

TRANSPORT FOR LONDON

AGENDA

BOARD MEETING

**TO BE HELD IN ROOM AG16
ROMNEY HOUSE, MARSHAM STREET, LONDON SW1P 3PY
ON TUESDAY 3rd OCTOBER 2000, STARTING AT 10 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. Please note that members of the press should use the Tufton Street Entrance.

The meeting will be preceded by a short presentation given by the London Transport Users Committee (LTUC)

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| 1. Apologies for absence | Oral Item |
| 2. Minutes of the previous meeting | |
| 3. Matters arising | Oral Item |
| 4. Reports | |
| 4.1 August Performance Report and Review of Financial Outlook | Paper by TfL |
| 4.2 Progress Report on Best Value | Paper by TfL |
| 5. Hungerford Bridge update | Oral Item |
| 6. Congestion charging | Oral Item |
| 7. East Thames Buses | Paper by TfL |
| 8. Acceptance of one day travelcards on night buses | Paper by TfL |
| 9. TfL's role in the fuel crisis | Paper by TfL |
| 10. Any Other Business | |
| Appointment of TfL representative on the ALG Transport and Environment Committee | Paper by TfL |

TRANSPORT FOR LONDON

BOARD PAPER

SUBJECT: MONTHLY PERFORMANCE REPORT – AUGUST
AND REVIEW OF FINANCIAL OUTLOOK FOR
THE YEAR TO 31 MARCH 2001

MEETING DATE: 3 OCTOBER 2000

1. MONTHLY PERFORMANCE REPORT – AUGUST

1.1 On 5 October a workshop is being held for Board Members to discuss how TfL's Performance Indicator Regime can be improved, and in particular to seek to reach a consensus on:

- the key top level indicators that are presented to the Board on a regular basis throughout the year, and
- an agreed set of more detailed performance indicators to be reviewed throughout the year by each of the Business Boards.

In addition, it is proposed to use the workshop to discuss TfL's Customer Satisfaction Surveys in more depth to try to ensure that are in line with good practice.

1.2 In the meantime, pending the outcome of the workshop and the establishment of any new indicators, the general format and content of the Performance Report has been retained broadly in line with the information reported for July. However, performance data is now available for the month of August and this is summarised in the attached Executive Summary. In addition, a copy the full Performance Report for August has been circulated to Board members.

2. REVIEW OF FINANCIAL OUTLOOK FOR THE YEAR TO 31 MARCH 2001

2.1 In line with the timescale reported to the Board on 27 July, a review has now been undertaken of the likely financial position at the end of the 2000/01 financial year.

2.2 In terms of the risks and opportunities, the table below outlines the position following the review that was undertaken based on information available for the end of August, but was not sufficiently certain to include in the forecast:

Risks and Opportunities against the August forecast

	£m
Net shortfall from predecessor bodies – Street Management	(25)
Higher costs of DLR new cars and making them compliant with the Disability Discrimination Act	(2)
Probable additional New Years Eve costs in London Buses	(5)
Probable cost savings in TfL Centre and Group Transport Services	<u>2</u>
Overall net risk	<u>(30)</u>

- 2.3 The majority of the net risk of £30m relates to the shortfall identified by Street Management when preparing its first full budget and then comparing this with the accumulated budgets put forward by the predecessor bodies. A further attempt is being made to secure funding to correct this shortfall. However, in the event that additional funding is not forthcoming, projects can be delayed to ensure that expenditure slips into future years. The remainder of the risk should be manageable within the context of TfL's overall budget and no specific remedial action is recommended at this stage.

3. RECOMMENDATIONS

The TfL board is asked to:

- NOTE TfL's current performance as set out in the Board Performance Report for August.

and

- NOTE the results of the review of the financial outlook to 31 March 2001.

Anthony Mayer
(Transitional) Chief Executive

EXECUTIVE SUMMARY

This report is the TfL Board monthly performance report for August 2000, summarising the key issues arising out of the month on :-

- Service delivery
- Organisational health, and
- Financial performance

It is expected that the format and content of this report will be the subject of further development over the coming months to ensure that it meets the needs of the new organisation. We would therefore welcome any feedback or comments on any aspect of the report, and this should be addressed to Richard Meads on 020 7941 4132 or Leslie Gilbert on 020 7918 3774, or by e-mail to 'lesliegilbert@tfl.gov.uk'.

Service Delivery Performance Indicators

TfL is developing a Performance Framework that cascades the vision and the key strategies of the organisation through a hierarchy of performance indicators. The draft conceptual framework features three levels of performance indicator :-

- Integrated Transport Strategy and Total Network Performance Indicators – these measure performance at London / TfL-Wide level for the network as a whole
- Modal Service Delivery Performance Indicators – these measure the key aspects of mode level performance
- Best Value Indicators – these indicators relate to the corporate health and any other best value indicators set for TfL

Below these are the local performance indicators, which are used at a detailed level within business units to drive or monitor specific actions.

The Integrated Transport and Total Network Performance measures are still in the process of development. They will be informed by the work that is currently underway in preparing the Mayor's Transport Strategy, which will be subject to public consultation during 2000/01.

During October, the TfL Board will be holding a workshop to consider the objectives behind the performance framework and the indicators to be included in it. On an interim basis, the report will contain performance on modal measures only.

The existing modal measures for customer and business performance included in the TfL performance framework have been categorised under the headings of :-

- * User Satisfaction,
- * Volume of Demand,
- * Reliability of Service,
- * Safety and
- * Cost & Efficiency

and business units have been evaluated against these criteria.

Monthly Performance Indicators

There are no changes to the monthly performance framework in August.

London's buses operated 30.5m kilometres during August (including the effects of traffic congestion), 1% less than expected in the budget, and this represented 95.4% of the schedule, a slight fall from the 95.5% of schedule run in July. Staff shortages remain the key problem facing the bus network, with an estimated 2.6% of kilometres lost through the impact of staff shortages, and a further 1.3% from the effects of road congestion.

Improved bus performance was recorded on Night buses departing on time (70.6% compared with 70.2% in July), excess waiting time across the network fell to 1.8 minutes from 2 minutes, and the percentage of buses departing on time, which increased to 72.4% from 69.9% last time.

August saw the highest recorded level of reliability provided on DLR, with the 98% adherence to schedule exceeding target by more than 2.5%. Passenger journeys continued to run at around 3m per month in August, while the number of delays over 20 minutes rose from 5 to 7, although 4 of these incidents were due to factors outside the railway's control.

Other indicators recording improved performance in August include coach departures from VCS of 18,500, an increase of 2,300 compared with July, and visitors to the Museum at 43,500 were 18% higher than for the same period last year, mainly due to the very successful Thomas exhibition and school holidays.

In addition, heavy use of the Woolwich Ferry in August saw average passenger journeys per week increase by 9% to 60,940, assisted by the ferry being in service 95% of its planned hours, and the percentage of bus lanes with camera enforcement increased by 2% to 51%, and is in line to achieve the target of 60% by March 2001.

Disappointing performance continues to be recorded on River Services where passenger journeys to and from the Dome have not materialised at planned levels. The 188,000 journeys recorded in August are some 20% lower than budget, however the percentage of departures operated remains high at 99.6%.

Usage of Croydon Tramlink also remains substantially below budget, carrying 1m passenger journeys in August, 1m lower than budget due to the slower than expected build-up of services over the network. As with River Services however, the Tramlink's concessionaire continues to perform at a higher level than target with 98.9% of the schedule run in August.

Quarterly Performance Indicators

The quarterly performance framework has been updated in August to include a customer satisfaction rating for overall service performance on buses. In August, the indicators continue to report performance for the first quarter of the year.

Customer satisfaction on DLR services improved to 88% compared with 64% recorded for the last quarter of 1999/00, while the first survey of passenger perception on Croydon Tramlink services recorded 91% satisfaction. Higher customer satisfaction was also achieved at the Victoria Coach Station (75% vs 72%) and in the ease of reaching the Telephone Information Call Centre (79% vs 76%).

The areas with performance falling in the first quarter of this year include passenger satisfaction with service reliability, and smoothness of journey on bus services, along with the overall perception of bus services, which fell from 64% in the 4th quarter of last year to 62%.

Corporate Health Indicators

There are no changes to the corporate health indicators reported this month, however it should be noted that while the results cover all existing TfL staff in August, they continue to exclude London Underground staff remaining with London Transport.

During August, working days lost due to illness increased to 0.77 days from the 0.67 recorded in July, with the main increase occurring within London Buses and Street Management. For TfL as a whole, the level of working days lost represented an attendance rate of 96.3% with the management of sickness absence continuing to be a high priority in all divisions.

Early retirements totalled 2 in August, the same as the level recorded in July, while there were 6 voluntary leavers (representing 0.2% of the workforce) down from 11 last month. The percentage of women filling senior management posts, and the percentage of staff with recognised disabilities remained broadly unchanged in August at 14.1% and 0.29% respectively.

The percentage of the workforce classified as a member of an ethnic minority group fell to 19.5% however, with the majority of change in London Buses which now has 31% of staff matching the ethnic group classifications. TfL is committed to achieving a diverse workforce and is setting in place initiatives to attract and retain staff with diverse backgrounds through the advertising of vacancies in Voice and Disability Now as well as the more routine media, in addition to building links with local communities and charities.

The percentage of invoices paid on time in August increased to 79%, a significant increase on the 75% recorded in July, but still below the benchmark average performance of English Local Authorities which was targeted at 95%.

Financial Performance

For the five months of the year to August, TfL's net revenue expenditure has totalled £82m, some £7m less than expected in the budget. The major components of the underspend include a £4m improvement in the margin on bus operations, which combines higher ticket revenues (£2m) with lower contract payments mainly through deductions for lost mileage (£2m), and delays in staff recruitment and programme costs within the central directorates of TfL.

The August forecast suggests that TfL's net revenue expenditure will total £234m for the year as a whole, an improvement of £2m compared with budget, but unchanged from July's forecast. The full year favourable variance combines the improved margins on bus contracts (£4m) partially offset by smaller unfavourable variances at East Thames buses and in other services. The forecast also includes a transfer of £5m held under the Interim Transport Plans budget for road maintenance from TfL Centre to Street Management.

TfL's cumulative capital expenditure of £67m is £14m less than budget with the underspend in Street Management's programme increasing to £11m due in part to the lack of information available at the time the phasing of the budget was prepared. The main areas affected include Bridge renewal, land purchases and traffic management & safety systems. However, these variances have been partially offset by the bringing forward into the first part of the year of routine road maintenance and renewal of £8m.

Over optimism in the budget phasing has also led to underspends occurring within DLR's capital programme, in the expansion of travel information systems, and in IT projects at TfL Centre.

The August forecast suggests capital expenditure will total £218m for the year as a whole, £4m higher than the full year budget, and it is expected that slippage occurring in the first part of the year in Street Management will be recovered by year-end. In addition, savings forecast in London Buses net costs have allowed higher expenditure on bus shelter and Countdown projects, and DLR is now planning to accelerate spending on new rail cars by roundly £1m in the year.

For the Street Management programme, the Director of Street Management has forecast total revenue and capital expenditure of £242.2m, which exceeds the forecast figures shown in this report by £24.7m. The Chief Executive has written to GOL regarding this shortfall, which represents underfunding in the current budget. Much of TfL Street Management's expenditure is planned to be incurred later in the year, and in the event that additional funding is not forthcoming projects can be delayed to ensure that expenditure slips into future years.

**Transport for London
Performance on Key Modal Measures
For August 2000**

	User Satisfaction		Volume of Demand		Reliability of Service		Safety		Cost and Efficiency
	August	Trend	August	Trend	August	Trend	August	Trend	August
London Buses	62%		109m	↑	95.4%		15		16.7p / km
Docklands Light Rail	88%	↑	3.0m		98.0%	↑			£1.9m
Street Management			112		98.5%	↑	11.0k	↑	£11.4m
Victoria Coach Station	75%	↑	18.5k	↑					£226k
Croydon Tramlink	91%		1.0m	↓	99.0%	↓			
London River Services			188k	↓	100%	↑			79.3p / trip
Dial-a-Ride			100.4k	↑					£10.63/trip
Public Carriage Office			20.6k						£24k
Museum	80%		43.5k	↑					£101k
Woolwich Ferry			60.9k	↑	95.0%	↑			
Group Transport Services	92%		368k	↓	84.0%	↓			£79k
TfL Centre									£1.0m
Underground	79%	↑	73.9m	↓	93.1%		11	↑	

Key :

	Adverse to budget / target by more than 5%
	Favourable to budget / target by more than 5%
	On or within 5% of budget / target
	Not applicable
	Trend shown compares August with last month / quarter
*	Data not available in August

See following pages for explanations of the measures

<u>EXECUTIVE SUMMARY – LEGEND</u>	July 2000	August 2000	Budget / Target
London Buses			
Satisfaction – overall satisfaction rating (%)	64‡	62	*
Demand – passenger journeys (m)	107	109	106
Reliability – bus km’s operated (incl effect of congestion -%)	95.5	95.4	95.6
Safety – major passenger injuries (per million miles)	16‡	15	N/A
Cost – subsidy per bus km (pence)	12.86	16.7	18.3
Docklands Light Rail			
Satisfaction – service performance (%)	64.2‡	88.4	83.5
Demand – passenger journeys (m)	3.06	2.99	3.04
Reliability – service reliability (%)	96.3	98.0	95.0
Cost – subsidy on franchise & Lewisham contracts (£m)	1.2	1.9	1.3
Street Management			
Demand – index of traffic levels on GRN roads (morning peak)	113§	112	*
Reliability – traffic signals working (%)	95.0‡	98.5	95.5
Safety – rolling 12 month total number of injuries (000’s)	10.7	11.0	N/A
Cost – net cost of services (£m)	11.2	11.4	6.7
Victoria Coach Station			
Satisfaction – with service provided (%)	72.0‡	75.0	72.0
Demand – coach departures (000’s)	16.2	18.5	14.8
Cost – operating margin (£’000)	209	226	212
Croydon Tramlink			
Satisfaction – with service provided (%)	N/A‡	91.0	*
Demand – passenger journeys (000’s)	1,100	1,000	2,240
Reliability – tram km operated (%)	99.1	99.0	98.0
London River Services			
Demand – passenger journeys (000’s)	193	188	250
Reliability – journeys operated (%)	99.6	100.0	99.5
Cost – operating costs per passenger journey (pence)	74.0	79.3	64.4
Dial – a – Ride			
Demand – number of trips (000’s)	99.8	100.4	103.4
Cost – operating cost per trip (£)	10.09	10.63	10.07
Public Carriage Office			
Demand – number of Taxis licensed (000’s)	20.6	20.6	19.7
Cost – net cost of services (£000’s)	39	24	187
Museum			
Satisfaction – visitor satisfaction (%)	80.0‡	80.0	*
Demand – total number of visitors (000’s)	23.5	43.5	36
Cost – operating loss (‘000)	132	101	131
Woolwich Ferry			
Demand – average passenger journeys per week (000’s)	55.7	60.9	*
Reliability – hours of service compared with planned hours (%)	92.0	95.0	*

* Data not available in August

‡ 4th quarter 1999/00 data

§ 1st quarter 2000/01 data

<u>EXECUTIVE SUMMARY – LEGEND (cont)</u>	July 2000	August 2000	Budget / Target
Group Transport Services			
Satisfaction – helpfulness of TICC operator (%)	92.0‡	92.0	92.0
Demand – total calls (000's)	378	368	*
Reliability – TICC calls answered compared to total calls (%)	87.0	84.0	90.0
Costs – net costs (£000's)	626	79	1,157
TfL Centre			
Costs – net costs (£000's)	1,796	1,005	2,600

* Data not available in August ‡ 4th quarter 1999/00 data

	Period 4 2000/01	Period 5 2000/01	Budget / Target
London Underground			
Satisfaction – customer satisfaction with overall service (%)	78.0‡	79.0	79.0
Demand – passenger journeys (000's)	77.3	73.9	71.6
Reliability – train kilometres operated (%)	93.1	93.1	95.6
Safety – major passenger injuries (per million miles operated)	9	11	N/A

* Data not available in August ‡ 4th quarter 1999/00 data

TRANSPORT FOR LONDON

BOARD PAPER

SUBJECT : PROGRESS REPORT ON BEST VALUE

MEETING DATE : 3rd October 2000

1. INTRODUCTION

- 1.1 Under the Local Government Act 1999, a duty to deliver 'Best Value' has been placed on TfL.
- 1.2 The duty of Best Value is part of Government's vision of delivering improved public services and ensuring that those services meet the needs of the community. The Local Government Act 1999 is very prescriptive in terms of what Best Value will involve, and the process of monitoring and external audit that will be undertaken. It requires Best Value authorities to 'make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness'. The duty replaces Compulsory Competitive Tendering (so far as local authorities are concerned) but is wider as it applies to all activities of the authority and is about the quality and effectiveness of services as well as economy and efficiency.
- 1.3 This paper sets out what Best Value means for TfL and how it is planned to meet the requirements of Best Value.

2. WHAT BEST VALUE MEANS FOR TfL

- 2.1 There are three main aspects to Best Value as far as TfL is concerned:

- **Objectives and Performance Indicators**

Establish TfL wide objectives and a framework of performance indicators.

- **Best Value Review**

Agree and conduct a programme of Best Value Reviews (BVRs) such that over a 4-year period all of TfL's activities will have been reviewed.

- **Best Value Performance Plan**

Prepare and publish an annual Best Value Performance Plan setting out future performance targets, current performance and results of the BVRs.

Objectives and Performance Indicators

- 2.2 Performance Indicators will play an important role for TfL, since they will measure both the effectiveness of implementation of the Transport Strategy, and the improvements that are being delivered by the individual modes or service delivery functions of TfL. The Board is already discussing the most appropriate set of Performance Indicators to meet its requirements.
- 2.3 For Best Value, a TfL Performance Indicators Framework will be necessary covering both top level TfL performance indicators and mode or service specific performance indicators. At top level it will measure how well the overall transport network and transport strategy is working. For example, this may include overall user and non-user satisfaction levels, and overall door to door journey times. At mode or service specific level it would cover the key elements of service delivery. For example, this might include user satisfaction, volume and reliability or service and efficiency.
- 2.4 The framework will be informed by the Performance Indicator workshop to which TfL Board members have been invited. It will also need to reflect the fact that Government are currently consulting on a national set of standard Best Value Performance Indicators (BVPs) to be used by all BV authorities. These core Corporate Health and Service Delivery indicators will also allow nation-wide comparisons between Best Value authorities, resulting in a league table of those authorities, which provide best value to their stakeholders and customers. A list of the 23 indicators, which the Government specifically considers relate to TfL, is currently part of a consultation exercise. As part of this exercise, we are currently considering whether BVPs on Contract Payment (BVP 8), Street Lighting (BVP 95) and Road Safety (BVP 99) are applicable, as these have been excluded from those currently recommended for TfL.

Best Value Reviews

- 2.5 TfL is required to draw up a programme of fundamental performance reviews to cover all its services and activities over a 4-year period. The priority in dealing with the reviews will reflect, inter alia, the likely importance of the service to the Mayor's Transport Strategy, the Public and the Boroughs. Poorly performing services should be reviewed early in the cycle. The programme will be built around a mix of service specific and cross cutting reviews and be published by 31st March 2001 as part of TfL's Best Value Performance Plan.
- 2.6 The 4-year cycle of reviews will be an integral part of the TfL Business Planning process. The purpose of such reviews is to ensure that continuous improvement is made in the way TfL's functions are exercised having regard to a combination of economy, efficiency effectiveness and quality.
- 2.7 The reviews must be undertaken in accordance with the 4 Cs that have been prescribed by Government (challenge, comparison, consult, competition). This will ensure that each of the reviews includes a challenge function to question existing ways of doing things (and whether we need to be doing them) and involves consultation with users and stakeholders. Comparison through Benchmarking will also be an important part of each review.

Best Value Performance Plan

2.8 TfL is required to publish its first Best Value Performance Plan no later than 31 March 2001. TfL's external auditors are required to prepare a report on the Plan by 30 June 2001.

2.9 DETR Circular 10/99 goes into substantial detail about what the Plan must contain:

- **A summary of the authority's objectives in respect of its functions**

These will derive from the authority's overall vision and strategy.

- **A summary of current performance**

This will include the Best Value performance indicators including those identified by the Audit Commission or required by Government.

- **A comparison with performance in previous financial years**

Includes use of indicators from previous years and a comparison with equivalent information from other Best Value authorities.

- **A summary of the authority's approach to efficiency improvement**

The plan should set out how the authority have assessed the scope for improvements to efficiency, both in individual services and in the way the authorities manages itself and its assets.

- **A statement describing the Review Programme**

The review programme will need to be explained and justified, together with commencement and completion dates and the resources devoted to them.

- **The key results of completed reviews**

This should include the results of consultation, the alternatives considered, an explanation of the agreed outcome and a plan of action to achieve the new targets.

- **The Performance targets set for future years**

Most targets will be rolled forward each year and any variations will need to be justified. New targets derived from reviews, and any implications for other service targets should be highlighted.

- **A plan of action**

All action plans should include measurable milestones against which progress can be measured. Targets which involve a substantial departure from previous targets or performance should be explained.

- **A consultation statement**

Details will need to be given on the forms and types of consultation carried out, the numbers and types of groups, bodies and individuals consulted and an analysis of the results.

- **Financial information**

Simple summaries of the budgeted income and expenditure and financial performance should be included.

3. IMPLEMENTING BEST VALUE IN TfL

- 3.1 The duty of Best Value applies to TfL as a whole, hence it will need to develop and co-ordinate a programme of activity across the Group (including its subsidiaries) that delivers Best Value. The Performance and Finance Directorate has taken the lead role in managing the Best Value process in TfL. Best Value requirements are being built into the business processes within TfL so that they are an integral part of the way we work. In this way both the performance improvements and efficiency benefits from Best Value will be built into TfL's services, budgets and future plans.
- 3.2 A Best Value Steering Group, chaired by the Chief Executive, has been established to monitor the implementation of Best Value in TfL. It acts as a focal point in TfL for all policy matters on Best Value and has taken the lead in directing the preparation of the Best Value Performance Plan, and also monitoring the programme of Best Value Reviews. In addition, it will monitor and review performance against Corporate objectives and direct preparation of a consultation and communications strategy for Best Value.
- 3.3 To assist the Steering Group, a Working Group has been established consisting of Best Value 'Champions' nominated by each major business unit/central support units. The Working Group, chaired by the Business Planning and Performance Manager, deals with the detailed issues involved in implementing Best Value across TfL.
- 3.4 In order to ensure that best value activity is co-ordinated across GLA, a Best Value Network Group has been formed involving GLA and each of the functional bodies. This may result in some GLA-wide cross-cutting reviews being established (for example on equality and disability issues, and personal security).
- 3.5 The overall programme of work that is underway within TfL includes:
- Work on Performance Indicators based on a three-level hierarchy of performance
 - Initial preparation work on the production of the Best Value Performance Plan
 - Developing an external communications strategy linked with the GLA process
 - Establishing BV links with the GLA Network
 - Organisation of a Best Value seminar
 - Starting work on 4 Best Value Pilot Reviews
 - Developing a Best Value Review framework which is being tested through the pilot exercise.
- 3.6 The 4 Pilot Reviews currently being undertaken are:
- i. **Service Integration (cross-cutting)**

The Review will focus on a mix of up to three good and poor locations from the point of view of Integration to see what were the outputs delivered to customers and how well they met needs. The locations selected will include examples involving all modes of public transport (including National Rail and taxis); they will allow issues of pedestrian, cycle and vehicle access to be reviewed. The scope of the review will include the physical layout of the interchange, service levels, facilities – e.g. covered seating and CCTV etc, information and signage. The aim is to learn lessons to help improve our processes for the future.

ii. **Customer Services (cross-cutting)**

The review will focus on the handling of customer comments, suggestions and complaints (including complaints made by MPs, London Assembly members etc on behalf of customers) across the whole of TfL's services. The aim is to identify potential areas where an improved or more consistent level of service can be provided in this area.

iii. **Traffic Signs Maintenance**

The review will consider the provision of maintenance of signing on those streets for which TfL is responsible to ensure that best practices are applied consistently across the organisation to enable the delivery of the service to be measured as Best Value.

iv. **Street Lighting Maintenance**

The review will consider the maintenance of street lighting provided on those streets for which TfL is responsible to ensure that best practices are applied consistently across the organisation to enable the delivery of the service to be measured as Best Value.

3.7 The results of these Reviews, which are programmed for reporting by the end of December, will be included in the first TfL Best Value Performance Plan.

4. ROLE OF BOARD MEMBERS

4.1 As Best Value is an integral part of the way TfL will deliver improvements in the provision of its services, Board Members will no doubt wish to become involved in some of the Best Value processes.

4.2 The Board will be presented with drafts of the Best Value Performance Plan and the 4-Year Programme of Reviews at an early stage so that their views can shape the nature of the Plan and the timing of specific service reviews. Some members may wish to become part of the pilot review advisory teams so as to enhance the "challenge" process.

4.3 In other local authorities, councillors have become involved to varying degrees. Some have overseen the whole process or set up specific scrutiny committees, while others have become involved in specific aspects such as individual reviews, information dissemination and local consultation. Board Members may wish to discuss on how they wish to develop their role in the Best Value process.

5. CONCLUSION

5.1 The Local Government Act 1999 requires TfL to demonstrate that it is providing services which offer “Best Value” to Londoners. TfL will have to show that its services are continuously improving. To satisfy these new statutory requirements, TfL must set targets of performance and show how these have been met, and review all its services over a four-year period.

5.2 TfL is required to publish its first Best Value Performance Plan by 31 March 2001 which must include, inter alia, a summary of its objectives in respect of all its functions, its approach to efficiency improvement, its review programme and a plan of action to indicate how TfL will proceed in the coming year.

6. RECOMMENDATIONS

6.1 The Board is asked to:

- Note the requirements of Best Value for TfL and the progress being made in meeting these.
- Consider how it wishes to develop its own role in relation to the Best Value process.

Anthony Mayer
(Transitional) Chief Executive

TRANSPORT FOR LONDON

BOARD PAPER

SUBJECT: LONDON BUSES LIMITED (TRADING AS EAST THAMES BUSES)

MEETING DATE: 3RD OCTOBER 2000

1. INTRODUCTION

On 15 December 1999 an Administrator was appointed to Harris Bus Company Limited (HBCL). Substantial operating losses were revealed. HBCL was responsible for running 7 routes from 2 bases – Ash Grove in Hackney and Belvedere in South East London under contract with London Transport (LT). Enquiries were made by the Administrator within the bus market to see if an alternative bus operator could step in and take over the operation of the 7 bus routes operated by HBCL. Although a number of potential operators were initially interested none of them was prepared to operate the routes on the terms available. Following unsuccessful discussions with the Administrator, it was decided that London Buses Limited (LBL) (which was at this time a dormant subsidiary of LT) should take over operation of these routes for the unexpired term of the HBCL contracts with LT.

2. BACKGROUND

- 2.1 London Buses Limited (LBL) trading as “East Thames Buses” took over the running of the 7 routes from HBCL on 25 March 2000. Currently, Dick Hallé, the Acting Managing Director of London Bus Services Limited (LBSL) is the Chair of London Buses Limited and Mike Heath, the Director of Operations and Services of LBSL, is its Managing Director.
- 2.2 Prior to HBCL being called into administration their performance of the above routes was very poor. It had been hoped that bringing the operation of the above routes within the direct operational control of LT (and now TfL), LBL would provide a quality bus service in London. However the service has been plagued with problems (both prior to and after LBL taking over operation).
- 2.3 Last month, a consultant was commissioned to undertake a business review of LBL and this was discussed at the Management Board meeting on 21st September.
- 2.4 Three options for East Thames Buses were identified:
- (1) LBSL could put out the existing routes for tender or negotiated contract.
 - (2) LBSL could continue to operate the routes on the same basis as now until expiry of the contracts in 2003;

- (3) LBSL could reorganise the structure of LBL so that LBL as an operator is independent of LBSL, its regulator.

3.

RECOMMENDATION

The balance of argument points to option 3 of the Report. The importance of establishing a management structure independent of LBSL is clear.

The Management Board agreed the following actions on 21st September 2000:

- (1) the appointment of a temporary Managing Director for LBL (for 3 to 6 months);
- (2) changing membership of LBL (including an engineering and a finance appointment) to create an independent Board; and
- (3) a review of performance and future options of all the issues in three months time for the Management Board to consider.

The necessary actions will be carried out by Transport Trading Limited as Majority Shareholder of LBL.

Anthony Mayer
Transitional) Chief Executive

19 September 2000

AGENDA ITEM 8
TRANSPORT FOR LONDON
BOARD PAPER

SUBJECT: ACCEPTANCE OF ONE DAY TICKETS ON NIGHT BUSES

MEETING DATE:

3 OCTOBER 2000

1. INTRODUCTION AND SUMMARY

Earlier papers on fares to the TfL Board have referred to the intention to bring forward a series of cost-effective, relatively modest bus fares initiatives consistent with TfL's overall aims of promoting transport integration and simplifying the fares structure.

As an initial measure, it is proposed to make One Day tickets (One Day Bus Passes, Travelcards and LT Cards) valid on Night Bus Services (until 4.30 AM on the following day).

It is intended that this change will be implemented from November 19, subject to satisfactory arrangements with operators, staff etc.

2. RATIONALE

With the Underground and many National Rail services ceasing to operate from shortly after mid-night, it is felt that accepting One Day tickets on Night Buses should significantly improve the overall attractiveness of London's public transport during the evenings and early hours of the morning.

Although Night Bus cash takings are likely to decline, sales of One Day tickets are likely to increase – benefiting all operators. Overall, it is estimated that the net loss of revenue should be less than £1m p.a. Market research indicates that many Night Bus passengers have already purchased One Day tickets and find the current arrangements confusing and hard to justify.

3. OPERATIONAL ISSUES

One Day tickets were originally withdrawn on Night Buses because of passengers "passing-back" tickets for use by others waiting to board. However, on balance, operators are now supportive of the proposed initiative, given the likely reductions in cash handling, and the scope for reducing confrontations with passengers and for improving boarding times.

Particularly in central and inner London, the bus network is gradually moving towards 24 hour operation. Already the night and day bus networks can overlap and run in parallel. Different ticket availabilities sit uneasily with this gradual integration of services.

4. CONSULTATION AND IMPLEMENTATION

The Association of Train Operating Companies is aware of the proposal and have indicated they have no objections given proper notification.

The proposal and its financial assessment have also been discussed with London Underground. TfL's assessment is that the financial impact on the Underground will be broadly neutral.

Bus operators and staff will be formally notified of the proposal; and advertising and publicity to support the change put in place.

5. RECOMMENDATION

The TfL Board is invited to review and **endorse** the proposed extension of One day Tickets to Night Buses.

Richard Smith
Director of Integration

TRANSPORT FOR LONDON

REPORT TO THE BOARD MEMBERS

SUBJECT: Fuel Crisis: TfL's role

1. The issue

It became apparent on the morning of Tuesday 12th September that London's fuel supplies were seriously affected by the dispute at oil refineries. Bus operations in particular were threatened; without deliveries large parts of London would be without service the next day (Wednesday 13th September) and most of the network would be unable to operate by the weekend.

2. Action taken

TfL, working closely with the GLA, took the following action:

- A Fuel Emergency Committee was established under the chairmanship of Anthony Mayer. It met at least twice daily and comprised representatives from the modes (including the Underground) as well as staff from the Mayor's office.
- An urgent meeting with the Mayor to agree tactics was held on the afternoon of the 12th September. A letter was sent to Helen Liddell, the responsible DTI minister, emphasising the seriousness of the position and saying that we wanted to work with Government to ensure that fuel got to where it was needed.
- Seven bus garages needed supplies to function on Wednesday. Direct contact was made with the oil companies on Tuesday 12th September at a senior level to ensure that they were aware of TfL's priorities and that they were making their best efforts to ensure deliveries.
- Contact was also made with the police for regular reports on the situation at the blockaded refineries.
- As a result of this, deliveries were made in time to five of the seven priority bus locations. Two (Dagenham and Brentford) were unable to function on the morning of Wednesday the 13th. The TfL team negotiated shifting supplies to Dagenham and the oil companies delivered to both locations later in the day enabling services to resume.
- Contacts were made, both from the TfL Emergency Committee and through the Public Carriage Office throughout the crisis to monitor the effect of fuel shortage on taxi services in general, and on the bigger operators and radio circuit operators. Staff taxi services are essential to early and late shift working on the Underground and special arrangements were agreed with the radio circuit taxi operator to secure these. Representations were made to Government to secure priority status for taxis. TfL and LUL letters of authority were presented to key radio based taxis to secure fuel for LUL suppliers.
- TfL monitored supplies to key contractors servicing traffic lights and emergency work on the GLA road network. Arrangements were made for traffic signal contractors, who do not have their own resources, to draw fuel from TfL maintenance contractor supplies.

- On Thursday 14th and Friday 15th the information to the oil companies on where priority deliveries were needed continued. This ensured virtually a 100% service (although there were problems with the weather on Friday). Similarly, over the weekend the oil companies delivered to the locations indicated by TfL and ensured that services were virtually unaffected by fuel shortages. There were however route diversions and curtailments particularly on Saturday 16th September due to petrol queues in 25 locations affecting over 30 bus routes. Taxi services progressively deteriorated, but the impact upon London Underground's staff taxis was minimised significantly by the support of Computer Cabs (the contractor) in underwriting the staff taxi cab drivers working from the meter charge for each journey rather than on the lower contracted rates.

3. Publicity

- The TfL press office issued regular Bulletins highlighting TfL's actions and the current bus service details (up to 5 a day) to the media, other interested parties and to Board Members. These were accepted as authoritative by the media and indeed were commended by Dick Murray of the Evening Standard and the BBC.
- By the weekend, sufficient supplies of fuel were to place to restore effectively a 100% service. Late on Friday the Government agreed that all black cabs taxis in London were to be treated as priority users (prior to this TfL had issued 600 priority user authority letters to radio circuit taxi operators to assist them in obtaining fuel supplies).
- Dave Wetzel Vice Chair of TfL and Anthony Mayer interim Chief Executive both did interviews on the position as it unfolded.

4. Next Steps

TfL has been asked by Government to feed in its comments on the emergency procedures that Government put in place. We're also reviewing our own procedures (involving oil companies and operators) to streamline them and to ensure that the necessary arrangements are made if there is a repeat of the blockade or any other prolonged interruptions of fuel supplies.

Detailed contingency planning for such eventualities has now started across all TfL/LUL modes.

Author of paper Liz Meek

Position Director Communications & Public Affairs

TRANSPORT FOR LONDON

BOARD PAPER

SUBJECT: APPOINTMENT OF TFL REPRESENTATIVE ON THE ALG
TRANSPORT AND ENVIRONMENT COMMITTEE

MEETING DATE: 3rd OCTOBER 2000

6. BACKGROUND

6.1 The ALG Transport and Environment Committee is a joint committee of all London local authorities established under section 101(5) of the Local Government Act to consider pan London issues such as parking enforcement and the London lorry ban. The Greater London Authority Act 1999 required the Committee to be reformed to include Transport for London and this took effect on 4 September 2000.

1.2 TfL will therefore need to appoint a representative on the Committee and we recommend that Paul Moore, the Chair of the Street Management board, fulfil the role on behalf of TfL.

1.3 The Management Board **agreed** on 21st September that Paul Moore, the Chair of the Street Management board, be appointed representative of TfL on the ALG Transport and Environment Committee.

2. RECOMMENDATIONS

The Board is asked to note the appointment of Paul Moore as TfL representative on the ALG Transport and Environment Committee.

Michael Swiggs
Director, Corporate Services

25th September 2000