TRANSPORT FOR LONDON

AGENDA

BOARD MEETING

TO BE HELD ON TUESDAY 29 JULY 2003
IN THE CHAMBER, CITY HALL, THE QUEEN’S WALK, LONDON SE1 2AA,
COMMENCING AT 10.30 A.M.

A meeting of the Board will be held to deal with the following business. The public
are welcome to attend this meeting, which has disabled access.

1. Procedural business
   1.1 Apologies for absence
   1.2 Minutes of the previous meeting held on 28 May 2003
   1.3 Matters arising, not covered elsewhere

2. Commissioner’s Report

3. 2003/04 TfL Group Financial Position

4. TfL Group Statement of Accounts for the year ended 31 March 2003

5. 2002/03 TfL Annual Report – Proposed Approach for Publication

6. TfL Longer Term Fare Policy Review

7. PPP Contract Performance Reporting – oral update

8. London Buses Strategic Review

9. Implementation of TfL Integration Plan

10. Future of the Safety, Health and Environment Committee

11. Appointment of Shareholder Representative for LRT Pension Fund
    Trustee Company Limited

12. Chair’s Action – Signing and Sealing of Documents

13. Any Other Business

Date of next meeting: Wednesday 29th October 2003 at 10:00 a.m.
Transport for London

Minutes of a meeting of the Board
held on Wednesday 28 May 2003, commencing at 10.05 a.m.
in The Chamber, City Hall, the Queen’s Walk, London

Present: Ken Livingstone (Chair)
Board Members: David Begg
Stephen Glaister
Noel Harwerth
Kirsten Hearn
Mike Hodgkinson
Oli Jackson
Paul Moore
Murziline Parchment
David Quarmby
Tony West
Dave Wetzel (Vice Chair)

In attendance:
Special Advisors Bryan Heiser
Lynn Sloman

TfL Officers: Robert Kiley
Maggie Bellis
Maggie Boepple
Ian Brown
Stephen Critchley
Gareth Davies
Isabel Dedring
Jacqui Gregory
Mary Hardy
Peter Hendy
Pip Hesketh
Malcolm Murray-Clarke
Tim O’Toole
Jay Walder

Secretary: Alan Busson

27/03 APOLOGIES FOR ABSENCE

Apologies for absence had been received from Bob Crow and Susan Kramer.

28/03 MINUTES OF PREVIOUS MEETING HELD ON 20 MARCH 2003

The minutes of the meeting held on 20 March 2003 were agreed as a true record of the meeting and signed by the Chair.
29/03 MATTERS ARISING

There were no matters arising.

30/03 DECLARATION OF INTERESTS

The Chair reminded Board Members of the requirement to declare any interests in the matters under discussion. There were no interests declared.

31/03 COMMISSIONER’S REPORT

The Commissioner’s Report was noted by the Board. The following issues were discussed:

West London Tram - Noted that Ken Livingstone would be meeting with representatives of the five London Boroughs affected by the West London Tram Project. More work was being carried out to assess traffic impact and addressing local residents concerns.

Docklands Light Railway – British Telecom continued to object to the extension of the DLR to Woolwich. It was noted that Ken Livingstone had offered to meet with the Chairman of BT to try to persuade BT to drop their challenge at the Public Inquiry.

32/03 FINANCE AND PERFORMANCE REPORT

Jay Walder gave a presentation in respect of the TfL Operating, Project and Financial Performance for the financial year 2002/03. The following points were noted:

Overall expenditure for the year was in line with budget. Income was £16 million below budget due to lower bus revenue, as customers switched from cash fares to discounted products, and reduced CCS income, as fewer vehicles entered the zone than had been expected. Based on the management accounts, £23 million would be transferred to TfL’s reserves.

Jay Walder explained that the £9 million underspend on the walking/cycling arose as the programme had proved more ambitious than TfL could roll-out. It was noted that greater focus would be placed on meeting the 2003/4 budget programme regarding walking/cycling improvements.

Concern was expressed that the customer satisfaction survey measure of safety and security on buses had failed to reach the required performance target during the period under review, (if only narrowly). Peter Hendy stated that remedial action was being taken to address this issue.

Bryan Heiser asked when it would be compulsory for all London’s bus fleet to have working bus ramps before they were allowed into service. Peter Hendy replied stating that there would soon be 100% bus ramp coverage on all London
buses. London Buses would be bringing in arrangements such that there would be a serious penalty for bus operators if buses left their respective garages without the ramps.

Violence on the eastern end of the District Line which had affected London Underground staff and the travelling public was discussed. It was agreed that there were a number of measures that needed to be implemented, including increasing the visible police presence to reduce the amount of violent crime that has been occurring.

The Board noted the report.

33/03 BEST VALUE PERFORMANCE PLAN

The Board noted the Best Value Performance Plan. The Board:

1. approved the revisions of TfL’s Best Value Performance Plan as detailed in the Paper submitted to the board for consideration; and
2. delegated to the Managing Director, Finance and Planning the authority to make the final changes to the Best Value Performance Plan prior to its publication on 30 June 2003.

34/03 BORROWING LIMIT

The Board discussed the paper relating to TFL’s short term borrowing limit.

The Board:

1. Approved the increase in The Short Term Borrowing Limit from its present level of £20 million to £40 million.
2. Approved that the Managing Director, Finance and Planning (or in his absence, the Chief Finance Officer) must approve short term borrowing in excess of £20 million.
3. Approved that the Commissioner (or in his absence, the Managing Director, Finance and Planning) must approve short term borrowing in excess of £30 million.

It was further agreed that notwithstanding the above approvals, the Board should still be asked to approve any borrowing if such borrowings were ‘gross’ borrowings, that is, not covered by other credit balances within TfL accounts.

35/03 CONGESTION CHARGING UPDATE

It was reported that over three months had elapsed since the introduction of congestion charging. Its implementation had been successful, but it was still too early to reach any long term conclusions about the scheme.

It was noted that TfL would shortly be publishing baseline data for monitoring the effects of Congestion Charging, which would assist in assessing the
economic, social and wider impact relating to the introduction of Congestion Charging in London.

The Board noted the report

36/03 ANY OTHER BUSINESS

Board of Directors of London Transport Insurance (Guernsey) Limited (LTIG)

The Board was asked to approve the appointment of Nigel Blore, Tfl’s Group Risk Manager, to the board of LTIG. It was noted that the appointment required the prior consent of the Guernsey Financial Services Commission and also under the articles of association of LTIG, the approval of the board of directors of LTIG.

It was agreed that Nigel Blore be appointed as a director of the Board of LTIG, noting that such appointment was subject to the consent of the Guernsey Financial Services Commission. It was noted that upon receipt of the consent of the Guernsey Financial Services Commission, the appointment of Nigel Blore would be effected by the Board of LTIG at its next meeting.

There being no further business, the meeting closed at 11.05am.

____________________________________
Chairman
1. PURPOSE

This is the Commissioner’s written report for July 2003. This report provides an overview of major issues and developments since the last Board meeting and updates the Board on significant projects and initiatives.

2. INTRODUCTION

Work continues on the development of the 2004/5 business plan. The plan is designed to meet a number of needs:

- Production of a plan for the year 2004/05 that is financially balanced and can therefore be the basis of a detailed budget;
- Preliminary plan for 2005/06 and the years thereafter;
- Basis of an SR 2004 bid to Government, which must demonstrate what London loses should TfL receive less grant than required to fund fully its program.

This plan also covers London Underground.

The emerging plan will be reviewed at a Chief Officer away day on 25 July to ensure that the plan meets stakeholders’ expectations. Key issues from the draft Plan will then be discussed with TfL Board members at an away-day in September. The draft plan and budget for inclusion in the GLA budget process will be cleared through the October Board cycle. The draft Plan will also be submitted to DfT/GOL at the end of September as the first stage in the SR 2004 process, with a formal submission in November.

3. TfL OPERATIONS

There are some operational issues to draw to your attention.

3.1 Bus Service Reliability

The significant year-on-year improvement in Excess Wait Time (EWT) continued this period, with the latest result (of 1.38 minutes compared with 1.87 minutes a year ago) the best since we began recording this information. Again, routes serving the Charging Zone and Inner Ring Road showed the biggest improvements. The introduction of Quality Incentive Contracts has also been a significant contributing factor – more than half the routes in London are now operated under these contracts, under which operators are
rewarded for performance better than target and face financial penalties for underperformance.

Performance of 74.9% “on time” for low frequency routes was significantly better than forecast and also better than a year ago.

Events causing particular problems for buses this period included delays arising from diversions following a fire in Hackney from 11th June onwards, temporary closure of two bus depots due to a serious fire on neighbouring land in Rainham from 16th June, and particularly serious roadworks in Bromley and Barking.

### 3.2 Congestion Charging

Traffic levels remain lower than before congestion charging with some 20% fewer vehicles entering the zone and subsequently 32% less congestion. All payment channels are generally working satisfactorily. Payment channels are generally working satisfactorily although some problems with access to call centre agents have become apparent in recent weeks. Payments have remained relatively constant since the second week of operation with a daily average of 109,000 payments including 11,000 vehicles a day charged through the fleet schemes. Up to 13 July 2003, approximately 441,000 PCNs had been issued. Of these, some 209,000 payments have been made and some 129,000 representations received, and the acceptance rate remains stable at an average of 66%, but the proportion for which representations are made continues to fall and the proportion for which payment is made continues to rise. Despite a number of improvements to processes and data management, TfL continues to have concerns about the quality of a number of customer-facing services provided by Capita.

TfL's 2003/04 budget approved by the Board on 20 March 2003 contained £214.5m of Congestion charge and PCN income. Due to lower than expected traffic volumes and payment levels, income is now forecast to be significantly reduced. TfL's 'best estimate' at this time is that revenues will be £64m lower than expected in this year's budget.

TfL is undertaking a feasibility study for a possible western extension of the central London congestion charging zone to include congested areas of the City of Westminster and the Royal Borough of Kensington and Chelsea. As part of the feasibility study for a western extension TfL is conducting traffic surveys, including roadside interviews to understand how an extended zone would affect driver behaviour. We are also planning to set up trials to test enhanced technology for charging.

Any extension would require an amendment to the Transport Strategy (referred to as TS1b) which would be progressed in advance of the more comprehensive revision to the Transport Strategy (due in the autumn of 2004). Formal consultation on TS1b would begin in the autumn with the assembly and functional bodies. In the meantime, informal discussions have started with the boroughs and other key parties about the potential for an extension.

### 3.3 Transport Policing and Enforcement

The Transport Policing and Enforcement team is developing a vision, medium-term strategy and performance framework for Transport Policing and Enforcement.

The TOCU are now deploying Automatic Number Plate Recognition (ANPR) equipment on bus corridors and on cab operations. This will provide the capability to target those...
offenders who repeatedly obstruct bus services, but are unaffected by ticketing (e.g. those with un-registered vehicles).

The Enforcement Task Force has agreed to undertake a pilot focusing on persistent evaders. The TOCU have been asked to use the new Automatic Number Plate Recognition system as a means to identify persistent evaders’ vehicles and apprehend them.

As a result of the London Local Authorities Bill, Transport Enforcement Camera Operations will be able to enforce additional decriminalised offences and in particular yellow box junctions. TfL will be leading a pilot on the enforcement of yellow boxes. This will be done in conjunction with the ALG Transport and Environment Committee and LOTAG.

3.4 Development of Traffic Management Directorate

Good progress continues within the newly established Directorate of Traffic Management. Initial engagement is now taking place with the Transport Policing and Enforcement team, focussing on delivering an efficient and effective LTCC operation. Among other things, this is planned to lead eventually to co-location of LTCC, Centrecomm and Metrocomm.

Work is on schedule for ‘roll out’ of a prototype Roads and Street Works Information and Management System (Clearview) that will support the planning, co-ordination and permitting of road and street works in London. Clearview has the capability to map programmed work and a basic permitting function is currently under development. By November 2003, Clearview will be fully deployed across key business areas within Street Management, with the remainder of Street Management and other TfL business areas using the system by the end of the March 2004. Street Management Services and the stewards have started entering data and using the system, and discussions are taking place with prospective borough and utility partners. Work is ongoing on the development of performance indicators for traffic in London and the publishing of information on network operation.

4. MAJOR PROJECTS AND INITIATIVES

4.1 Crossrail

The final Crossrail business case was submitted to the Secretary of State on 26th June with the specific request that the Secretary of State confirm the route alignment and announce the timescale for the deposit of a Hybrid Bill.

The Secretary of State responded in the form of a written announcement to Parliament on 14th July. This announced the route as Kingston/Richmond, Heathrow via Paddington and central London through Whitechapel, dividing to Stratford and onto the Great Eastern Line to Shenfield, with the other route via the Isle of Dogs and the Royal Docks to Ebbsfleet. This was the route alignment advocated by the Mayor, which is supported by the strongest business case option (benefit cost ratio of 1.99:1).
The Secretary of State has also confirmed that the Hybrid Bill will go ahead for the project but has delayed this further from the earliest feasible date of April 2004 to November 2004.

The Government will be evaluating the proposal in terms of value for money and affordability and will be seeking significant financial contributions to the project from the business community and developers. TfL continues to work with Government and other stakeholders to develop the mechanisms whereby this could be achieved.

4.2 East London Line

Following the successful result at the High Court hearing the injunction against demolition of the Bishopsgate Viaduct has been lifted. A further appeal to the House of Lords was rejected. The judge required the project plan to be re-examined in terms of its effect on the immediate environment, in conjunction with LB Tower Hamlets and Hackney and English Heritage. This process was completed on Friday 11th July.

The SRA, after further discussion with Government, have indicated that they wish to go ahead with the project and have confirmed direct funding to TfL for the next two years for preparatory work. Work started on the demolition of the Bishopsgate Viaduct on Monday 14th July.

4.3 DLR extension to Woolwich

The Transport and Works Act Order Inquiry hearing that we adjourned twice as a result of objections from British Telecom has now been completed and BT have withdrawn their objection following the personal intervention of the Mayor. It is hoped that Government will announce the Transport and Works Act Order before the end of the year and also address the issue of the capital finance regulations as applicable to this project, since it was this aspect that delayed the London City Airport project.

4.4 Trafalgar Square

The Mayor officially opened the redesigned Trafalgar Square on 2 July. The new paved area in front of the National Gallery is now fully open to pedestrians. On the whole, the launch of the new layout has received a positive response and pedestrians appear to be making full use of the new space.

4.5 Smartcard

The Oyster card has been made available to the public since June 30th. Annual and monthly season ticket holders will be able to get Oyster cards in this phase before the later wider roll out. Currently the cards are available and rechargeable over the Internet and via the telephone, although within a year it will also be available from the usual distribution outlets. The intention is that all 350,000 of the annual and monthly Travelcard and bus pass holders will be issued an Oyster card within a year.

So far feedback on both the card itself and on customer service has been positive, with takeup about double of what had been expected.
5. INTEGRATION WITH LUL

As you know, LUL transfer was subject to enactment of the Railways and Transport Safety Bill; this was passed and royal assent granted on July 10th. As a result, at midnight on July 15th, LUL transferred from the control of Government and the Secretary of State for Transport to the Mayor of London and TfL. With the transfer of LUL, we can finally now begin the task envisaged when TfL was first created: to provide a truly integrated approach to transport planning and operation in London.

The new Tube management team under Tim O’Toole formally took up their posts as of that time and are committed to doing everything they can to deliver a safe, clean and reliable service. As you know, I continue to believe that the PPP is not the right way to manage the maintenance and renewal of the Tube. However, it is our job now to manage the PPP contracts to deliver Tube improvements to the timescale already agreed between the Government and the PPP Infracos.

Over the past months, a great deal has been done to manage the integration process with minimum disruption to staff and services. I would like to thank all those involved in ensuring a smooth transition, particularly those managing the complex and detailed human resources and legal processes.

5. ORGANISATIONAL DEVELOPMENTS

A number of new senior appointments have been announced since the last Board meeting. These include Liz Barrett as Director of Group Human Resources and Richard Browning, who joins TfL from LUL to be TfL Director of Group Business Planning and Performance. Both have already started in their new roles.

Tim O’Toole has announced his top-level structure and appointments. Mike Brown has been appointed as Chief Operating Officer and Bob Janowski as Chief Programmes Officer. Both Mike and Bob have announced their direct reports as well. Keith Beattie will continue as Director of Engineering and Mike Strzelecki will continue as Director of Safety. Louella Johnson joins as Director of Human Resources from PA Consulting. Two posts remain as ‘acting’ appointments: Barry Hutton as Acting Director of Finance and Sarah Atkins as Acting Head of Legal Services.

A range of new appointments below Director level continue to be made. These are drawn both from within TfL and LUL as well as from outside the organisation.

Robert R. Kiley  
Commissioner for Transport  
May 2003
AGENDA ITEM 3

TRANSPORT FOR LONDON

TfL BOARD

SUBJECT : 2003/04 TfL GROUP FINANCIAL POSITION

MEETING DATE : 29 JULY 2003

1. PURPOSE

1.1 To inform Board members of TfLs’ latest financial position for the full year 2003/04 and seek approval of changes to TfL’s 2003/04 budget. It should be noted that the focus of this paper is the TfL businesses excluding London Underground, and so does not refer to LU’s financial position in any way.

2. BACKGROUND

2.1 TfL’s 2003/04 budget approved by the Board on 20 March 2003 contained £214.5m of Congestion Charging licence and PCN income. Due to the success of the Congesting Charge and lower than expected traffic volumes, payment levels are forecast to be significantly reduced. Recent surveys show 20% less traffic entering the charging zone, 16% less traffic circulating in the zone and 32% less congestion compared with 2002 counts during charging hours. TfL’s ‘best estimate’ at this time is that revenues will be reduced by £64m compared to this year’s budget; however this figure is based on only three months of experience and may change.

2.2 In addition, since approval of the 2003/04 budget, a number of cost pressures have been highlighted by business units as needing to be incurred during 2003/04 totalling some £51m (£46m in Street Management). For most of these items of expenditure, business cases are in the process of being completed and no increased expenditure will be incurred until approval of the business cases has been achieved.

3. RECOMMENDED MITIGATING ACTIONS

3.1 In order to mitigate the impact of lower CCS revenues and cost pressures, TfL has carried out a rigorous review of its 2003/04 programmes identifying areas of work that could be delayed into 2004/05 or beyond, and areas where savings or efficiencies can be made. During this review business units have kept in mind the longer-term funding gap faced by TfL in 2004/05 and beyond.

3.2 The recommended mitigating actions can be seen in detail in annex 2 and 3 attached to this paper. These show that £35m of work has been deferred from 2003/04 into 2004/05 and beyond. This work includes:
- rephasing to the start of A23 Coulsdon Town Centre improvements - it is envisaged that work on site could begin in the fourth quarter of 2003/04, subject to approval during the summer of 2003 of a revised business case, following cost increases;

- deferral of all A406 schemes - to allow a submission for the larger scheme to be made as part of SR 2004; and

- the rescheduling of DLR’s vehicle purchase for the 3-car upgrade project.

3.3 The 2003/04 approved budget incorporated as a group overlay the achievement of £18m in gross efficiency savings (£7m net of one-off restructuring costs) as a result of BIP implementation, procurement efficiencies, and TfL/LUL integration benefits. All savings included in this paper are in addition to the efficiency savings incorporated into the approved budget.

3.4 In response to bridging the budget gap, business units have identified a further £89m in other savings, bringing the total cost savings / efficiencies expected to be delivered by TfL in 2003/04 to £107m. The key areas here include:

- reduced TLRN and Borough road maintenance – savings based mostly on the level of expenditure brought forward from 2003/04 into 2002/03 with expenditure remaining at over £140m per annum over the two years;

- CCS complementary traffic measures – lower priority schemes have been removed from the programme;

- Local Improvements and Red Routes – allowance for unplanned schemes has been removed;

- Bus Priority – a review of the 2003/04 programme has identified savings without change to the schemes planned for completion during the year;

- Road Safety schemes – spending maintained at 2002/03 levels in line with capacity to undertake work;

- National Rail fares integration and Smartcard retail initiatives – there has been a change in approach to the introduction of fares integration initiatives lowering the spend needed in 2003/04.

4. CONTINGENCY / OVERPROGRAMMING / BORROWING

4.1 The level of group contingency has been the subject of review by Group Finance and has been reduced by £13m from the budgeted level of £38m to £25m as it is considered that this adequately covers the risk of potential unspecified costs arising over the remainder of the year.
4.2 The level of over-programming has also been reviewed and reduced by £32m (from £50m to £18m) reflecting the level of detailed planning already available for the 2003/04 year’s programme, TfL’s improved capability to deliver its plans, and that the current review of programmes has reduced the possibility of underspending over the remainder of the year.

4.3 External borrowing is not being considered as a way of reducing the budget gap at this time given that it would be imprudent to borrow at a time when it is known that future grant levels are falling below existing amounts while the group’s underlying expenditure continues to rise.

5. SUMMARY FINANCIAL POSITION

5.1 A summary of the group’s current financial position for the full year compared against budget is shown in the table below. This indicates that taking into account the cost pressures and lower revenues highlighted in this paper along with the mitigating actions, that a balanced position is achieved.

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th>£m</th>
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</thead>
<tbody>
<tr>
<td><strong>Approved 2003/04 budget net expenditure</strong></td>
<td>1,243</td>
<td></td>
</tr>
<tr>
<td>CCS Revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Projected shortfall</td>
<td>64</td>
<td></td>
</tr>
<tr>
<td>• Other profiling of CCS costs and incomes</td>
<td>(10)</td>
<td>54</td>
</tr>
<tr>
<td>Cost pressures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Slippage in work from 2002/03 to 2003/04</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>• Cost increases in 2003/04 work</td>
<td>30</td>
<td>51</td>
</tr>
<tr>
<td>Reduction in overprogramming</td>
<td></td>
<td>32</td>
</tr>
<tr>
<td>Mitigating actions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Rephasing of work into 2004/05 or beyond</td>
<td>(35)</td>
<td></td>
</tr>
<tr>
<td>• Other savings identified</td>
<td>(89)</td>
<td>(124)</td>
</tr>
<tr>
<td>Release of contingency</td>
<td></td>
<td>(13)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>1,243</td>
</tr>
</tbody>
</table>

5.2 It should be noted that the table above does not include certain items of potential spend that remain unfunded. For example, outline discussions have commenced on an opportunity to purchase land at Beckton depot that may cost between £6m to £8m in 2003/04.
5.3 The Board should note that TfL’s 2003/04 budget will be updated to reflect the changes in deliverables and income and costs highlighted in this paper ensuring that there is no confusion in monitoring the group’s performance over the remainder of the year.

6. RECOMMENDATIONS

6.1 The Board is asked to NOTE the current financial position of the Group and to APPROVE the changes to TfL’s 2003/04 budget as outlined in this paper.

Jay Walder
Managing Director, Finance & Planning
<table>
<thead>
<tr>
<th>Activity</th>
<th>£m</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Slippage from 2002/03</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trafalgar Square</td>
<td>5.4</td>
<td>Slippage of works from 2002/03 because of initial delays in gaining site access in line with that reported earlier. The estimated outturn for this scheme remains in line with plan.</td>
</tr>
<tr>
<td>Blackwall Tunnel Southbound</td>
<td>5.3</td>
<td>Slippage of works from 2002/03 because of the way the contract is structured. Provided that the contractor can deliver the overall project by agreed end date the conditions of contract allow for milestones to be rephased.</td>
</tr>
<tr>
<td>Additional facility costs</td>
<td>1.7</td>
<td>Refurbishment of additional office space at Eccleston Square.</td>
</tr>
<tr>
<td>Transport Policing initiative</td>
<td>3.3</td>
<td>Accommodation, equipment and vehicles to support the MPA’s working with Transport OCU.</td>
</tr>
<tr>
<td>Enforcement</td>
<td>3.0</td>
<td>Installation of cameras associated with 2002/03 commitment to enforce Bus Lanes on Borough Roads.</td>
</tr>
<tr>
<td>Walking &amp; DDA Initiatives</td>
<td>2.0</td>
<td>Slippage of works from 2002/03 because of delays in the design and completion of works.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>20.7</td>
<td></td>
</tr>
<tr>
<td><strong>Increased costs in 2003/04</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Congestion Charging</td>
<td>10.0</td>
<td>Initial set-up costs for western expansion of CC zone and technology trials.</td>
</tr>
<tr>
<td>CCS – additional operational and legal costs</td>
<td>2.9</td>
<td>Additional expenditure with Deloittes Consulting for the ongoing Capita negotiations and performance monitoring, and for extra night shifts for PCN representations.</td>
</tr>
<tr>
<td>A13 DBFO</td>
<td>1.6</td>
<td>Initial estimates for contractors claims.</td>
</tr>
<tr>
<td>Vauxhall Cross Interchange</td>
<td>2.6</td>
<td>Problems encountered with regard to the accuracy of site plans received from LUL and the location of infrastructure belonging to statutory undertakers. Further, agreement from LUL to excavate near the underground station was delayed resulting in additional costs. Traffic management restrictions have been placed on the scheme meaning that a significant amount of work has to be carried out at weekends or at night at additional cost.</td>
</tr>
<tr>
<td>Rotherhithe Tunnel</td>
<td>2.1</td>
<td>Essential safety works required immediately to prevent the possibility of closure.</td>
</tr>
<tr>
<td>Fore Street Tunnel</td>
<td>2.0</td>
<td>Essential emergency safety works are required, due to weaknesses in the design and construction of the tunnel. There is a risk of closure if work is delayed.</td>
</tr>
<tr>
<td>Westminster Bridge</td>
<td>3.0</td>
<td>Essential safety works required. Recent surveys have identified significant structural defects.</td>
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<td>-----------------------------</td>
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<td>-----------------------------------------------------------------</td>
</tr>
<tr>
<td>Director of Traffic</td>
<td>3.6</td>
<td>Estimated costs needed to be incurred to set up the office of</td>
</tr>
<tr>
<td>Management</td>
<td></td>
<td>the Director of Traffic Management increasing the budget to</td>
</tr>
<tr>
<td></td>
<td></td>
<td>£5.6m in 2003/04.</td>
</tr>
<tr>
<td>Business Improvement</td>
<td>1.3</td>
<td>Rephasing of go-live for HR.</td>
</tr>
<tr>
<td>Programme</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accommodation refit costs</td>
<td>0.9</td>
<td>Re-wiring costs for Parnell House.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30.0</strong></td>
<td></td>
</tr>
</tbody>
</table>
## Annex 2

### Rephasing of Work into 2004/05 or Later

<table>
<thead>
<tr>
<th>Activity</th>
<th>£m</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Surface Transport</strong>&lt;br&gt;Coulsdon Town Centre improvement</td>
<td>(12.3)</td>
<td>Deferral of scheme’s start (leaving a budget of £5.7m) pending approval of the business case to a revised scope.</td>
</tr>
<tr>
<td>Traffic control system replacement</td>
<td>(3.0)</td>
<td>Rephasing of LTCC and other control centres relocation.</td>
</tr>
<tr>
<td>A406 Regents Park Road &amp; Bounds Green schemes</td>
<td>(3.0)</td>
<td>Deferral of all A406 schemes pending SR 2004 bid for the larger scheme.</td>
</tr>
<tr>
<td>TLRN Capital road maintenance</td>
<td>(3.0)</td>
<td>Reprofiling of work in order to optimise the road maintenance programme.</td>
</tr>
<tr>
<td>Cycling Centre of Excellence</td>
<td>(0.2)</td>
<td>Deferral of some smaller schemes that are not committed at this stage.</td>
</tr>
<tr>
<td><strong>London Rail</strong>&lt;br&gt;National Rail fares integration</td>
<td>(0.9)</td>
<td>Rephasing of equipment spend.</td>
</tr>
<tr>
<td>DLR capacity enhancement project</td>
<td>(10.5)</td>
<td>Rescheduling of vehicle purchases.</td>
</tr>
<tr>
<td><strong>Corporate Directorates</strong>&lt;br&gt;Interchange and planning for major projects</td>
<td>(2.4)</td>
<td>Rephasing of East London Line integration and other interchange work consistent with the schedule for the rail project.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(35.3)</strong></td>
<td></td>
</tr>
</tbody>
</table>
## Annex 3

### Cost Savings / Efficiencies Identified

<table>
<thead>
<tr>
<th>Activity</th>
<th>£m</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Surface Transport</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TLRN and Borough road maintenance</td>
<td>(29.0)</td>
<td>Saving based on the level of expenditure brought forward from 2003/04 to 2002/03 and deferral of 2003/04 work. This reduction is able to be released without materially compromising the condition of the TLRN on which a full survey is expected to be available in August 2003.</td>
</tr>
<tr>
<td>CCS Borough Complementary schemes</td>
<td>(6.7)</td>
<td>Medium and low priority schemes for Outer London Boroughs have been removed from the programme. The Boroughs have been advised of this decision.</td>
</tr>
<tr>
<td>Local Improvements &amp; Red Routes</td>
<td>(7.0)</td>
<td>A number of small uncommitted schemes have been removed from the programme.</td>
</tr>
<tr>
<td>Bus Network</td>
<td>(5.0)</td>
<td>Reduction in allowance for conversion of commercial routes to contract routes.</td>
</tr>
<tr>
<td>Road safety plans</td>
<td>(3.9)</td>
<td>Reductions in Road Safety Campaign to levels of spend at 2002/03 levels.</td>
</tr>
<tr>
<td>Traffic Control maintenance &amp; modernisation</td>
<td>(3.0)</td>
<td>Based on previous years level of spend and reduction in use of consultants based on last years actuals.</td>
</tr>
<tr>
<td>East Thames Buses</td>
<td>(2.4)</td>
<td>Deferral of lease and/or purchase arrangements for East Thames Buses.</td>
</tr>
<tr>
<td>CCTV installation on buses</td>
<td>(2.0)</td>
<td>Shift in programme of CCTV installation to new buses as contracts are let.</td>
</tr>
<tr>
<td>Walking &amp; cycling</td>
<td>(1.5)</td>
<td>Maintain spending at 2002/03 levels consistent with ability to deliver programmes.</td>
</tr>
<tr>
<td>Street Works Task Force</td>
<td>(1.5)</td>
<td>Income not budgeted for.</td>
</tr>
<tr>
<td>Strategy &amp; support and other costs</td>
<td>(4.9)</td>
<td>Reduction in training, communications, accommodation, and finance.</td>
</tr>
<tr>
<td><strong>London Rail</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Rail fares integration</td>
<td>(4.1)</td>
<td>There has been a change in approach to the introduction of fares integration initiatives lowering the spend in 2003/04.</td>
</tr>
<tr>
<td><strong>Corporate Directorates</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market research and Advertising</td>
<td>(2.7)</td>
<td>Reduction in spend following review of the 2003/04 programme by the Director of Group Marketing.</td>
</tr>
<tr>
<td>Staff costs</td>
<td>(2.1)</td>
<td>Acceleration of efficiency in HR posts and reduced provision for restructuring.</td>
</tr>
<tr>
<td>IM capital projects</td>
<td>(0.6)</td>
<td>Potential underspend in IT projects.</td>
</tr>
<tr>
<td>Smartcard retail initiatives</td>
<td>(5.1)</td>
<td>Reduced scope for release of Oyster and retail initiatives</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-------</td>
<td>-----------------------------------------------------------</td>
</tr>
<tr>
<td>Transport Strategy and other costs</td>
<td>(1.1)</td>
<td>Savings from delay in development work on Strategy and review of transport planning budgets.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(88.6)</strong></td>
<td></td>
</tr>
</tbody>
</table>
1. PURPOSE

To present the TfL Group Statement of Accounts for the year ended 31 March 2003 for approval.

2. BACKGROUND

The Statement of Accounts has been prepared in accordance with the provisions of the Audit Commission Act 1998 and the Accounts and Audit Regulations 2003 ('the Regulations'). The form, content and accounting policies followed in preparing the Statement are as prescribed in the Regulations and by the Code of Practice on Local Authority Accounting published by CIPFA. The Regulations came into force on 1 April 2003 and supersede the Accounts and Audit Regulations 1996 that determined the form of last year’s accounts. Although there have been changes to the regulations, these have had no practical effect on TfL’s accounts. (The Statement of Accounts can be obtained via the Secretariat 0207 941 4228)

As well as prescribing the format of the Statement of Accounts, the Regulations require that the income and expenditure account and balance sheet are approved by a resolution of a committee of the Board, or otherwise by a resolution of the members of TfL meeting as a whole, such approval to take place as soon as reasonably practicable and in any event within six months after the end of the period to which it relates.

Prior to the approval, the Regulations further require that the responsible financial officer (in the case of TfL, the Chief Finance Officer) and date the statement of accounts and certify that it presents fairly the financial position of TfL at the end of the year to which it relates and its income and expenditure for the year.

In addition, the Statement of Accounts must be made available for public inspection for a period of 4 weeks following advertisement of the inspection period. This public inspection period commenced on 14 July 2003 after consideration of the accounts by the Finance Committee. Following the public inspection, the auditors may receive questions or objections to the accounts from local government electors in London. Should any such questions or objections be raised, these will be reported to the Finance Committee at its next meeting in October.
3. KEY FEATURES OF THE ACCOUNTS

Basis of preparation

The principal difference between local authority accounting and that used in company accounts and elsewhere in the public sector is the treatment of capital expenditure. Instead of charging the cost of capital assets to revenue account by way of depreciation over their useful lives, the actual cost of those assets is charged in the year in which the asset is paid for, to the extent that this cost is not funded from other sources such as the proceeds of capital assets sold or contributions from third parties. This applies only to the capital assets of the local authority itself (TfL Corporation) and thus to the business units that comprise it (principally Street Management) and not to TTL or its subsidiary companies. This accounting treatment results in the line "Capital expenditure financed from revenue" below Net operating expenditure in the Revenue Account.

Changes from last year's accounts

There is only one significant change to the presentation of the accounts compared with last year. This arises from the requirement (both in specific regulations and the CIPFA disclosure requirements) to disclose the application of the proceeds from the Congestion Charging Scheme which is set out in Note 24 on page 25 to the Accounts.

Disclosure of Pension fund deficit

The Statement of Accounts is required to comply with the provisions of the accounting standard FRS 17 "Retirement Benefits" which currently requires disclosure of an actuarial valuation of the principal defined benefit pension schemes to which the TfL Group contributes (for this year only one scheme, the LRT Pension Fund) on a basis defined by FRS17. This essentially requires the assets of the funds to be valued at market value at 31 March 2002 and the liabilities to be discounted at the AA rated Corporate bond rate at that date. The surplus or deficit shown by such a valuation is highly volatile due to the variation in the market value in the Fund's assets (principally equities and bonds) from one year to the next.

It should be noted that the disclosure (in Note 5 to the accounts on page 16) relates to the public sector section of the fund, which includes London Transport and London Underground. It is not possible to identify the deficit that relates specifically to TfL Group as constituted at 31 March 2003.

This basis of valuation is, however, different from the basis used by the Fund Actuary in the triennial valuations which determine the level of contributions that TfL Group is required to make to the Fund. The last such valuation was performed as at 31 March 2000 and the next valuation is therefore due at 31 March 2003 with the results available later in 2003. The Fund Actuary has indicated that he expects the deficit revealed by the triennial valuation to be significantly lower than that reflected in the FRS 17 valuation. The rules of the LRT Pension Fund require this deficit to be made good by additional employer contributions over a period not exceeding 10 years. The majority of this obligation will fall on London Underground and provision has been made in their Business Plan to make good a deficit on the valuation based on indicative estimates which have been discussed with the Fund Actuary.
A full report on the initial results of the triennial valuation and its expected impact on the TfL Group will be brought to the October meeting of the Finance Committee.

4. RECOMMENDATIONS

The Committee is asked to APPROVE Statement of Accounts and to agree that the Chief Finance Officer will make any adjustments arising from the ongoing audit work prior to the auditors signing their opinion.
AGENDA ITEM: 5

TRANSPORT FOR LONDON

TfL BOARD

SUBJECT:  2002/03 TfL ANNUAL REPORT – PROPOSED APPROACH FOR PUBLICATION

MEETING DATE:  29 JULY 2003

1. PURPOSE
   The purpose of this paper is to agree the proposed approach to the publication of the 2002/03 TfL Annual Report.

2. BACKGROUND
   TfL is legally bound under section 161 of the GLA Act 1999 to produce a report on its achievements and the performance of its functions during the year. The provisions of section 161 of the act are set out for ease of references at Appendix A.

3. PROPOSED APPROACH

   3.1 The 2002/03 TfL Annual Report will be prepared by the Managing Director Finance and Planning, and published to meet the requirements of paragraph 4 of section 161 of the GLA Act 1999.

   3.2 An outline of the proposed structure of the Annual Report is set out at Appendix B. It is proposed that the Annual Report will demonstrate the improvements being put in place to effect a real transformation in London’s transport system. The report will consist of up to 40-pages. It will have high professional production values, but a limited print run will ensure it remains low cost. A small circulation of hard copies will be produced for distribution to key stakeholders and the principal offices of the Greater London Authority. The document will also be placed on the TfL website to allow for greater audience reach.

   3.3 Approval of the Annual Report is a matter reserved for the TfL Board under Standing Orders. The TfL Board is therefore asked to:
   (a) Consider and agree the proposed outline structure of the Annual Report (Appendix B); and
   (b) Comment, by 29 July 2003, on a full version of the Annual report which will be circulated to Members under separate cover; and
   (c) Delegate to the Managing Director Finance and Planning authority to finalise the Annual Report (in consultation with the chair of TfL) having considered any comments received from Board members.
4. **ALTERNATIVES**

Whilst the production of the report is a statutory requirement, the selected format and approach is a matter for TfL.

As referred to in paragraph 2 above, the GLA Act 1999 (section 161) places a statutory duty upon TfL to produce an Annual Report on the exercise and performance of its functions, including the contribution made towards the achievement of the Mayor’s Transport Strategy. There is a requirement to provide certain financial information, such as grants given to other bodies.

The Mayor’s Office will be asked to advise on whether there is any specific information that the Mayor may wish to include in accordance with paragraph 3 of section 161 of the Act.

5. **IMPACT ON FUNDING**

The estimated cost for producing and printing 1,000 copies of the report is £10,500. Funds are available within the 2003/04 TfL budget.

6. **RECOMMENDATIONS**

The TfL Board is asked to:

(a) **APPROVE** the outline structure of the Annual Report; and

(b) **COMMENT**, by 29 July 2003, on the full version of the Annual Report; and

(c) **DELEGATE** to the Managing Director Finance and Planning, authority to finalise the Annual Report (in consultation with the Chair of TfL) having considered any comments received from Board members.

**Jay Walder**

**Managing Director Finance and Planning**

**APPENDICES:**

Appendix A  GLA Act requirements for the Annual Report

Appendix B  Annual Report – Proposed structure
APPENDIX A

GLA Act 1999 requirement for Annual Report

Section 161

(1) Transport for London shall, as soon as possible after the end of each financial year, make to the Authority a report on the exercise and performance by Transport for London of its functions during the year.

(2) The report shall deal with:
   (a) the contribution made by Transport for London towards the implementation of the transport strategy;
   (b) the activities of any subsidiaries of Transport for London, so far as relevant to the performance of the functions of Transport for London during the year in question;
   (c) any financial assistance given under section 159 above;
   (d) any guarantees given under section 160(1) or (2) above;
   (e) any arrangements entered into under section 160 (4) above; and
   (f) any indemnities given by virtue of section 160 (5) above.

(3) The report made under this section in respect of any financial year shall include such information as the Mayor may from time to time specify in writing with respect to any matter the report is required to deal with by virtue of subsection (1) or (2) above.

(4) Transport for London shall publish any report under this section.

(5) A copy of any report made under this section shall be kept available for the appropriate period by the Mayor for inspection by any person on request free of charge at the principle offices of the Authority at reasonable hours.

(6) A copy of any report made under this section, or any part of any such report, shall be supplied to any person on request during the appropriate period for such reasonable fee as the Mayor may determine.

(7) In this section “the appropriate period’ in the case of a report under this section is the period of six years beginning with the date of publication of the report pursuant to this section.
APPENDIX B

2002/03 ANNUAL REPORT – OUTLINE STRUCTURE
(For discussion)

Theme: TfL’s continued transformation of London’s transport system

Tone: Reassuring, demonstrating that improvements are being put in place to transform London’s transport system

Length: 40 pages

Visual feel: Clean and modern. Photography used to demonstrate all modes and highlight all areas of London. Where possible all photography will be similar in style.

1. Introduction from Mayor (London / GLA perspective)
   - The continued expansion of London’s economy needs to be supported by an integrated transport network, including success of congestion charging launch
   - Work underway includes PPP/LU integration
   - Looking to the future: Crossrail, East London Line, Thames Gateway, West London Tram to increase capacity

2. Commissioner’s review
   - Introduction examining key achievements in delivering Mayor’s Transport Strategy over the past year. Also looking at the key challenges over past year.
   - Highlight progress in delivering on the Mayor’s Transport Strategy e.g. buses, ccs, TPED
   - Looking to the future of TfL. Integration with London Underground and opportunity to set expectations regarding PPP. Highlight activity on range of new transport measures and commitment to working with others to transform transport in London

3. Brief outline of roles and achievements
   - Buses
   - Tramlink
   - DLR
   - London River Services
   - Victoria Coach Station
   - Public Carriage Office
   - Street Management
   - London Rail
   - Dial-a-Ride
   - Museum
   - Initiatives and projects
     - TPED
     - Environment
     - Safety
   - Partners (boroughs, stakeholders)
• Future plans
• Equality and inclusion
• Employees

4. Financial Review
• Overview of TfL’s financial resources (income, expenditure and investment) including details required by the GLA Act 1999 e.g. financial assistance given under section 159

  Appendix 1  Transport for London - the organisation
  Appendix 2  Board members, committees and panels
  Appendix 3  Summary of progress towards the implementation of the Mayor’s Transport Strategy (Priorities A-J)
  Appendix 4  Financial Assistance
  Appendix 5  Guarantees, arrangements and indemnities
  Appendix 6  Operating statistics
  Appendix 7  Performance statistics
  Appendix 8  Employee numbers
  Appendix 9  Statement of accounts
1. PURPOSE

This paper summarises the work and the key conclusions of TfL’s Longer Term Fare Policy Review which has been carried out over the last year. The purpose of the review has been:

- to take stock of existing fare, tickets and market shares in London;
- to develop a set of objectives for TfL fare policy; and finally
- to put forward a coherent set of policies and priorities for TfL fares and ticketing, consistent with the Mayor’s overall transport strategy.

The review has also sought to identify the implications of new technology for TfL fares and ticketing – the potential of the smartcard, in particular. Overall, it is intended that the review will provide the context for TfL’s policy development work and specific fare proposals for the foreseeable future.

2. ISSUES AND CONCERNS

2.1 Overview

A paper to the July 2002 meeting of the TfL Finance Committee described the key issue for the longer term review as how best to develop and take forward TfL’s vision of a simple, unified fares and ticketing structure for all forms of public transport in London. The paper also reviewed the outstanding fare policy issues on the each of the major modes, as summarised below.
2.2 Train services in London

Foremost amongst the issues identified in the paper last July were the differences in fare structure on Tfl services and Train services in London. Railway fare regulation, created at the time of Rail Privatisation, was complex and cumbersome and had failed to promote outcomes consistent with integration.

It was hoped that the forthcoming Strategic Rail Authority (SRA) consultation on fare policy would provide an opportunity to rectify these problems and, perhaps reduce the fare-setting powers of the private Companies. In the meantime, work was be carried out to quantify the costs of “buying” Train Company acceptance of Tfl zonal single and/or Pre Pay fares. It was noted that the SRA was examining the case for a simpler, zone fares system for the TOCs through its ‘South London Metro Study’.

2.3 London Underground

The Policy Review was also to address the scope for simplifying London Underground fares and ticketing, including a reduction in the number of zones. A related key objective was to set the long term directions of Tfl’s smartcard strategy; the scope to develop partnerships with others in the public sector; and to exploit the potential of the smartcard in the longer term.

Pre Pay would simplify ticketing, creating customer benefits and operating cost savings. Pre Pay could also be used to offer variably discounted fares by time of day; day of week; and direction of travel. However, the potential benefits of this kind of development would need to be weighed against the additional complexity.

2.4 London Buses

For London Buses, the key issue remains how far Tfl fare policy can contribute to ticketing strategy and, in particular, support moves towards the cashless bus.

2.5 Penalty Fares

Penalty fares was a final issue. London Buses was moving towards more open systems of boarding (on articulated services, for example), which would place a greater burden on their existing Penalty Fare system. London Underground’s system was being applied much less rigidly. There was a case for a common Penalty Fare for all Tfl services. This would aim to avoid the problems of the past but be robust in deterring fraudulent behaviour.
3. PROGRESS OF THE REVIEW

3.1 Board Member Briefings

Successive stages of the review have been marked by a series of seminars and briefings with Board Members. In December 2002, a seminar was held which took stock of current and recent travel trends; existing ticketing products etc. Following on from that meeting, a paper on Fare Policy Objectives was presented to the TfL Finance Committee in February. Table 1 attached summarises the agreed objectives. A further meeting with Board members took place in April. This focused on policy options – and, in particular, alternative Tube fare proposals. Since then a series of face-to-face briefings on policy options and proposals have been held with individual Board Members during June and July.

The key policy conclusions emerging from the review are set out below.

3.2 Fares on Train Services in London

The SRA has now announced a series of policy changes in the light of its Fare Review. These changes significantly simplify fares regulation – which is welcome. The review ends the link between individual Train Operator performance and each Operator’s permitted increase in regulated fares. This link has had perverse consequences for fares integration and its disappearance is particularly welcome. On the other hand, TfL believes the adoption by the SRA of a regulated fare cap of RPI+1% for the next three years is not justified, given the continuing poor performance of many Operators. TfL will aim to limit increases in Travelcard prices in the London area to inflation overall.

The SRA’s review does not alter the fundamentals of the relationship on fares between TfL, the Train Operators and the SRA. The individual Train Operators remain responsible for all fare policy changes affecting their local franchise areas. The SRA continues to play a background role, providing only the overall framework for policy decisions. The central implication of the SRA’s review for TfL’s ticketing vision is that, if fare integration in London is to move forward, improvements will need to be negotiated incrementally by TfL with the Train Operators – either individually or through their Association.

In line with this, a series of fare integration initiatives are currently being discussed with the Train Operators. These initiatives cover the main areas identified in last year’s paper:

- TfL has put forward detailed proposals for a simplified single-fare ticketing system for Train and Tube-Train travel in London, based on the six zone rings currently used for the Travelcard and LU single fares. The net cost of these changes is currently estimated to be between £15m to £20m pa, if implemented across London.
A pilot of this simplified system of single fares is currently under discussion with South Central Trains for possible implementation during 2004. This would complement the South London Metro proposal and could pave the way to an extension to train single ride ticketing across London in 2005.

In North London, a proposal is under discussion to make Tube fares (including Pre Pay) inter-available on the whole of the North London Line service operated by c2c and, in the longer term, on the branch of Chiltern Railways from Ruislip to Marylebone.

Finally, TfL have made proposals to introduce a range of zone-based Bus-Train tickets that would provide an option for Train customers intermediate between the all-mode Travelcard and a TOC point-to-point ticket. Initial discussions of this proposal have been generally positive.

Overall, TfL considers that it may be possible to implement a number of these initiatives in 2004 or 2005. TfL’s aim remains to move to a pan-London integrated structure but progress appears likely to be only possible on an incremental basis, following commercial negotiations with individual operators.

3.3 Tube fares

TfL has now reviewed with Board Members a number of options for simplifying Tube fares, including options ranging from flat fares to the adoption of a distance-based system. Analysis of these options indicates that the need to maintain revenue overall tends to militate against a move to a very simple structure such as a flat fare. On the other hand, fine graduation tends to lead to significant losses of simplicity. Overall, therefore, the review has broadly endorsed the current system of ring zones, while acknowledging the case for further simplification within this structure.

TfL is currently considering how far these conclusions can be incorporated into its proposals for Tube fare changes for January 2004.

3.4 Smartcard Ticketing

A key role in any Tube fare restructuring package is likely to be played by the Smartcard and Pre Pay, in particular. It is likely that Pre Pay will initially be structured relatively simply, with caps on daily expenditure reflecting One Day ticket prices and 10p or 20p discounts against the single fare. Inter-modal discounts and peak-offpeak differentials appear attractive and will be examined for potential implementation in the longer term.

Smartcards offer the opportunity to deliver peak / offpeak pricing in a particularly flexible way that does not tie the user always to travel at a particular time, or require the timing of travel to be determined in advance. If implemented across the transport network, such a system would enable prices to be set to reflect better the marginal cost of provision. This may be particularly important for the bus network, where the growth in subsidies is recognised to be unsustainable.
A major driver of bus network costs is the quantity of peak bus service required to meet demand. Differential pricing could allow network costs to be controlled without reducing the attractiveness of bus service at other times of the day. Differential pricing may also be capable of easing peak congestion on the Tube while reducing the cost of travel at evenings and weekends. The overall level of fare revenue would be maintained.

The extension of Pre Pay and smartcard ticketing to London Train services is a further area of development which TfL will aim to take forward as part of its dialogue with the Operators.

Significant progress is now being made to develop relationships with the London Boroughs and other card issuers to make the TfL smartcard a multi-functional proposition. An initial partnership arrangement with the London Borough of Newham has been agreed. A dialogue has also begun with Nokia and Phillips with a view to the TfL smartcard logic being incorporated within a mobile-phone SIM-chip.

3.5 London Buses

London Buses Ticketing strategy has become increasingly clear over the last year – with a strong commitment to move as rapidly as possible to fleetwide cashless operation. The availability and acceptance of the smartcard and Pre Pay will be key enablers of this. A first step is to be taken in August this year, with the introduction of a cashless zone covering key parts of central London.

London Buses is currently working to identify the steps that will be needed to achieve fleetwide cashless operation by 2005/2006. Key measures are likely to include the continued strengthening of the off-bus sales network and a wider differential between cash fares and off-bus tickets in Outer London in order to boost off-bus ticket take-up.

Underpinning the desire to move rapidly to cashless operation is the current strong growth in bus demand which is placing the bus service under increasing pressure. Taking cash off the bus offers the prospect of an attractive, fast-boarding style of operation plus the scope for significant improvements in efficiency and operational effectiveness.

Diagram 1 illustrates the trend in bus demand over the last ten years and shows projected growth in the future. In part, this growth in bus use reflects the freeze and selective reductions in fares since 2001. As a result, the level of bus fares in London has fallen substantially in real terms, reversing the growth that took place during the 1980’s and much of the 1990’s – see Diagram 2.

Taken with the increase in unit costs and the on-going expansion of the bus service, the result has been a fall in the rate of cost-recovery by London Buses. This fall is projected to continue even though the level of bus fares is now projected to match the rate of inflation - see Diagram 3.
3.6 Penalty Fares

A strong case for a consistent, TfL-wide Penalty Fare is now emerging. This would mean “levelling up” the current low Penalty Fares on buses and DLR. The case for this seems strong given the move towards more open boarding by London Buses – which is gathering momentum – and the very low level of the Bus and DLR penalty fares relative to those elsewhere in the UK and the Continent. It is anticipated that a specific proposal will be submitted to the meeting of the TfL Board in October.

4. CONCLUSION

The Board is asked to note the conclusions of the Policy Review and the various on-going work streams, the further outcomes of which will be reported to the Board in due course.
## Table 1: Fare Policy Objectives and Constraints

<table>
<thead>
<tr>
<th>Transport Objectives for Fare Policy</th>
<th>Financial Constraints on Fare Policy</th>
<th>Social Considerations for Fare Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. To maximise public transport use</td>
<td>1. To deliver target levels of fares revenue</td>
<td>1. To maintain fares at target levels relative to the general level of earnings</td>
</tr>
<tr>
<td>➢ aimed at promoting the use of public transport; reducing the use of car; and improving traffic congestion, emissions and the environment</td>
<td>➢ To help fund services and investment;</td>
<td>➢ aimed at ensuring that fares are affordable</td>
</tr>
<tr>
<td>2. To make best use of public transport capacity</td>
<td>➢ To ensure that external funding needs meet budget constraints; and</td>
<td>2. To provide targeted fare concessions</td>
</tr>
<tr>
<td>➢ aimed at managing peak demand where capacity is fixed and encouraging use where capacity is under used</td>
<td>➢ To charge users the agreed, target share of the cost of services</td>
<td></td>
</tr>
<tr>
<td>3. To ensure each mode is used effectively</td>
<td></td>
<td></td>
</tr>
<tr>
<td>➢ aimed at ensuring that demand is guided to the mode able to serve it most cost effectively</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. To improve transport integration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>➢ aimed at ensuring that public transport offers a seamless service for users</td>
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<td></td>
</tr>
</tbody>
</table>

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Item 6 - Fare Policy Review Stage 2 (July 2003)  22/07/03  15:52
Diagram 3: Cost-recovery rate Projections for Bus and Tube from TfL Business Plan

### Sources
- Bus: Business Plan Page 42 (ratio of network income and network costs)
- Tube: Business Plan Page 86 (ratio of income to income plus funding)
AGENDA ITEM: 8
TRANSPORT FOR LONDON
TfL BOARD

SUBJECT: LONDON BUSES STRATEGIC REVIEW
MEETING DATE: 29th July 2003

1. PURPOSE

The purpose of this paper is to put before the Board the final conclusions of the London Buses Strategic Review and to indicate how these conclusions will be used to inform the 2004/05 Business Planning Round and the TfL submission to the Government’s Spending Review 2004.

2. BACKGROUND

2.1 The TfL Board at its meeting held on 19th November 2002 in approving the draft 2003/04 Business Plan (Minute: 75/02. 75.1 – Buses) received a report which stated that:

Work is starting in the following areas:

- TfL will continue to explore ways to save operating costs through improved journey times and reliability, to offset the effects of continual growth in traffic congestion. Options include more effective bus priorities and enforcement and ticketing/boarding strategies which are discussed below;
- London Buses will undertake a comprehensive review of the entire bus network and the process of specifying and contracting for bus services; and
- TfL will develop a long-term strategy for funding the bus network, including a longer-term fares strategy and the development of a value-for-money case supporting subsidy levels for the bus network.

2.2 The fundamental objective of the London Buses Strategic Review was to identify the long term strategy for funding the bus network having considered what sort of bus network London needs and what this is required to deliver.

2.3 The review was broken down into seven work packages. They were as follows:

- Social and economic impact report on the value of the bus network
- Comparable cities study on the role of the London bus network compared to similar cities globally and elsewhere in the UK
- Stakeholder impact assessment reviewing all relevant parties
- Strategic business model enabling scenario testing of different fare, service and subsidy level options
- Review of the Bus Contracting Regime 2000 report and action plan
- London Buses service planning guidelines and network structure review
- Operating Efficiency review including bus priority and cashless operation

2.4 A project management structure was put in place to enable delivery of all elements of the project to meet deadlines. A steering mechanism lead by Peter Hendy, representing Buses, TfL Finance & Planning and the GLA had oversight of all outputs with the following representation:
2.5 A joint consultancy team lead by National Economic Research Associates (Nera) in conjunction with MVA was appointed following a competitive interviewing process. They supported delivery of specialist work packages alongside TfL representatives.

3. CONCLUSIONS

The Review highlights the important role that buses play in supporting the economic and social development of London and provides clarity around the benefit of the bus, particularly in terms of social inclusion (see attached summary slides).

Looking to the future, in regard to the proposed population and employment growth envisaged by the London Plan, this is seen as a significant challenge. There are serious capacity constraints on the London Underground and National Rail networks. In summary, if London is going to transport the increased population expectations with the current modes available, the primary means of increasing capacity in the short term (5-7 years) is the bus.

4. NEXT STEPS

The conclusions of the Strategic Review will be used to form part of the case to Government for the Spending Review 2004. The high level strategic model, which allows scenario modeling of service levels, costs, fares and subsidy, will be used in the production of the 2004/05 Business Plan and in formulating the Spending Review 2004 submission.

A summary document of the Strategic Review’s findings will be published for circulation to key stakeholders in late summer.

There is further research being undertaken to support the findings of the review. A major component is to look at whether it is possible to produce a single overall value of the bus to London providing further support for the Spending Review 2004 submission. This work is being carried out in conjunction with Bridget Rosewell, the Mayor’s Chief Economic Advisor.

5. RECOMMENDATIONS

The Transport for London Board is requested to NOTE this report and the outcomes of the London Buses Strategic Review.

For detailed enquiries on the content of this report, please contact:
Name: Peter Hendy – Managing Director Surface Transport
Telephone: (0207) 918-3816
LONDON’S BUSES PROVIDE SOCIAL AND ECONOMIC BENEFITS TO THE CITY

• Buses and Other Modes: Congestion Relief and Complementarity with Other Modes:
  – Buses make a contribution to reducing road congestion
    • A quarter of bus users have a car available for their bus journey
  – Expansion of bus services into the central area has made a significant contribution to the successful introduction of congestion charging by:
  – Buses act as a complement to other public transport modes to give London an integrated transport system

• Buses and Social Inclusion:
  – Buses in London make a significant contribution to the reduction in social exclusion
  – Buses serve areas of high deprivation, and the take-up of travel in these areas is higher than across London as a whole
LONDON’S BUSES PROVIDE SOCIAL AND ECONOMIC BENEFITS TO THE CITY (cont…)

Travel to work by bus:
• Those workers who use the bus as their main mode tend to be from lower income occupations
• 25% of bus commuters in Inner London are in “elementary occupations” compared with 10% of London workers
• Failure to provide affordable transport would have knock on effects for London’s economy

Buses and retail activity:
• Research on access to inner area and suburban shopping centres show that buses are an important means of accessing these centres
• Bus is second biggest mode after walking
• Bus users spent an average of £24 per shopping visit, suggesting a total annual spend of over £3.5billion a year
THE VALUE OF THE BUS

• London’s bus network creates considerable value for money, by contributing to:
  – The overall transport network in London through:
    • catering for journeys that are entirely by bus
    • feeding into the Underground and National Rail networks
  – Reducing social exclusion
  – The health of the London economy, especially the vitality and viability of town centres

• It is not currently possible to put a single value on the overall benefit of the bus to London. However, LBSL is exploring with the GLA a methodology to develop a quantified value based on work carried out in developing the CrossRail business case
OUR STAKEHOLDERS DEMAND HIGH LEVELS OF SERVICE

To reaffirm our understanding of stakeholders expectations a review has been completed for the following groups:

• Mayor
• Greater London Assembly
• London Transport Users Committee
• Central Government
• London Boroughs and County Councils
• Bus Operators,
• Employees, trade unions and business organisations (e.g. London First)

Overall Conclusions:
• Stakeholders expectations are high: they want more from London Buses
• Very little negative comment
• If forced to choose due to financial pressures, the preference is for continued improvements in service provision rather than lower fares
• Requirement for “reasonable fares and adequate funding”
• Strong case for lobbying for greater central government funding
WE PROVIDE A SERVICE COMPARABLE TO OTHER CITIES BOTH INTERNATIONAL AND DOMESTIC

A study to compare and contrast the role of the London bus network with similar global cities (New York, Singapore, Hong Kong, Berlin and Paris) and selected UK cities (Manchester and Birmingham) has been undertaken

• 4 specific elements were reviewed:
  – Bus operating cost per passenger - London is at the lower end of the spectrum compared to other publicly funded services in Paris, Berlin and New York; however, costs are rising
  – Fare revenue per passenger - only Singapore, Paris and Berlin have lower fares revenue per passenger
  – Cost recovery ratio - London has a higher ratio than other publicly funded services in New York, Paris and Berlin; however, this is falling
  – Approach to managing change - London has the most rigorous procedures and requirements for managing change

• As a result of this work it is intended to set up a benchmarking club
OUR SERVICE PLANNING GUIDELINES ARE APPLIED WITHIN A RIGOROUS FRAMEWORK

• Service design is based on:
  – Option appraisal via the TfL standard cost/benefit appraisal applied at network level to incremental changes:
    • provides a way of working towards redistribution of resources across the network so that marginal rates of return are maximised
    • enables decisions to be made in a consistent way across the range of capital and revenue projects
    • enables schemes to be prioritised according to funding availability; current benefit:cost ratio pass mark used for the bus network is 2:1

• Option development seeks a network which has:
  – **Frequent** service (5 buses/hour = turn up and go)
  – **Reliable** operation
  – **Comprehensive** coverage (ideal is for all significant residential areas to be within 400 metres of bus services - only 4% of population outside this criteria)
  – **Simple** presentation

In each year over 50% of the network has some element of review. In the case of service reductions, it targets the most marginal service elements first, that is the least worthwhile times of day or locations
WE PROVIDE SERVICES THROUGH A CONTRACTING REGIME

• Between late 2000 and early 2001 the contracting regime under which London Buses secures bus services was fundamentally reviewed. Due to the Strategic Review, it was determined that further analysis was required to:
  – Review where LBSL are today in relation to delivering the Action Plan (list of 32 actions identified by Steer Davies and Gleave from 2000/01 study)
  – Determine whether the bus market in London, its cost structure and the nature and method of contracting is still appropriate and what the current position is
• Conclusions:
  – Large amount of progress made in 2 years
    • Operators - are generally positive about partnership arrangements, no alternative market structure was identified, cost forecasting processes are robust, rates of return appear to be in line with expectations
    • Bus driver wages fell in real terms by around 7-10% between 1986-98. Relative to average London earnings, bus driver earnings fell by a third between 1986-98. Recent improvements have started to address this
  – Step change in the quality of the bus service experienced by passengers
  – 50% of network is now run under an incentivised contract
The purpose of the operating efficiencies studies was to determine if there were any other significant opportunities to save operating costs through improved journey times and reliability, offsetting the growth in traffic congestion.

It drew upon work on the cashless bus and the intensified bus priority pilot projects and included a review of other initiatives that could potentially contribute to savings.

Review outcomes:
- Intensified Bus Priority and Cashless Bus confirmed as the only strategies likely to generate significant gains.
- A range of other factors raised by this study are generally already included in programmes where realistic and appropriate.
WHAT ARE THE OPTIONS FOR FUNDING THE LONDON BUS SERVICE IN THE FUTURE?

• We have developed a strategic model which allows us to review the interactions between
  – fares policy
  – operating costs, efficiencies and quality
  – service volumes
  – subsidy level
• And this high level modelling is informing the choices for the Budget and Business Plan and the SR 2004 submission
CONCLUSIONS

- Review has provided clarity around the benefit of the bus, particularly in social inclusion terms
- Has shown the value of the current subsidy expenditure
- London Plan figures represent a challenge
  - To meet the forecasted population and employment growth in Greater London, it will be necessary to increase bus services as is planned
  - If London is going to transport the increased population expectations with the current modes available, the primary means of increasing capacity in the short term (5-7 years) is the bus
  - Thames Gateway infrastructure investment recognised widely: Yet the bus service gross costs are currently not separately identified, but they are material (at least £20 m/pa)
- Stakeholders all want more: if forced, they prefer extra services to lower fares
- Bus system not expensive relative to other world cities
- Service planning guidelines are robust
- Costs are not excessive (nor operator profits)
- Efficiencies are being pursued
- Intensified Bus Priority will give savings, provided enforcement is sustained
- There are alternative choices for services levels, fares and subsidy, but none are easy
AGENDA ITEM: 9

TRANSPORT FOR LONDON

TfL BOARD

SUBJECT: IMPLEMENTATION OF TFL INTEGRATION PLAN

MEETING DATE: 29 July 2003

1. Introduction

1.1 The Integration Plan is designed to bring together services from London Underground Limited ("LUL") and other parts of the TfL Group.

2. Internal Transfer Scheme

2.1 As part of the Integration Plan some staff as well as some property, rights and liabilities of LUL and LBSL will be transferred into other parts of the TfL Group by means of an internal transfer scheme. (This is separate from the transfer scheme which transferred LUL to TfL on 15 July 2003.)

2.2 The internal transfer scheme ("Transfer Scheme") is the statutory mechanism which will give full legal effect to the reorganisation of staff, assets and contracts of each business unit.

2.3 The Transfer Scheme is only required where business units are moving from one legal entity to another (e.g. from LUL to TfL) and not within the same legal entity (e.g. from Street Management to Corporate Services, both part of TfL proper).

2.4 Because a transfer scheme is a statutory mechanism, it can be imposed upon third parties (e.g. other parties to business contracts) without their consent and without triggering any of their rights to compensation. It is therefore quicker and more efficient in terms of time and cost than other potential methods of achieving the same end.

3. Transfers to be effected

3.1 The business units which are to be transferred provide those services which are currently a part of London Underground and London Buses which the Integration Plan identified as being most efficiently delivered centrally. A summary of the business units, currently being moved and the number of staff affected by these moves is set out at Appendix 1. Discussions are underway about a small number of additional business units that may be added.
3.2 The staff who are to transfer under the Transfer Scheme (and their trade union representatives) are being consulted and kept informed throughout the process, in compliance with TfL’s legal obligations and internal policies towards the treatment of employees of the TfL Group. Their terms and conditions of service will be preserved unchanged by the transfer.

4. Approvals Process

Under the GLA Act TfL’s transfer schemes must be submitted to the Mayor for approval. Under TfL’s Standing Order 2 such submission to the Mayor is subject to the approval of the TfL Board.

5. Documents

5.1 The Transfer Scheme takes the form of a document which will state that certain business units are being transferred from one legal entity to another and will specify:

   (a) Each of the business units being transferred by reference to the functions they perform and their cost centres;

   (b) The employees within those business units whose employment will be transferring; and

   (c) The assets associated with those business units and which are being transferred, divided into:

       • A list of the general types of property, rights and liabilities transferring (e.g. contracts, stock, plant and machinery).

       • Detailed lists of specific items being transferred.

No assets (including contracts) of significant value have yet been identified to date as transferring, except that some office premises may be transferred with the business units operating from them (this remains to be finally determined).

5.2 This follows well-established general principles for preparing transfer schemes which ensure a clear audit trail for the future and which have been previously used in the establishment of TfL and also in the preparation of transfer schemes across the public sector in general.
6. **Recommendation**

The TfL Board is asked to:

(a) note the current proposals for internal reorganisation; and

(b) authorise the Commissioner (or in his absence, the Managing Director, Finance and Planning) to make the Transfer Scheme and to enter into any related documents necessary to give effect to the Transfer Scheme and to submit the Transfer Scheme to the Mayor for his approval.
### Appendix 1 (subject to change)

#### Summary of Transfers

<table>
<thead>
<tr>
<th>Business Unit Name</th>
<th>Origin</th>
<th>Destination</th>
<th>No of staff*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. LUL Internal Audit</td>
<td>LUL Finance</td>
<td>TfL General Counsel</td>
<td>22</td>
</tr>
<tr>
<td>2. LUL Risk Management</td>
<td>LUL Finance</td>
<td>TfL Finance</td>
<td>3</td>
</tr>
<tr>
<td>3. LUL Facilities – all but Telecoms Group</td>
<td>LUL Finance</td>
<td>TTL (reporting to TfL Corporate Services)</td>
<td>53</td>
</tr>
<tr>
<td>4. LT Property</td>
<td>LUL Finance</td>
<td>TTL (reporting to TfL Corporate Services)</td>
<td>89</td>
</tr>
<tr>
<td>5. LUL Information Management – Security Management</td>
<td>LUL Finance</td>
<td>TfL Corporate Services</td>
<td>10</td>
</tr>
<tr>
<td>6. LUL Procurement – Supplier Registration</td>
<td>LUL Contracts</td>
<td>TfL Corporate Services</td>
<td>9</td>
</tr>
<tr>
<td>7. LUL Legal – General Legal Services</td>
<td>LUL Legal</td>
<td>TfL General Counsel</td>
<td>55</td>
</tr>
<tr>
<td>8. LU HR – Reward, Resourcing and learning and Development Teams</td>
<td>LUL HR</td>
<td>TfL Corporate Services</td>
<td>259</td>
</tr>
<tr>
<td>9. LBSL – Resourcing and Admin</td>
<td>LBSL HR</td>
<td>TfL Corporate Services</td>
<td>4</td>
</tr>
<tr>
<td>10. LUL Communications – Intranet / Internet Web Team</td>
<td>LUL Communications</td>
<td>TfL Group Communications</td>
<td>2</td>
</tr>
<tr>
<td>11. LUL Communications – Public Affairs</td>
<td>LUL Communications</td>
<td>TfL Group Communications</td>
<td>tbc</td>
</tr>
</tbody>
</table>
1. PURPOSE

The purpose of this report is to agree the future organisational arrangements for the Safety, Health and Environment Committee (SHEC).

2. BACKGROUND

SHEC was first formed in late 2000 with a remit agreed by this Board in early 2001. As a result of organisational change (including the recent transfer of London Underground) and internal reviews of the management and oversight of health, safety and environment, it has been decided to revisit the terms of reference of SHEC and the style of reporting to this Board.

With the imminent arrival of a newly appointed Group Director of Safety, Health and Environment, it is planned to agree new terms of reference, alongside the processes for management and review of these matters within the executive organisation, during August and September. These will be brought to the Board for approval at its next meeting on 29 October, along with the first new-style report from SHEC which will be meeting in early October.

In the meanwhile of course, the attention of Board Members would be drawn to any major or urgent safety matters were they to arise during this time.

3. RECOMMENDATIONS

The TfL Board is asked to -

(a) agree the above course of action;
(b) note that the new terms of reference of SHEC and the processes for management and review of these matters will be submitted to the TfL Board on 29 October 2003.

David Quarmby
TfL Board Member
1. PURPOSE

The purpose of this paper is to seek approval for the appointment of a Shareholder Representative in respect of matters relating to LRT Pension Fund Trustee Company Limited (“LRTPF”).

2. BACKGROUND

2.1 On 15 July 2003 the shares in LRTPF transferred from LRT to TfL. Certain matters relating to the management and control of LRTPF can only be done by a resolution of TfL as the shareholder of the company. For this purpose it is necessary to appoint someone to act as the representative of LRTPF (the “Shareholder Representative”) in respect of matters which relate to LRTPF.

3. ALTERNATIVES

The alternative is for the TfL Board itself to approve all shareholder resolutions of LRTPF. However, this would impose an unnecessary burden on the Board and would be inconsistent with the arrangements in place for TfL’s other subsidiaries.

4. IMPACT ON FUNDING

There is no impact on funding.

5. RECOMMENDATION

The TfL Board is recommended to appoint the Director of Pensions (and in her absence the Director of Corporate Finance) as Shareholder Representative of LRTPF with authority to vote at Annual General Meetings and Extraordinary General Meetings and to sign any documents on behalf of TfL in its capacity as shareholder of LRTPF with immediate effect.
TRANSPORT FOR LONDON

TfL BOARD

SUBJECT: CHAIR’S ACTION : SIGNING AND SEALING OF DOCUMENTS

MEETING DATE: 29 JULY 2003

1. BACKGROUND

1.1 Jacqui Gregory was appointed Director of Corporate Governance and Deputy Company Secretary in April 2003.

SEALING

1.2 Paragraph 65 of TfL Standing Order No. 1 provides that the application of the seal shall be authenticated by the signature of any member or officer of TfL who has been authorised for that purpose. The Secretary, Assistant Secretary, the Commissioner and other Chief Officers have been authorised for that purpose. A Chairman’s Action was sought for the Deputy Company Secretary to be added to the list of authorised signatories to execute documents under seal.

SIGNING OF DOCUMENTS

1.3 Paragraph 67 of TfL Standing Order No. 1 provides that the Commissioner, Chief Officers, Secretary, Assistant Secretary and any Officer, authorised under any other Standing Order, are authorised to sign contracts on behalf of TfL. Chairman’s Action was sought for the Deputy Company Secretary to be also added to the list of persons authorised to sign contracts on behalf of TfL.

2. REASON FOR URGENCY

2.1 Paragraph 14 of TfL Standing Order No. 1 provides that the making and amending of TfL Standing Orders is a matter reserved to the TfL Board and paragraph 16 provides that in cases of urgency, the Chair may discharge any function of TfL on its behalf.

2.2 As the next meeting of the TfL Board was not scheduled to take place until 29 July 2003, there was a number of documents which needed to be executed before that date and so as not to overburden Chief Officers with signings and sealings, approval under Chairman’s Action was sought for an amendments to be made to TfL’s Standing Orders so that the Deputy Company Secretary could be added to the list of authorised signatories.
3. RECOMMENDATIONS

3.1 The Board is asked to note the approval given by Chairman's Action for an amendments made to TfL 's Standing Orders, to include the Deputy Company Secretary in the list of persons authorised to execute under seal and to sign contracts on behalf of TfL.