs of administering the scheme.

TEC Traded Services

18. A further range of services provided by TEC relate to various parking and traffic activities, primarily the London Tribunals (LT). A unit charge for each of these 'traded' services is made to the users, which covers the marginal costs of these services. The volumes of these transactions are solely generated by each borough; London Councils has no influence on the levels generated. In addition, an amount apportioned by the number of PCNs issued by each borough and TfL, covers the fixed costs of the parking related services - principally the LT- covering the actual cost of the appeals hearing centre and the fixed cost of the parking managed services contract.

19. The proposed level of charge for each traded service, compared to those for the current year is detailed in Table 3 below. The differences are not uniform due to the differing throughput per appeal:

Table 3 – Proposed TEC Traded Services Unit Charges 2024/25

Charge	2024/25 (£)	2023/24 (£)	Variance (£)	%
Parking Enforcement Service Charge (total charge)	0.3208	0.2975	0.023	7.83
Environment and Traffic Adjudicators (ETA) Appeals (Hard Copy)	33.60	29.75	3.85	12.94
ETA Appeals (Electronic)	29.04	25.57	3.47	13.57
ETA Statutory Declarations (Hard Copy)	26.75	23.49	3.26	13.88
ETA Statutory Declarations (Electronic)	25.84	22.65	3.19	14.08
TRACE Electronic	7.53	7.53	-	-
TRACE Fax	7.70	7.70	-	-
TEC	0.175	0.175	-	-

20. The Parking Enforcement Service Charge is allocated to users in accordance with the number of PCNs issued. For 2023/24, expenditure of £3.713 million needs to be recouped, compared to £3.496 million for 2023/24; an increase of £217,000, which reflects significant inflationary increases along with realignment of development costs, which in previous years was a general cost to TEC, but in practice, exclusively used by the tribunal for on-going maintenance of tribunal systems.

21. After top-slicing the amount for the estimated fixed costs of £1.275 million attributable to the contract with the GLA/TfL in respect of road user charging appeals (RUCA) and ULEZ, a total of £2.438 million remains to be apportioned through the 7.6 million PCN's issued by boroughs and TfL in 2022/23 in respect of parking, bus lane and moving traffic offences, compared to 7.473 million issued in 2021/22. The increase in the number of PCNs issued over the two comparative years increases the cost spreading base which slightly mitigates the increase in costs. However, overall the net impact is an increase to the unit charge to boroughs and TfL of £0.023 per PCN, or

7.8% from £0.2975 to £0.3208 for 2024/25. In addition, under the terms of the contract with NEC Software Solutions, there is a separate fixed cost identified in respect of the borough use of the TRACE and TEC systems. For 2022/23, this sum was budgeted at £105,000 and is estimated to increase to £116,000 in 2024/25 due to contract inflation indexing. This sum will be apportioned to boroughs in accordance with volumes of transaction generated on each system by users.

22. The estimated volume of Environment and Traffic Adjudicators (ETA) appeals for 2023/24, based on indicative volumes for the past 12 months, is 42,436, compared to the budgeted figure of 44,762 for the current year.

23. The average throughput of appeals for the current year to date is 3.42 appeals heard per hour, compared to 3.63 appeals per hour when the current year budget was set in December 2022. This average figure takes account of all adjudicator time spent on postal and personal appeal hearing and non-appeal 'duty adjudicator' activities. Based on this forecast figure and allowing for an increase to adjudicator fees and significant inflationary contract costs, which are outside of London Councils control, it is proposed that the indicative hard copy unit ETA appeal cost for 2024/25 be increased by £3.85 or 12.9% to £33.60.

24. For appeals where an enforcing authority provides electronic evidence, it is proposed that the unit cost will increase by £3.47 or 13.55% to £29.04, with this lower charge providing an incentive for boroughs to submit electronic evidence under the current contract arrangements. Boroughs will continue to pay a differential charge for the processing of ETA statutory declarations. For hard copy statutory declarations, the proposed unit charge will be £26.75 compared to £23.49 for the current year, which represents an increase of £3.26, or 13.8%. For electronic statutory declarations, the proposed unit charge will be £25.84, an increase of £3.18, or 14% on the electronic appeal unit charge of £22.65 for the current year.

25. For RUCA Appeals, the estimated volume of appeals for 2024/25, based on actual volumes for the past 12 months is 20,355, however there remains a level of uncertainty around volume levels due to the extension to the ULEZ scheme. Under the terms of the contract, TfL/GLA will reimburse London Councils on a cost-recovery basis for the variable cost of RUCA appeals, ensuring that a break-even position continues in respect of these variable transactions. The rechargeable level of fixed costs associated with this contract is £1.275 million for 2024/25; an increase of £2,000 on the 2023/24 budgeted level of £1.273 million.
26. In respect of all other parking traded services, the variable charges form part of the parking managed service contract provided by the contractor, NEC Software Solutions, the volumes of which are again not controlled by London Councils; the individual boroughs are responsible for using such facilities. The volumes are based on those currently being processed by the contractor and are recharged to the boroughs, TfL and the GLA as part of the unit cost charge.
27. The estimated increase in expenditure between 2023/24 and 2024/25 based on the actual transaction volumes and estimated movement in contract prices is £56,000. The corresponding estimated effect on income, between 2023/24 and 2024/25, is an increase of £41,000, leading to a net overall decrease in budgeted income of £15,000.
28. The charging structure historically approved by TEC for the provision of the variable parking services (excluding appeals) includes a contribution to overheads in each of the charges made to boroughs and other users for these services.

Freedom Pass

29. The main settlement with TfL for concessionary travel is still being negotiated. The early estimates indicate a cost of £284.275 million, representing a

provisional increase of £76.505 million, or 36.8%, on the figure of £207.770 million for 2023/24. The budgeted figures represent estimated increases in fares, inflation and along with additional journeys. This increase is provisional and officers continue to negotiate with TfL on the final settlement figure.

30. The Rail Delivery Group (RDG) settlement is still being negotiated. Early estimates are for an increase of £5.037 million to the current costs, taking the 2024/25 initial budget to £21.292 million. However, officers are continuing to negotiate regarding the price per journey to be paid and will update TEC accordingly in December.
31. The budget for payments to other bus operators for local journeys originating in London has been maintained at £1.1 million, following projections for 2023/24, based on the 2022/23 outturn position and the current year to date.
32. The budget for the freedom pass issuing costs was £1.518 million for 2023/24. For 2024/25 it is proposed that the budget is increased to £1.65 million based on known increases to contract prices and activity levels. This budget will include the cost of an annual pass eligibility review that yields significant cost savings to boroughs.
33. For income in respect of replacement Freedom Passes, current trends indicate that income is forecasted to be close to the current year budget, therefore the 2024/25 income budget has been maintained at £900,000. There is, however, a proposed change to the unit cost from £12 to £14 for a replacement pass. As stated in paragraph 15, it is proposed that the in-house cost of administering the Freedom Pass scheme will be fully funded by this income stream in 2024/25. Any surplus as a result of this increase will be transferred to TEC Freedom Pass Renewal Reserve, to fund future renewal programmes.

34. As agreed by TEC in December 2014, any annual surplus arising from both the freedom pass issuing costs budget of £1.65 million (paragraph 32) and replacement freedom passes income budget of £900,000 (paragraph 33) will be transferred to a specific reserves to accumulate funds to offset the cost of future major pass reissue exercises. As detailed in Table 5 at paragraph 42, the estimated Earmarked Reserves are £1.632 million, of which £939,000 relates to the Freedom Pass Renewal Reserve.
35. Final negotiations on the actual amounts payable to operators will be completed in time for the meetings of the Leaders' Committee on 12 December and the main TEC Committee on 7 December; any late variations to these provisional figures will be provided at these meetings.
36. A summary of the provisional freedom pass costs for 2024/25, compared to the current year, can be summarised in Table 4 below. The total cost of the scheme is fully funded by boroughs and the estimated cost payable by boroughs in 2024/25 is £308.317 million, compared to £226.643 million payable for 2023/24. This represents an increase of £81.67 million or 36% which reflects significant increase in anticipated usage of the schemes along with inflationary increases.

Table 4 – Comparative cost of Freedom Pass 2024/25 and 2023/24

	2024/25 (£000)	2023/24 Revised (£000)
Estimated Cost of Freedom Pass		
TfL Settlement	284,275	207,770
RDG Settlement	21,292	16,255
Non TfL Bus Operators Settlement	1,100	1,100
Freedom Pass Issue Costs	1,650	1,518
Total Cost	308,317	226,643

Taxicard

37. It is assumed that TfL will provide an estimated fixed contribution of £8 million, no change in the figure for 2023/24. The total borough contribution towards

the Taxicard scheme in 2024/25 is estimated to be £1.588 million, the same as for the current year, although the decision on boroughs' contributions is a matter for boroughs to take individually and will be confirmed in February 2024. The indicative budgetary provision for the taxicard trips contract with ComCab (London), will, therefore, be an amalgam of the TfL and borough funding, currently equating to £9.588 million for 2024/25, the same figure as for the current year. However, several factors such as usage of the scheme could influence the final outturn position for 2024/25.

Use of Earmarked Funds

38. The planned transfer to the Premises Transition Earmarked Reserve of £465,000 to cover upfront costs associated with the move to small premises during 2024/25 which will result in future long term savings for the committee.

TEC Medium-term Financial Plan 2025/26 to 2026/27

39. the indicative TEC budgets for 2025/26 and 2026/27 have been prepared on the basis that the core TEC administration charge will remain frozen over the three-year period to 2026/27. In addition to the reductions on premises costs, the continuing review of London Councils operating model will seek to identify annual savings and efficiencies within the TEC budget to ensure there continues to be no reliance on general uncommitted reserves to balance the budget. The detailed TEC budget for 2025/26 and 2026/27 can be found at Appendices E and F.
40. As well as high inflationary pressures on expenditure and an uncertain economic environment, there are other financial risks that London Councils faces, which include key policy areas, such as the work climate change, which are directly funded from TEC with no associated income stream. The continued review of the operating model will have to consider how this and other important policy areas will be funded in a sustainable manner.

Externally Funded Project (LEVI)

41. In addition to the budgets detailed in Table 1 of paragraph 12 above, there are costs and income of approximately £1 million, associated with the London Electric Vehicle Infrastructure (LEVI) Scheme, which is a Central Government funded project. London Councils role in the scheme is to provide a coordination and support function to the boroughs who are delivering electric vehicle charging infrastructure.

Updated position on Reserves

42. The updated position on the overall level of TEC reserves after considering the forecast outturn for the current financial year and the budget proposals for 2024/25 outlined in this report, is detailed in Table 5 below:

Table 5 - Estimated Uncommitted Reserves

	Transport & Environment Committee	
	£000	£000
	General	Earmarked
Provisional reserves at March 2024	3,203	967
Proposed transfer to Premises Transition Reserve	(465)	465
Proposed transfer to Change Management Reserve	(200)	200
Estimated residual reserves	2,538	1,632

43. Uncommitted general reserves are forecast to be £3.203 million at 31 March 2024 and reflects the forecast surplus on general reserves of £539,000 for the current year. After considering the proposed transfer of £465,000 to the Premises Transition Reserves and £200,000 to the Change Management Reserve, subject to agreement of main TEC meeting on 7 December, uncommitted general TEC reserves will reduce to £2.538 million, or 15.35% of proposed operating and trading expenditure of £16.533 million. This figure is

in line with the Committee's formal policy on reserves, agreed in December 2015 that reserves should equate to between 10-15% of annual operating and trading expenditure.

44. The earmarked reserves are forecast to be £967,000 at 31 March 2024. This amount consists of £939,000 to fund future Freedom Pass renewal exercises and £28,000 to fund TEC special projects.

Conclusions

45. This report proposes the provisional consolidated income and expenditure budget for 2024/25, together with indicative income and expenditure budgets for 2025/26 and 2026/27. This report also proposes the level of boroughs subscriptions and charges to be levied in 2024/25. The report updates the TEC Executive on the current level of TEC reserves after considering all current and proposed commitments. It includes proposals to continue the outcome focused review of London Councils' operating model, including TEC operations, to identify savings and efficiencies to ensure its financial position remains sustainable.
46. The level of reserves will continue to be an area of key focus in order to ensure TEC remains financially resilient while allowing enough flexibility to react to changing priorities. Following consideration by this meeting, proposals will be submitted to the TEC Committee meeting on 7 December for final consideration and approval.

Financial Implications for London Councils

As detailed in the body of the report.

Legal Implications for London Councils

None

Equalities Implications for London Councils

None

Appendices

Appendix A – Proposed revenue expenditure budget 2024/25;

Appendix B – Proposed revenue income budget 2024/25;

Appendix C.1 – Indicative charges to boroughs 2024/25;

Appendix C.2 – Indicative charges to boroughs 2023/24; and

Appendix D – Parking Enforcement statistics 2022/23.

Appendix E - Indicative revenue income and expenditure budget 2025/26

Appendix F - Indicative revenue income and expenditure budget 2026/27

Background Papers

London Councils budget working papers 2010/11 to 2026/27.

TEC Expenditure Base Budget 2024/25

	Revised 2023/24 £000	Movements £000	Base 2024/25 £000
Payments in respect of Concessionary Fares			
TfL	207,770	76,505	284,275
RDG	16,255	5,037	21,292
Other Bus Operators	1,100	0	1,100
Freedom Pass issue costs	1,518	132	1,650
Freedom Pass Administration	516	-26	490
City Fleet Taxicard contract	9,588	0	9,588
Taxicard Administration	639	-27	612
	237,386	81,621	319,007
Grant Payments to Voluntary Organisations	0	0	0
TEC Trading Account Expenditure			
Payments to Adjudicators- ETA	844	66	910
Payments to Adjudicators - RUCA	595	-60	535
Northgate variable contract costs - ETA	300	14	314
Northgate variable contract costs - RUCA	153	-20	133
Northgate variable contract costs - Other	290	56	346
Payments to Northampton County Court	5,000	0	5,000
Lorry Control Administration	969	-158	811
ETA/RUCA Administration	3,496	217	3,713
HEB Administration	43	0	43
	11,690	115	11,805
Sub-Total	249,076	81,736	330,812
Operating Expenditure			
Contractual Commitments			
Capital Ambition/RIEP project costs	0	0	0
Contribution to LOTI	0	0	0
RPG Regional/Provider Activities	0	0	0
Southwark Street Leasehold Costs	0	0	0
Leases for photocopiers	0	0	0
GLE European Contract	0	0	0
NG Fixed Costs	105	11	116
External audit fees	0	0	0
CoL Finance/Legal/HR/IT SLA	0	0	0
Depreciation	0	0	0
Grants GIFTS system support	0	0	0
	105	11	116
Salary Commitments			
Non-operational staffing costs	694	-78	616
Members	21	1	22
Maternity/Paternity Provision	30	0	30
	745	-77	668
Discretionary Expenditure			
Staff training/recruitment advertising	0	0	0
Staff travel	0	0	0
Other premises costs	0	0	0
SS ICT support	0	0	0
Supplies and services	165	-160	5
Digital Enablement	0	0	0
Records Management	171	-171	0
Research	40	0	40
Contribution to health related work	0	0	0
One off payment to boroughs	0	0	0
Other 3rd party payments	345	0	345
Transfer to Jpoint Committee Premises Reserves	0	465	465
	721	134	855
Total Operating Expenditure	1,571	68	1,639
Central Recharges	469	-132	337
Total Expenditure	251,116	81,672	332,788

TEC Income Base Budget 2024/25

	Revised 2023/24 £000	Movements £000	Base 2023/24 £000
Borough contributions to TfL	207,770	76,505	284,275
Borough contributions to RDG	16,255	5,037	21,292
Borough contributions to other bus operators	1,100	0	1,100
Borough contributions to surveys/reissue costs	1,518	132	1,650
Borough contributions to freedom pass administration	0	0	0
Income from replacing lost/faulty freedom passes	900	0	900
Income from replacing lost/faulty taxicards	18	0	18
Borough contributions to Taxicard scheme	1,588	0	1,588
TfL contribution to Taxicard scheme	8,000	0	8,000
Borough contributions to taxicard administration	324	157	481
TfL Contribution to taxicard administration	129	2	131
	237,602	81,833	319,435
Borough contribution to grants payments	0	0	0
ESF Grant Income	0	0	0
TEC trading account income			
Borough contributions to Lorry ban administration	0	0	0
Lorry control PCNs	1,200	120	1,320
Borough ETA appeal charges	968	86	1,054
TfL ETA appeal charges	176	-6	170
RUCA appeals income	748	-80	668
Borough fixed parking costs	2,095	204	2,299
TfL fixed parking costs	233	22	255
RUCA fixed parking costs	1,273	2	1,275
Borough other parking services	634	41	675
Northampton County Court Recharges	5,000	0	5,000
	12,327	389	12,716
Sub-Total	249,929	82,222	332,151
Core borough subscriptions			
Joint Committee	46	0	46
Grants Administration	0	0	0
TEC (inc TfL)	51	0	51
LFEPA/MPA subscription	0	0	0
	97	0	97
Other Borough charges			
Central Bodies subscription (REO)	0	0	0
Capital Ambition ICT/e-government core charge	0	0	0
Borough contributions towards RPG functions	0	0	0
Borough contributions towards ESF/NRF	0	0	0
Borough contributions towards LSRAs	0	0	0
	0	0	0
Other Income			
CLG grant for Capital Ambition/RIEP strategy	0	0	0
DFE grant towards YPES direct costs	0	0	0
LEP funding towards YPES direct costs	0	0	0
GLA grant for CHIN/CAREBASE	0	0	0
TfL contribution to LEPT/LBPN	0	0	0
EU contribution towards LEPT related activities	0	0	0
ESF contribution towards NRF grants	0	0	0
Capacity Builders Grant	0	0	0
MPS contribution to LCSB	0	0	0
MPS contribution to Sexual Exploitation Scheme	0	0	0
LCP seminars	0	0	0
Various grants towards externally funded projects	0	0	0
Other contributions towards externally funded projects	0	0	0
Investments	0	0	0
Room bookings	0	0	0
Letting of office space	0	0	0
Deskspace charge to funded groups	0	0	0
Sales of publications	0	0	0
I&E trading account income	0	0	0
TfL secretariat recharge	30	0	30
Sales of Health Emergency badges	45	0	45
Miscellaneous income	0	0	0
	75	0	75
Transfer from Reserves	998	-533	465
Central Recharges	0	0	0
Total Income Base Budget	251,099	81,689	332,788

Indicative Charges to Boroughs 2024/25

Appendix C.1

BOROUGH	Core Parking (£)	Fixed Parking (£)	Con.Fares Admin. (£)	Taxicard Admin. (£)	Lorry Con' Admin. (£)	Parking Appeals (£)	TRACE Electronic (£)	TRACE FAX (£)	TEC (£)	Total Estimate 2024/25 (£)	Total Estimate 2023/24 (£)	Estimated Movement (£)
Barking & Dagenham	1,500	69,367	0	8,708	0	44,789	6,063	5,962	0	136,389	135,335	1,053
Barnet	1,500	65,559	0	17,194	0	21,966	6,139	286	14,688	127,332	111,892	15,440
Bexley	1,500	24,616	0	6,618	0	9,847	0	0	0	42,581	32,547	10,034
Brent	1,500	57,792	0	21,801	0	22,474	18,219	1,189	0	122,976	101,872	21,104
Bromley	1,500	36,269	0	9,895	0	15,081	228	0	0	62,974	41,729	21,246
Camden	1,500	91,115	0	20,804	0	48,384	6,992	286	13,818	182,898	167,251	15,647
Croydon	1,500	50,681	0	17,637	0	29,528	2,072	1,280	13,203	115,901	121,798	-5,898
Ealing	1,500	71,709	0	18,864	0	31,168	107	105	15,566	139,020	149,507	-10,487
Enfield	1,500	48,306	0	13,608	0	22,529	6,977	0	9,117	102,036	92,713	9,323
Greenwich	1,500	43,810	0	14,400	0	28,835	91	90	0	88,727	65,267	23,461
Hackney	1,500	83,659	0	19,973	0	26,879	6,413	3,358	28,704	170,486	182,561	-12,075
Hammersmith & Fulham	1,500	106,405	0	11,202	0	21,818	19,117	60	22,178	182,282	147,120	35,162
Haringey	1,500	123,394	0	18,469	0	79,833	30,953	136	53,168	307,453	203,345	104,109
Harrow	1,500	51,020	0	17,788	0	28,326	0	0	15,552	114,186	84,834	29,352
Havering	1,500	49,593	0	17,360	0	28,395	0	0	0	96,848	68,457	28,390
Hillingdon	1,500	25,331	0	8,027	0	10,495	975	964	1,704	48,996	43,702	5,294
Hounslow	1,500	74,726	0	13,014	0	25,713	2,742	45	19,651	137,391	113,873	23,518
Islington	1,500	120,482	0	22,545	0	49,548	11,044	241	41,715	247,075	223,646	23,429
Kensington & Chelsea	1,500	64,241	0	13,830	0	10,698	30,085	1,310	6,013	127,677	116,594	11,083
Kingston	1,500	39,685	0	12,761	0	12,735	0	0	0	66,681	50,622	16,059
Lambeth	1,500	113,815	0	15,421	0	63,490	7,038	6,866	33,618	241,747	248,379	-6,632
Lewisham	1,500	61,084	0	14,313	0	35,914	0	0	0	112,811	78,290	34,521
Merton	1,500	48,370	0	13,513	0	18,536	0	0	0	81,919	76,123	5,796
Newham	1,500	101,857	0	16,775	0	69,673	61,282	391	0	251,480	236,604	14,875
Redbridge	1,500	76,432	0	19,767	0	62,165	0	0	15,724	175,588	140,150	35,438
Richmond	1,500	45,623	0	14,606	0	14,700	244	241	3,754	80,667	53,440	27,228
Southwark	1,500	62,960	0	19,648	0	27,542	6,840	1,611	7,486	127,586	137,491	-9,905
Sutton	1,500	19,242	0	9,895	0	4,962	0	0	2,911	38,510	33,280	5,229
Tower Hamlets	1,500	50,205	0	13,378	0	20,839	19,239	196	0	105,357	91,945	13,412
Waltham Forest	1,500	90,559	0	10,228	0	46,063	28,973	828	0	178,152	180,031	-1,879
Wandsworth	1,500	46,471	0	12,880	0	13,401	12,811	437	6,135	93,633	94,022	-389
City of Westminster	1,500	135,638	0	15,516	0	18,462	6,870	6,745	23,775	208,507	173,555	34,952
City of London	1,500	33,799	0	562	0	9,749	213	211	0	46,035	59,293	-13,259
	49,500	2,183,818	0	481,000	0	974,539	291,727	32,838	348,479	4,361,902	3,857,271	504,631
Transport for London - Street Management	1,500	252,512	0	0	0	245,703	0	0	0	499,715	472,786	26,929
Transport for London - Congestion Charging	0	1,275,059	0	0	0	668,664	0	0	0	1,943,723	2,021,262	-77,539
Lorry Control	0	1,393	0	0	0	3,961	1,325	918	0	7,598	5,178	2,420
TEC/TRACE fixed costs	0	0	0	0	0	0	0	0	0	116,000	98,000	18,000
Registration of Debt	0	0	0	0	0	0	0	0	0	5,000,000	5,000,000	0
Transfer from Reserves	0	0	0	0	0	0	0	0	0	0	0	0
Grand Total	51,000	3,712,782	0	481,000	0	1,892,867	293,053	33,757	348,479	11,928,937	11,454,497	474,440

Indicative Charges to Boroughs 2023/24

Appendix C.2

BOROUGH	Core Parking (£)	Fixed Parking (£)	Con.Fares Admin. (£)	Taxicard Admin. (£)	Lorry Ban Admin. (£)	Parking Appeals (£)	TRACE Electronic (£)	TRACE FAX (£)	TEC (£)	Total Estimate 2023/24 (£)
Barking & Dagenham	1,500	78,187	0	6,275	0	41,728	3,828	3,817	0	135,335
Barnet	1,500	58,911	0	11,709	0	16,671	6,993	3,862	12,246	111,892
Bexley	1,500	19,666	0	4,971	0	6,410	0	0	0	32,547
Brent	1,500	54,153	0	14,695	0	12,033	18,990	502	0	101,872
Bromley	1,500	23,970	0	6,795	0	9,056	407	0	0	41,729
Camden	1,500	83,572	0	14,077	0	39,188	10,414	228	18,272	167,251
Croydon	1,500	62,308	0	12,555	0	23,759	1,567	836	19,272	121,798
Ealing	1,500	81,585	0	13,282	0	37,697	558	182	14,703	149,507
Enfield	1,500	50,777	0	8,323	0	18,285	6,707	61	7,061	92,713
Greenwich	1,500	37,523	0	10,359	0	10,981	437	441	4,025	65,267
Hackney	1,500	87,192	0	14,409	0	33,071	11,680	3,589	31,121	182,561
Hammersmith & Fulham	1,500	84,555	0	7,979	0	19,275	19,728	30	14,052	147,120
Haringey	1,500	73,635	0	12,876	0	64,735	28,831	471	21,298	203,345
Harrow	1,500	46,688	0	12,327	0	13,656	0	0	10,664	84,834
Havering	1,500	34,669	0	12,533	0	19,756	0	0	0	68,457
Hillingdon	1,500	25,272	0	5,560	0	6,702	874	882	2,912	43,702
Hounslow	1,500	65,952	0	9,421	0	31,649	5,184	167	0	113,873
Islington	1,500	113,357	0	15,695	0	44,357	15,885	335	32,517	223,646
Kensington & Chelsea	1,500	54,451	0	9,793	0	9,520	33,970	821	6,540	116,594
Kingston	1,500	33,210	0	8,958	0	6,925	15	15	0	50,622
Lambeth	1,500	114,687	0	10,765	0	69,479	7,686	5,368	38,894	248,379
Lewisham	1,500	46,470	0	10,050	0	20,270	0	0	0	78,290
Merton	1,500	46,384	0	9,713	0	18,526	0	0	0	76,123
Newham	1,500	95,978	0	11,777	0	66,276	60,526	547	0	236,604
Redbridge	1,500	61,541	0	14,008	0	47,722	0	0	15,379	140,150
Richmond	1,500	33,742	0	10,004	0	6,169	75	76	1,874	53,440
Southwark	1,500	72,226	0	14,271	0	31,818	5,516	699	11,460	137,491
Sutton	1,500	15,793	0	7,327	0	4,623	0	0	4,037	33,280
Tower Hamlets	1,500	45,912	0	9,507	0	16,141	18,794	91	0	91,945
Waltham Forest	1,500	92,945	0	7,453	0	48,785	27,068	2,281	0	180,031
Wandsworth	1,500	49,923	0	9,181	0	11,211	11,183	243	10,781	94,022
City of Westminster	1,500	101,598	0	10,954	0	26,264	8,395	3,756	21,089	173,555
City of London	1,500	41,455	0	400	0	15,514	211	213	0	59,293
	49,500	1,988,286	0	338,000	0	848,253	305,522	29,514	298,196	3,857,271
Transport for London - Street Management	1,500	233,383	0	0	0	237,903	0	0	0	472,786
Transport for London - Congestion Charging	0	1,273,307	0	0	0	747,954	0	0	0	2,021,262
Lorry Control	0	1,514	0	0	0	2,790	874	0	0	5,178
TEC/TRACE fixed costs	0	0	0	0	0	0	0	0	0	98,000
Registration of Debt	0	0	0	0	0	0	0	0	0	5,000,000
Transfer from Reserves	0	0	0	0	0	0	0	0	0	0
Grand Total	51,000	3,496,491	0	338,000	0	1,836,901	306,396	29,514	298,196	11,454,497

Parking Enforcement Fixed Costs 2024/25
(based on PCNs issued for 2022/23)

Appendix D

Enforcing Authority	Total PCNs	Parking Fixed Costs
		0.3208
Barking & Dagenham	216,259	69,367
Barnet	204,388	65,559
Bexley	76,743	24,616
Brent	180,173	57,792
Bromley	113,074	36,269
Camden	284,060	91,115
City of London	105,373	33,799
Croydon	158,005	50,681
Ealing	223,562	71,709
Enfield	150,598	48,306
Greenwich	136,584	43,810
Hackney	260,817	83,659
Hammersmith & Fulham	331,731	106,405
Haringey	384,695	123,394
Harrow	159,061	51,020
Havering	154,611	49,593
Hillingdon	78,972	25,331
Hounslow	232,967	74,726
Islington	375,617	120,482
Kensington & Chelsea	200,278	64,241
Kingston	123,723	39,685
Lambeth	354,832	113,815
Lewisham	190,437	61,084
Merton	150,798	48,370
Newham	317,552	101,857
Redbridge	238,284	76,432
Richmond	142,235	45,623
Southwark	196,285	62,960
Sutton	59,989	19,242
Tower Hamlets	156,521	50,205
Waltham Forest	282,329	90,559
Wandsworth	144,877	46,471
Westminster	422,867	135,638
Transport for London Street Management	787,234	252,512
London Councils London Lorry Control Scheme	4,344	1,393
Total	7,599,875	2,437,723

Appendix E

Indicative TEC Expenditure Budget 2025/26 & 2026/27

	Indicative 2025/26 £000	Indicative 2026/27 £000
Payments in respect of Concessionary Fares		
TfL	341,535	389,728
RDG	24,667	26,733
Other Bus Operators	1,100	1,100
Freedom Pass survey and reissue costs	1,696	1,742
Freedom Pass Administration	507	522
Comcab	9,588	9,588
Taxicard Administration	631	650
Sub-Total	379,724	430,063
TEC Trading Account Expenditure		
Payments to Adjudicators- ETA	910	910
Payments to Adjudicators - RUCA	535	535
Northgate variable contract costs - ETA	314	314
Northgate variable contract costs - RUCA	133	133
Northgate variable contract costs - Other	346	346
Payments to Northampton County Court	5,000	5,000
Lorry Control Administration	830	850
ETA/RUCA Administration	3,806	3,894
HEB Administration	45	46
Sub-Total	11,919	12,028
Total Direct Services	391,643	442,091
Operating Expenditure		
Contractual Commitments		
Northgate Fixed Costs	119	121
Sub-Total	119	121
Salary Commitments		
Officers	569	533
Members	22	23
Maternity provision	30	30
Sub-Total	621	586
Discretionary Expenditure		
Learning and Development /recruitment advertising	0	0
Staff travel	0	0
Other premises costs	0	0
SS ICT support	0	0
Supplies and services	5	5
Research and Commissioning	40	40
Contribution to Health related work	0	0
Climate Change	345	345
Sub-Total	390	390
Total Operating Expenditure	1,130	1,097
Central Recharges	345	345
Total Expenditure	393,118	443,533

Appendix F

Indicative TEC Income Budget 2025/26 & 2026/27

	Indicative 2025/26 £000	Indicative 2026/27 £000
Borough contributions to TfL	341,535	389,728
Borough contributions to ATOC	24,667	26,733
Borough contributions to other bus operators	1,100	1,100
Borough contributions to surveys/reissue costs	1,696	1,742
Borough contributions to freedom pass administration	0	0
Income from replacing lost/faulty freedom passes	900	900
Income from replacing lost/faulty taxicards	17	17
Borough contributions to Comcab	1,588	1,588
TfL contribution to Taxicard scheme	8,000	8,000
Borough contributions to taxicard administration	497	513
TfL Contribution to taxicard administration	134	137
Sub-total	380,134	430,458
TEC trading account income		
Borough contributions to Lorry Control administration	0	0
London Lorry Control PCN income	1,320	1,320
Borough ETA appeal charges	1,054	1,054
TfL ETA appeal charges	170	170
GLA RUCA appeal income	668	668
Borough fixed parking costs	2,351	2,404
TfL fixed parking costs	261	267
GLA fixed parking costs	1,313	1,344
Borough other parking services	675	675
Northampton County Court Recharges	5,000	5,000
Sub-total	12,812	12,902
Sub-Total	392,946	443,360
Core borough subscriptions		
Joint Committee	46	46
TEC (inc TfL)	51	51
Sub-total	97	97
Other Borough charges		
Borough contributions to HR Metrics service	0	0
Sub-total	0	0
Other Income		
Investments	0	0
Room bookings and conferences	0	0
Letting of office space	0	0
Sales of publications	0	0
Employment services trading account income	0	0
TfL secretariat recharge	30	30
Sales of Health Emergency badges	45	46
Miscellaneous income	0	0
Transfer from TEC Committee	0	0
Sub-total	75	76
Transfer from Reserves	0	0
Central Recharges	0	0
Total Income Base Budget	393,118	443,533

London Councils' Transport and Environment Committee – 18 October 2023

Minutes of a meeting of London Councils' Transport and Environment Committee held on Wednesday 18 October 2023 at 2:30pm, in the Conference Suite, 59½ Southwark Street, London, SE1 0AL

Present:

Council	Councillor
Barking and Dagenham	Cllr Syed Ghani
Barnet	Cllr Geof Cooke
Bexley	Cllr Richard Diment
Brent	Cllr Krupa Sheth
Bromley	Cllr Nicholas Bennett
Camden	Cllr Adam Harrison
Croydon	
Ealing	Cllr Deidre Costigan (virtual)
Enfield	Cllr Rick Jewell
Greenwich	Apologies
Hackney	
Hammersmith and Fulham	Cllr Sharon Holder
Haringey	Cllr Mike Hakata (virtual)
Harrow	Cllr Anjana Patel (virtual)
Havering	Cllr Barry Mugglestone
Hillingdon	Cllr Jonathon Bianco
Hounslow	Cllr Katherine Dunne
Islington	Cllr Rowena Champion
Kensington and Chelsea	Cllr Cem Kemahli
Kingston Upon Thames	Cllr Ian Manders
Lambeth	Apologies
Lewisham	Cllr Louise Krupski
Merton	Cllr Stephen Alambritis (Deputy)
Newham	Cllr John Morris (Deputy)
Redbridge	Cllr Jo Blackman
Richmond Upon Thames	Cllr Alex Ehmann
Southwark	Cllr Kieron Williams (Chair)
Sutton	Cllr Barry Lewis
Tower Hamlets	Cllr Kabir Hussain
Waltham Forest	Cllr Clyde Loakes
Wandsworth	Apologies
City of Westminster	Apologies
City of London Corporation	Apologies
Transport for London	David Rowe

The Acting Chair of TEC opened the meeting, which could be accessed by the public online via a livestream. She said that she would be taking items 1 to 3 in the agenda and would then pass on the chairing of the meeting to the new TEC Chair. The Acting Chair reminded Members that the speakers in the Conference Suite were very sensitive and might pick-up any personal discussions that members might have. Members were also asked if they could state their names and where they were from when addressing the Committee.

1. Apologies for Absence & Announcement of Deputies

Apologies:

Cllr Averil Lekau (RB Greenwich), Cllr Rezina Chowdhury (LB Lambeth), Cllr Natasha Irons (LB Merton), Cllr James Asser (LB Newham), Cllr Jenny Yates (LB Wandsworth), Cllr Paul Dimoldenberg (City of Westminster) and Shravan Joshi (City of London Corporation).

Deputies:

Cllr Stephen Alambritis (LB Merton) and Cllr John Morris (LB Newham).

2. Declaration of Interests (additional to those not on the supplied sheet)

North London Waste Authority

Cllr Mete Coborn (LB Hackney)

Non-Executive Member of London Energy Ltd

Cllr Mete Coborn (LB Hackney)

It was noted that Cllr Anjana Patel (LB Harrow) was not a member of the West London Waste Authority and should be removed from the declarations.

3. Election of Chair of TEC for the remainder of the Municipal Year

Councillor Costigan asked for nominations for the TEC Chair for the remainder of the 2023/24 municipal year.

Councillor Loakes nominated Councillor Kieron Williams (LB Southwark) to be the new TEC Chair. Councillor Kemahli seconded this nomination. Councillor Kieron Williams was therefore elected as the new Chair of TEC.

Councillor Costigan thanked all the officers for their assistance and input whilst she was Acting Chair of TEC. She also thanked Councillor Rezina Chowdhury for all her help as Acting Vice Chair of TEC.

The Chair said that he was looking forward to working with the boroughs and London Councils as the new Chair of TEC. He apologised in advance if he did not get all of the TEC members' names right.

4. Environment & Traffic Adjudicators' Annual Report for 2022/23

The Committee received the environment and traffic adjudicators' Annual Report for 2022/23.

Anthony Chan, Chief Adjudicator at London Tribunals, introduced the item. He said that the IT at London Tribunals was being developed further. The option to look at having video hearings was also being considered as this would mean that appellants would not have to travel into London. Having video hearings would also free up some office space.

Anthony Chan said that there were no major issues to report to Committee, but noted the section of the report that refers to cash payments. Members asked whether guidance was given to adjudicators in order to get more consistency (eg around yellow box junctions). Anthony Chan said that consistency was being achieved around the issue of yellow box junctions, although an outcome could not always be guaranteed owing to the circumstances of the alleged contravention, the evidence presented by the parties and how this evidence was interpreted by individual adjudicators. Anthony Chan said that he would look into the legal issues regarding the entering of box junctions.

The Committee:

- Noted the issues raised regarding the entering of yellow box junctions would be looked into, and
- Noted the Environment & Traffic Adjudicators Annual Report for 2022/23

5. Re-appointment of an Environment & Traffic Adjudicator

The Committee received a report that proposed the reappointment of one environment and traffic adjudicator.

The Committee agreed to the re-appointment of Monica Hillen for a period of five years, starting from 5 October 2023.

Item 6 on the agenda had been withdrawn.

7. ReLondon Activities Update

The Committee received a report that provided a summary of the activities of ReLondon.

Anthony Buchan, ReLondon, introduced the report. He said that a number of members from TEC were on ReLondon. Anthony Buchan said that the last time ReLondon came to a TEC meeting was in October 2022, but ReLondon would be happy to attend more if members so desired.

Anthony Buchan said that ReLondon had been established in 2008, when it was known as the London Waste & Recycling Board (or LWARB) and acted as a statutory instrument to support London in the waste hierarchy and to help London reduce the impact of waste. He said that there were a number of programmes that would help with this including promoting behaviour change and working with business to support a more circular economy. Anthony Buchan informed members that a "circular economy week" had happened in May 2023, which was chaired by Councillor Calgary.

Lamia Sbiti, Business Transformation Manager, ReLondon said that their work on business support was pan-London and was at different stages with businesses. She

said that work was also taking place with circular economy start-ups, which had been carried out since 2017, along with looking at ways to reduce waste, especially with new audiences. Lamia Sbiti said that ReLondon dispersed grants and ran a number of different services, like high street waste (ReLondon was running seminars on this), and establishing circular partnerships with local authorities, the Fire Brigade, etc. An example of this is in the borough of Hounslow where ReLondon is working with the local authority to build a circular place “Heston in the Loop”. Lamia Sbiti said that ReLondon had also been shortlisted for a recycling award.

Anthony Buchan added that a project was being run in the borough of Bexley in order to drive out food waste and help with food poverty. Members would be sent the slides of the ReLondon presentation after the meeting.

The Chair said that ReLondon and the “One World Living” programme were doing excellent work which was very welcomed by members. He thanked ReLondon for their work on waste and their ongoing support to the boroughs. Councillor Bennett said that it was important for members to engage with officers in boroughs and make them aware of ReLondon’s work and reminded members that there are currently two borough vacancies on the ReLondon board to be filled. The Chair said that it would be beneficial to make this connection and nominations for the board would be made shortly.

Cllr Manders asked what learning could be shared regarding recycling in flats. Anthony Buchan said that work was taking place on a flats recycling package. There were a number of toolkits being drawn up on cycling from flats and flats above shops.

Some members queried what ReLondon actually did as there was a need to understand its aims and objectives. Anthony Buchan said that a research report would be available, although ReLondon’s objectives and priorities could be picked-up on and reported back to members. There was concern from members that the recommendations from the work ReLondon was doing was costly and out of reach for boroughs. There was a need to be as pragmatic as possible. Anthony Buchan said that costs were being developed around the issue of waste/recycling in flats above shops. He said that this was costly in certain areas and it was important for London to receive its fair share of funding.

Members felt that more practical recommendations were needed, along with more collaborative work. Councillor Loakes said that it was key to have certainty around policy. Certainty was needed in London to enable an introduction of the service changes required for implementation. Councillor Diment said that this was a steep learning curve and a step up of delivery was required. He voiced concern that there were still a number of households in some streets that did not put out their recycling bins at all. Councillor Diment said that incentives were needed and the priorities had to be the right ones. There were also queries around the consulting ReLondon provided, where knowledge was limited. Anthony Buchan said that big improvements in reduction and recycling of waste materials could be made. He said that it was also about quality. Anthony Buchan said that it was better to focus on individual streams like metal and glass recycling and to drive out contamination in that, rather than try and do everything. He said that ReLondon would support the boroughs with this.

The Chair said that a great deal of work was being undertaken. He said that follow-up information should be available for boroughs to look at and see what was achievable. The Chair said that clarity needed to be given by the Government, along with the boroughs being aware of what they were working towards. Anthony Buchan asked whether ReLondon attending TEC once a year was enough. Members felt that having follow-up conversations after the TEC meeting should suffice.

The Committee noted the report and the items covered in the presentation from

ReLondon.

8. Surface Water Activities Update

The Committee considered a report that updated members on the activities of the London Surface Water Strategic Group, which was formed after the significant surface water flooding incidents in July 2021.

Councillor Costigan explained to members that the issue of surface water came after the severe flooding event that took place in July 2021, as a result of a sudden and intense period of rainfall. She said that there was a lack of porous ground in London and a lack of coordination to deal with this. London Councils had been involved in the issue of surface water flooding right from the start.

Councillor Costigan informed members that a Surface Water Strategic Group had been established in the past year and met regularly. There was a need to create a more resilient London when it came to surface water flooding. Councillor Costigan said that an officer group had also been established and was putting together a strategy for dealing with surface water flooding. A Chair was in the process of being recruited for this group.

Councillor Costigan said that communications with residents needed to be strengthened, along with creating a strategy that made a real difference. All of this required proper funding. A "Flood Awareness" week was also taking place in November 2023. Officers involved in taking this work forward had made a big difference.

Martijn Erkelens, Surface Water Project Officer, said that there had been a number of reviews and recommendations made after the flooding incident in 2021 – 47 consolidated recommendations were being worked on now. He said that the Surface Water Strategy Group had the resources of himself and a secretariat. An independent Chair for the group was in the process of being recruited and should be in place by early January 2024. Martijn Erkelens said that members could find the recommendations in the annual monitoring report, which was hosted on the GLA website. This would be updated in 2024.

Martijn Erkelens said that boroughs needed to work together to look at how surface water affected particular places. He informed members that the strategy was not "set in stone" yet and boroughs were encouraged to contribute to the strategy. Martijn Erkelens said that a business plan would be sent to the boroughs soon for consideration.

Councillor Blackman said that mapping had been carried out for areas at risk from surface water flooding. She said that it was important that no duplication took place when it came to this mapping. Martijn Erkelens said that officers were currently in the first phase of the strategy and cross-checking could be carried out to ensure that there was no duplication. Officers needed to be sure that the mapping was being carried out in the right areas. Katharina Winbeck, Strategic Lead, Transport & Environment, London Councils, said that duplication needed to be avoided (officers would go through professional networks).

Councillor Hakata said that he was on the Thames Regional Flood & Coastal Committee (TRFCC). He asked, from a strategy point of view, how working with these partnerships should take place. Members asked what the surface water groups were hoping to achieve, as there were some serious issues. Martijn Erkelens said that there was never a single rainfall event and the degree of rainfall would always be different.

Katharina Winbeck said that officers would be looking at joint objectives, which to be agreed by all of the different organisations involved. Katharina Winbeck said that it was also important to ensure what objectives were achievable. She said that a lot of engagement would take place on this over the next month or so.

Councillor Hakata asked what areas of work were being looked at. He said that it was good to be focused. Further guidance was needed from Defra and budgets needed to be looked at in 2024/25. It was also important to find specialist staff that could take this work forward. Katharina Winbeck confirmed that a consultation was taking place in November 2023 and would involve Defra. She thanked members for the very clear steer that they had given on this.

The Committee noted the Surface Water activities report.

9. Chair's Report

The Committee received a report that updated members on transport and environment policy activity since the last TEC meeting on 08 June 2023.

Councillor Costigan said that the report covered a number of work areas that officers would be taking forward for the next few months. She said that a "Climate Programme" had been launched and was looking at areas like reducing green waste, improving retrofit of buildings and reducing the carbon of energy systems. An "Investment Event" had also been held with 3Ci and the GLA and had looked at big infrastructure projects. Councillor Costigan said that a meeting with Richard Holden MP had taken place in July 2023, on a cross-party basis, and looked at areas like funding for road infrastructure. She said that London did not get as much funding as other parts of the country and the issue of potholes on roads did not include London. Katharina Winbeck said that London Councils would continue to raise these issues with the Minister.

Councillor Costigan said that the "London Climate Action Week" had been a great success, and also the circular economy work. She thanked Councillor Chowdhury for stepping in and covering this work. Councillor Costigan said that London Councils had been asked to give evidence in person (Parliamentary Audit Committee). There was also the need for additional powers to deal with poor air quality.

Councillor Costigan said that London Councils launched the next phase of the e-scooter trial, with Dott, Lime and Voi. She said that the use of AI to improve parking compliance, technology to detect pavement riding, and audible vehicle alerts was being looked at in this next stage of the pilot. Parking spaces for e-bikes were also being looked into. Councillor Costigan said that progress was being made with the mobility services online portal. She highlighted the introduction of half-price concessionary fares for carers. Councillor Costigan said that TfL had now put in place the exemption for PTVs (Patient Transport Vehicles) and liveried ambulances when they were not running on blue lights on all bus lanes on the Transport for London Road Network (TLRN). This was very good news for London. She said that the overall numbers of penalty charge notices (PCNs) were largely in line with the previous year.

Councillor Costigan said that she welcomed any ideas on better data and also road closures due to the utility companies. However, boroughs might not be able to enforce the issue of dangerous and inconsiderate driving. Councils also used fines to help fund the Freedom Pass and it was important not to undermine this.

Katharina Winbeck thanked members and officers for all their work on this. David Rowe (TfL) informed Committee that the trial of non-blue lights ambulances had reduced missed appointment by 19%. This brought huge benefits and nine other

boroughs wanted to take part in a pilot. David Rowe said that the non-blue lights vehicles going through bus lanes also included motorcycles. He said that the non-blue lights using bus lanes did not require any changes to legislation.

The Committee noted the Chair's Report.

10. TEC Priorities Update Report

The Committee received a report that informed members of the proposed TEC priorities for 2023/24, linking them with the shared ambitions that had been agreed by Leaders' Committee.

Katharina Winbeck introduced the report. She said that members had previously indicated that nature and biodiversity needed to be more pronounced than they were. Katharina Winbeck said that she hoped the priorities had incorporated the comments made by members.

Stephen Boon, Chief Operating Officer, London Councils, said that London Councils was looking at the best value for money when delivering TEC services like the Freedom Pass. He said that the Freedom Pass scheme going forward had increased in costs and that the funding from local authorities was now insufficient. Stephen Boon said that London Councils and the boroughs needed to lobby together on the importance of the scheme.

Councillor Krupski said that there were concerns around trees on streets and subsidence, along with the demands from insurance companies. She said that she hoped these issues would be discussed in future years. Katharina Winbeck said that the issues around trees on streets and subsidence was already "on the list" to consider.

The Committee noted the TEC Priorities that were discussed in the report for 2023/24.

11. Electric Vehicle Infrastructure Coordination

The Committee received a report that looked at London Councils' role in coordinating and supporting boroughs to obtain government grant funding to deliver electric vehicle charging infrastructure. The report also provided an update on London Councils' work supporting boroughs engaging with the Local Electric Vehicle Infrastructure Scheme (LEVI).

Martin Kerslake, Interim EV Coordination Lead, London Councils. Introduced the report. He said that the aim was to support each of the nine partnerships in their endeavour to access the LEVI fund and London Councils was working closely with each partnership to do that.

The Committee noted the EV Infrastructure coordination report.

12. Freedom Pass Replacement Income Increase

The Committee received a report that officers now considered it prudent to increase the charge to replace a card from £12 to £14 (an increase of 16.6%). The charge for replacement passes had remained the same since April 2018.

The Committee:

- Approved the increase in the charge of replacement Freedom passes from £12 to £14 from 1 April 2024.

13. London Tribunals Video Hearing Investment Case

The Committee received a report that set out London Councils' proposal for London Tribunals Appeal Service to undertake development of an application to enhance the Case Management System (CMS) to enable digital hearings to be conducted. Approval was being sought for up to £172,000 funding from the TEC special project reserve.

Stephen Boon said that London Councils were looking for TEC to commit £172,000 of funding towards the development of the application to enable digital hearings to be conducted. This would increase accessibility and help reduce the carbon footprint of the appeals centre by two thirds. It was anticipated that the hearing centre rental costs would be reduced by approximately £118k per annum. Over a ten-year period, boroughs could save approximately £1.2 million on premises.

The Committee:

- Approved up to £172,000 of reserves to fund video hearings at the tribunal centre.

14. Traffic Signals Maintenance Budget 2024/25

The Committee received a report that set out the forecast costs to boroughs for maintaining traffic signals in London for 2024/25 and sought agreement to the apportionment of those costs to each authority.

Stephen Boon introduced the report, which was a statutory function of TEC. He said that members were asked to agree next year's cost for traffic signals maintenance of £11.487 million and the methodology and to note the reconciliation from the previous year. Stephen Boon said that there had been a reduction in costs for the traffic signals maintenance from last year.

Councillor Kemahli asked where the ULEZ cameras were receiving their energy from. Stephen Boon said that LED lights were being rolled-out. Councillor Kemahli said that two thirds of traffic signals were LED and it was necessary to change the bolt and the power. He also asked whether where cameras had been deployed on traffic signals and shared an electricity supply if boroughs were paying for the electricity supply to the camera. Councillor Alambritis said that there were concerns at the CPI used and was concerned about and reassessment. Stephen Boon said that this had been queried and officers did not consider that it would be appropriate to reopen this element of the settlement. Members asked whether the boroughs would be responsible to pay for the costs to repair vandalised and damaged ULEZ cameras. Stephen Boon confirmed that the costs for ULEZ cameras was a separate issue and was not incorporated in traffic signals maintenance budget. However, he said he would have to come back with an answer to the question about shared electricity supply. Stephen Boon said he would also look at the issue of energy costs with TfL.

The Committee:

- Agreed the forecast budget for maintaining traffic signals in London for 2024/25, is £11,487,320.21 (*as shown in Appendix 1*);

- Agreed that this cost is apportioned between boroughs based on the formula of 50% assets (controllers) on the borough network and 50% mid-2021 Office of National Statistics population figures (*as shown in Appendix 3*);
- Agreed the final total apportioned costs for maintaining traffic signals (after reconciliation of the Actual Outturn for 2022/23) to be £11,482,005.20, (*as shown in Appendix 2*);
- Noted that officers would take away the issue of payment for energy costs for ULEZ cameras; and
- Noted that payment for damaged ULEZ cameras was not incorporated in the Traffic Signals Budget. Work was taking place with TfL on this issue.

15. Items considered under the TEC Urgency Procedure

The Committee received a report that gave details of a TEC Urgency Procedure that was sent to TEC Elected Officers on 15 August 2023 (below):

Cover arrangements on London Councils' Transport & Environment Committee (TEC) and TEC Executive Sub Committee

- Mayor Philip Glanville, in addition to being the Deputy Chair of London Councils, was also the Chair of the Transport and Environment Committee (TEC) and the Portfolio lead for Climate Change, Transport and Environment.
- Due to the additional responsibilities and workload involved in Mayor Glanville taking on the role of Acting Chair of London Councils, the Labour Group has proposed that the Labour Group Vice Chair of TEC, Councillor Deirdre Costigan be appointed to cover the role and responsibilities of the TEC Chair during this period. Similarly, it had been proposed that Councillor Rezina Chowdhury (LB Lambeth) be appointed to cover for Councillor Costigan as the Labour Group Vice Chair.
- Councillor Deirdre Costigan would receive the difference between the TEC Chair allowance and her current allowance and Councillor Rezina Chowdhury will receive the Vice-Chair allowance whilst covering these roles.

The Committee noted the Urgency Procedure that was sent to TEC Elected Officers on 15 August 2023, as detailed above.

16. Minutes of the TEC Executive Sub Committee held on 13 July 2023 (for noting)

The Committee noted the minutes of the TEC Executive Sub Committee meeting held on 13 July 2023.

17. Minutes of the TEC Main Meeting held on 8 June 2023 (for agreeing)

The Minutes of the TEC Main Meeting held on 8 June 2023 were agreed as being an accurate record.

The Chair thanked officers and members and said that he was looking forward to working with them on TEC.

The meeting finished at 16:10pm.