TRANSPORT FOR LONDON

AGENDA

BOARD MEETING

TO BE HELD IN ROOM AG16
ROMNEY HOUSE, MARSHAM STREET, LONDON SW1P 3PY
ON TUESDAY 13th MARCH 2001, STARTING AT 10.00 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.

1. Apologies for absence

2. Minutes of the previous Board meeting held on 23rd January 2001

3. Matters arising

4. Reports
   4.1 Commissioner’s Report
   4.2 Development of Performance Indicators and monthly Performance Reports (January 2001)
   4.3 Best Value Performance Plan
   4.4 Health, Safety and Environment Policy Advisory Group

5. Revisions to decision-making framework

6. 2001/02 Budget

7. Fares
   7.1 Bus fares Proposals for May
   7.2 Targeted Fares Initiatives

8. Response to the Mayor’s Draft Strategies
   8.1 Transport Strategy
   8.2 Economic Development Strategy
   8.3 Air Quality
   8.4 Biodiversity

9. Taxi issues
   9.1 Taxi fares in 2001
   9.2 Private Hire Consultative Document

10. Future of East Thames Buses

11. Procedural items
    11.1 Chair’s Actions for endorsement

12. Any Other Business
Transport for London

Minutes of a meeting of the Board
held on Tuesday 23rd January 2001, starting at 10.00 a.m.
in Room AG16, Romney House, Marsham Street, London SW1P 3PY

Present:

<table>
<thead>
<tr>
<th>Board Members:</th>
<th>Present:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ken Livingstone (Chair)</td>
<td>Susan Kramer</td>
</tr>
<tr>
<td>Dave Wetzel (Vice-Chair)</td>
<td>Robert Lane</td>
</tr>
<tr>
<td>David Begg</td>
<td>Joyce Mamode</td>
</tr>
<tr>
<td>Stephen Glaister</td>
<td>Paul Moore</td>
</tr>
<tr>
<td>Kirsten Hearn</td>
<td>Steven Norris</td>
</tr>
<tr>
<td>Mike Hodgkinson</td>
<td>David Quarmby</td>
</tr>
<tr>
<td>Oli Jackson</td>
<td>Tony West</td>
</tr>
</tbody>
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Special Advisors

<table>
<thead>
<tr>
<th>in attendance:</th>
<th>Special Advisors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bryan Heiser</td>
<td></td>
</tr>
<tr>
<td>Lynn Sloman</td>
<td></td>
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</tbody>
</table>

Others

<table>
<thead>
<tr>
<th>in attendance:</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Betty Morgan</td>
<td>Robert Kiley</td>
</tr>
<tr>
<td>Maureen Nolan</td>
<td></td>
</tr>
<tr>
<td>Michael Swiggs</td>
<td></td>
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Apologies for absence:

<table>
<thead>
<tr>
<th>Apologies for absence:</th>
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<tbody>
<tr>
<td>Jimmy Knapp</td>
</tr>
<tr>
<td>Nicky Gavron</td>
</tr>
</tbody>
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01/01 WELCOME TO THE COMMISSIONER

The Commissioner was welcomed to his first Board meeting by the Chair. Bob Kiley said that he was pleased now to be in post full time, and reflected on the following key issues facing T/L:

- The outcome of discussions on London Underground was still uncertain, but it was hoped that by the next Board meeting on 13 March, a constructive solution should have been identified;
- The Transport Strategy had recently been published and was receiving wide circulation. Priorities needed to be determined over the next few months to progress the Strategy;
- It was hoped that the remaining senior appointments at T/L would be finalised within the next four to six week;
- T/L presented a unique opportunity to deal with a wide breadth of transport issues; and
He looked forward to meeting all Board Members in the near future and working with the Board.

Susan Kramer extended a warm welcome to the Commissioner on behalf of the Board Members and considered that his appointment presaged an exciting future.

In addition, although she was a proponent of an alternative plan to the PPP, she wished to put on record that she wished to disassociate herself from any strike action in support of the PPP. The Chair reassured Board Members that they were not being asked to approve strike action and that his objective was to negotiate a satisfactory conclusion to the PPP discussions.

02/01 MINUTES OF THE PREVIOUS MEETING

It was noted that current legislation did not prohibit minicab drivers from carrying guidedogs, but it was hoped that, in future, there should be the expectation that minicab drivers will carry passenger’s guidedogs (Minute 55/00). It was further noted that this topic was due to be discussed at the next meeting of the Public Carriage board on 1st February 2001.

Subject to this, the minutes of the previous Board meeting held on 5th December were agreed as a true record.

03/01 MATTERS ARISING

There were no matters arising.

04/01 REPORTS

04.1/00 Development of Performance Indicators and monthly performance reports – November

A paper outlining the progress made to date in reviewing and developing performance indicators was considered. It was noted that Board Members had been sent the November Performance Report under separate cover on publication and that the December Performance Report was due to be issued shortly.

The latest drafts of revised London Underground performance indicators and those for bus services were also considered. Board Members were asked to consider whether they wished to receive the same information provided to the Rail Services board, or a summarised form of this information.
The following points were noted during discussion:

- Social inclusion: A request was made that mystery shopper surveys should, where possible, include users with disabilities.

- It was agreed that the current level of information should be presented to the TfL Board until Board Members had had an opportunity to consider whether they wished to see less information in the Reports. Board Members were requested to comment on this aspect of the information when they had had an opportunity to consider the options. In addition, an exception report was requested to identify key trends.

- The suggestion was made that a timetable should be developed for the business plan and targets, around which the Performance Indicators could be reshaped.

**London Underground**

It was noted that excess weighted journey times had increased and that peak time train services had been reduced due to lack of staff. Susan Kramer stated that she was aware that there were historical problems associated with particular lines and that there was a shortage of staff in key roles within LUL. It was noted that no representatives from London Underground identified themselves in order to provide background information.

It was noted that a series of transition meetings between the Commissioner and LUL had commenced, with the aim of identifying significant issues and maintaining continuity when the transition occurred. It was anticipated that these meetings would take place every two weeks and the Commissioner would provide reports on these meetings to the Board. Board Members were asked to contact the Commissioner if they wished to discuss issues relating to LUL.

**London Buses**

It was agreed that an analysis of staff shortages and how this is to be addressed within the bus companies should be obtained from London Buses, on a regular basis.

**Docklands Light Railway**

It was agreed that an analysis of the usage of DLR’s Lewisham Extension should be provided to Board Members.

**Statistical breakdown of the workforce**

In answer to a question on the strategies in place within TfL to enable women to reach positions of higher management, the Chair
stated that he expected to see rapid progress in this area since one of the performance criteria for the Commissioner was to advance TfL to an improved profile as an equal opportunities employer.

It was noted that equality data on staff employed indirectly and on staff with disabilities should be available at the start of the next financial year. It was agreed that footnotes or explanations should be provided for the next set of data on the breakdown of the workforce.

It was noted that new bus contracts entered into should incorporate equal opportunity clauses.

It was noted that in accordance with best practice, the monitoring of the workforce was carried out on a voluntary basis and that the policies for monitoring should be made clear and explicit to the staff to allay any anxiety about the monitoring process. The Chair said he would consult Angela Mason, the Mayor’s Adviser on gay and lesbian issues, to prepare an advisory note to be circulated to Board Members.

04.2/01 Progress report on Best Value

A paper updating progress made on Best Value and the arrangements in place to implement Best Value in TfL was considered.

It was noted that “Best Value” was a requirement of the Local Government Act 1999 and secondary legislation made thereunder.

It was further noted that a panel of Board Members had been proposed to build on the existing Board Member involvement in the Pilot Best Value Reviews already undertaken.

The Commissioner stated that he believed that best value needed to be strongly linked to the management of the business and embedded in the business planning process. It must be used as a management tool. He would be concerned if the exercises became disconnected from reality. It was important to concentrate on service delivery on the ground.

It was agreed that Board Members interested in assisting in the Best Value programme should contact the Commissioner, with an indication of particular expertise or preferred area of involvement.
A paper on the proposed Safety, Health and Environment Policy Advisory Group (SHE-PAG) was considered. It was noted that the proposed Group would have two main responsibilities:

- to advise the TfL Board on safety, health and environment matters; and
- to exercise scrutiny on behalf of the TfL Board that all the component parts of TfL are ensuring adequate health and safety for employees.

The Group would aim to take an holistic approach across all modes of transport and safety concerns of vulnerable groups such as women and young people should be included within its remit.

It was agreed that Stuart Nattrass and Professor Richard Booth should be appointed as independent advisers to the Group.

It was agreed that the Terms of Reference should include scrutiny of the way TfL provides for subcontractors.

It was noted that the Group did not have a formal responsibility for safety policy on the national railways.

It was further noted that the Group would not have direct responsibility for matters of line management such as education or training. The role of the Group would be to scrutinise, encourage, suggest and challenge line management. The Chair of the Group would draw matters of concern to the attention of line management and the Commissioner, before reporting back to the Board.

The formation of the Group, the membership and the Terms of Reference were agreed. It was agreed that the name of the proposed Group should be changed to Health, Safety and Environment Policy Advisory Group.

It was noted that the Transport Strategy had been launched on 11 January and had been distributed widely. It was noted that the Board would need to agree a response at the 13 March Board meeting and an informal meeting of Board Members was proposed to be held in late February to discuss comments from Board Members.
In answer to a question on the availability of the Transport Strategy, it was noted that every household in London would receive a leaflet on the Transport Strategy, including a telephone number to contact to obtain a copy of the “highlights document”, and that the highlights document was available in a range of formats, including braille and other languages.

06/01 BOROUGH LIAISON

A paper recommending a number of options for liaison between T/L and the Boroughs, and the draft Memorandum of Understanding was considered.

The draft Memorandum of Understanding was reviewed and it was noted that this would require further consideration. Final decisions on arrangements for liaison with the boroughs would be deferred to a later date.

07/01 PENSION FUND ISSUES

A paper providing further details on the proposed new structure of the LRT Pension Fund (LRTPF) and T/L’s role as principal employer was considered.

It was agreed that a recent letter from DETR regarding the scope for contractors’ staff to be given entry to the scheme would be circulated.

The Board agreed:

1. to enter into a new Deed of Participation in the LRTPF which will come into effect from the date of the re-structuring of the LRTPF (currently planned for 1 April 2001) so as to enable it to participate fully in the new non-associated structure;

2. to give the Commissioner of Transport for London, authority to agree the terms of the new Deed of Participation on behalf of T/L;

3. to assume the role of Principal Employer of the LRTPF in succession to LRT by the time of the transfer of the remainder of LRT’s undertaking to T/L;

4. to note that from the date of implementation of the new structure that T/L should be fully consulted in all LRTPF decisions which will impact on T/L and its subsidiaries;

5. to authorise the Commissioner to nominate T/L’s representative on the Employer’s Group.
08/01 **PROCEDURAL ITEMS**

08.1/01 **Chair’s Actions for endorsement**

The following Chair’s actions, which had been taken since 5th December 2000, were **endorsed**: 

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
<th>Taken By</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 December</td>
<td>Grant of new rights of way to London Electricity Sub-station at the Public Carriage Office, 15 Penton Street, London N1</td>
<td>D. Wetzel</td>
</tr>
<tr>
<td>7 December</td>
<td>Deed of Variation of rights of way at 15 Penton Street, London N1</td>
<td>D. Wetzel</td>
</tr>
<tr>
<td>19 December</td>
<td>Approval of lease of 18th Floor of Windsor House.</td>
<td>D. Wetzel</td>
</tr>
<tr>
<td>21 December</td>
<td>Lease of kiosk at Canada Water Bus Station</td>
<td>D. Wetzel</td>
</tr>
<tr>
<td>22 December</td>
<td>Advance payment of compulsory purchase compensation payable to London and Continental Railways.</td>
<td>D. Wetzel</td>
</tr>
</tbody>
</table>

08.2/01 **Appointments of Robert Kiley and Peter Hendy as Directors of Transport Trading Ltd.**

A paper recommending the appointments of Robert Kiley, Commissioner of Transport for London, and Peter Hendy, Managing Director of London Bus Services Limited, as directors of Transport Trading Limited (TTL) was considered.

It was **agreed** that Robert Kiley and Peter Hendy be appointed as directors of TTL with effect from 23 January 2001 by means of a notice in writing from T/L, the majority shareholder of TTL.

It was **noted** that Richard Hallé had resigned as a director of TTL with effect from 23 January 2001.

09/01 **ANY OTHER BUSINESS**

09.1/01 **T/L Corporate structure**

It was **noted** that the Commissioner was developing a revised corporate structure for T/L. Kirsten Hearn requested confirmation
of when this might be completed and also asked the Commissioner for an assurance that Board Members are provided with information in a timely manner for proper consideration and to consider how the Board can function in an optimal manner.

The Commissioner replied that he was in the process of setting up meetings with individual Board Members to discuss methods of working together. One possibility under consideration involved a standard format for authorising documents required for decision making. The Commissioner was confident that changes would be implemented by the end of March 2001.

09.2/01  PPP
Board Members asked to be informed of any significant changes that might occur before the next Board meeting on the PPP. The Chair stated that he hoped there could be a more rapid resolution of the problems than had been previously anticipated, but he advised that in all probability the first information anyone would receive would be an early press statement.

There being no further business, the meeting closed at 12 noon.
TRANSPORT FOR LONDON

SUBJECT: DEVELOPMENT OF PERFORMANCE INDICATORS AND MONTHLY PERFORMANCE REPORT – JANUARY 2001

MEETING DATE: 13 MARCH 2001

1. DEVELOPMENT OF PERFORMANCE INDICATORS

1.1 This paper provides details of further progress made to date in reviewing performance indicators for TfL services, and for London Underground.

1.2 Attached to this paper are the proposed revised performance measures for London’s buses (Appendix 1) which reflect the discussions with the Board Review Group. We propose to continue these discussions with the Surface Services Advisory Panel.

1.3 A meeting to discuss Street Management indicators was held on 2 March 2001 with Board Members and Advisors. As a result of this, a paper with selected indicators for reporting on monthly/quarterly and annual bases will be prepared reflecting operating performance as well as monitoring against policy objectives.

1.4 London Underground indicators in the Monthly Performance Report have been changed to include many of the amendments previously agreed. London Underground have stated that further changes will be presented as they are incorporated into reporting processes over the forthcoming months.

1.5 In addition, proposals have now been developed to bring the Performance Indicators for the DLR as closely as possible into line with the measures now being reported for the Underground. When these have been considered by the Rail Advisory Panel, suitable changes will be made to the information reported in the Board Performance Report.

2. MONTHLY PERFORMANCE REPORT – JANUARY

2.1 A copy of the Performance Report for January has been circulated separately to Board Members. The Executive Summary is attached as Appendix 2 to this document. In addition to the changes in the London Underground indicators, the report now includes a commentary from each Managing Director at the start of the section for each of the main modal performance measures. The content of each commentary will be developed further for future reports.

2.2 The Performance Report, and the associated Group Management Accounts, have been reviewed in more detail at the Finance and Corporate Services Board.
3. RECOMMENDATIONS

3.1 The Board is asked to:

- NOTE the progress made to date in reviewing the performance indicators for TfL businesses and London Underground.

- NOTE TfL’s current performance as set out in the Performance Report for January.

Jay Walder  
Managing Director, Finance & Performance  
5 March 2001
Revised performance indicators for London Buses discussed by the Board Review Group
1  PASSENGER JOURNEYS (See Chart 1)

Review Group request:  Passenger journeys by month

LBS response: As requested.

2  BUS KILOMETRES OPERATED (See Chart 2)

Review Group request:  Bus kilometres operated by month as well as lost mileage by cause to be provided covering staff related problems, traffic congestion and mechanical faults reported by Operator.

LBS response: As requested for reporting at network level. LBS are considering best way to proceed on reporting at a more disaggregated (eg operator) level.

3  BUS STOP INFORMATION (See Chart 10)


LBS response: As requested, measure of satisfaction with bus stop information is provide along with other CSS data.

4  FREQUENT SERVICES (FIVE BUSES PER HOUR OR MORE): RELIABILITY
(See Charts 3 and 6)

Review Group request:  Introduction of a “very frequent category” to be considered. Average wait, average scheduled wait and average excess wait as well as probability of waiting for timebands of less than 10 minutes, 10-20 minutes, 20-30 minutes, more than 30 minutes to be reported.

LBS response: London Buses will present a proposal on how to present this information showing the best and worst performing routes. This is likely to take about three months. Periods excluded due to severe disruptions have been identified, and show very little difference. The use of a “very frequent” category is to be considered by LBS, and is currently being researched.
5  LOW FREQUENCY SERVICES (FOUR BUSES OR LESS PER HOUR):
PUNCTUALITY (see Chart 4, 5 and 7)

Review Group request: Measures of chance of a bus departing on time (defined at present in terms of two minutes early or five minutes late), chance of a bus departing early (defined at present in terms of more than 2.5 minutes early of scheduled departure time), chance of a bus departing 5-15 minutes late and chance of a bus not arriving or more than 15 minutes late.

LBS response: London Buses to examine thresholds for early/late running in light of what passengers consider reasonable and to present a proposal on how to present this information showing the best and worst performing routes. This is likely to take about three months. Periods excluded due to severe disruptions have been identified, and show very little difference.

6  NIGHT BUS SERVICES: PUNCTUALITY (See Chart 8)

Review Group request: Percentage chance of a bus running late (defined as 5-15 minutes past the scheduled time).

LBS response: Existing data shows percentage of buses departing on time. LB considering possibility of meeting request. Data supplied at present, percentage of services not departing on time.

7  BUS CROWDING

Review Group request: Data showing chance of a full bus at selected points on the network.

LBS response: LBS to consider how best to meet request.

8  PASSENGER AND STAFF SAFETY (ACCIDENTS) (See Chart 9)

Review Group request: LBS to review existing available data on recorded incidents including staff accidents, passenger accidents, engineering and vehicle safety standards and to consider separately identifying by vehicle type and route.

LBS response: LBS to consider how best to meet request. A review is in hand.

9  PASSENGER EXPERIENCE RIDING IN THE BUS (See Charts 10 and 11)

Review Group request: Passenger satisfaction with cleanliness, graffiti, the state of repair or the vehicle, information provided, smoothness and freedom from jolting and staff attitude to be reported quarterly from the CSS.

LBS response: London Buses will explore how best and worst performers can be reported using Mystery Traveller and CSS data. Aggregate CSS and MTS scores to be provided.
10   BUS JOURNEY TIME  (See Chart 10)

**Review Group request:** LBS to develop measures of actual journey times from AVL/Countdown.

LBS response: London Buses will assess potential to meet request. Passenger satisfaction with journey time as measured by the CSS to be reported.

11   PASSENGER AND STAFF SECURITY  (See Chart 10)

**Review Group request:** Perceived levels of personal security (and safety) by passengers as measured by the CSS.

LBS response: London Buses to consider options for disaggregating data. CSS data for this measure to be provided.

12   OVERALL PASSENGER SATISFACTION (See Chart 10)

**Review Group request:** Reporting of the overall CSS satisfaction measure showing the “tails” of the distribution of scores (ie not just the mean average).

LBS response: As requested. Options for reporting passenger complaints and compliments to be further explored, and will be reported in about three months.

13   OTHER ITEMS

Other items from the Review Group discussion that have been progressed include:

- Information on ethnicity, social grade, and people with impairments is now included in CSS.

- A pilot is being undertaken involving the use of people with disabilities in undertaking the Mystery traveller surveys.

- Data on satisfaction with Night Bus services can be made quarterly.

Note: The monthly data reported in the charts is at this stage for 2000/01 only.
Despite continued growth in cash journeys, the adverse trend experienced in Travelcard sales is reflected in passenger journeys being 0.1 million less than budget for December.

The various initiatives being taken by the operators and LBSL to overcome staffing problems are starting to have a positive impact, with losses in this area significantly below those of a year ago. After the normal seasonal reduction in traffic delays is taken into account, losses were slightly below that forecast, despite several instances of disruptive burst water mains and gas leaks in locations critical to buses. Losses for mechanical reasons were higher than forecast, with some problems evident at a number of predominantly smaller operators.
Excess waiting time (high frequency routes) and % on time (low frequency routes) both showed the expected seasonal improvement and were close to forecast. Traffic conditions in January were a possible contributory cause of early running being slightly worse than forecast.
Night buses punctuality was better than expected – the ongoing restructuring of the Night Bus network, combined with the cumulative impact of additional boarding time in Central London, are contributory factors.
Chart 9  Safety of passengers and staff

<table>
<thead>
<tr>
<th>Injured party</th>
<th>No. of fatalities and injuries (Quarter 3 2000/01)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fatality</td>
</tr>
<tr>
<td>Passengers</td>
<td>0</td>
</tr>
<tr>
<td>Staff</td>
<td>0</td>
</tr>
<tr>
<td>Public</td>
<td>2</td>
</tr>
<tr>
<td>TOTAL:</td>
<td>2</td>
</tr>
</tbody>
</table>

Wednesday 1 November, 11:00 (double deck rte 67)
First Capital - Volvo Olympian - Clapton Common, N16
An elderly male pedestrian died following a collision with a bus. A Company official's report states that the bus driver moved off from traffic lights and made a left turn through a pedestrian crossing. He became aware of peripheral movement on his nearside, heard a noise and stopped immediately. A pedestrian was trapped under the nearside rear wheels. The driver called code red, and to avoid further injury did not reverse the bus off the injured pedestrian. An air ambulance Doctor confirmed that the pedestrian had died at the scene. Police took the driver, suffering from severe shock, home. The bus was sealed and later released following a DETR inspection which found no faults relating to the bus. The police are not pursuing any action against the bus driver, as they are satisfied that he was not at fault. Although Centrecomm were aware of the incident following the code red call, the operator did not provide further details until 16:30hrs. This problem is not unique to this operator.

Saturday 29 October, 20:30 (double deck rte 157)
London General - Volvo Olympian - Reigate Road, SM1
A bus was involved in a head-on collision with a car. An eyewitness stated that the car driver lost control of his/her car, hit a parked vehicle and veered into the path of the bus. The bus driver and the car driver were taken to hospital. Information from the operator confirmed that the car driver died as result of injuries sustained. The bus driver was discharged from hospital. The bus was towed to the garage for examination by the DETR. No allegation has been made against the bus driver. The operator has subsequently confirmed that the DETR examination of the bus showed no fault with the vehicle.
# Chart 10

**Customer Satisfaction Survey - Bus Services**  
**Quarter 3 2000/2001**  
**Distribution of satisfaction ratings**

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Dissatisfied (0-4)</th>
<th>Satisfied (5-8)</th>
<th>Very Satisfied (9-10)</th>
<th>Change from last Quarter</th>
<th>Change from last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BUS STATIONS OVERALL SATISFACTION</strong></td>
<td>15%</td>
<td>33%</td>
<td>37%</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td><strong>BUS STOPS &amp; SHELTERS</strong></td>
<td>9%</td>
<td>19%</td>
<td>40%</td>
<td>-</td>
<td>=</td>
</tr>
<tr>
<td><strong>Bus stop information</strong></td>
<td>12%</td>
<td>22%</td>
<td>35%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>State of repair of bus</strong></td>
<td>4%</td>
<td>15%</td>
<td>44%</td>
<td>=</td>
<td>+</td>
</tr>
<tr>
<td><strong>Smoothness &amp; freedom from jolting</strong></td>
<td>9%</td>
<td>20%</td>
<td>41%</td>
<td>=</td>
<td>+</td>
</tr>
<tr>
<td><strong>Driver/conductor's attitude &amp; behaviour</strong></td>
<td>4%</td>
<td>36%</td>
<td>50%</td>
<td>-</td>
<td>=</td>
</tr>
<tr>
<td><strong>Information on the bus</strong></td>
<td>5%</td>
<td>20%</td>
<td>38%</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td><strong>Cleanliness on the bus</strong></td>
<td>6%</td>
<td>19%</td>
<td>43%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Personal safety &amp; security on bus</strong></td>
<td>40%</td>
<td>39%</td>
<td>48%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Service reliability</strong></td>
<td>19%</td>
<td>27%</td>
<td>37%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Journey time</strong></td>
<td>5%</td>
<td>13%</td>
<td>40%</td>
<td>-</td>
<td>=</td>
</tr>
<tr>
<td><strong>BUS SERVICE OVERALL SATISFACTION</strong></td>
<td>8%</td>
<td>23%</td>
<td>40%</td>
<td>-</td>
<td>=</td>
</tr>
</tbody>
</table>

Change columns show the changes in proportions satisfied (giving a rating of 9 or 10)
The proportion of satisfied customers (giving ratings of 9 or 10) has decreased for eight measures and stayed the same for three since the last quarter. The decreased satisfaction with journey time and service reliability are consistent with operational quality of service results for the current quarter. The fall in satisfaction with other measures, including cleanliness, is in line with seasonal trends.

Compared with the corresponding quarter in the previous year, the proportion ‘satisfied’ increased for three measures, remained constant for five measures and decreased for three measures. Increased satisfaction with the state of repair of buses and smoothness of ride can be attributed to the increase in new vehicles on the network.
Definitions of measures

Passenger journeys
A passenger journey refers to a whole or part of a trip made by bus. For example, a journey from home to work using two buses would be counted as two journeys. Figures are derived from survey data.

Bus kilometres operated
Bus kilometres actually operated in customer service, calculated by deducting the total lost kilometres from scheduled (what was supposed to be run) kilometres.

Excess waiting time - high frequency (five or more buses per hour) routes
This is the time over and above the average scheduled waiting time that passengers have to wait for their bus.

Percentage not departing on time – low frequency (four or less buses per hour) routes
Buses departing more than two minutes early or more than five minutes late, trips missed completely or where a service is run short of its schedule.

Departing early – low frequency routes
Buses departing between 2 and 8 minutes early. If a bus departs more than 8 minutes early it is counted as a non-arrival.

High frequency routes - chance of waiting
The average chance of a passenger waiting in the designated time bands shown in percentage terms.

Low frequency punctuality
The chances of a bus not arriving (that is not arriving or being more than 15 minutes late), being late (by between 5 and fifteen minutes, after 15 minutes it is classed as not arriving), being early (running more than two minutes before the advertised time).

Percentage not departing on time – Night buses
Buses departing more than two minutes early or more than five minutes late, trips missed completely or where a service is run short of its schedule.

Safety of passengers and staff – fatality, major injury, minor injury
For passengers these are defined as the number incidents by category resulting from an incident involving a bus or tram or taking place on London Buses’ property. For staff the definition covers accidents etc incurred when staff are performing duties on behalf of London Buses.

Mystery Traveller Survey
A continuous survey to record the physical state of buses, stops and stations.

Customer Satisfaction Survey
A continuous survey to measure passengers’ views of key attributes of bus services.
Appendix 2

Consolidated Monthly Report to the TfL Board
January 2001

EXECUTIVE SUMMARY

This report is the TfL Board monthly performance report for January 2001, 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 7941 4138, or by e-mail to ‘lesliegilbert@tfl.gov.uk’. A more detailed presentation of the non-operational and smaller TfL business unit information is available on request.

Service Delivery Performance

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.

At their meeting on 13 March 2001, the TfL Board will consider a revised set of modal performance indicators for London Buses. The Board will then go on to review Street Management and other business unit indicators.

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.

**Service Delivery Performance in January 2001**

The key points highlighted by the monthly service performance indicators for January 2001 and the quarterly indicators for the third quarter of 2000/01 are :-

**London Underground**

- this report includes the results of the third quarter’s (17 September 2000 to 6 January 2001) customer satisfaction survey indicating a one point fall in the overall evaluation of service to 77%. Areas of decline in satisfaction included the score for ‘expectations of journey time’ and ‘waiting for a train’ which both fell by 2 points, along with perceptions of personal safety and security which fell by 2 points in stations and 1 point on trains.

- crimes against customers in the third quarter totalled 3,700, a fall of 116 compared with the second quarter of the year, with falls in theft of passenger property and against vehicles (309, 12%) being partially offset by an increase in public order offences (195, 36%). There was 1 passenger fatality during the period, bringing the number so far this year to 6.

- excess weighted journey time in period 10 (4-weeks ended 6 January 2001) fell for the first time this year to 7.18 minutes, with improvements in station access and interchange times reflecting seasonal decrease in demand and improved escalator performance (7% not in service compared to 9% last period) and lift availability (5.1% compared to 6%). Total train and platform wait times also fell in period 10 largely due to the running of less intensive services between the Christmas and New Year period.

- station closures for more than 15 minutes increased significantly in period 10 to 139, compared with the average for the year-to-date of 96. Of this total number, 58 (42%) represented staff shortages, 31 (22%) security alerts, and a further 16 (12%) from difficulties with lifts or escalators, particularly on the Metropolitan & Circle lines. This combined with the 274 incidences of train delays for more than 15 minutes in the period, which compares with the year-to-date average of 207. The main areas of difficulty included signals (90, 33%), and rolling stock (50, 18%).

- the percentage of customers having to wait more than 3 minutes for a ticket increased further in period 10 to 8.5%, and this is an increase of 0.6 percentage points over the average for the year-to-date. Performance has particularly deteriorated on the Victoria line where 15% of customers had to wait more than 3 minutes in period 10 compared with just under 10% in the same period last year.

**Buses**

- the percentage of schedule operated (after the impact of traffic congestion) by bus operators increased to 96.5% in January, the highest level of performance so far this year. Encouragingly, reductions in all categories of lost mileage were recorded compared with the same period last year including staff shortages which fell to 1.3% from the 1.7% recorded in January 2000.

- excess waiting time on bus services recorded an improvement compared with recent months to 2.0 minutes in January, and was in line with budget. In addition, night bus service departing on time was significantly (4.6%) higher than budget at 78.6% mainly due to the on-going restructuring of the night bus network.
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January 2001

- customer satisfaction indicators for the third quarter of the year recorded decreases in perception of service reliability (44 vs 52), information at bus stops (57 vs 61), and attitude and behaviour of staff (79 vs 81), and these contributed to a fall in the perception of overall service to 59 from the 65 recorded in the second quarter of the year. The overall fall in perception is partly attributed to adverse weather conditions, coupled with the impact of disruption to the mainline rail network which lead to heavier bus loading and greater traffic congestion.

Docklands Light Rail
- service reliability increased to 96.5% in January, 1.5% higher than budget and base service departures remained at 98%, indicating the high level of reliability provided by the franchisee.
- the number of delays over twenty minutes increased to 7 in the month compared with the average of 6.1 for the year to December 2000. Four trackside failures mainly due to the freezing temperatures between Christmas and the New Year were the main cause. From this report, the number of delays over 15 minutes is also recorded, bringing this indicator in line with the Underground.
- customer satisfaction with the quality of service provided during the third quarter of the year remained unchanged at 90.1%.

Street Management
- general traffic levels in the morning and evening peaks on TLRN roads in the third quarter of 2000 showed no change and a 1% increase respectively compared to the second quarter. However, compared to the base of the fourth quarter of 1999, there has been a 12% increase in the morning peak and a 9% increase in the evening peak. Cycling on TLRN roads has fluctuated due mainly to seasonal variation. In December 2000 the level was 20% below the November level and 24% below the March 2000 base. This is thought to be due to the extreme weather conditions, including flooding and freezing temperatures, and the Christmas break.
- the percentage of bus lanes with camera enforcement was unchanged in January 2001 at 51%, for the sixth successive month. This is because new lanes have been balanced by some lanes becoming unenforceable, due to signing problems. It is still expected that 100% of lanes will be covered by March 2002.
- the percentage of traffic signals operational for the third quarter of the year remained relatively constant at 99.8%, 4.3 percentage points above target.
- the annual total number of casualties on TLRN roads has increased since the base of 1999. Currently, the rolling annual averages are 1604 killed and seriously injured (KSI), and 10920 slightly injured. These represent a 1.7% increase in KSIs and no significant change in slight injuries compared to the previous month.

Other Services
- visitor numbers at the LT Museum continued ahead of budget in January at 15,000, 18% higher than for the same period last year. Summer campaigns and free admission for children introduced in September 2000 boosted visitor numbers. As a result, child visitors were more than 300% higher in January than in January 2000. The full year forecast for visitors has been increased this month to 218,000, 24,000 higher than the full year budget.
in January, total trips run by the six Dial-a-Ride companies were 800 (1%) better than budget at 103,000 with the North East, South East and South London continuing to be provide the best service results. The full year forecast indicates an overall increase of 9,753 trips compared to last month’s forecast taking the total to 1.222m, although this is still 2% less than budget.

**Corporate Health Performance in January**

Best Value indicators covering the organisational health of TfL permanent staff (excluding London Underground staff remaining with London Transport) are included on pages 56 to 58 of the report. The key points on performance in January are :-

- the proportion of working days lost through sickness absence was broadly unchanged in January at 0.75 days per person and represents an attendance rate of 96.9%. In addition, during January 20 staff left voluntarily representing 0.9% of the permanent workforce, while one employee left Street Management through ill-health, and 2 staff took early retirement from London Buses

- the proportion of TfL’s staff declaring a disability increased to 2.74% of the workforce in January from 1.79% in December, clearly showing the effects of the current exercise to invite staff to declare a disability. The percentage of staff from an ethnic minority group also remained broadly unchanged in January at 15.7% compared with 15.8% in December, however the reclassification exercise to bring this indicator in line with census classifications is still on-going.

- the January report also contains ethnicity data for the bus contractors covering approximately 75% of the network. This information indicates that the percentage of staff working for these contractors from an ethnic minority group varies between 18% (Selkent) and 47% (First Centre West) compared to the 16% recorded for TfL staff.

**Financial Performance in January**

The key points on financial performance are :-

- after ten months of the year, TfL’s net revenue costs total £186m, £5m (3%) less than budget. This budget variance combines continued improvement in the subsidies paid in operating bus services (£11m) along with cost savings in central directorates due to the deferral of market research work and expansion of travel information (£14m). Partially offsetting these favourable variances are higher administration and consultancy costs incurred in Street Management (£9m) and the reclassification of £8m revenues from London Borough’s as capital contributions. Finally, higher operational costs at DLR (£2m) are due to a change in the accounting treatment of the Lewisham PFI contract.

- the January forecast indicates that full year net revenue costs are expected to total £240m, £4m higher than included in December’s forecast. Changes to the forecast include increased costs and further reclassification of costs between capital and revenue in Street Management (£9m) combined with £5m projected cost savings found elsewhere in the group, particularly in lower bus contract payments.

- net spend on capital totalled £154m for the first ten months of the year, and this was £4m (3%) less than budget with some slippage in capital expenditure (£10m) occurring mainly within Street
Management bridge and land purchase projects, in DLR’s purchase of new rail cars and City Airport extension, the delayed final payment on Croydon Tramlink (£5m) and increased capital

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- contributions from the reclassification of Street Management revenues (£6m). These favourable variances are offset by £17m lower receipts from sale of property.
- The January forecast indicates that net capital spend will reach £186m for the year as a whole, £13m less than in November’s forecast. The new forecast includes an £8m fall in bridge renewal and road construction work within Street Management, the carry over to 2001/02 of DLR City Airport extension expenditure (£4m) and the final £5m payment to the Croydon Tramlink concessionaire. In addition the forecast includes the purchase of the London United’s Hounslow bus garage to enable re-development.
Appendix 2

Consolidated Monthly Report to the TfL Board
January 2001

<table>
<thead>
<tr>
<th>Transport for London</th>
<th>Performance on Key Modal Measures</th>
<th>For January 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>User Satisfaction</td>
<td>Volume of Demand</td>
</tr>
<tr>
<td></td>
<td>Jan</td>
<td>Trend</td>
</tr>
<tr>
<td>London Buses</td>
<td>59%</td>
<td>↓</td>
</tr>
<tr>
<td>Docklands Light Rail</td>
<td>90%</td>
<td>↑</td>
</tr>
<tr>
<td>Street Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Woolwich Ferry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Victoria Coach Station</td>
<td>73%</td>
<td>↓</td>
</tr>
<tr>
<td>Croydon Tramlink</td>
<td>90%</td>
<td>↓</td>
</tr>
<tr>
<td>London River Services</td>
<td>20k</td>
<td>↓</td>
</tr>
<tr>
<td>Dial-a-Ride</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Carriage Office</td>
<td>21k</td>
<td>↑</td>
</tr>
<tr>
<td>Museum</td>
<td>77%</td>
<td>↓</td>
</tr>
<tr>
<td>Travel Information</td>
<td>89%</td>
<td>↓</td>
</tr>
<tr>
<td>Underground</td>
<td>77%</td>
<td>↓</td>
</tr>
</tbody>
</table>

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 compares January with last month / last quarter
- Trend over the 10 months from April 2000 to January 2001
- Data not available in January
## EXECUTIVE SUMMARY – LEGEND

<table>
<thead>
<tr>
<th>Service</th>
<th>December 2000 Actual</th>
<th>January 2001 Actual</th>
<th>Budget / Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>London Buses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction – overall satisfaction rating (%)</td>
<td>65#</td>
<td>59‡</td>
<td>*</td>
</tr>
<tr>
<td>Demand – passenger journeys (m)</td>
<td>104</td>
<td>114</td>
<td>113</td>
</tr>
<tr>
<td>Volume – bus km’s operated including effects of congestion (%)</td>
<td>95.2</td>
<td>96.5</td>
<td>96.6</td>
</tr>
<tr>
<td>Safety – number of major passenger injuries</td>
<td>24#</td>
<td>30‡</td>
<td>N/A</td>
</tr>
<tr>
<td>Cost – subsidy per passenger journey (pence)</td>
<td>7.2</td>
<td>6.5</td>
<td>7.2</td>
</tr>
<tr>
<td><strong>Docklands Light Rail</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction – service performance (%)</td>
<td>90.1#</td>
<td>90.1‡</td>
<td>83.5</td>
</tr>
<tr>
<td>Demand – passenger journeys (m)</td>
<td>3.29</td>
<td>2.62</td>
<td>3.34</td>
</tr>
<tr>
<td>Reliability – service reliability (%)</td>
<td>96.0</td>
<td>96.5</td>
<td>95.0</td>
</tr>
<tr>
<td>Cost – cost per passenger journey (pence)</td>
<td>31.1</td>
<td>29.2</td>
<td>18.8</td>
</tr>
<tr>
<td><strong>Street Management</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand – index of traffic levels on GRN roads (morning peak)</td>
<td>112#</td>
<td>112‡</td>
<td>*</td>
</tr>
<tr>
<td>Delivery – traffic signals working (%)</td>
<td>99.8#</td>
<td>99.8‡</td>
<td>95.5</td>
</tr>
<tr>
<td>Safety – rolling 12 month total number of injuries (000’s)</td>
<td>10.93</td>
<td>10.92</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Woolwich Ferry</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand – average passenger journeys per week (000’s)</td>
<td>51.3</td>
<td>47.1</td>
<td>*</td>
</tr>
<tr>
<td>Volume – hours of service compared with planned hours (%)</td>
<td>94.0</td>
<td>91.0</td>
<td>95.0</td>
</tr>
<tr>
<td>Cost – cost per passenger journey (pence)</td>
<td>198</td>
<td>216</td>
<td>*</td>
</tr>
<tr>
<td><strong>Victoria Coach Station</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction – with service provided (%)</td>
<td>74.0#</td>
<td>73.0‡</td>
<td>72.0</td>
</tr>
<tr>
<td>Demand – coach departures (000’s)</td>
<td>16.4</td>
<td>15.4</td>
<td>14.5</td>
</tr>
<tr>
<td><strong>Croydon Tramlink</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction – with service provided (%)</td>
<td>92.0#</td>
<td>90.0‡</td>
<td>*</td>
</tr>
<tr>
<td>Demand – passenger journeys (m)</td>
<td>1.60</td>
<td>1.20</td>
<td>*</td>
</tr>
<tr>
<td>Volume – tram km operated (%)</td>
<td>97.0</td>
<td>98.8</td>
<td>98.0</td>
</tr>
<tr>
<td><strong>London River Services</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Demand – passenger journeys (000’s)</td>
<td>80</td>
<td>20</td>
<td>90</td>
</tr>
<tr>
<td>Volume – journeys operated (%)</td>
<td>98.5</td>
<td>98.5</td>
<td>99.5</td>
</tr>
<tr>
<td><strong>Dial – a – Ride</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand – number of trips (000’s)</td>
<td>92.2</td>
<td>102.9</td>
<td>102.1</td>
</tr>
<tr>
<td>Cost – cost per passenger journey (pence)</td>
<td>1140</td>
<td>1033</td>
<td>1039</td>
</tr>
<tr>
<td><strong>Public Carriage Office</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand – number of Taxis licensed (000’s)</td>
<td>21.0</td>
<td>21.0</td>
<td>19.9</td>
</tr>
<tr>
<td><strong>Museum</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction – visitor satisfaction (%)</td>
<td>77.0#</td>
<td>77.0‡</td>
<td>82.0</td>
</tr>
<tr>
<td>Demand – total number of visitors (000’s)</td>
<td>10.8</td>
<td>15.0</td>
<td>13.0</td>
</tr>
<tr>
<td><strong>Travel Information</strong></td>
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<td></td>
</tr>
<tr>
<td>Satisfaction – helpfulness of TICC operator (%)</td>
<td>91.0#</td>
<td>89.0‡</td>
<td>91.0</td>
</tr>
<tr>
<td>Demand – total calls (000’s)</td>
<td>377</td>
<td>370</td>
<td>*</td>
</tr>
<tr>
<td>Volume – TICC calls answered compared to total calls (%)</td>
<td>90.6</td>
<td>85.1</td>
<td>90.0</td>
</tr>
</tbody>
</table>

* Data currently not available  
# second quarter 2000/01  
‡ third quarter 2000/01
## EXECUTIVE SUMMARY – LEGEND (cont)

<table>
<thead>
<tr>
<th></th>
<th>Period 9 2000/01 Actual</th>
<th>Period 10 2000/01 Actual</th>
<th>Budget / Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>London Underground</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction – customer satisfaction with overall service (%)</td>
<td>78.0#</td>
<td>77.0‡</td>
<td>79.0</td>
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<tr>
<td>Demand – passenger journeys (m)</td>
<td>79.3</td>
<td>66.5</td>
<td>64.5</td>
</tr>
<tr>
<td>Volume – train kilometres operated (%)</td>
<td>89.6</td>
<td>89.8</td>
<td>95.1</td>
</tr>
<tr>
<td>Safety – number of major passenger injuries</td>
<td>6</td>
<td>10</td>
<td>N/A</td>
</tr>
<tr>
<td>Cost – cost per passenger journey (pence)</td>
<td>61.6</td>
<td>73.3</td>
<td>79.4</td>
</tr>
</tbody>
</table>

# second quarter 2000/01  ‡ third quarter 2000/01
1. INTRODUCTION

1.1 As indicated in the progress report on Best Value to the January 2001 meeting of the TfL Board, TfL’s first Best Value Performance Plan (BVPP) will need to be published by 31 March 2001. Attached to this paper (Appendix 1) is a Summary of the BVPP. It is the intention that the full document will be finalised and approved by the Managing Director, Finance & Performance before the 31 March deadline.

2. THE BEST VALUE PERFORMANCE PLAN

2.1 The main purpose of the BVPP is to explain past performance and set out future levels of performance. The areas that must be covered by the Plan are prescribed by legislation and are reflected in the structure of TfL’s BVPP. The Plan covers the activities for which TfL is responsible as at 31 March 2001, which excludes London Underground. However, in recognition of the planned transfer of London Underground to TfL, relevant activities will be included for information purposes only in an Appendix to the Plan. The Plan stresses that at this stage TfL has no responsibility for the information supplied by London Underground.

2.2 The BVPP has been prepared as an integral part of the interim budget and business planning process that has been run in TfL. The Plan focuses on performance and deliverables in 2001/02. At this stage, an allocation of available funding has not yet been agreed with each business for 2002/03 and onwards. It is planned to introduce a new business planning process that will produce by autumn 2001 a detailed Business Plan setting out the fully integrated programme of what TfL will be delivering over the period to 2006/07, based on currently available funding. The Business Plan will also have an Aspirational Scenario that sets out the full programme of improvements necessary, which will be used to support future bids for funding.

2.3 The main deliverables and budget performance projections for 2001/02 are set out in the BVPP Summary. The budget performance projections have been supplied by the relevant businesses and have not yet been subject to a formal target setting process. The main part of the new business planning process that is to be run from April onwards will include the formal agreement of performance targets for 2001/02 to 2006/07 with each business.

2.4 Data capture systems for certain of the prescribed Best Value Performance Indicators (BVPIs) are still being put in place. In recognition of this, DETR has
granted a dispensation for 2001/02 BVPI reporting, where there is no equivalent information available for 2000/01.

2.5 An important part of the BVPP is to set out the planned programme of best value reviews and report back on the results of completed reviews. The BVPP Summary lists those reviews it is proposed to carry out in 2001/02. At its last meeting the Board expressed concern that the planned programme of reviews may divert resources away from improving service delivery. The full programme will be reviewed and revised as part of the comprehensive Business Planning process that will be introduced shortly.

2.6 The finalised BVPP will be passed to the external auditors by 31 March 2001 and placed on the TfL web-site. The auditor’s assessment of the BVPP will be made available by 30 June 2001. The BVPP will be circulated to key stakeholders and made available on request to members of the public.

3. JOINT GLA BVPP SUMMARY

3.1 Guidance issued by DETR refers to the BVPP being supplemented by providing summarised information to local households, users, businesses and other stakeholders. A joint summary BVPP is in the course of preparation covering the GLA and each of the functional bodies, which will be distributed to every household in London. A joint summary is both cost effective and demonstrates a co-ordinated approach is being taken.

3.2 The joint summary BVPP will be circulated with a covering GLA Group newsletter in June to coincide with the Mayor’s Annual Report to London. The Summary will be available in English and 8 ethnic languages, together with large print format and on audio version.

4. RECOMMENDATIONS

The Board is asked to NOTE:

• the summary of the BVPP and the intention that the full Plan should be finalised, approved by the Managing Director, Finance and Performance and published before 31 March;

• the performance indicator projections for 2001/02;

• that the draft programme of Best Value Reviews is to be considered by the Commissioner and his management team, finalised and then included in the published version of the BVPP.

Jay Walder
Managing Director, Finance and Performance
5 March 2001
1. **Introduction**

1.1 The Best Value Performance Plan is the first to be prepared by TfL. The document has been prepared as an integral part of the interim business planning process that was run in late 2000.

1.2 Best Value is designed to make TfL more accountable to people who live, work and visit London. To this end, TfL is specifically required:

- to review all its functions by 31 March 2005 and to make arrangements to secure continuous improvement in the way its functions are exercised;
- to set clear service standards and targets to match the performance of the top 25% of councils measured over four years;
- to prepare and publish an annual Best Value Performance Plan which includes future performance targets, current performance and the results of its Best Value Reviews.

1.3 This is a summary of TfL’s first Best Value Performance Plan (BVPP). The plan sets out:

(i) Aims, objectives and priorities of TfL.
(ii) A summary of current and past performance.
(iii) The Programme of Best Value Reviews (2001/02→2004/05).
(iv) Results from our Pilot Reviews carried out in 2000/01.
(v) TfL’s Consultation Strategy.
(vi) The Approach to Efficiency Improvement.
(vii) Key deliverables and performance targets.
(viii) A Plan of Action.

2. **Aims objectives and priorities of TfL**

2.1 The Mayor’s draft Transport Strategy sets out the policy framework, main proposals and priorities of transport in London for broadly the next ten years. The BVPP sets out the Mayor’s overall vision for London and highlights the ten key priorities of the transport strategy.
3. **Current and Past Performance**

3.1 TfL is developing a performance framework that will cascade the organisation’s vision and key strategies through three levels of performance indicators:

- Integrated Transport Strategy and total network performance indicators that measure performance at a London/TfL-wide level for the network as a whole;
- Modal service delivery performance indicators that measure the key aspects of mode level performance;
- Best Value performance indicators that relate to the corporate health and any other Best Value performance indicators set for TfL by the DETR.

3.2 The BVPP summarises past and current performance of TfL’s services. These include, London Buses, Docklands Light Railway, Dial-a-Ride and Croydon Tramlink as well as performance related to Street Management, Public Carriage Office, Victoria Coach Station and the Travel Information Call Centre.

3.3 London Underground is currently not part of TfL and is therefore not currently subject to Best Value. It will transfer from Central Government when arrangements have been concluded on how to secure the major investment programme to upgrade the network. At this stage, performance data on the Underground will be provided in an Appendix to the BVPP for information purposes only.

4. **Programme of Best Value Reviews**

4.1 Transport for London (TfL) is required to carry out Best Value reviews of all its functions between 2001/02 and 2004/05, the purpose of which is to secure continuous improvement in the way its functions are exercised, having regard to economy, efficiency and effectiveness.

4.2 There is a requirement to assess priorities and to draw up a programme of fundamental performance reviews to cover all services over the four-year period. The criteria for selecting and prioritising reviews are:

- importance of the service to the public;
- recent performance;
- scale of resources used;
- ease of changing the basis of delivery;
- time since the particular activity has been the subject of any review;
- degree to which the activity is central to TfL’s objectives;
- need for a balanced programme that matches resources available.
4.3 TfL’s review programme contains a mixture of individual service reviews and cross cutting reviews. Reflecting the above criteria, the proposed programme of reviews for next year (2001/02) is as follows:

(a) **Cross Cutting**

2. Accessibility.
4. Consultation (GLA wide).
5. Equality (GLA wide).
7. IS/IT.

(b) **Service Reviews**

**Street Management**

1. Contracts and Procurement.
2. Major projects.
3. Monitoring the Streets.
4. Land Management.

5. **Results from Pilot Reviews**

5.1 Four pilot reviews were carried out in 1999/00 to enable TfL to develop experience of Best Value. Two of the Pilots (Customer Services and Service Planning and Integration) were cross cutting in order to gain maximum participation across the organisation and to focus on the customer together with the integration of transport facilities. In addition, two service based reviews (maintenance of Street Lighting and maintenance of Street Signs) were also undertaken.

5.2 The Pilot Reviews recommended various ways to improve the delivery and efficiency of the service provided to the customer, including an action plan to ensure that implementation should be carefully monitored.

6. **Consultation**

6.1 Consultation is a key part of the Best Value process and there is an overriding need to listen to what the customer wants. TfL sees it as a continuous process to build dialogue with service users, stakeholders and the community at large. Consultation provides evidence of the needs of local people and their definition of quality and this will help TfL to frame targets for future years. TfL will take
account of views expressed during consultation in planning the delivery of services and projects.

6.2 The Mayor’s Transport Strategy is currently the subject of public consultation. In addition, consultation will be a major element in the implementation of the programme of Best Value Reviews.

7. Key Deliverables and Performance

7.1 The BVPP focuses on performance and deliverables in 2001/02. Performance and deliverables for later years will be based on the Mayor’s Transport Strategy, which is subject to public consultation until the end of March 2001. This coincides with the required publication date for TfL’s 2001 BVPP. TfL’s next BVPP will need to be published in March 2002 and will reflect performance and targets for 2002/03 onwards.

7.2 The main deliverables and budget performance projections for 2001/02 are set out in the full BVPP. A number of the Performance Indicator Projections are attached as an Appendix to this summary. The budget performance projections have been supplied by the relevant businesses and have not yet been subject to a target setting process. The main part of new business planning process that is to be run from April onwards will include the formal agreement of performance targets for 2001/02 to 2006/07 with each business. Therefore, targets for 2001/02 will be set in the light of the final Transport Strategy to be published in June.

7.3 The new Business Planning process will determine the programme of improvements and relevant milestones that TfL will take forward for 2002/03 onwards.

7.4 Data capture systems for certain of the prescribed Best Value Performance Indicators (BVPIs) are still being put in place. In recognition of this, DETR has granted a dispensation for 2001/02 BVPI reporting, where there is no equivalent information available for 2000/01.

8. Conclusion

8.1 This is a short summary of the TfL Best Value Performance Plan. The full plan will be published, a copy passed to the external auditors and placed on the TfL website by 31 March 2001. The Auditor’s assessment of the Plan will be made available by 30 June 2001.

TfL Business Planning and Performance
5 March 2001
## Performance Indicator Projections

<table>
<thead>
<tr>
<th></th>
<th>1999/00 Actual</th>
<th>2000/01 Forecast as at January</th>
<th>2001/02 Projection</th>
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<td><strong>Waiting time- Frequent Services</strong></td>
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<td>6.7</td>
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<td>excess</td>
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<td><strong>Waiting time- Low Frequency Services</strong></td>
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<td>% departing on time</td>
<td>67.8</td>
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<td>70.0</td>
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<td>% departing early</td>
<td>4.3</td>
<td>5.0</td>
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<td><strong>Waiting time- Night Buses</strong></td>
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<tr>
<td>% departing on time</td>
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<td><strong>Customer Satisfaction</strong></td>
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<td>62</td>
<td>Not yet</td>
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<td>Cleanliness and condition of buses</td>
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<td>Information at bus stops</td>
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<td><strong>Service volume</strong></td>
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<td>Bus km operated (m)</td>
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<td>97.5</td>
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<tr>
<td>after traffic losses</td>
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<td><strong>Cost per passenger journey (BV94)</strong></td>
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<td>Passenger journeys p.a (BV102) (m)</td>
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<td>Overall customer satisfaction</td>
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<td>72</td>
<td>72</td>
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<td>Number of coach departures p.a</td>
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<td>188,000</td>
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<td><strong>London River Services</strong></td>
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<tr>
<td>% of schedule operated</td>
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<td>Passenger journeys p.a (m)</td>
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<td><strong>Docklands Light Railway</strong></td>
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<td><strong>Volume and Reliability of Service</strong></td>
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<tr>
<td>% base service departures</td>
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<tr>
<td>No of delays over 20 mins (quarterly average)</td>
<td>38</td>
<td>20</td>
<td>16</td>
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<tr>
<td>% adherence to schedule</td>
<td>93.6</td>
<td>96.2</td>
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<tr>
<td><strong>Customer Satisfaction- service performance</strong></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>75.2</td>
<td>89</td>
<td>89</td>
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<tr>
<td>Passenger journeys p.a (m)</td>
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<td>38.7</td>
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<tr>
<td><strong>Public Carriage Office</strong></td>
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<tr>
<td>Number of taxis licensed</td>
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<td>Number of taxi drivers licensed</td>
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<td>Number of private hire operators licensed</td>
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<td><strong>Travel Information Call Centre</strong></td>
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<td>Customer satisfaction ratings</td>
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<tr>
<td>Ease of reaching TICC</td>
<td>77</td>
<td>78</td>
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<tr>
<td>Helpfulness of operator</td>
<td>92</td>
<td>91</td>
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</tbody>
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1 Introduction

T/L’s current corporate governance structure was designed and implemented during a period of transition, prior to the appointment of a Commissioner. Both the GLA and T/L were new organisations working out their respective roles and relationships. Now that a Commissioner is in post and in the light of experience of how the current arrangements are working it is timely to review the structure, to simplify it and to clarify the roles of the participants.

This paper sets out proposals for a new corporate structure. The Board sets policy and agrees the strategic direction of T/L, and oversees performance of the executive team which carries out the policies agreed by the Board. The Commissioner and Chief Officers are responsible and accountable for the delivery of the day to day operations of T/L.

The proposed structure is summarised as Appendix 1. The detail behind this summary is set out below. The proposed Standing Orders are attached at Appendices 2 – 6.

It is proposed that the Standing Orders would be reviewed after a year to ensure that they establish a decision making structure which best allows T/L to fulfil its statutory responsibilities.

2 The Mayor

The Mayor has unprecedented powers to direct T/L. He can, and currently does, chair the Board and has the power to appoint and remove members of the Board. T/L is obliged to exercise its functions in accordance with the Mayor’s guidance or directions, to implement the Mayor’s Transport Strategy and to facilitate the carrying out of the general transport duty.

3 The Board

It is proposed the Board of T/L meet every two months to deal with high level strategic matters and monitor executive performance. The Board’s decisions would be made within the context of the requirement to implement the Mayor’s strategy and to comply with directions. All day-to-day operational responsibility would be delegated to the Commissioner, advised by an Executive Management Group.
Certain matters must be decided by the Board under the Greater London Authority Act 1999 (the Act). Other matters that are reserved to the Board are set out in Standing Order No. 2.

The Board would have responsibility for approving transactions over £100 million.

The Board has power to delegate the exercise of its functions on its behalf in accordance with the Act. The Board remains responsible for ensuring that the people to whom it delegates functions are competent and that functions which it has delegated are being properly discharged.

The Board meetings would be supported by a regular series of Board Committees, Advisory panels and Executive meetings.

4 **Board Committees and Bodies of Members and Officers**

These Board Committees and “bodies of members and officers” would be the principal method by which Board members monitor the activities of TfL in key areas so that members discharge their responsibilities and give strategic direction and oversight.

4.1 **Health Safety and Environment Policy Advisory Group – body of members and officers**

This Group will advise the TfL Board on health, safety and environmental policy matters.

4.2 **Finance and Audit Committee**

The role of this Committee is to scrutinise TfL’s financial actions and ensure that appropriate internal controls are in place to monitor and control business risk.

4.3 **Remuneration Committee**

The Remuneration Committee provides a mechanism for reviewing the remuneration of the Commissioner and Chief Officers.

5 **Advisory Panels: Street Management, Rail and Surface Services**

These Panels would be an important mechanism for the Board members to provide strategic advice on the development and implementation of policy in TfL to the Commissioner.

The Panels would comprise the Commissioner (who would also chair the Panels), three or four Board Members and Chief Officers including the
appropriate Director of the relevant operating unit. Management Team members would attend as and when appropriate. The Panels would meet every two months.

6 **The Commissioner**

The Commissioner, advised by Chief Officers, will have responsibility for ensuring the day to day management of TfL. It is proposed the Board would delegate full responsibility and authority to the Commissioner except for matters which have been reserved to the Board or specifically delegated (by the Board) elsewhere. The Commissioner will prepare a Commissioner’s Report for every regular meeting of the Board, containing information to assist the Board in its functions. The Report would contain information on:

- performance of TfL and its operating subsidiaries;
- relevant issues raised through the Advisory Panels;
- key projects (as and when appropriate); and
- progress in implementing the transport strategy/business plan.

This report would be prepared in consultation with Chief Officers.

7 **The Executive Management Group**

There would be an Executive Management Group, comprising all the Managing Directors and Directors reporting directly to the Commissioner, chaired by the Commissioner. The role of this Group will be to advise the Commissioner.

8 **Subsidiary Companies**

It is necessary, as a minimum, for subsidiary companies to have delegated authority to carry out the activities which must under the Act¹ be carried out by subsidiaries.

For tax reasons Transport Trading Limited would remain the holding company of all TfL’s other trading subsidiaries (such as DLR and LBSL).

9 **Delegation to Individual Officers**

Under the GLA Act an officer with delegated authority to carry out functions (including the Commissioner) cannot sub-delegate. It is therefore necessary for the Board to delegate direct to Chief Officers and other officers of TfL those matters which it is appropriate for them to carry out.

A proposed revised Scheme of Delegation is Standing Order 2.

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¹ The Transport for London (Specified Activities) Order 2000 requires certain trading activities to be carried out through subsidiaries.
10 Recommendations

It is RECOMMENDED that the Board:

(i) APPROVE the proposed decision making framework;
(ii) APPROVE the Standing Orders attached to this paper which would give effect to the proposed framework;
(iii) DELEGATE to the Chair, in consultation with Board members and the Commissioner, the power to make the initial appointments of members and officers (as appropriate) to the committees, groups, bodies of members and officers and bodies of officers described in the Appendices to Standing Order No 1;
(iv) DELEGATE to the Commissioner the power to make any minor drafting amendments to the Standing Orders; and
(v) AGREE that the Standing Orders will be kept under review with a formal review in one year’s time.

Bob Kiley
Commissioner for Transport
TRANSPORT for LONDON

STANDING ORDER NO 1:
DECISION-MAKING STRUCTURE AND PROCEEDINGS

INTRODUCTION

1. TfL came into being under the provisions of the Greater London Authority Act 1999 which, together with other legislation, sets out TfL's duties and powers.

2. This Standing Order shall, where applicable, be read and interpreted together with the provisions of the Greater London Authority Act 1999, and other relevant legislation, and any amendment to or re-enactment of those provisions. The powers of TfL and its subsidiaries (and their subsidiaries) are restricted to powers conferred by the 1999 Act and other legislation.

3. In this Standing Order, words and phrases listed below shall have the meanings set out opposite them:

- The 1999 Act means the Greater London Authority Act 1999
- The Authority means the Greater London Authority
- The Mayor means the Mayor of London
- TfL means Transport for London
- The Board means TfL as constituted under paragraph 2 of Schedule 10 to the 1999 Act
- The Commissioner means the Commissioner of Transport for London
The Chief Officers means the Managing Directors and Directors of TfL reporting directly to the Commissioner

The Chief Finance Officer means the officer appointed under section 127 of the 1999 Act

The Chair means the Chairman of the Board

The Vice Chair means the Deputy Chairman of the Board

The TfL Group means TfL and its subsidiary companies and their subsidiaries. References to a subsidiary of TfL includes a subsidiary of a subsidiary of TfL, unless otherwise stated.

PURPOSE

4. TfL is required to exercise its functions and to secure and facilitate the implementation of the Mayor's Transport Strategy and the provision of safe, integrated, efficient and economic transport facilities and services to, from and within Greater London.

5. In exercising its functions, TfL is required to co-operate with London Regional Transport, for transitional purposes under section 298 of the 1999 Act.

6. TfL is required to exercise its functions in accordance with guidance and directions issued to it by the Mayor under section 155 of the 1999 Act. Any such guidance and directions received by the Commissioner, as the nominated official for receipt of such guidance and directions, shall be kept by the Secretary and notified to the next meeting of the Board; the Secretary is required forthwith to communicate them to such officers of the TfL Group as he/she thinks appropriate.
PROCEEDINGS

Chair/Vice Chair

7. The Mayor is required to designate one of the members of the Board to be Chair and another of the members to be Vice Chair of the Board. Where the Mayor is a member of the Board, he/she is the Chair of the Board.

8. In the absence of the Chair, the Vice Chair will chair meetings of T/L. When neither the Chair nor the Vice Chair are present, those members present shall elect a chair from amongst themselves.

Membership

9. Membership of the Board is required to consist of not less than 8 nor more than 15 members appointed by the Mayor. Where the Mayor chooses to be a member of the Board, the Mayor is required to appoint not less than 7 nor more than 14 other members of the Board.

10. A member appointed by the Mayor shall cease to be a member of the Board in the event that he/she becomes a member of any body listed in paragraph 2(4) of Schedule 10 to the 1999 Act. The Mayor may remove a member of the Board from office by notice in writing. A member may also resign by giving written notice to the Secretary.

11. A list of the membership of the Board shall be kept by the Secretary. Appointments and removals from office made by the Mayor and resignations by members shall be notified to the next meeting of the Board after notification has been received.

Quorum

12. The quorum of the Board shall be 4 members.

13. No business may be transacted at a meeting of the Board unless a quorum is present.
Attendance by non-members

14. The Commissioner, the Solicitor and Head of Legal Services (or a representative of the Solicitor and Head of Legal Services), the Managing Director, Finance and Performance, the Chief Finance Officer and the Secretary shall be present at Board meetings to provide advice.

15. Other officers, consultants, advisers and any other person may, with the agreement of the Chair, attend meetings of the Board in order to provide advice or guidance.

Frequency of meetings and special meetings

16. Board meetings will be held every 2 months or at such other frequency as determined by the Board. The dates, times and venues of meetings for the succeeding year shall be decided at the September meeting of the Board in each calendar year.

17. All meetings of the Board shall be convened by the Secretary who, after consultation with the Chair (or in his/her absence the Vice Chair), may convene a special meeting of the Board at any time.

18. A special meeting of the Board may also be called by the Chair (or in his/her absence the Vice Chair) at any time or by the Secretary, on the requisition of any 4 members of the Board, delivered in writing to the Secretary, the requisitioned meeting to be held within 10 days of receipt of that requisition by the Secretary.

Agenda items

19. The Agenda for a meeting of the Board shall set out the business to be considered at the meeting. No business other than that set out in the Agenda shall be considered at the meeting save that, at the Chair's discretion, items of urgent business not included on the Agenda for a meeting may be considered at that meeting, provided that reasonable notice has been given to all members of the Board that the item in question is to be considered at that meeting.
20. A member of the Board may place items on the Agenda for a meeting of the Board. Written notice of items to be included on the agenda for a meeting must be submitted to the Secretary at least 14 days before the meeting. Members' items notified after that time will only be considered at the meeting if the Chair agrees they are urgent.

**Distribution of papers**

21. The Agenda and papers for a meeting shall normally be sent out 5 working days before any meeting of the Board and will be deemed to have been received on the following day. Papers may be distributed using e-mail with the specific agreement of the respective members. The non receipt by any member of the Agenda and papers for a meeting shall not invalidate the business transacted at that meeting.

**Items not considered at a meeting**

22. Agenda items which are not considered at a meeting of the Board shall be carried forward for consideration at the next ordinary meeting of the Board unless previously considered at a special meeting of the Board.

**Voting**

23. Decisions may be taken by the Board by common consent. Failing common consent, the agreement of more than half of the whole number of voting members present is required. This may be determined by oral expression or a show of hands.

24. If the voting on any question is tied, the chair of the meeting shall have a second or casting vote.

25. The names and votes of members voting shall not normally be recorded in the minutes, but any member may require that his or her vote be recorded and any 4 members may require that the names of those that voted, how they voted and the names of those that abstained be recorded.
Minutes

26. The draft of the minutes of meetings of the Board, including the minutes of any special meeting, shall be circulated with the Agenda for the next scheduled meeting of the Board.

27. Minutes of all meetings of the Board, shall be signed by the person acting as chair of the proceedings to which the minutes relate or any subsequent proceedings in the course of which the minutes were approved as a correct record. In both instances, the minutes may also be signed by a member nominated by the Chair.

Members' interests in contracts and other matters

28. If a member of the Board has any interest, whether direct or indirect and whether pecuniary or not, in any matter that is brought up for consideration at a meeting of the Board, or any of its committees, sub-committees, bodies of members and officers or bodies of members, he/she shall disclose the nature of the interest to the meeting.

29. A member may make any such disclosure by writing to the Secretary, disclosing the nature of the interest and asking that the disclosure is read and considered at the meeting.

30. Where any such disclosure is made:

(a) the disclosure shall be recorded in the minutes of the meeting; and

(b) unless the Mayor, pursuant to paragraph 13(3) of Schedule 10 to the 1999 Act, removes the disability, the member shall not take any part in any deliberation or decision of the Board or any of its committees, sub-committees, bodies of members and officers or bodies of members with respect to that matter.

31. Where the Mayor exercises his/her power under sub-paragraph 13(3) of Schedule 10 to the 1999 Act to remove a disability, the removal of the disability and the Mayor's reasons for doing so shall be recorded in the minutes of the meeting.
32. Unless the meeting decides otherwise, a member who has made a disclosure will be excluded from that part of any meeting that any contract, proposed contract or other matter in which he or she has such an interest is under consideration.

33. A register of all interests disclosed by members of the Board shall be maintained by the Secretary.

Open Government

34. Meetings of the Board shall be open to the public except where the Board determines that all or part of a meeting shall be held in closed session.

35. Where a meeting or part of a meeting is open to the public, all agendas and papers relating to the public part of the meeting shall be made available to the public, except where the Commissioner in consultation with the Chair otherwise determines.

36. Documents, including documents to be disclosed to the Authority, which contain commercially or otherwise sensitive information relating to the TfL Group, and which are not therefore to be made available to the public, shall be marked appropriately.

Reporting by officers

37. The Commissioner, the Chief Finance Officer, the Solicitor and Head of Legal Services, the Head of Audit and the External Auditors shall be entitled to report directly to the Board and/or to the Chair of TfL on any matter within their professional jurisdiction.

38. The Commissioner will submit a report to each ordinary meeting of the Board.
ORGANISATION – GENERAL PROVISIONS

Subordinate bodies

39. The above provisions shall apply to committees, sub-committees, bodies of members and officers and bodies of members or officers, with the necessary changes, subject to contrary provision in their terms of reference.

40. Committees and sub-committees may sub-delegate or set up subordinate bodies, subject to any conditions imposed by the Board.

41. Where the Board establishes a committee, a sub-committee, body of members and officers or a body of members or officers, the Board may establish terms of reference, membership, chairmanship, quorum, frequency of meetings, reporting arrangements and secretarial arrangements.

42. Where a committee or a sub-committee establishes a sub-committee or a subordinate body, subject to any conditions imposed by the Board, the committee or sub-committee shall establish terms of reference, membership, chairmanship, quorum, frequency of meetings, reporting arrangements and secretarial arrangements.

43. Where a committee or sub-committee includes persons who are not members of the Board, those persons may not vote.

44. A list of committees, sub-committees, bodies of members and officers and bodies of members or officers shall be maintained by the Secretary together with their terms of reference, membership, chairmanship, quorum, frequency of meeting and secretarial arrangements.

45. There shall be:

(i) a body of officers called the Executive Management Group;
(ii) a body of members and officers called the Health, Safety and Environmental Policy Advisory Group;

(iii) a committee called the Finance and Audit Committee;

(iv) a committee called the Remuneration Committee;

(v) a body of members and officers called the Rail Services Advisory Panel;

(vi) a body of members and officers called the Street Management Advisory Panel; and

(vii) a body of members and officers called the Surface Services Advisory Panel.

46. The terms of reference of those subordinate bodies are set out in Appendices 1 to 7.

Subsidiary companies

47. The Board shall approve the adoption of, or any changes to, the memorandum and articles of subsidiary companies (but not the subsidiaries of subsidiary companies) and it will appoint and remove the directors of subsidiary companies (but not the subsidiaries of subsidiary companies).

48. Subsidiary companies may only create their own subsidiaries with the approval of the Board. Subsidiary companies shall approve the memorandum and articles of association of their own subsidiaries, any changes to those memorandum and articles and shall appoint and remove the directors of their subsidiaries.

Delegation

49. TfL’s scheme of delegation is contained in Standing Order No 2.

50. The Commissioner has authority over all other TfL Chief Officers and TfL officers so far as is necessary for the efficient management and for carrying out TfL’s functions.

51. The Secretary shall keep a list of the powers delegated to:

(a) committees;

(b) sub-committees;

(c) subsidiaries of TfL;
(d) members or officers of T/L;
(e) bodies of members and officers; and
(f) bodies of members or officers.

The Secretary shall also keep a list of any consents given to the exercise of delegated powers.

Members – Right to Inspect Documents

52. A member of the Board may, for the purposes of his/her duty as a member and no other, inspect any document in the possession of T/L or of a subsidiary company of T/L. Applications to inspect a document should be made to the Secretary specifying the reason that the member wishes to inspect a particular document or class of documents. A copy of any relevant document may be made available to a member subject to an undertaking of confidentiality in appropriate circumstances.

53 A member shall not knowingly apply to inspect, or request a copy of, any document relating to a matter in which he/she has any interest whether direct or indirect, and whether pecuniary or not.

54. The Commissioner and/or the Solicitor and Head of Legal Services may decline to allow inspection of any document which is or would be protected by privilege in the event of legal proceedings, if necessary to protect the interests of T/L.

Sealing of Documents

55. The application of the seal of T/L shall be authenticated by the signature of any member or officer of T/L who has been authorised for that purpose. The Secretary, Assistant Secretary, the Commissioner and any of the Chief Officers are authorised for that purpose.

56. The Commissioner, Chief Officers, Secretary, Assistant Secretary and any officer authorised under any other Standing Order are authorised to sign contracts on behalf of T/L.
APPENDIX 1

EXECUTIVE MANAGEMENT GROUP

Authority

The Executive Management Group is a body of ‘officers’ which may discharge functions on behalf of TfL pursuant to paragraph 7(1)(e) of Schedule 10 to the Greater London Authority Act 1999.

Framework

The Executive Management Group will:

(a) work within its terms of reference in a manner which is consistent with the Mayor’s policies, priorities and proposals, subject to the directions and guidance of the TfL Board and the Mayor;

(b) be mindful of TfL’s role to promote and encourage the provision of safe, integrated, efficient and economic transport facilities and services for London’s transport users;

(c) give due regard to the principle of equal opportunity for all people;

(d) work in partnership with other groups, committees and TfL Officers to best achieve the goals of the TfL Board and the Mayor; and

(e) work within the financial framework of TfL, in particular the agreed Business Plan and Budget.

Terms of Reference

The Executive Management Group will advise on and assist the Commissioner with the following:

(a) ensuring that strategies and policies of TfL meet the Mayor’s overall strategy for transport in London with due regard to safety of operation, efficiency, economy and effectiveness;

(b) allocating resources, planning and promoting the provision of transport facilities and services and the use of public transport in accordance with the Mayor’s Transport Strategy;

(c) making recommendations on fares policies;

(d) health, safety and environmental issues;

(e) monitoring performance and the achievement of plans and budgets and seeking to ensure that value for money is achieved;
(f) reviewing Standing Orders of subsidiary companies;

(g) preparation of Annual Accounts, Revenue and Capital Budgets and the Business Plan;

(h) approving strategy and policies for contracting transport services by competitive tendering;

(i) projects requiring Board approval;

(j) the development of employment policies;

(k) the Commissioner’s report to the T/L Board;

(l) agreeing items to be referred to the T/L Board; and

(m) any other matter referred to the Executive Management Group by the Commissioner or the T/L Board.

**Arrangements**

- The Executive Management Group shall meet not less than 6 times a year.

- A meeting of the Executive Management Group may be called by the Commissioner, his nominated representative or the secretary.

- A secretary to the Executive Management Group shall be provided by the Secretary.

- Notice of each meeting of the Executive Management Group, confirming the venue, time and date, together with an agenda of items to be discussed, shall normally be distributed to each member of the Executive Management Group no fewer than 5 working days prior to the date of the meeting.

- The quorum for meetings shall be 3.

- The secretary of the Executive Management Group shall keep appropriate records of all meetings of the Executive Management Group as well as minutes of the proceedings and all decisions made.
APPENDIX 2

HEALTH, SAFETY AND ENVIRONMENTAL POLICY ADVISORY GROUP

Authority

The Health, Safety and Environmental Policy Advisory Group is a body of ‘members and officers’ which may discharge functions on behalf of the TfL Board pursuant to paragraph 7(1)(e) of Schedule 10 to the Greater London Authority Act 1999.

Terms of Reference

1. Advise the TfL Board on health, safety, and environmental policy, strategy and on specific issues as required by the TfL Board;

2. Satisfy itself insofar as it reasonably can that the TfL Group discharges its legal duties in relation to health safety and environmental matters;

3. Satisfy itself insofar as it reasonably can that the TfL Group has in place appropriate health, safety, and environmental policies, management systems, arrangements and procedures both to meet legal requirements and to assess and control risks, with special regard for members of the public having special needs;

4. Monitor and review compliance by the TfL Group with its legal duties in regard to the safety, health and welfare of passengers, staff, the public and others on or about TfL Group premises and to bring to the attention of those concerned matters for corrective action where needed;

5. Require the carrying out of audits and reviews of health, safety, and environmental management systems, arrangements and procedures, as necessary;

6. Review progress with the implementation of recommendations arising from such audits;

7. Ensure a common framework and appropriate criteria for health, safety, and environmental aspects of risk assessment and project appraisal across TfL;

8. Carry out an annual review of TfL transport health, safety, and environmental performance and submit a report to the TfL Board; and

9. Advise the TfL Board on performance and compliance in relation to the above.

Arrangements

- The Health, Safety and Environmental Policy Advisory Group shall meet not less than 6 times a year.
• A meeting of the Health, Safety and Environmental Policy Advisory Group may be called by the Chair of the Group or the Commissioner or the secretary.

• Notice of each meeting of the Health, Safety and Environmental Policy Advisory Group, confirming the venue, time and date, together with an agenda of items to be discussed, shall normally be distributed to each member of the Group not fewer than 5 working days prior to the date of the meeting.

• The quorum for meetings shall be 3.

• A secretary to the Health, Safety and Environmental Policy Advisory Group shall be provided by the Secretary.

• The secretary of the Health, Safety and Environmental Policy Advisory Group shall keep appropriate records of all meetings of the Group as well as minutes of the proceedings and all decisions made.

• The Health, Safety and Environmental Policy Advisory Group will report on a regular basis to the TfL Board.
APPENDIX 3

FINANCE AND AUDIT COMMITTEE

Authority

The Finance and Audit Committee is a committee which may discharge functions on behalf of TfL pursuant to Paragraph 7(1)(a) of Schedule 10 to the Greater London Authority Act 1999.

Terms of Reference

The Finance and Audit Committee will advise on and assist the TfL Board with issues relating to financial and audit matters and in particular in providing advice in relation to:

1. Finance

a) TfL’s Revenue and Capital Budgets proposals for their submission to the Board.

b) Annual Accounts.

c) The Annual Report.

d) The Business Plan.

e) Budgeted transactions over £100 million and approval of unbudgeted transactions over £10 million.

f) Delegation of financial functions.

g) Formation and disposal of subsidiary companies of TfL.

h) Disposal of a part of TfL’s undertaking.


j) Schemes for transferring property, rights and liabilities between TfL and its subsidiaries or between subsidiaries, including subsidiaries of subsidiaries.

k) Making or withdrawing of schemes of compulsory purchase orders (by order confirmed by the Secretary of State and submitted to him with the consent of the Mayor).

l) The general level and structure of fares for public passenger transport services and/or charges for other public passenger transport facilities and fares for hackney carriages.
m) Establishment of, and keeping under review, a policy for T/L exercising its power to borrow.

n) Establishment of, and keeping under review, a policy for T/L exercising its power to issue guarantees and indemnities.

o) Establishment of, and keeping under review, a policy for T/L exercising its power to give financial assistance.

p) Establishment of, and keeping under review, a treasury management policy.

2 Audit

a) The Finance and Audit Committee will satisfy itself with the arrangements put in place by management to ensure that the T/L Group prepares its annual accounts and reports in accordance with all relevant legislation and accounting standards.

b) The Finance and Audit Committee will obtain assurance as to the adequacy of the systems of internal control in place throughout the T/L Group. Internal control is not restricted to financial control but includes, inter alia, the arrangements that management has put in place for:

- the systematic identification of business risks and mitigating controls, and procedures for ensuring these are properly implemented and effective;
- legal compliance;
- budgetary control; and
- ensuring a systematic approach to minimise the risk of fraud.

c) The Finance and Audit Committee will ensure that an adequate and effective system of internal audit is maintained.

d) The Chair of the Finance and Audit Committee may obtain independent legal advice or other professional advice in regard to matters under consideration by the Committee.

e) The Finance and Audit Committee may call upon any Chief Officer or other T/L member of staff to provide it with information, either orally or in writing. The Finance and Audit Committee may also have access to all T/L Group records and documentation.

• Relationship with Internal Audit

f) The Finance and Audit Committee will monitor the activities of Internal Audit and shall be able to require Internal Audit to carry out specific investigations.

• Relationship with External Audit

g) The Managing Director, Finance and Performance shall make available to the Finance and Audit Committee such information and explanations as it requires in order for it to carry out its review of the Annual Report and Accounts, Annual
Audit Letter and other external audit reports and discuss with the External Auditors any issues arising from the audit.

h) The Finance and Audit Committee will review the Annual Report and Accounts, including any statements made by the T/L Board, and discuss with the External Auditors any issues arising from their audit.

i) Following the completion of each statutory audit, the Finance and Audit Committee will review the performance of the External Auditors.

**Arrangements**

- The Finance and Audit Committee shall meet not less than 6 times a year.
- The quorum for meetings shall be 3.
- A secretary to the Finance and Audit Committee shall be provided by the Secretary.
- A meeting of the Finance and Audit Committee may be called by the Chair, the Managing Director, Finance and Performance or the secretary.
- Notice of each meeting of the Finance and Audit Committee, confirming the venue, time and date, together with an agenda of items to be discussed, shall normally be distributed to each member of the Finance and Audit Committee no fewer than 5 working days prior to the date of the meeting.
- At least annually the members of the Finance and Audit Committee shall meet with the Head of Audit without any T/L Officer (with the exception of the minute secretary) being present.
- The Finance and Audit Committee will meet with the External Auditors before their audit commences to communicate any matters of which it considers the External Auditors should be aware, assist the External Auditors by providing communication with the T/L Board, and review External Audit management letters, together with management’s responses.
- At least annually the members of the Finance and Audit Committee shall meet with the external auditors without any T/L Officer being present (with the exception of the minute secretary).
- The secretary of the Finance and Audit Committee shall keep appropriate records of all meetings of the Finance and Audit Committee as well as minutes of the proceedings and all decisions made.
- A report of significant issues considered by the Finance and Audit Committee shall be circulated to all members of the T/L Board by the Chair of the Finance and Audit Committee.
APPENDIX 4

REMUNERATION COMMITTEE

Authority

The Remuneration Committee is a committee of TfL which may discharge functions on behalf of the TfL Board pursuant to paragraph 7(1)(a) of Schedule 10 to the Greater London Authority Act 1999.

Term of Reference

To review the remuneration of the Commissioner and Chief Officers on behalf of the TfL Board.

Arrangements

- Meetings shall be held when requested by the Chair of the Remuneration Committee but there shall be at least one meeting of the Committee each year.

- Notice of each meeting of the Remuneration Committee, confirming the venue, time and date, together with an agenda of items to be discussed, shall normally be distributed to each member of the Remuneration Committee no fewer than 5 working days prior to the date of the meeting.

- A secretary to the Remuneration Committee shall be provided by the Secretary.

- The quorum for meetings shall be 2.

- The secretary of the Remuneration Committee shall keep appropriate records of all meetings of the Committee as well as minutes of the proceedings and all decisions made.

- The Remuneration Committee shall report to the TfL Board.
APPENDIX 5

RAIL SERVICES ADVISORY PANEL

Authority

The Rail Services Advisory Panel is a body of ‘members and officers’ which may discharge functions on behalf of T/L pursuant to paragraph 7(1)(e) of Schedule 10 to the Greater London Authority Act 1999.

Until London Underground Limited becomes a subsidiary of T/L, the participation of London Underground Limited is on a voluntary “partnership” basis.

Framework

The Rail Services Advisory Panel will:

(a) work within its terms of reference in a manner which is consistent with the Mayor’s policies, priorities and proposals, subject to the directions and guidance of the T/L Board and the Mayor;

(b) be mindful of T/L’s role to promote and encourage the provision of safe, integrated, efficient and economic transport facilities and services for London’s transport users;

(c) give due regard to the principle of equal opportunity for all people;

(d) work in partnership with other groups, committees and T/L Officers to best achieve the goals of T/L and the Mayor;

(e) work within the financial framework of T/L, in particular the agreed Business Plan and Budget; and

(f) work within statutory requirements in relation to health, safety and the environment.

Terms of Reference

The Rail Services Advisory Panel will advise on and assist the Commissioner with issues relating to rail services and in particular will advise and assist the Commissioner in:

(1) overseeing the development of T/L policies in relation to rail services reflecting the Mayor’s transport and other strategies;

(2) the preparation of the rail services’ components of T/L’s Business Plan and Revenue and Capital Budgets;
(3) monitoring the implementation of the rail services component of the Mayor’s Transport Strategy through reviews of the Business Plan and key policy initiatives;

(4) evaluating overall business performance in relation to rail services, and reviewing Best Value plans and performance indicators;

(5) considering integration proposals and monitoring progress on the implementation of TfL access, inclusion and transport equality strategies in relation to rail services; and

(6) considering reports on the evolving needs of rail services passengers and monitoring levels of customer satisfaction.

Arrangements

• The Rail Services Advisory Panel shall meet not less than every two months.

• A meeting of the Rail Services Advisory Panel may be called by the Chair or by the secretary.

• A secretary to the Rail Services Advisory Panel shall be provided by the Secretary.

• Notice of each meeting of the Rail Services Advisory Panel, confirming the venue, time and date, together with an agenda of items to be discussed, shall, normally be distributed to each member no fewer than 5 working days prior to the date of the meeting.

• The quorum for the Rail Services Advisory Panel shall be 3.

• The secretary of the Rail Services Advisory Panel shall keep appropriate records of all meetings of the Rail Services Advisory Panel, as well as minutes of the proceedings and all decisions made.
APPENDIX 6

STREET MANAGEMENT ADVISORY PANEL

Authority

The Street Management Advisory Panel is a body of ‘members and officers’ which may discharge functions on behalf of TfL pursuant to paragraph 7(1)(e) of Schedule 10 to the Greater London Authority Act 1999.

Framework

The Street Management Advisory Panel will:

(a) work within its terms of reference in a manner which is consistent with the Mayor’s policies, priorities and proposals, subject to the directions and guidance of the TfL Board and the Mayor;

(b) be mindful of TfL’s role to promote and encourage the provision of safe, integrated, efficient and economic transport facilities and services for London’s transport users;

(c) give due regard to the principle of equal opportunity for all people;

(d) work in partnership with other groups, committees and TfL Officers to achieve the goals of TfL and the Mayor;

(e) work within the financial framework of TfL, in particular the agreed Business Plan and Budget; and

(f) work within statutory requirements in relation to health, safety and the environment.

Terms of Reference

The Street Management Advisory Panel will advise and assist the Commissioner in:

(1) overseeing the development of TfL policies in relation to street management reflecting the Mayor’s transport and other strategies;

(2) the preparation of the street management’ components of TfL’s Business Plan and Revenue and Capital Budgets;

(3) monitoring the implementation of the street management component of the Mayor’s Transport Strategy through reviews of the effectiveness of the Business Plan and key policy initiatives;

(4) evaluating overall business performance, and reviewing Best Value plans and performance indicators in relation to street management;
(5) considering integration proposals and monitoring progress on the implementation of T/jL access, inclusion and transport equality strategies in relation to street management; and

(6) considering reports on the evolving needs of street users and monitoring levels of user satisfaction.

Arrangements

• The Street Management Advisory Panel shall not less than every 2 months.

• A meeting of the Street Management Advisory Panel may be called by the Chair or by the secretary.

• A secretary to the Street Management Advisory Panel shall be provided by the Secretary.

• Notice of each meeting of the Street Management Advisory Panel, confirming the venue, time and date, together with an agenda of items to be discussed, shall normally be distributed to each member no fewer than 5 working days prior to the date of the meeting.

• The quorum for the Street Management Advisory Panel shall be 3.

• The secretary of the Street Management Advisory Panel shall keep appropriate records of all meetings of the Street Management Advisory Panel, as well as minutes of the proceedings and all decisions made.
APPENDIX 7

SURFACE SERVICES ADVISORY PANEL

Authority

The Surface Services Advisory Panel is a body of ‘members and officers’ which may discharge functions on behalf of TfL pursuant to paragraph 7(1)(e) of Schedule 10 to the Greater London Authority Act 1999.

Framework

The Surface Services Advisory Panel will:

(a) work within its terms of reference in a manner which is consistent with the Mayor’s policies, priorities and proposals, subject to the directions and guidance of the TfL Board and the Mayor;

(b) be mindful of TfL’s role to promote and encourage the provision of safe, integrated, efficient and economic transport facilities and services for London’s transport users;

(c) give due regard to the principle of equal opportunity for all people;

(d) work in partnership with other boards, committees and TfL Officers to best achieve the goals of the Mayor and TfL;

(e) work within the financial framework of TfL, in particular the agreed Business Plan and Budget; and

(f) work within statutory requirements in relation to health, safety and the environment.

Terms of reference

The Surface Services Advisory Panel will advise and assist the Commissioner on issues relating to bus, river, tram, taxi and private hire services and in particular will advise and assist the Commissioner in:

(1) overseeing the development of TfL policies in relation to surface services reflecting the Mayor’s transport and other strategies;

(2) the preparation of the surface services’ components of TfL’s Business Plan and Revenue and Capital Budgets;

(3) monitoring the implementation of the surface services component of the Mayor’s Transport Strategy through reviews of the effectiveness of the Business Plan and key policy initiatives;
(4) evaluating overall business performance, and reviewing Best Value plans and performance indicators in relation to surface surfaces;

(5) considering integration proposals and monitoring progress on the implementation of TfL access, inclusion and transport equality strategies in relation to surface services; and

(6) considering reports on the evolving needs of surface services users and monitoring levels of customer satisfaction.

Arrangements

• The Surface Services Advisory Panel shall meet not less than every 2 months.

• A meeting of the Surface Services Advisory Panel may be called by the Chair or by the secretary.

• A secretary to the Surfaces Services Advisory Panel shall be provided by the Secretary.

• Notice of each meeting of the Surface Services Advisory Panel, confirming the venue, time and date, together with an agenda of items to be discussed, shall normally be distributed to each member no fewer than 5 working days prior to the date of the meeting.

• The quorum for the Surface Services Advisory Panel shall be 3.

• The secretary of the Surface Services Advisory Panel shall keep appropriate records of all meetings of the Surface Services Advisory Panel, as well as minutes of the proceedings and all decisions made.
TRANSPORT for LONDON

STANDING ORDER NO 2:
SCHEME OF DELEGATION

Introduction

1. Transport for London ("TfL") is a statutory corporation established by section 154 of the Greater London Authority Act 1999 ("the 1999 Act"). The membership of TfL is determined in accordance with paragraph 2 of Schedule 10 to the 1999 Act. TfL consists of not less than 8 nor more than 15 members, all of whom are appointed by the Mayor. Where the Mayor is a member of TfL, the Mayor is required to appoint not less than 7 nor more than 14 other members of TfL.

2. This Standing Order shall, where applicable, be read and interpreted together with the provisions of the 1999 Act, and other relevant legislation, and any amendment to or re-enactment of those provisions.

3. The 1999 Act imposes duties and confers powers on TfL. Those duties and powers are TfL’s functions. In general, TfL has a discretion as to who may discharge those functions on its behalf. However, in case of certain specified activities, that discretion is limited. Those activities specified by the Transport for London (Specified Activities) Order 2000 made by the Secretary of State for the Environment, Transport and the Regions must be carried on by TfL through a company limited by shares (which may be a subsidiary of TfL).

4. Subject to any express provision contained in the 1999 Act or any later Act, the Board of TfL may arrange for its functions to be discharged by:

(a) any committee of TfL;

(b) any sub-committee of such a committee;

(c) any wholly owned subsidiary of TfL;
(d) any member or officer of T/L; or

(e) any body of members or officers, or members and officers, of T/L.

5. Where the Board of T/L makes arrangements for the discharge of any of its functions by any committee, sub-committee, subsidiary, member, officer, body of members or officers or body of members and officers:

(a) the person or body to whom the discharge of a function is delegated must exercise that delegated authority subject to any conditions imposed by the Board of T/L; and

(b) the Board of T/L may itself discharge a function even though it has delegated the discharge of that function.

6. Unless the Board of T/L imposes a condition to the contrary, a committee may sub-delegate the discharge of a function delegated by the Board of T/L to that committee by arranging for that function to be discharged by:

(a) a sub-committee of that committee;

(b) any member or officer of T/L; or

(c) any body of members or officers, or members and officers, of T/L.

7. Where a committee makes arrangements for the discharge of any function of T/L by arranging for that function to be discharged by a sub-committee, member, officer, body of members or officers or body of members and officers:

(a) the person or body to whom the discharge of a function is delegated must exercise that delegated authority subject to any conditions imposed by the Board of T/L and/or that committee; and
(b) both the Board of T/L and that committee may themselves discharge the delegated function.

8. Unless the Board of T/L or a parent committee, as the case may be, imposes a condition to the contrary, a sub-committee may in turn sub-delegate to:

(a) any member or officer of T/L; or

(b) any body of members or officers, or members and officers, of T/L.

9. Where a sub-committee makes arrangements for the discharge of any functions of T/L by arranging for that function to be discharged by a member, officer, body of members or officers or body of members and officers:

(a) the person or body to whom the discharge of a function is delegated must exercise that delegated authority subject to any conditions imposed by the Board of T/L, the parent committee and/or that sub-committee; and

(b) the Board of T/L, the parent committee and that sub-committee may themselves discharge the delegated function.

10. Only the Board of T/L may delegate the discharge of a function to a wholly owned subsidiary of T/L.

11. Only committees and sub-committees may sub-delegate. In particular, an officer exercising delegated powers may not sub-delegate to another officer.

12. The 1999 Act also makes provision enabling T/L to enter into arrangements with one or more local authorities for the joint discharge of their respective functions.

Matters reserved to the Board of T/L for decision

13. The following matters are reserved to the Board of T/L for decision:
(i) Provision of strategic guidance for securing or facilitating the implementation of the Mayor’s Transport Strategy and the provision of safe, integrated, efficient and economic transport facilities and services to, from and within Greater London.

(ii) Approval of TfL’s Revenue and Capital Budgets proposals for submission to the Mayor.

(iii) Approval of Annual Accounts of the TfL Group.

(iv) Approval of the Annual Report for the TfL Group.

(v) Approval of the Business Plan.

(vi) Approval of budgeted transactions over £100 million and approval of unbudgeted transactions over £25 million save in respect of emergencies where the Commissioner, or in his absence the Managing Director, Finance and Performance may approve unbudgeted expenditure for works urgently required to safeguard the operation or protect the assets of any part of the TfL Group. Any such approval will be submitted at the earliest opportunity to the Board of TfL for ratification.

(vii) Appointment of, and delegation to, committees, sub-committees, bodies of members and officers and bodies of members or officers (provided that a committee or sub-committee can also arrange for the discharge of any of its functions by a body or individuals as permitted by paragraph 8 of Schedule 10 to the 1999 Act).

(viii) Approval of arrangements with one or more local authorities for the joint discharge of functions, including approval of the appointment and terms of reference of any joint committee.

(ix) Delegation of any of TfL’s functions to a subsidiary company.

(x) Subject to VII above, delegation of any of TfL’s functions to a member or officer.

(xi) Appointment of advisers (other than on an ad hoc basis) to the subordinate bodies i.e. the committees, sub-committees, bodies of members and officers on recommendation of the Commissioner.

(xii) Formation of subsidiary companies of TfL and the disposal of subsidiary companies.

(xiii) Disposal of a part of TfL’s undertaking.

(xiv) Making and amending TfL’s Standing Orders.

(xv) Approval of changes to the memorandum and articles of association of subsidiary companies (but not those of subsidiaries of subsidiaries).

(xvi) Approval, for submission to the Mayor, of Schemes for transferring property, rights and liabilities between TfL and its subsidiaries or between subsidiaries, including subsidiaries of subsidiaries.
(xvii) Approval of (subject to obtaining the Mayor’s written consent as required by the 1999 Act) the promotion of, or opposition to local Bills in Parliament.

(xviii) Approval of, or objection to (subject to obtaining the Mayor’s written consent as required by the 1999 Act) an application for an order under the Transport and Works Act 1992 or any statutory amendment or re-enactment of that Act.

(xix) Approval of the making and amending of byelaws and regulations.

(xx) Approval of the making or withdrawing of compulsory purchase orders (by order confirmed by the Secretary of State and submitted to him with the consent of the Mayor).

(xxii) Approval of (subject to obtaining the Mayor’s written consent as required by the 1999 Act) the promotion of, or opposition to local Bills in Parliament.

Note: The list of matters reserved for decision by the Board of TfL does not preclude other matters being referred to the Board of TfL for decision, for example, at the instigation of the Chair of TfL.
Delegation: general provisions

14. All delegated authority conferred by the following paragraphs of this scheme of delegation must be exercised:

(a) subject to any restrictions imposed by law;

(b) in accordance with any conditions imposed by the Board of TfL or any committee or sub-committee of the Board of TfL with authority to do so;

(c) in accordance with such guidance or directions as may be issued to TfL by the Mayor;

(d) having regard to TfL's statutory duty to exercise its functions for the purpose of securing the provision of safe, integrated, efficient and economic transport facilities and services to, from and within Greater London;

(e) consistent with the purpose of securing and facilitating the implementation of the Mayor's Transport Strategy;

(f) having regard to the principle of equal opportunity for all people;

(g) within the financial framework established by TfL. No expenditure may be incurred in the exercise of delegated authority unless there is budget provision for that expenditure;

(h) in accordance with TfL's policies and priorities; and

(i) in accordance with Standing Orders adopted by TfL, including Financial, Procurement, and Property Standing Orders; and

(j) in accordance with the scheme for approval of projects which is Appendix 1 to this Standing Order.
Delegation in case of urgency

15. In case of urgency, the Chair of TfL may discharge any function of TfL on its behalf provided that, before exercising the delegated authority conferred by this paragraph, the Chair shall so far as practicable, consult with, or arrange for consultation with, members of TfL who can be readily contacted.

Delegation to Committees of TfL

16. There is delegated to each committee of TfL the discharge of those functions of TfL which fall within the terms of reference of that committee, other than any matter reserved to the Board of TfL for decision, in accordance with paragraph 13 above.

Delegation to wholly owned subsidiary companies of the Board of TfL

17. There is delegated to each wholly owned subsidiary of TfL the discharge, in the course of that subsidiary's business, of all functions of TfL for which that subsidiary has responsibility including those functions of TfL which constitute the carrying out of an activity specified in the Transport for London (Specified Activities) Order 2000.

18. Without prejudice to the generality of paragraph 17, there is delegated to London Bus Services Limited:

(a) the discharge of the functions conferred on TfL by section 181 and 183 of the 1999 Act (determination of the London Bus Network and addition or variation of a network service);

(b) the discharge of the functions conferred on TfL by sections 185 to 190 of the 1999 Act (grant of London service permits); and

(c) the discharge of the functions conferred on TfL by paragraph 1(1) of Schedule 17 to the 1999 Act (authorisation of persons to collect penalty fares).
Delegation to the Commissioner of Transport for London

19. There is delegated to the Commissioner or, in his/her absence, the Managing Director, Finance and Performance, the discharge of all functions of TfL other than:

(a) any matter reserved to the Board of TfL for decision, in accordance with paragraph 13 above;

(b) any matter delegated to wholly owned subsidiaries of TfL, in accordance with paragraphs 17 and 18 above; and

(c) any matter the subject of a specific delegation to another officer in accordance with paragraphs 24 to 26 below.

19A There is delegated to the Commissioner and with the Commissioner’s consent the Director of Street Management the discharge of TfL’s functions conferred by section 295 and Schedule 23 to the 1999 Act (Road User Charging).

Delegation to officers of TfL

(i) General delegations to officers

20. There is delegated to each Managing Director and to each Director including any Acting Managing Director and Acting Director the discharge of all functions of TfL for which he/she has managerial and/or professional responsibility other than:

(a) any matter reserved to the Board of TfL for decision, in accordance with paragraph 13 above;

(b) any matter delegated to committees of TfL, in accordance with paragraph 16 above;

(c) any matter delegated to a wholly owned subsidiary of TfL, in accordance with paragraphs 17 and 18 above;
(d) any matter the subject of a specific delegation to another officer, in accordance with paragraphs 24 to 26 below.

21. There is delegated to each Senior Officer (including Assistant Directors, Section Heads, General Managers and officers acting in such capacity) the discharge of all functions of T/L for which he/she has managerial and/or professional responsibility provided that:

   (a) the Managing Director or Director to whom he/she is responsible has delegated authority in relation to any matter in respect of which a Senior Officer proposes to exercise delegated authority; and

   (b) the Senior Officer has obtained the consent of the Managing Director or Director to whom he/she is responsible (or, in the absence of such Managing Director or Director, that of the Commissioner) to the exercise of that delegated authority.

22. There is delegated to each Officer below the level of Senior Officer the discharge of all functions of T/L for which he/she has managerial and/or professional responsibility provided that:

   (a) the Managing Director or Director to whom he/she is responsible has delegated authority in relation to any matter in respect of which that Officer proposes to exercise delegated authority;

   (b) that Officer has obtained the consent of the Managing Director or Director to whom he/she is responsible (or, in the absence of such Managing Director or Director, that of another Director) to the exercise of that delegated authority.

23. The authority delegated to Managing Directors, Directors, Senior Officers and Officers below the level of Senior Officers in accordance with paragraphs 20 to 22 above is concurrent with the authority delegated to the Commissioner by paragraph 19 above and may not be exercised in respect of any matter where the Commissioner has
exercised his/her delegated powers or has given a written indication of his/her intention to do so. In addition to the matters set out in paragraph 14 above, all delegated authority conferred by paragraphs 20 to 22 above must be exercised in accordance with any conditions issued from time to time by the Commissioner.

(ii) **Specific delegations to officers**

24. There is delegated to the Director with responsibility for the Public Carriage Office and with his/her written consent to officers reporting directly to this Director the discharge of the functions of TfL relating to:

   (a) hackney carriages (section 253 of, and Schedule 20 to, the 1999 Act and the legislation there referred to); and

   (b) private hire vehicles (section 254 of, and Schedule 21 to, the 1999 Act and the legislation there referred to).

25. Subject to paragraph 19A above, there is delegated to the Director of Street Management and, with his/her written consent, to each Senior Officer including Assistant Directors, Team Leaders and Section Heads responsible to the Director of Street Management, the discharge of the functions of TfL as highway authority, local authority, traffic authority, or street authority, including the discharge of the functions of TfL conferred by:

   (a) sections 8, 14C, 23, 38, 59, 79, 90A to 90E, 90G to 90I, 93, 94, 95A, 96, 98, 122, 124, 129, 130, 132, 133, 136, 139, 140 to 144, 149, 151 to 154, 163, 164, 166, 167, 169, 171, 172, 176 to 179, 181, 184, 185, 240, 244, 246, 256, 286, 287, 289, 291, 294, 296, 297, 301A, 301B of the Highways Act 1980;

   (b) sections 6, 9 14, 16A, 23, 29, 45, 46, 63, 63A, 64 to 74, 74A to 74C, 84, 94, 95, 107, 121B, 122 and 132AA of the Road Traffic Regulation Act 1984;

   (c) sections 50, 51, 53, 56, 58, 59, 61, 64, 65, 72, 74, 76, 83 and 90 of the New Roads and Street Works Act 1991; and
(d) section 275 of the 1999 Act.

26. There is delegated to the Managing Director, Finance and Performance or, in his/her absence, the Business Planning and Performance Manager and the Business Planning and Performance Manager, the discharge of the functions of TfL relating to traffic related agreements (revenue agreements) with train operating companies, bus operating companies and others, including entering into such agreements, amending and revoking such agreements and making payments pursuant to such agreements.

27. The authority delegated by paragraphs 24 and 25 above is exercisable subject to compliance with any conditions issued from time to time by the Commissioner.
APPENDIX 1

SCHEME FOR APPROVAL OF PROJECTS

For the purposes of this Standing Order No 2, a project is defined as a non-recurring, time related package of work with specific outputs and deliverables. Projects fall into two financial classifications: capital projects which are funded through the Capital Budget and Operating Projects which are chargeable to Revenue Account. Related projects should be considered as a single project for the purposes of this Standing Order.

Projects require approval by the appropriate body or individual as set out in the table below.

All projects costing £5m or above will need to be authorised by the Managing Director, Finance and Performance, or higher level of authority, and will require a project submission setting out the project plan encompassing scope, safety plan, timescales, milestones, cost estimates, business case, procurement strategy, and project management arrangements. This process will be undertaken in accordance with instructions issued by the Managing Director, Finance and Performance.

Those with authority in respect of projects costing between £2m and £5m must comply with any instructions issued from time to time by the Managing Director, Finance and Performance in respect of such projects.

<table>
<thead>
<tr>
<th>Group /Subsidiary</th>
<th>Authorising Body</th>
<th>Authority to approve project submissions up to:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>for Projects included in the Budget</td>
</tr>
<tr>
<td>T/L Group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>T/L Board</td>
<td>Unlimited</td>
<td>Unlimited</td>
</tr>
<tr>
<td>Commissioner</td>
<td>£100m.</td>
<td>£25m.</td>
</tr>
<tr>
<td>Managing Director, Finance and Performance</td>
<td>£25m.</td>
<td>£10m.</td>
</tr>
<tr>
<td>Managing Directors and Directors of T/L reporting directly to the Commissioner</td>
<td>£5m.</td>
<td>£1m.</td>
</tr>
<tr>
<td>Senior Officers authorised by Managing Director, Finance and Performance</td>
<td>£2m</td>
<td>£1m</td>
</tr>
<tr>
<td>T/L Subsidiaries</td>
<td></td>
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<tr>
<td>----------------------------------</td>
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</tr>
<tr>
<td>TTL, LBSL, DLR</td>
<td>£2m.</td>
<td>£1m.</td>
</tr>
<tr>
<td>LRSL, VCSL, LBL</td>
<td>£1m.</td>
<td>£500,000</td>
</tr>
</tbody>
</table>
TRANSPORT for LONDON

STANDING ORDER No 3:
FINANCIAL REGULATIONS

INTRODUCTION

1. TfL is subject to the local government finance regime. Capital finance controls apply to TfL. The Mayor has influence over capital spending priorities through the preparation of a capital spending plan. TfL is responsible for the administration of the TfL Group’s financial affairs and accounts. TfL follows the local authority accounting framework and is subject to audit by auditors appointed by the Audit Commission.

2. This Standing Order shall, where applicable, be read and interpreted together with the provisions of the Greater London Authority Act 1999, and other relevant legislation, and any amendment to or re-enactment of those provisions.

3. This Standing Order sets out the requirements for the efficient and proper conduct of all financial transactions of the TfL Group. It allows the Managing Director, Finance and Performance to promote the delegation of financial matters and the Chief Finance Officer to discharge his or her statutory obligations and responsibilities.

4. TfL’s subsidiaries shall comply with this Standing Order insofar as it is not inconsistent with their statutory obligations under the Companies Acts.

5. In this Standing Order, words and phrases listed below shall have the meanings set out opposite them:-

   TfL means Transport for London

   The Act means the Greater London Authority Act 1999

   The Authority means the Greater London Authority
The Board means TfL as constituted under paragraph 2 of Schedule 10 to the Act

The TfL Group means TfL and its subsidiary companies and their subsidiaries. References to a subsidiary of TfL includes a subsidiary of a subsidiary of TfL unless otherwise stated

The Mayor means the Mayor of London

The Commissioner means the Commissioner of Transport for London

The Chief Officers means Managing Directors and Directors of TfL reporting directly to the Commissioner.

ROLES AND RESPONSIBILITIES

6. The Managing Director, Finance and Performance is responsible, in consultation with the Director of Integration, for planning, securing, allocating and controlling financial resources in line with the Mayor’s Transport Strategy and TfL’s Business Plan, for setting the financial control framework and policies for the TfL Group, for ensuring proper accounting records are maintained and for reporting the financial results of the TfL Group in accordance with the requirements of local government legislation and of the Companies Acts.

7. A Chief Finance Officer (who may also be the Managing Director, Finance and Performance) must be appointed, in accordance with section 127 of the 1999 Act, to carry out the functions of the post in accordance with the provisions of Section 114 of the Local Government Finance Act 1988 (“the 1988 Act”). He or she will make a report to the Board in respect of decisions which would lead to unlawful expenditure or an unlawful course of action which is likely to cause loss or unlawful items of account or a deficit budget.

8. Reports made under section 114 of the 1988 Act above must be considered at a meeting of the Board held within 21 days beginning from the day on which copies of
the report are sent. The public access provisions of Part VA of the Local Government Act 1972 will apply to such a meeting.

**BUDGETS, PROGRAMMES AND PLANS**

9. Each year the Managing Director, Finance and Performance will submit the consolidated T/L Group Budget to the Executive Management Group and Finance and Audit Committee for consideration and then to the Board for approval prior to submission to the Authority.

10. Each year the Managing Director, Finance and Performance will submit the capital programme and business plan to the Executive Management Group, Finance and Audit Committee for consideration prior to submission to the Board for approval.

11. The T/L Group Budget and Business Plan will translate the Mayor’s Transport Strategy into a financial and performance plan, and statement of deliverables.

12. The Managing Director, Finance and Performance will set the guidelines and timetable for the T/L Group to follow in the preparation of Budgets and Plans, having regard to the timetable required by the Authority and any guidance received from the Mayor and Assembly.

13. T/L Chief Officers and subsidiary companies will be informed of their budgets for the forthcoming year following approval of the T/L Group Budget by the Mayor and Assembly.

**AUTHORISATION OF EXPENDITURE**

13. Approval of the T/L Group Budget allocations provides authorisation for T/L Chief Officers and subsidiary companies to incur expenditure, collect income and redistribute funds to relevant third parties in respect of revenue and capital budgets, subject to:-

a) the existence of appropriate provision in the revenue or capital budget (or the written approval of those authorised to enter into unbudgeted expenditure);
b) compliance with the scheme of delegation (TfL Standing Order No 2);

c) securing specific approval, where required;

d) any restrictions or conditions included in business or service plans;

e) compliance with TfL’s Standing Orders, including procurement and property Standing Orders;

f) compliance with financial policies issued by the Board from time to time;

g) compliance with financial standards or instructions issued by the Managing Director, Finance and Performance from time to time; and

h) compliance with authorisation procedures and instructions for TfL Chief Officers, subsidiary companies and other officers issued from time to time.

**TfL BUDGET: MONITORING AND CONTROL**

14. The Managing Director, Finance and Performance will ensure the integrity of the budget monitoring and control framework, including the treatment of budget variations and transfers for the TfL Group and all arrangements put in place to support TfL Chief Officers in monitoring their budgets.

15. Where central revenue and capital contingency budgets are held, then all allocations from those budgets must be approved by the Commissioner or by the Managing Director, Finance and Performance.

16. The Board and the Finance and Audit Committee shall receive regular financial and performance monitoring reports related to revenue and capital expenditure within the TfL Group Budget. The format of monitoring reports will be determined by the Managing Director, Finance and Performance in consultation with the Board. Subsidiary companies and TfL Chief Officers must provide the required information to
the Managing Director, Finance and Performance on a timely basis to allow such reports to be prepared.

17. All T/L Chief Officers and subsidiary companies shall ensure, to the satisfaction of the Commissioner and Managing Director, Finance and Performance, that appropriate systems for planning, monitoring, evaluating and reviewing performance, including the treatment of budget virements and variation, are in operation for the services and functions for which they are responsible.

18. Capital expenditure must be planned and monitored continually to ensure that the delivery of each project complies with the stated scope, aims and financial estimates which form the approval for the expenditure and that T/L Group’s plans are actioned.

19. Revenue expenditure must be planned and monitored continually to ensure that it is within budget and continues to be justified by service performance and business case criteria.

20. The Managing Director, Finance and Performance shall be responsible for designing a virement process to be applied throughout the T/L Group and for managing and monitoring that process. The Board shall receive regular reports and be consulted when the process identifies material changes to the budgeted delivery.

**STATEMENT OF ACCOUNTS**

21. The Managing Director, Finance and Performance shall be responsible for preparing the statement of accounts and for all matters relating to their audit and public inspection. Other T/L Chief Officers and subsidiary companies are required to assist the Managing Director, Finance and Performance in all matters relating to preparation and audit of the statement of accounts.

22. The Managing Director, Finance and Performance shall after consultation with the Finance and Audit Committee recommend to the Board the adoption of the draft statement of accounts.
ACCOUNTING POLICIES AND PROCEDURES

23. The Managing Director, Finance and Performance shall be responsible for setting out T/L Group accounting policies and standards (T/L Group Finance Manual) governing the operation and control of the systems and procedures needed to meet statutory requirements and applicable generally accepted accounting practice, in particular to:-

(a) support the T/L Group procurement processes;
(b) discharge liabilities including the payment of salaries and wages;
(c) identify and record all sources of income;
(d) manage and control funds including the collection and banking of all income and management of imprest accounts; and
(e) acquire, protect and dispose of T/L Group assets.

24. The Managing Director, Finance and Performance shall institute a regime of internal check and control requiring the segregation of roles and responsibilities, in particular relating to the handling of cash and cash equivalents and related accounting records.

INSURANCE AND INDEMNITIES

25. The Managing Director, Finance and Performance shall be responsible for arranging adequate insurance for the T/L Group and shall keep comprehensive records of all risks covered.

26. Each T/L Chief Officer, and subsidiary companies shall provide immediate notification to the Managing Director, Finance and Performance and the Risk Manager of all significant new areas of risk and of any change of circumstances likely to affect existing risks or insurances.

27. Any incident, which could give rise to an insurance claim, must be promptly notified to the Risk Manager by the relevant officer.

28. The Managing Director, Finance and Performance shall make appropriate arrangements to handle all insurance claims, in conjunction with the Risk Manager and Legal Services if proceedings are issued.
29. The Managing Director, Finance and Performance shall arrange for the examination of all new, or amendments to existing, policies in which the T/L Group has an interest.

30. The Risk Manager shall be consulted in all cases where a member of the T/L Group is requested to give an indemnity.

CREDIT APPROVALS

31. The Managing Director, Finance and Performance is responsible for establishing the operation and control of procedures needed to comply with Part IV of the Local Government and Housing Act 1989 (as applicable to T/L) and in particular to make arrangements to:-

a) note the aggregate credit approval, together with the specified authorities and amounts for capital purposes comprising the credit approval, issued by the Secretary of State to the Mayor relating to T/L;

b) note the additional credit approvals relating to T/L which may be issued at any time to the Mayor; and

c) record, from the aggregate and additional credit approvals, those authorities relating to T/L with their classification, purpose, value and time period for which approval has effect, together with the amortisation period, as appropriate.

CREDIT ARRANGEMENTS

32. The Managing Director, Finance and Performance shall from time to time establish an approval and control process, and issue instructions in respect of, credit arrangements to ensure compliance with the Local Government and Housing Act 1989.

CREDIT RATING

33. The Managing Director, Finance and Performance shall be notified of any matter that may affect T/L’s credit rating.
INVESTMENTS, BORROWING, CAPITAL FINANCING AND TRUST FUNDS

34. The Managing Director, Finance and Performance is responsible for advising the Board on investments, borrowing, capital financing and trust funds. The Managing Director, Finance and Performance shall have control of the aggregated monies and securities of the T/L Group in accordance with any policy determined by the Board.

35. All limits set by the Managing Director, Finance and Performance and relevant legislation shall be complied with by the T/L Group.

36. All investments controlled by the T/L Group shall be made in T/L's name, in the name of a member of the T/L Group or in the name of nominees approved by the Managing Director, Finance and Performance and reported to the Finance and Audit Committee.Bearer securities are excepted from this but any such purchase shall be reported to the Board.

37. All securities shall be held securely by T/L's bankers, the Managing Director, Finance and Performance or custodians approved by the Board.

38. All borrowing and, wherever possible, all trust funds, shall be in the name of T/L or a member of the T/L Group.

39. The Managing Director, Finance and Performance shall be T/L's registrar of stocks and bonds and shall maintain records of all monies borrowed and lent.

40. All officers acting as trustees by virtue of their official position shall deposit all securities etc, which relate to the trust with persons authorised by the Managing Director, Finance and Performance unless the trust deed provides otherwise.

BANKING ARRANGEMENTS

41. The Managing Director, Finance and Performance shall be responsible for the establishment and operation of banking arrangements necessary for the T/L Group business in accordance with any treasury management policy approved by the Board.
INCOME

42. The Managing Director, Finance and Performance shall make arrangements for:

(a) the proper recording of all sums due to the Authority; and

(b) the prompt and proper accounting for all cash including its collection, custody, control and deposit.

43. All arrangements relating to the collection of monies due shall be subject to approval by the Managing Director, Finance and Performance.

44. Income due to TfL from work done, goods supplied or services rendered and not paid for at the time of delivery must be invoiced promptly by the appropriate officer.

45. The Managing Director, Finance and Performance shall be notified immediately documents are signed of all money due to any member of the TfL Group under contracts, leases and other agreements with a per annum value of not less than £1 million and shall have access to all related documents and particulars. He/she shall be informed immediately of any changes or cessation of such arrangements that affect the monies due.

46. The Managing Director, Finance and Performance shall co-ordinate the preparation of and shall submit applications for grant. Chief Officers must supply such information as the Managing Director, Finance and Performance requires to complete such applications.

EXTERNAL AUDIT

47. The Audit Commission is responsible for appointing auditors for TfL.

48. The Managing Director, Finance and Performance and other Chief Officers shall work closely with the external auditors and provide all information and explanations reasonably requested by them in relation to their responsibilities in a timely manner.
TRANSPORT for LONDON
STANDING ORDER NO 4:
PROCUREMENT AND DISPOSAL TRANSACTIONS

INTRODUCTION

1. This Standing Order sets out the objectives, responsibilities and controls for procurement and disposal transactions (“Transactions”) for TfL and its subsidiaries with the exception of property which is dealt with in Standing Order 5. Activities which come within Transactions covered by this Standing Order are described in Appendix 1.

2. This Standing Order shall, where applicable, be read and interpreted together with the provisions of the Greater London Authority Act 1999 and other relevant legislation, and any amendment to or re-enactment of these provisions.

3. In this Standing Order the words and phrases listed below shall have the meanings set out opposite them:

   **Credit Arrangement** means an arrangement defined by Section 48 of the Local Government and Housing Act 1989. (Current examples of credit arrangements include: leases of any property (especially land), contracts where goods or services are provided on deferred terms and private finance transactions.)

   **Financial Controller** means the individual designated in each business area by the Chief Officer responsible for that area as the person responsible for undertaking the role set out in paragraphs 25 and 26.

   **Group Treasury Manager** means the designated individual in TfL undertaking this role.
**Head of Procurement** means the designated individual in TfL undertaking this role.

**Procurement Instructions and/or Procedures** means Procurement Instructions and/or Procedures or such other similar documents as may be applicable in particular business areas all as amended from time to time.


**TfL** means Transport for London.

**The Board** means TfL as constituted under paragraph 2 of Schedule 10 to the 1999 Act.

**The Chief Officers** are the Managing Directors and Directors of TfL reporting directly to the Commissioner.

**The Commissioner** means the Commissioner of TfL.

**The Mayor** means the Mayor of London.

**Senior Officers** include Assistant Directors, Section Heads, General Managers and officers acting in such capacity.

4. No person shall negotiate, enter into, or vary a Transaction on behalf of TfL, or purport to do so, unless it is done:

   (a) In accordance with, and with authority under, this Standing Order;

   (b) Having regard to TfL’s Statement on Control (Procurement), TfL’s Procurement Principles as amended from time to time and Procurement Instructions and/or Procedures; and

   (c) In accordance with Disposal Instructions issued from time to time.
OBJECTIVES

5. All procurement activity should be undertaken with the objective of ensuring that:

(a) TfL achieves optimum value for money and makes optimum use of its resources consistent with the delivery of the Mayor’s Transport Strategy and TfL’s Business Plan and Budget;

(b) TfL complies with all laws and regulations, including EC Procurement Directives and UK Procurement Regulations and health, safety and environmental legislation relevant to the Transaction;

(c) All goods and services procured comply with the appropriate TfL safety, technical or other standards and are for legitimate business purposes; and

(d) All stages of a Transaction are carried out in a non-discriminatory, objective and transparent manner.

SPECIAL CATEGORY TRANSACTIONS

6. Where activities which are usually undertaken “in-house” by any part of TfL are to be outsourced, the prior approval of the Managing Director, Finance and Performance is required before any approach is made to an external third party. This paragraph does not apply to the engagement of consultants or agency staff engaged to carry out an activity or to any other matter specified in instructions issued by the Managing Director, Finance and Performance from time to time.
7. Before a Transaction is entered which will involve the disposal by TfL of any property\(^1\) (other than land or other property covered by Standing Order 5) which is not required for the purposes of the discharge by TfL of any of its functions, a written opinion must be given to this effect by the Mayor or one of the persons to whom the Mayor has delegated the power to give such an opinion.

8. Before a Transaction is entered into which will or may constitute a Credit Arrangement approval must be given by the Group Treasury Manager. The rules relating to Credit Arrangements are set out in Guidance Notes entitled "Credit arrangements – Are you looking for Credit?" published by the Group Treasury Manager.

RESPONSIBILITIES AND AUTHORITIES

9. The Managing Director, Finance and Performance is responsible to the Board for ensuring that Transactions are conducted in accordance with this Standing Order.

10. Prior to being entered into, and subject to paragraph 11 below, Transactions (including variations to Transactions) must be approved at the following levels of authority:

<table>
<thead>
<tr>
<th>Value</th>
<th>Level</th>
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<tbody>
<tr>
<td>TfL</td>
<td></td>
</tr>
<tr>
<td>(a) Unlimited</td>
<td>The Board.</td>
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</tbody>
</table>
| (b) Up to and including £100,000,000 | The Commissioner or in his absence the Managing Director, Finance & Performance. If in the view of the Commissioner, a Transaction has

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\(^1\) Property includes assets and materials. This is a requirement of Schedule 11, paragraph 12 of the 1999 Act.
exceptional or unusual features warranting the attention of the Board or is of a high risk nature it must be approved by the Board (regardless of the levels of authority delegated in this Standing Order) unless it has already been approved by the Board.

(c) Up to and including £25,000,000 Each Chief Officer.

(d) Up to and including £5,000,000 Each Senior Officer reporting directly to a Chief Officer subject to obtaining the written consent of the Chief Officer to whom he/she reports.

(e) Up to and including £500,000 Each officer below the level of Senior Officer subject to obtaining the written consent of the Chief Officer to whom he/she ultimately reports.

Transport Trading Limited (TTL)
(f) Up to and including £5,000,000 TTL, subject to any conditions issued from time to time by the Managing Director, Finance and Performance.

London Bus Services Limited (LBSL)
General Transactions:
(g) Up to and including £5,000,000 LBSL, subject to any conditions issued from time to time by the Managing Director, Finance and Performance.

Transactions for the provision of bus services:
(h) Up to and including £70,000,000 LBSL, subject to any conditions issued
from time to time by the Managing Director, Finance and Performance.

**London River Services Limited (LRSL)**

(i) Up to and including £5,000,000 LRSL, subject to any conditions issued from time to time by the Managing Director, Finance and Performance.

**Victoria Coach Station Limited (VCSL)**

(j) Up to and including £5,000,000 VCSL, subject to any conditions issued from time to time by the Managing Director, Finance and Performance.

**London Buses Limited (LBL)**

(k) Up to and including £5,000,000 LBL, subject to any conditions issued from time to time by the Managing Director, Finance and Performance.

**Docklands Light Railway Limited (DLR)**

(l) Up to and including £5,000,000 DLR, subject to any conditions issued from time to time by the Managing Director, Finance and Performance.

Any person who is authorised to give a written consent pursuant to this Standing Order may restrict the level of the procurement authority of the person in respect of whom that consent is given.

11. Where a call-off contract has been entered to facilitate the supply of low value consumables, each officer employed by TfL, may with the authority of their line manager, authorise the supply of consumables within the terms, conditions, defined scope and price structure of such a contract up to a limit of £1,000 in any single call-off.

12. Variations to a Transaction must be approved in accordance with applicable Procurement Instructions and/or Procedures. Where a variation substantially
alters the terms and conditions of a Transaction it must be referred for approval by either the same level of authority at which the original Transaction was authorised or if, after the variation, the value of the Transaction will require a higher level of authority, by a person with that higher level of authority.

13. An officer with delegated authority to discharge any function on behalf of T/L may not transfer or sub-delegate that authority in any way whatsoever.

14. Transactions must not be broken down into lower value Transactions to avoid a requirement for authority at a particular level, UK Procurement Regulations or EC Procurement Directives.

15. Prior to undertaking a Transaction or entering into any contractual commitment either in writing or orally in respect of a Transaction, appropriate authorisation of expenditure must be obtained in accordance with Standing Order No 3.

16. All sums expressed in this Standing Order are exclusive of Value Added Tax.

ETHICS

17. Procurement must be carried out in accordance with T/L’s Business Ethics Policy as amended from time to time.

18. Where an officer, his/her partner or a member of their family has any interest, whether direct or indirect, and whether pecuniary or not, in any contract or proposed contract or other Transaction in which T/L is or would be a party or in or with any supplier, that officer must at the earliest opportunity disclose in writing the nature of the interest to a Chief Officer, or where the officer is a Chief Officer, to the Commissioner. That officer shall refrain from any involvement in the contract or proposed contract or other Transaction to which that interest relates, whether or not he/she has made the required written disclosure of that interest.
INFORMATION

19. Those involved in Transactions must comply with TjL’s policies from time to time in force on the treatment of confidential information.

HEALTH, SAFETY, QUALITY AND THE ENVIRONMENT

20. All Transactions must comply with the requirements of all laws and regulations and any internal policy, direction or instruction issued from time to time by TjL regarding health, safety, quality and the environment.

ESTABLISHING A TRANSACTION

21. Transactions should (other than in nominal or other circumstances defined by Procurement Instructions and/or Procedures or European Union Procurement Rules) only be entered into following a competition conducted through a tender process or by competitive quotation.

22. Notwithstanding any other authority given by this Standing Order where it is proposed that a Transaction over the value of £500,000 be awarded other than through a competitive process, the Managing Director, Finance and Performance must be informed before any approach is made to a supplier. Such a Transaction may be subject to review by the Managing Director, Finance and Performance (or such person as he/she may nominate from time to time) if he/she so requires except where the Managing Director, Finance and Performance has been directly involved in the Transaction, in which case the Commissioner must be informed and the Transaction may be reviewed by the Commissioner (or such person as he/she may nominate from time to time).

23. All Transactions must be expressed to be governed by English Law and subject to the jurisdiction of the English Courts unless otherwise agreed by the Head of Legal Services.
24. Transactions must be awarded to the supplier offering the most economically advantageous tender or quotation having regard to all relevant objective criteria including, as appropriate, estimated final price, whole life cost, timeliness, technical, health, safety, quality and the environment, maintaining and developing competition and sustainability of supply.

TERMS OF PAYMENT

25. With the exception of advance payments and payments to tax exempt entities, payment can only be made following receipt of a valid tax invoice on satisfactory completion of supply, against a milestone or a reflection of the value of work done or services provided, unless otherwise approved by the Financial Controller for the relevant business area. That Financial Controller shall be entitled at any time to call in and review any Transaction payment profile.

IMPOSITION OF REMEDIES FOR BREACH OF CONTRACTUAL COMMITMENT.

26. In the event of contractor default, the decision whether to invoke liquidated damages provisions or to call bonds or guarantees must be referred for approval to the Financial Controller and the Head of Procurement or his/her nominee.

27. In the event of contractor default, where step-in rights become exercisable, the decision whether to exercise these rights shall be made in consultation with the Managing Director, Finance and Performance.

RETENTION OF RECORDS

28. All Transactions and associated documentation must be retained in accordance with legal requirements and TfL’s policies from time to time on retention of documents.
PROCUREMENT AND DISPOSAL TRANSACTIONS

In this Standing Order, Transaction includes any activity relating to:

i) purchasing and supply;

ii) the process of obtaining supplies, services and works including tendering, obtaining quotations, arrangements for evaluation and the awarding of contracts and letters of intent;

iii) the settlement of any claim for additional payment under a contract or arrangement;

iv) the imposition of remedies for breach of a contractual commitment, e.g. liquidated damages, calling of bonds and guarantees, exercising step-in or termination rights; or

v) the sale or other disposal of surplus materials and assets.

A Transaction does not include the obtaining of information for budgeting purposes.
TRANSPORT for LONDON

STANDING ORDER NO 5:
LAND TRANSACTIONS

Introduction

1. This Standing Order sets out the responsibilities and controls for land transactions. Its purpose is to:

(a) define management control applied to the acquisition and disposal of land and interests in, or rights over, land owned by or leased by TfL and or its subsidiaries;

(b) give authority for land and property related transactions to be placed on a person with the appropriate level of responsibility; and

(c) establish arrangements to ensure that land and property related transactions take place after appropriate consultation.

2. This Standing Order shall, where applicable, be read and interpreted together with the provisions of the 1999 Act, and other relevant legislation, and any amendment to or re-enactment of those provisions.

3. In this Standing Order, the words and phrases listed below have the meanings set out opposite them:

Chief Officers are the Managing Directors and Directors of TfL reporting directly to the Commissioner.

Credit Arrangement means an arrangement defined by Section 48 of the Local Government and Housing Act 1989.

Land and property related transactions means the acquisition or disposal of land or interests in, or rights over, land including:

(a) the purchase, sale, or exchange, of freehold or leasehold land; and

(b) the purchase, grant, assignment, surrender, release or variation of leases, tenancies, covenants, easements and licences.
Mayor’s Opinion means the opinion of the Mayor which is required pursuant to paragraph 12(1) of Schedule 11 to the 1999 Act in relation to the disposal of property which is not required by TfL for the purposes of the discharge by TfL of any of its functions.

Property Disposal Checklist Questionnaire means the questionnaire issued by the Head of Legal Services from time to time in connection with the proposed disposal of land and property by TfL and its subsidiaries.

Property Sponsor means the department or subsidiary of TfL promoting a land or property related transaction.

Secretary of State’s Consent means the consent of the Secretary of State which is required pursuant to section 163 of the 1999 Act to certain disposals by TfL of operational land or interests in, or rights over, any land which is or has been operational land.

Senior Officers include Assistant Directors, Section Heads, General Managers and officers acting in such capacity.

TfL means Transport for London.


The Board means TfL as constituted under paragraph 2 of Schedule 10 to the 1999 Act.

The Commissioner means the Commissioner of TfL.

The Mayor means the Mayor of London.

The TfL Group means TfL and its subsidiary companies and their subsidiaries. Reference to a subsidiary of TfL includes a subsidiary of a subsidiary of TfL, unless otherwise stated.

Acquisition and Disposal of Land and Interests in Land

4. Before disposing of any land, or any interest in, or rights over, land or entering into a contract for the disposal of land, or any interest in, or rights over, land, the Property Disposal Checklist Questionnaire issued by the Head of Legal Services from time to time must be completed by the Property Sponsor and retained on file. The purpose of this Questionnaire is to identify whether it is necessary to obtain the Mayor’s Opinion and/or
the Secretary of State’s Consent. Should it be apparent following completion of the Questionnaire that the Mayor’s Opinion and/or the Secretary of State’s Consent are required, the Property Sponsor must refer the proposed transaction to the Head of Legal Services, in writing.

5. Before a land or property related transaction is entered into which will or may constitute a Credit Arrangement, written approval must be given by the Group Treasury Manager. The rules relating to Credit Arrangements are set out in Guidance Notes entitled “Credit arrangements – Are you looking for Credit?” published by the Group Treasury Manager.

6. Land and property related transactions require authorisation in accordance with this Standing Order. That authorisation will be in addition to any authorisations required pursuant to the 1999 Act or pursuant to other Standing Orders.

7. In calculating the level of authority required for any land or property related transaction, the Property Sponsor must:

(a) have regard to the total consideration which is to be paid or received pursuant to such transaction; and

(b) where an option forms part of such transaction, assume that such option will be exercised (see Example 3 of Appendix 1).

8. For the purpose of establishing the level of authority required under this Standing Order, the consideration for the grant, or assignment of a lease is the sum of:-

(a) the annual rent multiplied by the unexpired term of years under the lease and

(b) any premium or other consideration payable to purchase or secure the grant or assignment of the lease (excluding service charges, insurance premiums and other outgoings relating to the property).

Worked examples appear in Appendix 1.

---

1 For example, any transaction where TfL is becoming a lessee of land (as the result of the grant or assignment of a lease) may be a Credit Arrangement.
Office Accommodation

9. All proposals to acquire office accommodation must be approved by either the Commissioner or the Managing Director, Finance and Performance.

Compulsory Purchase and Compensation Payments

10. In the case of compulsory purchase and statutory blight acquisitions, payments must be made in accordance with, and must not exceed, compensation authorised by legislation.

Levels of Authority

11. Subject to paragraph 12 below (unbudgeted transactions), land and property related transactions must be authorised in writing at the following levels of authority:

<table>
<thead>
<tr>
<th>Consideration</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>T/L</strong></td>
<td></td>
</tr>
<tr>
<td>(a) Unlimited</td>
<td>The Board.</td>
</tr>
<tr>
<td>(b) Up to and including £100,000,000</td>
<td>The Commissioner, or in his/her absence, the Managing Director, Finance and Performance.</td>
</tr>
<tr>
<td>(c) Up to and including £25,000,000</td>
<td>The Managing Director, Finance and Performance or in his/her absence, the Director of Corporate Services.</td>
</tr>
<tr>
<td>(d) Up to and including £5,000,000</td>
<td>Each Chief Officer and, subject to obtaining the written consent of the Chief Officer to whom he/she reports, each Senior Officer reporting directly to a Chief Officer.</td>
</tr>
<tr>
<td>(e)</td>
<td>Up to and including £500,000</td>
</tr>
<tr>
<td>(f)</td>
<td>Up to and including £5,000,000</td>
</tr>
<tr>
<td>(g)</td>
<td>Up to and including £5,000,000</td>
</tr>
<tr>
<td>(h)</td>
<td>Up to and including £5,000,000</td>
</tr>
<tr>
<td>(i)</td>
<td>Up to and including £5,000,000</td>
</tr>
</tbody>
</table>
London Buses Limited (‘LBL’)

(j) Up to and including £5,000,000

LBL subject to compliance with any conditions issued from time to time by the Managing Director, Finance and Performance.

Docklands Light Railway Limited (‘DLRL’)

(k) Up to and including £5,000,000

DLRL subject to compliance with any conditions issued from time to time by the Managing Director, Finance and Performance.

Any person who is authorised to give a written consent pursuant to this Standing Order may restrict the level of authority of the person in respect of whom that consent is given.

Unbudgeted Items

12. Where a land or property related transaction is not a budgeted item, the level of authority required by the Property Sponsor is as follows:

<table>
<thead>
<tr>
<th>Consideration</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unlimited</td>
<td>The Board</td>
</tr>
<tr>
<td>Up to and including £25,000,000</td>
<td>The Commissioner, or in his absence, the Managing Director, Finance and Performance</td>
</tr>
</tbody>
</table>
Revision of Transactions

13. Where, in consequence of any revision to the terms of a transaction, there is an increase in the total consideration being paid and as a result, the original level of authority will be exceeded, the Property Sponsor must seek and obtain the requisite higher level of authority before the transaction is entered into.

Consultation

14. Consultation in respect of proposed land and property related transactions shall take place in accordance with instructions issued from time to time by the Director of Corporate Services.
Appendix 1

Worked examples for calculating the consideration when dealing with leases

Example 1 - Grant of a Lease

1. Assume transaction involves the grant of a lease for a term of 15 years at a current rental of £60,000.

2. The formula to calculate the level of authority is:

   £60,000 (yearly rental) x 15 (term of lease) = £900,000

Example 2 - Assignment of a Lease

1. Assume transaction involves the purchase/assignment of a lease which has a remaining term of 15 years at a current rental of £60,000. A premium of £30,000 will be paid on completion of the purchase/assignment.

2. The formula to calculate the level of authority is:

   a) £60,000 (yearly rental) x 15 (term of lease) = £900,000

   b) Add premium £30,000

   Total £930,000

Example 3 - Grant of a Lease with an Option

1. Assume transaction involves the grant of a lease for a term of 15 years at a current rental of £60,000.

2. The Lease will contain an option to purchase the freehold of the property. The open market value of the freehold as at the date of the grant of the Lease is £5,000,000.
3. The formula to calculate the level of authority is:

a) £60,000 (yearly rental) x 15 (term of lease) = £ 900,000

b) Add option value = £5,000,000

Total £5,900,000
1. PURPOSE

1.1 The main aims of this paper are to:

- report to the Board the decisions taken by the GLA Assembly on 15 February;
- confirm the proposed budget allocations to the business units within TfL, and the deliverables in terms of performance levels, projects and programmes;
- secure agreement to a realistic level of reserves;
- report on the current position concerning the proposed arrangements for funding the programme.

2. INTRODUCTION

2.1 As part of the budget development process, the TfL Board received a comprehensive report on the emerging 2001/02 budget at its meeting on 5 December 2000 which:

- set out the proposed programme for 2001/02 to deliver the Mayor’s priorities, within an overall £830m level of net expenditure;
- outlined the arrangements being explored to resolve the funding gap of around £100m between the available grant and the planned £830m programme; and
- identified a fall back budget should it not be possible to fully resolve the funding issues.

2.1 Since the 5 December paper, the basic content and deliverables from the budget have remained in line with the proposals put to the TfL Board. The approval of the GLA Assembly has now been secured. A special meeting of the Board on 8 February considered a number of specific issues that had arisen during the Assembly’s consideration of the budget and compromise proposals were subsequently agreed at the Assembly meeting on 15 February, with resultant total grant of £731.5m.
3. DECISIONS BY THE GLA ASSEMBLY

3.1 Compromise proposals put forward by the Mayor have been agreed by the Assembly, and now include a budget requirement through the Council Tax precept of £10.1m. This will give TfL the following overall grant level in 2001/02:

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>GLA Transport Grant</td>
<td>721.4</td>
</tr>
<tr>
<td>Precept requirement</td>
<td>10.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>731.5</strong></td>
</tr>
</tbody>
</table>

3.2 The Assembly agreed that the Commissioner of Transport and the TfL Board should give further consideration to the appropriate level of reserves and the effective management of next year’s programme. They also agreed that the target for efficiency savings should remain as originally proposed at £10m. In approving the budget, the Assembly also resolved that there should be a thorough scrutiny of the management and delivery of TfL’s budget through the established mechanism of the GLA Scrutiny Committees.

4. PROPOSED 2001/02 BUDGET

4.1 Financial proposals

The 2001/02 budget has been drawn up using a process that has become increasingly detailed during the various stages used to develop the budget. Business units have now prepared detailed budgets to support the £830m programme previously endorsed by the Board. The figures set out below represent net expenditure on an accrued basis, and show comparisons with the latest (i.e. January) forecast for 2000/01:

<table>
<thead>
<tr>
<th></th>
<th>Forecast for 2000/01 (January)</th>
<th>Budget for 2001/02</th>
<th>Change from 2000/01</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Buses</td>
<td>86.1</td>
<td>204.3</td>
<td>118.2</td>
</tr>
<tr>
<td>Docklands Light Railway</td>
<td>44.6</td>
<td>74.8</td>
<td>30.2</td>
</tr>
<tr>
<td>Group Transport Services</td>
<td>7.9</td>
<td>12.8</td>
<td>4.9</td>
</tr>
<tr>
<td>Other TTL businesses</td>
<td>17.8</td>
<td>16.9</td>
<td>(0.9)</td>
</tr>
<tr>
<td><strong>Transport Trading Ltd</strong></td>
<td><strong>156.4</strong></td>
<td><strong>308.8</strong></td>
<td><strong>152.4</strong></td>
</tr>
<tr>
<td>Street Management</td>
<td>239.1</td>
<td>320.1</td>
<td>81.0</td>
</tr>
<tr>
<td>Borough transport plans</td>
<td>-</td>
<td>110.0</td>
<td>110.0</td>
</tr>
<tr>
<td>Integration</td>
<td>13.8</td>
<td>63.1</td>
<td>49.3</td>
</tr>
<tr>
<td>Public Carriage Office</td>
<td>2.3</td>
<td>2.4</td>
<td>0.1</td>
</tr>
<tr>
<td>Management and support services</td>
<td>15.4</td>
<td>27.4</td>
<td>12.0</td>
</tr>
<tr>
<td><strong>TfL Corporation</strong></td>
<td><strong>270.6</strong></td>
<td><strong>523.0</strong></td>
<td><strong>252.4</strong></td>
</tr>
<tr>
<td>LT Insurance (Guernsey)</td>
<td>(1.6)</td>
<td>(1.5)</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Net Accrued Expenditure</strong></td>
<td><strong>425.4</strong></td>
<td><strong>830.3</strong></td>
<td><strong>404.9</strong></td>
</tr>
</tbody>
</table>
4.2 Key factors accounting for the increases over 2000/01 are:

- **Buses:**
  - continuing increases in bus tender prices
  - improvements in reliability and service levels
  - conductors, fare initiatives and front line staff retention package

- **DLR:**
  - City Airport extension
  - additional railcars and vehicle refurbishment

- **Group Transport Services:**
  - filling vacancies in Travel Information Call Centres and capital expenditure including improvements to Travel Information Centres

- **Street Management:**
  - congestion charging
  - London Bus Initiative Phase 2, and enforcement initiatives
  - projects including Trafalgar Square pedestrianisation and Hungerford Bridge

- **Borough Transport Plans:**
  - grant previously paid directly by Government to Boroughs

- **Integration:**
  - CrossRail
  - development of interchange projects and other major schemes (including intermediate modes)
  - working with the Boroughs to enhance Taxicard

- **Management and Support Services:**
  - accommodation costs, restructuring and IT improvements

4.3 Further detail is given in **Tables 1-3 in Appendix 1**. These tables show:

- **Table 1** – the forecast outturn for 2000/01 (based on January forecasts); changes from the original 2000/01 budgets shown in the table are relatively modest, and in part reflect administrative reallocations

- **Table 2** – a more detailed breakdown of revenue expenditure, revenue, capital expenditure and capital receipts by business units within TfL; and

- **Table 3** – the phasing of revenue expenditure, revenue and net capital expenditure during the year
New Initiatives

4.4 The budget approved by the Assembly includes expenditure to achieve significant transport improvements over and above existing services. Within the overall budget, the planned expenditure on new developments is summarised below:

<table>
<thead>
<tr>
<th>New initiatives</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessibility</td>
<td>9.7</td>
</tr>
<tr>
<td>Better Buses</td>
<td>43.9</td>
</tr>
<tr>
<td>Congestion charging: introduction</td>
<td>64.0</td>
</tr>
<tr>
<td>Transport improvements prior to congestion charging</td>
<td>67.9</td>
</tr>
<tr>
<td>Integration initiatives</td>
<td>21.3</td>
</tr>
<tr>
<td>Increased rail capacity</td>
<td>57.5</td>
</tr>
<tr>
<td>Safety</td>
<td>6.1</td>
</tr>
<tr>
<td>Borough and Transport for London road network street improvements</td>
<td>44.0</td>
</tr>
<tr>
<td>Other</td>
<td>14.5</td>
</tr>
<tr>
<td><strong>2001-02 new initiatives</strong></td>
<td><strong>328.9</strong></td>
</tr>
</tbody>
</table>

Deliverables

4.5 The required deliverables from the budget remain as presented to the Board on 5 December, and these are summarised in Appendix 2. This includes projections of operating performance and usage levels for the main modes, to show expected progress towards delivery of the key improvements in service.

Level of Reserves

4.6 One of the issues considered in the paper to the special Board meeting on 8 February was the level of reserves TfL should plan to set aside to cover general risks faced by the organisation. The Mayor’s budget proposal to the Assembly meeting on 24 January had proposed setting aside £23.5m as a general reserve, but at that stage the Assembly voted to reduce the level of reserves to about £6.5m as a means of helping to eliminate the call on the Council Tax precept.

4.7 The budget agreed by the Assembly on 15 February reinstated precept funding of £10.1m and left it for TfL to determine the most appropriate level and build up of reserves. Whilst the risks put to the 8 February Board are still valid, strong monitoring and control arrangements will be put in place to ensure expenditure against the budget is managed within the available funding. In the light of this and the intentions in respect of borrowing (see Section 6 below) it is proposed – subject to review in the light of experience – to build up to a level of reserves of £25m over 2 years, with £10m being provided as a general reserve in 2001/02.

Risks of programme slippage

4.8 Another issue discussed at the 8 February Board meeting was the risk of programme slippage, and further information was requested on the extent to which certain elements of expenditure are largely pre-determined (e.g. through contact payments).
4.9 Given the importance of delivering the transport improvements expected by Londoners, the purpose of TfL’s budget is clearly to maximise spending on transport services and projects, and to deliver benefits to customers. It is not therefore the intention to start off the year planning for programme slippage; that would not be consistent with TfL’s aim to deliver the transport improvements required to support the Mayor’s strategy.

4.10 Whilst there are clearly risks that in practice some programme elements may be subject to delay for a variety of reasons, the assessment undertaken for the 8 February Board indicated that some 70% of the £830m net expenditure was already pre-determined (e.g. through continuing programmes, contract payments etc), or involves ring fenced expenditure. As requested, analysis to support this is attached as Appendix 3. The remainder of the programme includes projects that are fundamental to delivery of the Mayor’s strategy (including congestion charging) and on which it is important that timescales are met.

4.11 Regular reporting of progress against deliverables will be undertaken from the start of the new financial year.

5. EFFICIENCY SAVINGS

5.1 The 2001/02 budget as approved by the Mayor and Assembly included efficiency savings of £10m. Whilst some individual business unit efficiency improvements are built into the budget, the £10m overall efficiency saving has not at this stage been allocated at business unit level. It therefore remains a target and a process will be put in place to deliver the savings in the budget year.

6. FUNDING THE PROGRAMME

6.1 Over and above the grant available to TfL from the Government and from the budget precept (£731.5m), cash management and funding flexibility will be required to allow the full £830m programme (in terms of net accrued expenditure) to be implemented. That has been acknowledged at all stages in the budget development process, including by the TfL Board and the GLA Assembly.

6.2 The extent of funding flexibility required will in practice depend on the final year end position for 2000/01, and the rate of expenditure actually achieved during the year. The position will be reviewed in early June when the year end balance sheet is available, but on the basis of current forecasts it is proposed that the cash position should be managed as set out below. These funding proposals make provision for implementation of the full programme, assuming no programme slippage.

6.2.1 Working Capital

The increase in net expenditure over the year from about £400m in 2000/01 to £830m in 2001/02, coupled with the ‘back end’ loading of the expenditure profile during the year creates the potential to generate significant capital creditors at year end, whilst still meeting contractual payment terms. This is likely to generate an estimated £22m in 2001/02.
6.2.2 Grants from other GLA bodies

The GLA Assembly agreed that, if required, GLA and LFEPA will use some of the earmarked reserves within those bodies to provide £25m grant aid to TfL in 2001/02, in accordance with s121 of the GLA Act 1999. TfL would be able to make reciprocal grants to these bodies from the increase expected in GLA Transport Grant in 2002/03.

6.2.3 Borrowing

To the extent that there is still a shortfall after taking into account working capital and GLA grants, Transport Trading Ltd is able to borrow on a short term basis to fund its public transport services, as allowed for by s156 of the GLA Act 1999. Under the Local Authorities Companies Order, TfL will have to provide credit cover in the following year for any such borrowing. Effectively, this will mean that the amount of the GLA Transport Grant available for spending during 2002/03 will reduce by that amount.

Borrowing should only be used as a last resort and facilities will be entered into by TTL for use if required. In addition to the £25m grant aid from other GLA bodies, net external borrowing (allowing for reserves of £10m to be backed by cash) is estimated at £63m over the last two months of the year. Furthermore, the net borrowing requirement may be reduced by any unspent cash at 31 March 2001. This is designed to provide the maximum cover likely to be needed should expenditure plans be achieved in full.

The costs of such a facility are likely to be up to some £0.5m in 2001/02, but costs will only be incurred to the extent that the facility is actually taken up. The overall level of borrowing is broadly in line with the total expected capital expenditure of TTL and therefore enables the extent of borrowing to be confined to loans for capital purposes, with the objective of bringing forward financial and other benefits earlier than they would otherwise be achieved.

6.3 The Chief Finance Officer is satisfied that, in the light of the above funding arrangements, the resources available including sums borrowed should be sufficient to meet the planned level of expenditure.

7. MANAGEMENT AND CONTROL OF EXPENDITURE DURING THE YEAR

7.1 In order to manage the programme on the above basis and to minimise the extent of borrowing required in practice, it will be particularly important to monitor accrued expenditure, deliverables and cash flow on a regular basis, and to take corrective action if necessary. Detailed arrangements will be confirmed with the Finance and Audit Committee.

8. NEW BUSINESS PLANNING PROCESS

8.1 The 2001/02 budget has been drawn up during the changing environment of the current year, both in terms of the Management of TfL and in respect of the development of the Mayor’s Transport Strategy.
8.2 It is the intention that, early in the 2001/02 financial year, a new Business Planning process will be put in place to develop a full 5 year plan for TfL. This will fully reflect the Transport Strategy and take on board changes that the Commissioner will want to see achieved. To the extent that changes arising from the new Business Planning process will affect the 2001/02 budget, then these will be accommodated in the form of budget amendments during the year.

9. **RECOMMENDATIONS**

The TfL Board is asked to:

- APPROVE the budget allocations to individual business units, and deliverables against those (Paras 4.1 – 4.3 and Appendices 1 and 2).

- ENDORSE the level of reserves, cash management proposals, and monitoring arrangements (Paras 4.5 and 4.6, and Sections 6 and 7).

- DELEGATE authority to the Managing Director, Finance and Performance/Chief Finance Officer to agree borrowing facilities to meet the requirements set out in para 6.2.3.

Jay Walder  
Managing Director, Finance and Performance  
5 March 2001
### Table 1

**Transport for London**  
**2000/01 Forecast**

<table>
<thead>
<tr>
<th></th>
<th>Net Revenue Expenditure</th>
<th>Net Capital Expenditure</th>
<th>Net Accrued Spend</th>
<th>2000/01 Budget</th>
<th>Net Accrued Spend</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>London Buses</strong></td>
<td>£70.5</td>
<td>£15.6</td>
<td>£86.1</td>
<td>£88.5</td>
<td>£2.4</td>
<td></td>
</tr>
<tr>
<td><strong>East Thames Buses</strong></td>
<td>£1.0</td>
<td>£0.2</td>
<td>£1.2</td>
<td>-£0.1</td>
<td>-£1.3</td>
<td></td>
</tr>
<tr>
<td><strong>Docklands Light Railway</strong></td>
<td>£24.9</td>
<td>£19.7</td>
<td>£44.6</td>
<td>£44.3</td>
<td>-£0.3</td>
<td></td>
</tr>
<tr>
<td><strong>Museum</strong></td>
<td>£2.7</td>
<td>£0.5</td>
<td>£3.2</td>
<td>£2.3</td>
<td>-£0.9</td>
<td></td>
</tr>
<tr>
<td><strong>Victoria Coach Station</strong></td>
<td>-£1.3</td>
<td>£0.1</td>
<td>-£1.2</td>
<td>-£1.0</td>
<td>£0.2</td>
<td></td>
</tr>
<tr>
<td><strong>River Services</strong></td>
<td></td>
<td>£2.0</td>
<td>£2.0</td>
<td>£1.1</td>
<td>-£0.9</td>
<td></td>
</tr>
<tr>
<td><strong>Dial-a-ride</strong></td>
<td>£11.0</td>
<td>£1.7</td>
<td>£12.7</td>
<td>£13.6</td>
<td>£0.9</td>
<td></td>
</tr>
<tr>
<td><strong>Tramlink</strong></td>
<td>£0.1</td>
<td>-£0.2</td>
<td>-£0.1</td>
<td>-£0.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Group Transport Services</strong></td>
<td>£6.5</td>
<td>£1.4</td>
<td>£7.9</td>
<td>£15.9</td>
<td>£8.0</td>
<td></td>
</tr>
<tr>
<td><strong>Transport Trading Ltd</strong></td>
<td>£115.4</td>
<td>£41.0</td>
<td>£156.4</td>
<td>£164.5</td>
<td>£8.1</td>
<td></td>
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<tr>
<td><strong>LT Insurance (Guernsey)</strong></td>
<td>-£1.6</td>
<td>-£1.6</td>
<td>-£1.5</td>
<td>-£1.5</td>
<td>£0.1</td>
<td></td>
</tr>
<tr>
<td><strong>Street Management Public Carriage Office</strong></td>
<td>£100.4</td>
<td>£138.7</td>
<td>£239.1</td>
<td>£227.4</td>
<td>-£11.7</td>
<td></td>
</tr>
<tr>
<td><strong>TfL centre</strong></td>
<td>£25.4</td>
<td>£3.8</td>
<td>£29.2</td>
<td>£32.5</td>
<td>£3.3</td>
<td></td>
</tr>
<tr>
<td><strong>TfL Corporation</strong></td>
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<td>£144.1</td>
<td>£270.6</td>
<td>£263.4</td>
<td>-£7.2</td>
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## Appendix 1

### Table 2

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<th>Revenue Expenditure £m</th>
<th>Capital Receipts £m</th>
<th>Capital Expenditure £m</th>
<th>Net Accrued Spend £m</th>
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<td>2001/02 Budget</td>
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<th>Service</th>
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<td>1.4</td>
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Appendix 1

Table 3

Transport for London
2001/02 Budget
Phasing of Income, Revenue Expenditure & Capital Expenditure

<table>
<thead>
<tr>
<th>£ millions</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
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<tr>
<td>Revenues</td>
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<td>43.6</td>
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<td>91.9</td>
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<td>95.3</td>
<td>97.2</td>
<td>99.6</td>
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<td>Net Capital Exp</td>
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<td>20.0</td>
<td>22.6</td>
<td>43.0</td>
<td>16.6</td>
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</table>
Appendix 2

Key Deliverables- 2001/02 Budget

London Buses

- An extra 22.1 million extra bus kilometres (up from 378.9m to 401m) and 205 extra buses in service including measures to improve reliability, and a package of service initiatives and measures necessary to keep up with demand
- Introduction of 700 low floor buses through the bus tendering programme
- Better reliability- operated mileage after traffic losses up from 95.8% to 96.4%
- Further expansion of Night Bus services
- New/extended services targeted to enhance social inclusion
- Fares initiatives to reduce delays at bus stops, including carnets and widened Travelcard validity
- A front line staff retention package including a real terms wage increase
- Extra conductors on routes into/out of Central London
- Installation of extra bus shelters, completing a programme of 2400 shelters, since 1998, at stops previously without shelters and bringing the total shelters to approximately 11,800 out of 17,000 stops; all bus stops to have new-style named flags
- Additional supervision of bus services to improve service quality/reliability

Improved Accessibility

- An extra 9 Dial-a-Ride vehicles and 6 booking co-ordinators to better meet demand and increase evening/weekend provision, increasing Dial-a-Ride trips by 66,000
- Working with the London Boroughs to enhance Taxicard

London River Services

- Completion of Millbank Pier construction

Street Management

- Preparatory work for Congestion Charging for a possible introduction in early 2003
- Completion of the London Bus Initiative stage 1 (bus priority and enforcement measures on 27 ‘BusPlus’ routes) and start of stage 2 work (further 48 routes)
- Completion of the Primary Route Network signing project
- Continue Variable Message Signs project and Traffic Control system upgrade
- Trafalgar Square ‘World Squares’ project commenced
- Increased enforcement initiatives
- Start of Blackwall Tunnel refurbishment
- Commencement or continuation of projects including Accident Reduction, local measures to assist people with disabilities, and local pedestrian, cycling and bus priority schemes
- Road and bridge maintenance to continue, but at levels approximately 15% below current levels
Docklands Light Railway

- An 8% increase in operated train kilometres to 6.5m and an extra estimated 5.4 million passenger journeys (up from 38.7m to 44.1m)
- Twelve additional railcars and the exercising of the option for a further twelve
- Start of refurbishment of existing 70 vehicles including improved accessibility
- Further progress on extension to London City Airport

Integration

- Support for Single Regeneration Bid projects including Vauxhall Interchange
- Development work on CrossRail, Hackney-Merton line, Intermediate Modes schemes, Thames River Crossing, interchange with the East London Line extension and other interchange projects
- Funding through the Interim Transport Plan process to the London Boroughs for local, sub-regional and Cross-London projects including:
  - London Bus Priority Network
  - London Cycle Network
  - Local road safety schemes including safer routes to schools, 20 mph ‘Homezones’, cycle training and child safety

Public Carriage Office

- Continuation of the Private Hire Licensing Project, including the introduction of private hire operator and individual private hire driver licensing

Corporate Equality Initiatives

Actively seeking through a number of initiatives to achieve a more inclusive workforce, with targets including:

- 3.25% of employees declaring they have a disability within the meaning of the Disability Discrimination Act 1995 (up from 2.8% in 2000/01)
- 21% of the workforce being from a minority ethnic community (up from 17.4% in 2000/01)

Performance Indicator projections for 2001/02 for the main operating modes are shown overleaf, with comparisons for 1999/00 (actual) and 2000/01 (forecast).
## Performance Indicator Projections

<table>
<thead>
<tr>
<th></th>
<th>1999/00 Actual</th>
<th>2000/01 Forecast as at January</th>
<th>2001/02 Projection</th>
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<td><strong>London Buses</strong></td>
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</tr>
<tr>
<td><strong>Waiting time- Frequent Services</strong></td>
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<td></td>
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<tr>
<td>actual</td>
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<td>6.8</td>
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<td>scheduled</td>
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<td>4.6</td>
<td>4.6</td>
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<tr>
<td>excess</td>
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<td><strong>Waiting time- Low Frequency Services</strong></td>
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<tr>
<td>% departing on time</td>
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<td>67.0</td>
<td>70.0</td>
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<tr>
<td>% departing early</td>
<td>4.3</td>
<td>5.0</td>
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<tr>
<td><strong>Waiting time- Night Buses</strong></td>
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<td></td>
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<tr>
<td>% departing on time</td>
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<td>Service reliability</td>
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<tr>
<td>Personal Safety and Security</td>
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<td>81</td>
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<tr>
<td>Smoothness and freedom from jolting</td>
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<td>62</td>
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<tr>
<td>Attitude and behaviour of staff</td>
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<td>80</td>
<td></td>
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<tr>
<td>Cleanliness and condition of buses</td>
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<td>68</td>
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<td>Information on buses</td>
<td>69</td>
<td>67</td>
<td></td>
</tr>
<tr>
<td>Information at bus stops</td>
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<td>60</td>
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</tr>
<tr>
<td><strong>Service volume</strong></td>
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<td></td>
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<td>Bus km operated (m)</td>
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<td>97.5</td>
<td>98.0</td>
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<td>before traffic losses</td>
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<tr>
<td>after traffic losses</td>
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<td><strong>Cost per passenger journey (BV94)</strong></td>
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<td>Customer satisfaction rating- punctuality</td>
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<td>93</td>
<td>94</td>
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<td>Passenger journeys p.a (m)</td>
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<td><strong>Victoria Coach Station</strong></td>
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<td>72</td>
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<tr>
<td>Number of coach departures p.a</td>
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<td>185,000</td>
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<td><strong>London River Services</strong></td>
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<td></td>
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<tr>
<td>% of schedule operated</td>
<td>98.9</td>
<td>98.5</td>
<td>98.5</td>
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<tr>
<td>Passenger journeys p.a (m)</td>
<td>1.5</td>
<td>2.0</td>
<td>1.8</td>
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<tr>
<td><strong>Docklands Light Railway</strong></td>
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<td>Volume and Reliability of Service</td>
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<td>% base service departures</td>
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<td>No of delays over 20 mins (quarterly average)</td>
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<td>20</td>
<td>16</td>
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<tr>
<td>% adherance to schedule</td>
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<td>96.2</td>
<td>96.2</td>
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<td><strong>Customer Satisfaction- service performance</strong></td>
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<td>20,600</td>
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<td>Number of private hire operators licensed</td>
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<td><strong>Travel Information Call Centre</strong></td>
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<tr>
<td>Customer satisfaction ratings</td>
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<tr>
<td>Ease of reaching TICC</td>
<td>77</td>
<td>78</td>
<td>77</td>
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<tr>
<td>Helpfulness of operator</td>
<td>92</td>
<td>91</td>
<td>91</td>
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</table>
Appendix 3

Estimate of largely predetermined expenditure- 2001/02 Budget

(Defined as where costs are internal, where a contract is signed, where expenditure is judged to be firm, a grant is paid to another body, or where the expenditure is ring-fenced [CrossRail, LBI, or City Airport extension])

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount (£m)</th>
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<tbody>
<tr>
<td><strong>London Buses</strong></td>
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<tr>
<td>Bus contracts (including effect of increased tender prices)</td>
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<tr>
<td>Necessary bus reliability improvements and other additional bus services (say)</td>
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<tr>
<td>Fares initiatives to reduce delays at bus stops</td>
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<tr>
<td>Front-line staff wages</td>
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<td>Other commitments (fares, Prestige, capital projects)</td>
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<tr>
<td><strong>DLR</strong></td>
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<td>Revenue subsidy</td>
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<td>Additional railcars</td>
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<tr>
<td>City Airport extension (specific grant funded)</td>
<td>21.3</td>
</tr>
<tr>
<td>Vehicle refurbishment and other committed capital projects</td>
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</tr>
<tr>
<td><strong>Other TTL Businesses</strong></td>
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<tr>
<td>Group Transport Services</td>
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<tr>
<td>Dial a Ride, VCS, London River Services and Museum</td>
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<td><strong>Street Management</strong></td>
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<td>Gross revenue expenditure and cost pressures (say)</td>
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<td>Accommodation costs and comms function- full year effects</td>
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<td>Road schemes completed or under construction (A13, A12, A406)</td>
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<td>Blackwall Tunnel refurbishment</td>
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<td>Land compensation and other claims</td>
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<td>Traffic and Technology services</td>
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<td>London Bus Initiative (inc. enforcement camera running costs)</td>
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<td>Net recurring expenditure</td>
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<td>CrossRail (ring-fenced)</td>
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<td>SRB project funding</td>
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<td><strong>Central Units</strong></td>
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<td>Recurring expenditure and accommodation</td>
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</tr>
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<td>PCO revenue expenditure</td>
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<td><strong>TOTAL (out of £830m)</strong></td>
<td>592.0</td>
</tr>
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<td>(71%)</td>
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1. INTRODUCTION

This memorandum recommends a number of bus fares and ticketing initiatives for implementation in May 2001. These initiatives build on the Mayor’s overall bus fares freeze launched earlier this month. The case for further initiatives of this kind was set out in the fares paper agreed by the TfL Board on 27th July 2000.

The October 2000 London Buses Board meeting endorsed the general approach of a programme of fares initiatives in 2001, in a paper entitled “Fares measures for next year.” The budget position is now clearer, allowing a firm plan to be put in place. The proposals for May 2001 support the Mayor’s strategy by pursuing bus fares which are simpler, speed up boarding on buses, offer passengers better value and which benefit part-time workers and disadvantaged groups. (Appendix A indicates the greater use of off-bus discounted tickets by lower income groups compared to the high use of cash fares by better off groups.)

If agreed, the initiatives would be introduced on 20 May 2001. Further proposals will be brought forward for introduction in autumn 2001 and in January 2002, as funding permits. These will continue to develop the objectives set out above and may, in addition, include proposals for Tramlink fares.

2. POLICY ISSUES

Under Section 174 of the GLA Act the Mayor must exercise his powers “to determine the general level and structure of fares”. Fares and ticketing policy should also be consistent with the Transport Strategy, including the London Bus Initiative and congestion charging. Taken as a package, the fares measures now proposed will be an effective step in the Mayor’s key policy of making public transport “more attractive and affordable, with greater simplicity and convenience for passengers, shorter queues and quicker journeys” [Policy 4B.2, the Mayor’s Transport Strategy, draft for public consultation, January 2001].

There needs to be clear momentum towards making it easier for passengers to buy bus travel by sweeping away unnecessary complexities and barriers to bus use. This will bring forward a substantial reduction of payment by cash on bus, which will in turn make bus services run better.
3. **DETAILED PROPOSALS**

Three initiatives are proposed here. These are:

- the introduction of a bus “carnet” of ticket for single bus journeys, to be known as the “Saver”;
- the replacement of the two current zonal One Day Bus Passes by a single ticket valid across London;
- a reduction in the price of All-zones Bus Pass season ticket;

The new “Bus Saver” will be sold through the high street agent network in packs of six for £3.90, equivalent to a single fare of 65p. Considerable research has been carried out into the most appropriate price to be charged for these tickets. The proposed price has been set against the Mayor’s proposed flat cash fare of 70p [proposal 4B.3 of the Mayor’s Transport Strategy], giving a small discount as an incentive to passengers to use these tickets, rather than pay on the bus, while minimising revenue loss. Effective marketing and ease of purchase of these tickets will be critical in their success and work is in hand to expand the number of outlets where they are sold.

The new London wide One-Day Bus Pass (ODBP), would be priced at £2. The current zonal tickets cost £3.00 and £2.40. Sales of ODBPs have declined considerably since January 2000 when the new 70p/100p single fares structure was introduced and One Day Bus Pass prices increased. The changes proposed for May are designed to reverse this trend of declining sales and to attract bus users who currently make three or more bus journeys per day but currently pay cash fares. Like the Saver, it is intended that this ticket will be sold at an expanded number of outlets.

The All-zones Weekly Bus Pass will be reduced in price from £11.50 to £9.50, with longer period tickets reduced in proportion. This measure should attract many of those regular bus users travelling in and to central London who have remained with cash fares up to now. It should also attract a limited number of commuters from the congested Underground network. The reductions in price also reflect the likely future cash fare. Further proposals affecting this ticket may be developed later in the financial year 2001/02 to provide a simplified structure with a single Bus Pass for the whole of London.

In parallel with the price reduction for the All-zones ticket, it is proposed to remove the photocard requirement for Weekly adult Bus Passes. London Underground and the Train Operating Companies are considering a similar move for weekly Travelcards for January 2001. There is a growing acceptance within London Buses and London Underground that adult photocards are only of very limited help in managing passenger fraud, while significantly inhibiting switching out of cash into weekly passes. In the longer term, a policy of passes becoming fully transferable could be adopted, but it is not proposed to introduce this further step now.

4. **FINANCIAL EFFECTS**

The draft Budget makes provision for up to £10m in 2001/2 for new fares measures and associated advertising and publicity. The timing and scope of any Autumn 2001
and January 2002 proposals will be tailored to meet the funds available. The cost of the specific proposals for May 2001 is estimated at up to £7m in 2001/02 and £10m per year thereafter. The costs and affordability of the initiatives have been reviewed in the light of possible budget revisions and value for money against other programmes.

The initiatives are considered to be critical to enable London Buses to speed up boarding on one person buses. It is felt to be essential to put the proposals just described in place as a first step towards ensuring that buses are “reliable, quick, convenient….easy to use and affordable....” [Policy 4F.1 of the draft Mayor’s Transport Strategy]

5. OTHER ISSUES

Bus operating staff trade unions are positive about the general thrust of policy underlying the initiatives, and, in particular, to make the Saver, a new kind of ticket in London, a success. A popular and cheap bus Saver opens up opportunities for many authorities to buy tickets to give away or sell-on at a discount to voluntary organisations. This is a key area where TfL can contribute to greater social inclusion. The new One Day Bus Pass will be a boon for part-time workers who may not be in scope for a Bus season ticket.

If introduced, the use of the new tickets will be monitored closely, particularly for fraud risks, and in the light of the final Transport Strategy. Market research would be used to assess passenger satisfaction. An advertising and publicity package would be developed, along with an information package for operating staff, to ensure the smoothest possible implementation.

6. RECOMMENDATIONS

The Board is asked to ENDORSE the package of fares measures set out in paragraphs 7 to 10 for introduction on 20 May 2001.

______________________________

Peter Hendy
Director of Bus and River Services
Impact of Options by Income Group

Table 1 shows the distributions of household income for the purchasers of different kinds of bus ticket, obtained by Accent Marketing & Research in 1998. The distributions have been weighted to correspond to known levels of ticket sales. It shows that about half of travel on adult bus-only tickets is by individuals from households with incomes below £20,000 – nearly two thirds of this involves Bus Passes of various kinds.

Whereas over 60% of Bus Pass travel is made by users with household incomes below £20,000 the converse is true for cash fare payers. These differentials are particularly marked for One Day and Weekly Bus Pass users. The income distributions of cash and monthly Bus Pass users are similar – though clearly, the journey purpose mix is likely to differ.

Table 1: Cash/bus pass proportions by Household Income
(of 100 trips, using Bus-only Tickets: source Accent 1998).

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Trips</th>
<th>No. of Trips</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% Cash</td>
<td>% Bus Pass</td>
</tr>
<tr>
<td>Up to £20,000</td>
<td>36%</td>
<td>64%</td>
</tr>
<tr>
<td>£20 – 40,000</td>
<td>54%</td>
<td>46%</td>
</tr>
<tr>
<td>Over £40,000</td>
<td>61%</td>
<td>39%</td>
</tr>
<tr>
<td>Number of trips</td>
<td>48</td>
<td>52</td>
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</table>
AGENDA ITEM 7.2

TRANSPORT FOR LONDON

BOARD PAPER

SUBJECT: TARGETTED FARES INITIATIVES

MEETING DATE: 13 MARCH 2001

1. INTRODUCTION

The Board is asked to note that the following fares initiatives have been agreed in line with the Mayor’s strategy on fares set out in previous papers to the Board.

2. FREE TRAVEL TO CULTURAL EVENTS FOR SCHOOLPARTIES

An offpeak Group Travel scheme for schoolparties has now been agreed following an initiative by the Mayor and Nicholas Kent, the Mayor’s Cultural Adviser. The scheme will come into operation at the start of the summer term. Details of the scheme are set out in the attached Annex A.

In essence, the scheme will provide free offpeak travel to school parties visiting a list of cultural events and venues agreed with the GLA. All schools in Greater London will be eligible. The scheme will be managed by TfL and will cover the buses and the tube, DLR and Tramlink. The National Railways have been invited to participate.

3. DISCOUNT FARES FOR TRAVELCARD HOLDERS ON RIVERBOAT SERVICES

Following negotiations between TfL, the boat operators and the Association of Train Operating Companies (ATOC), it has been agreed that holders of valid Travelcards will be eligible for one-third discounts on “Stage” Riverboat services licensed by London River Services from May 20. (Annex B contains a list of eligible services).

No direct subsidy is involved but the Travelcard partners have agreed an allotment of Travelcard revenue to be paid to the Boat Operators. This will result in the cost of the Concession being borne equally by the Boat Operators and the Travelcard partners.

Richard Smith
Director of Integration
FREE TRAVEL FOR GROUPS OF SCHOOL CHILDREN

Details of the free travel scheme for school parties to be introduced from the start of the Easter term 2001 are as follows.

**Number of trips per school**

Generally no more than two trips per child per term.

**Hours of operation**

Monday to Friday during term times
1000 – 1630 hours

**Mode(s) of transport available**

Tubes
Buses in London that display the London bus service sign
Docklands Light Railway (DLR)
Tramlink

**Maximum group size**

*Tube/DLR only journey*
Maximum group size of 20 school children plus 2 adults (larger parties would count as two groups).

*Journey involving use of bus/Tramlink services (or as part of ‘through’ journey)*
Maximum group size of 10 school children plus 1 adult. (For a party of 20 school children plus 2 adults, 2 tickets would be issued so that the party does not have to travel on the same vehicle).

**Age limits**

Scholars
Age 5 – 18 inclusive
(Request to include 18 year olds made by Brent LEA).

Teachers/parents
No age limit.

**Ticketing arrangements**

On application to the Ticket Administration Office T/L, using the application form supplied. Ticket issue will be subject to limitations that may apply for safety reasons. A paper ticket will be supplied for each group to be used for the throughout journey. There will be no requirement for the group ticket to be exchanged for a series of magnetically encoded tickets for use on LU.
Annex B

Riverboat services participating in the discounted travel scheme for Travelcard holders

<table>
<thead>
<tr>
<th>Route</th>
<th>Operator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Westminster - Tower - Greenwich</td>
<td>City Cruises</td>
</tr>
<tr>
<td>Westminster - Greenwich - Thames Barrier</td>
<td>Thames Passenger Services</td>
</tr>
<tr>
<td>Westminster - St Katharine’s</td>
<td>Crown River Services</td>
</tr>
<tr>
<td>Westminster - Hampton Court</td>
<td>Westminster Passenger Service Assoc.</td>
</tr>
<tr>
<td>Embankment - Greenwich</td>
<td>Catamaran Cruises</td>
</tr>
<tr>
<td>Greenwich - Thames Barrier</td>
<td>Campion Launches</td>
</tr>
<tr>
<td>Gravesend - Greenwich</td>
<td>Lower Thames &amp; Medway Passenger Boat Co.</td>
</tr>
<tr>
<td>Savoy-Greenland</td>
<td>Collins River Enterprises</td>
</tr>
<tr>
<td>Blackfriars-Cadogan</td>
<td>Thames Speed Ferry Company</td>
</tr>
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</table>
AGENDA ITEM 8.1

TRANSPORT FOR LONDON

BOARD PAPER

SUBJECT: TFL COMMENTS ON THE MAYOR’S DRAFT TRANSPORT STRATEGY

MEETING DATE: 13TH March 2001

1. INTRODUCTION

This paper sets out the background to The Mayor’s Transport Strategy Draft for public consultation and summarises the main points raised by TfL Board members at the special Board meeting of 20th February and also those of TfL officers in response to the draft document. Board members are asked to endorse these comments at the meeting on 13th March 2001.

2. BACKGROUND

The Mayor issued his draft Transport Strategy for public consultation in January 2001 with a closing date for comments on the 30th March 2001. The Transport Strategy is one of the Mayor’s nine London Strategies, which will be completed over the next two years. TfL has a particular interest as the main delivery agent of the Mayor’s Transport Strategy.

TfL officers and the Board have previously commented on an earlier version of the Transport Strategy issued to the functional bodies in October 2000. The main comments made by Board members on that version were summarised and subsequently endorsed by the TfL Board and issued to the GLA.

Comments were invited from officers across TfL. In addition, a special meeting of TfL Board members was held on 20th February to enable comments and queries on the draft Economic Development Strategy and on the Mayor’s draft Transport Strategy to be raised. The former is the subject of an accompanying Board paper. In advance of the meeting officers’ comments were compiled and summarised for the Board to review.

A summary of the comments made at the meeting and comments from TfL officers is given in the attachment. A detailed note of the meeting has also been prepared. This will be circulated to attendees of the meeting for approval. This note plus detailed comments from officers will be passed to the GLA with the attachment upon approval of this paper.

In general, Board members thought the second version of the Strategy was much improved. TfL officers considered that many of the significant comments made on the previous version had been addressed by the current document. Generally, such a comprehensive report was welcomed, though caution was expressed as to how ‘affordable’ and ‘deliverable’ the strategy is – given the financial constraints and the
resource and skills challenge facing transport providers at the moment. There was the view that a lot of work still needs to be done to work up priorities so as not to over-promise and under-deliver in the final document.

This requires that the priorities and timescales in the draft Transport Strategy should be reviewed in detail against the resources (both financial and physical) likely to be available. If currently available resources are insufficient to enable the progress sought by the Mayor to be achieved, it may be appropriate for the strategy to set out both the proposals that can be delivered and to identify the additional resources which would be needed to achieve the Mayor’s aspirations.

3. **RECOMMENDATIONS**

The TfL Board is asked to:

(1) NOTE the comments made by the Board and TfL officers on The Mayor’s Transport Strategy Draft for public consultation: January 2001.

(2) APPROVE the comments for forwarding to the GLA along with the detailed officer and Board member comments.

______________________________
Richard Smith
Director of Integration
BOARD AND OFFICER COMMENTS ON THE MAYOR’S DRAFT TRANSPORT STRATEGY

1. Partnerships

1.1 Reference to the key role and importance of partnerships between TfL and others such as the Boroughs, sub-regional partnerships, SRA, Railtrack, etc. should be further strengthened because these partners will be vital for financing, managing and delivering policies and proposals.

2. Priorities, Timescales, Methodology and Milestones

2.1 The Board felt that the Strategy lacked:
   • a steer on the prioritisation of policies and proposals if resources are constrained;
   • the methodology behind the selection of policies and proposals and
   • milestones to mark progress in delivery.

2.2 ‘Quick wins’ and early deliverables, such as information enhancements, integration schemes and fares initiatives, which are already planned and are low-cost, are not identified in the Strategy.

2.3 Officers were of the view that where practicable, specifying actual targets, milestones and performance indicators would assist Boroughs, in linking their Local Implementation Plans to the Strategy, and TfL in meeting the strategy requirements. However, the link to uncertainty over funding and skills also needs to be recognised.

3. Structure

3.1 Officers felt that cross-referencing between Challenges, Objectives, Policies and Proposals would make it easier to see how the ‘top down’ challenges are addressed by the ‘lower level’ policies and proposals. This would also aid evaluation and monitoring of the Strategy.

4. Spatial Dimension

4.1 Officers felt that the strategy is clear on proposals in Central London but less clear on proposals in Outer London. The outer areas have real traffic problems. The complexity of travel and the effects on transportation of the spatial pattern of the numerous town centres and the needs of orbital traffic should be better recognised.

4.2 In devising solutions, the Board was of the view that the Strategy needed to give greater consideration to London as a whole rather than focus on central London or to make differing recommendations treating central, inner and outer London as three homogenous areas. Rather, they would like to see it treated as a patchwork of patterns, where specific initiatives may be developed for specific areas of London, in dealing with local and regional issues.
5. **Car Use**

5.1 The Board felt that the wording ‘facilitate car use in outer London’ is unnecessary and might cause problems in the planning arena for the Boroughs. The Boroughs have a duty to plan for modal shift away from the private car in accordance with the Road Traffic Reduction Act 1997 and the Strategy needs to set a clearer framework for them to work within. It was recognised that the car needs to be ‘accommodated’ but the implication that it would be encouraged was inappropriate and in conflict with other priorities.

5.2 Congestion occurs in outer London and the Board felt that outer London boroughs ought to feel confident that TfL is supporting them in the measures they might take to reduce car use and that investment will take place in outer London.

5.3 It was felt there was no “stick” to encourage use of public transport. One possibility is a London Parking Standard tighter than is currently envisaged. Practical alternatives to the car need to be encouraged across London to provide a viable choice for car users.

6. **Road Network**

6.1 The Board wished the Strategy to make clear how the review of London’s road network would affect control of Boroughs’ roads, although it was assumed no transfers were intended.

7. **Bus Contracts and Bus Priorities**

7.1 The Board wished the outcome of the TfL review of bus contracts to be inserted into the Strategy.

7.2 The Strategy gives five key targets for the London Bus Initiative. Officers would like to highlight that these are under review and it is likely that these will be amended in the near future and possibly added to, to take account of aspects such as reliability, enforcement and customer care. More detailed information on this area will be issued to the GLA.

8. **Road Space Reallocation**

8.1 The Board wanted to see clear statements on road space reallocation from car to the bus and pedestrian. Providing for flows of people rather than vehicles ought to be the priority.

8.2 Officers were concerned that Intermediate Modes were not mentioned in the discussion of the re-allocation of road space. The strategy appears to imply that the main role of these modes is regeneration. Whilst this is important in some areas, they have a much wider remit – for example, they can make a significant contribution to public transport capacity in areas where this is constrained and provide an attractive alternative to the car.
9. **Deliverables**

9.1 The Board was concerned that no mention is made of the proposed outcomes of the Strategy nor in relation to what they will do for the objectives of health, social exclusion, the economy, etc. It was thought that reference to these outcomes could at least be made at a high level.

10. **Funding and skills**

10.1 The Board felt that the document gives no sense of the tight budget constraint that is imposed on TfL.

10.2 Officers pointed out that the present level of TfL’s grant and income to fund all the commitments set out within the strategy has to be considered. Estimates are currently under review but it is clear that there will be a major resource constraint in what is deliverable across the organisation.

10.3 Due to the amount of activity in the transport industry at the moment there is also a general concern that there is not the management and skills resource available to take forward all of the initiatives suggested. This will affect TfL as the major delivery agent but also affects Boroughs and other partners who are crucial in delivering a major part of the strategy. Greater attention needs to be given to this in the document and action needs to be taken to attract more people with the appropriate skills and potential into the industry.

11. **Freight**

11.1 The Board welcomed the presence of a freight strategy, though it was recognised it would needed developing after the Strategy is completed. Freight is an ideal area in which to take forward partnerships. Officers also thought that the freight aspect of the strategy could be developed and the impact of e-commerce should be considered.

12. **Safety**

12.1 Regarding safety, officers commented that TfL’s chief aim is to improve the safety record for each mode of transport. Some modes are inherently safer than others; Targets should be set for each mode and these should generally be expressed per journey or per passenger mile traveled. On this basis a year-on-year improvement for each mode should be sought. Safety issues also need to be better recognised, for example the Buses section does not identify the issue. A statement regarding safety should also be included in the Executive Summary.

13. **Air Quality**

13.1 Transport in London is a major contributor to London’s air pollution and TfL has a statutory duty to meet certain targets. Officers considered that the strategy could be more explicit in terms of the proposals to improve air quality. More explicit encouragement is needed for all powered modes to use cleaner engines and fuels.
13.2 The GLA Draft Air Quality Strategy concentrates on reducing emissions from road vehicles, as road traffic is the primary cause of air pollution in London. This is the subject of a separate Board Paper, but it is important to note here that there are items within the Air Quality Strategy which may have funding and implementation implications for TfL. The Air Quality strategy has 27 proposals relevant to TfL and it states that the Mayor will:

- encourage more sustainable transport;
- encourage a reduction in unnecessary car use (traffic reduction);
- adopt, encourage and promote the use of the cleanest conventional engine technologies;
- clean the emissions of TfL vehicles now on the road through fitting new technology, improving vehicle maintenance and driving style and
- promote and adopt alternative fuels – gas, electric and fuel cells.

While these clearly relate to policies in the Transport Strategy there is a need to ensure the strategies complement each other and that any budgetary implications are fully considered by TfL.

14. **Sustainability**

14.1 Officers would like greater reference made to sustainability.

15. **Other Strategies**

15.1 While recognising that these are still awaited or in draft, officers felt that more needed to be said about how these specific strategies interact.
AGENDA ITEM 8.2

TRANSPORT FOR LONDON
BOARD PAPER

SUBJECT: TFL COMMENTS ON THE LONDON DEVELOPMENT AGENCY’S DRAFT ECONOMIC DEVELOPMENT STRATEGY

MEETING DATE: 13th MARCH 2001

1. INTRODUCTION

This paper seeks approval of the TfL comments made on the Draft Economic Development Strategy (EDS) as prepared for consultation by the London Development Agency (LDA). The attachment to this paper summarises TfL Board members and officers’ comments. The Board is asked to endorse these general comments in order that these, and further detailed comments, are forwarded to the LDA in response to the consultation on the EDS.

2. BACKGROUND

On the Mayor’s behalf, the LDA issued its draft EDS in late November 2000 for comments by late February 2001. The EDS is one of the Mayor’s nine London Strategies, which will be completed over the next two years. Whilst TfL has a particular interest in the delivery of the Mayor’s Transport Strategy, it is also a formal consultee on all the other strategies. This will, in particular, help ensure consistency across the strategies and ensure they reflect the transport priorities.

The document sets out the aims of the LDA as: ‘Working with the business community…together with the Mayor, … to sustain and improve London’s role as a business centre, while ensuring that economic opportunity is increasingly open to all, and in particular to London’s dispossessed and excluded.’ The EDS is essentially the means by which the LDA aims to achieve this. The report is structured around nine key objectives for London. These include:

- Promoting London as a place for people and business;
- Sustaining the London city region;
- Meeting London’s key challenges;
- Improving business competitiveness;
- Encouraging economic diversity;
- Prioritising knowledge and learning;
- Empowering London’s communities, and helping disadvantage people into work;
- Developing the sustainable work city;
- Strengthening London’s capacity to deliver.

In addition to seeking general comments on the document, the LDA is also seeking endorsement from the functional bodies on these objectives as a basis for an action plan for the future. The strategy also suggests specific transport investment in projects
and areas of London, notably in East London/Thames Gateway and other regeneration sites, in orbital rail and at key interchanges that TfL should have a view on.

Comments were invited from officers across TfL. In addition, a special meeting of TfL Board members was held on 20th February to enable comments and queries on the draft EDS and on the Mayor’s Draft Transport Strategy to be raised. The latter is the subject of an accompanying Board paper. In advance of the meeting officers’ comments were compiled and summarised for the Board to review. At the meeting the Board received an overview presentation on the EDS by Ralph Ward of the LDA. This was well received and facilitated a wide debate on the role of the EDS and its interaction with the Mayor’s Draft Transport Strategy.

A summary of the comments made at the meeting and comments from TfL officers is given in the attachment. A detailed note of the meeting has also been prepared. This will be circulated to attendees of the meeting for approval. This note plus detailed comments from officers will be passed to the LDA with the attachment upon approval of this paper.

In summary, it is recommended that the Board generally endorses the overall objectives set out above and the key transport projects and policies highlighted in the transport section of the EDS. However, it is disappointing that the key role of transport is not better represented throughout the EDS. Indeed the prominence of economic development and regeneration in the transport strategy is at odds with the much lower profile given to transport in the EDS.

3. RECOMMENDATION

The TfL Board is asked to:

(1) NOTE the comments made by Board members and officers on the London Development Agency’s Economic Development Strategy.

(2) APPROVE the comments to go forward to the LDA together with detailed officers’ comments and a note of the special Board meeting on the subject.

_____________________
Richard Smith
Director of Integration
1. Nine Policy Objectives

1.1 Overall, TfL is supportive of the nine policy objectives as set out in the document and given above. Transport has a key role to play in supporting all of these in that it provides the means of accessing jobs, homes, entertainment, education etc. Without an effective transport system, many functions of the city suffer, having an effect on residents’ and employees’ quality of life. However, it is felt that the document as it stands does not recognise the critical role that transport plays in delivering these broader objectives. Also, the Board felt that there are no clear linkages from the LDA’s Mission to the EDS Objectives in the document. This is particularly important in understanding how to support regeneration. The document should stress the role that LDA has in this respect whilst recognising that there are limitations to what can be done – for example, LDA can grant Single Regeneration Budgets but is less likely to influence land ownership issues. Clarification of such roles and linkages would be helpful in enabling TfL to work towards these objectives in improving transport provision in London.

2. Transport, Economic Development and Regeneration

2.1 One of the key levers to aid economic development is transport and the Mayor has the whole of TfL at his disposal. Therefore, of the levers available, transport should have a high priority and reference to it generally needs strengthening within the document. While the specific section on transport is appropriate, the strategy does not link transport into the document in an integrated way. Whilst recognising the role of transport, the Board felt the document needs to outline how transport can work with the other necessary conditions and policy levers the LDA have to assist economic development and regeneration.

2.2 There is a need to point out that London’s extensive public transport system is a key factor in supporting large-scale economic activity. Many policies and aspirations in section 2 of the EDS are dependent upon improved transport and so it is surprising that ‘transport’ is near the end of the chapter at 2.9. Specifically, there is a need to further explore mechanisms in addition to Section 106 agreements for securing investment in transport in the document.

2.3 Officers were of the view that regeneration initiatives need to recognise the importance of appropriate transport links both to and within regeneration areas. In a number of cases transport schemes have been developed with the major requirement of serving particular regeneration areas – for example the Intermediate Mode schemes, cross river connections in East London etc. Such interactions need greater recognition in the document. The Board felt it was important to recognise that transport schemes will also need a strong transport case in conjunction with a regeneration case.

2.4 The Board was concerned to ensure that areas which are in need of regeneration should be linked to employment opportunities and that any economic development plans should work to achieve benefits to local people. Also, whilst it is important that residents are able to access jobs, it is also important that some of these areas are
opened up so that they become areas to go to – the redevelopment of the Woolwich Arsenal area might be a case in point. The Board also felt that it was vital to engage the local community in such plans for economic development and asked that the LDA consider how to better engage the local community and voluntary sector in such initiatives.

2.5 The issue of the effects of improved transport and associated economic development on land values was raised. The EDS should address this issue – in particular, it should give direction on how increases in land values due to successful transport schemes can be put back into London’s economy.

3. **Spatial Dimension**

3.1 Whilst recognising the role of the forthcoming Spatial Development Strategy (SDS), the Board strongly felt that the EDS needed to set out what and where the priority areas for regeneration in London were to assist transport decisions and to keep transport options open for the future. Specifically, the report needs to recognise that not all of London’s town centres are the same. There should be greater mention of the severe congestion problems that affect town centres thus potentially limiting their economic potential without transport improvement.

3.2 Officers were of the view that the general spatial structure of London’s development does not seem to be brought out as clearly and sharply as it might be. A balanced approach is needed. There is a view of the need to develop new approaches to spread central London’s economic effects to the periphery and outer areas, particularly to town centres and to economic sectors which have lower value than those in inner London. Greater targeting of regeneration sites outside the central area could do this – this would give recognition to the fact that the bulk of London’s population resides outside of the central area. Transport would have a key role in supporting this approach. On the other hand, the strategy must be both realistic about the potential to disperse activity and recognise the high value of facilitating central area businesses to London and the U.K.

4. **Transport as an Employer**

4.1 The Board and Officers felt that greater coverage is required in the document of transport as an employer and a major industry in its own right. Following from this, the strategy needs to recognise the requirements of the draft Transport Strategy of additional bus services, as this will require, for example, land for garage and engineering facilities. This also applies to rail depot requirements, rail freight terminals, and port and pier facilities, etc. In addition, the draft Transport Strategy sets out the requirements for a significant increase in the number of people employed providing bus services. Shortages of skills within the transport profession in general will also impact upon the ability to deliver the Transport Strategy. Such resourcing issues should be included in the EDS.

4.2 Following from the above, Officers strongly felt that women face barriers within the workforce as well as gaining entry to it. The document as it stands appears to limit expectation of women’s skills in the workforce to the traditional “caring” skills. This is clearly inappropriate.
5  Affordable Housing

5.1 One key way in which the relatively low-paid vital support staff for London’s economy can be encouraged to locate in London is with affordable housing. Officers felt that the document should stress that affordable housing is vital to sustain London’s public services – in particular, as mentioned above extra staff will be needed to run increased levels of bus services. There is a need to link the issue of affordable housing to the rest of the EDS and to the Mayor’s Transport Strategy. The latter supports additional bus services, thus facilitating greater access to employment opportunities and economic activity. If people cannot afford to live in London then public service requirements cannot be met and so economic growth will suffer as a consequence. These linkages need to be strengthened in the document.

6.  Needs of Business

6.1 The Board wanted the document to stress the importance of transport for business health, particularly in inner London, in terms of the fact that transport can sustain business competitiveness.

6.2 Officers felt that the document could be improved by giving greater clarity to what the business community needs from the transport system. The Board felt that the document should set out how the business community might be engaged to help make the case for better transport links. From this perspective there is little discussion of the role of international links - including Stratford, CTRL/Stage 2, Heathrow Terminal 5, the need or otherwise for additional runway capacity on the South East, and specifically for surface links to international gateways. In particular, Officers wished to see a stronger steer on the future development and role of London’s airports, especially Heathrow, in London’s economy.

7.  Assumptions on Employment and Population Forecasts

7.1 Officers felt that it is inevitably difficult to comment on the EDS without reference to the SDS. In particular, there is concern that we need to agree a central view of what will actually happen on employment and demography across London for 10 and 20 years time and the current document does not set such a scene. This is vital in determining the future pressures and transport needs of the capital. The type of questions that need to be answered consistently across the Mayor’s strategies are whether, for example, if all the plans for the Thames Gateway are fulfilled, what the total transport capacity requirement will be; and what the implications of forecast growth in central London jobs are for rail congestion. TfL proposes to work in tandem with the LDA and GLA to come to a view on forecasts

8.  London’s Relationship with the Rest of Southern England

8.1 Officers were of the view that, although specifically an issue for the SDS, there is a need for greater consideration as to whether longer distance commuting to central London will be further supported in the future – notably by providing improvements to long distance radial public transport. In this regard there is a need to consider the transport implications for economic growth dispersing from outer London to settlements beyond the London boundary.
9. **Sustainable Transport**

9.1 The opinion of Officers was that there is a need to give greater weight to the need for sustainable transport throughout the document. In particular, the role of sustainable transport modes (walking, cycling and public transport) in building new communities needs to be made explicit and good practice examples would be helpful. In particular, buses need to be given a higher priority and should be considered as key elements of all new development areas, this is particularly important in the short term and should relate to all new development sites.

10. **Transport Schemes**

10.1 Officers pointed out that several transport schemes are not considered in the document even though they have a strong regeneration focus. These are Orbirail, Hackney-South West Line, the northern and southern East London Line extensions. The specific selection of individual Intermediate Modes schemes is not fully justified. For example, the Cross River Transit scheme as originally envisaged is expected to allow the continued sustainable growth in economic development of the central area and the South Bank. However, the development of the alignment further south means that it is pivotal to supporting the regeneration of a number of major areas of social deprivation – such as North Peckham. The need to regenerate the ‘London South Central’ area has been a major thrust in the development of this scheme – there is no mention of this area, which is surprising since it has recently been awarded substantial funds via the Single Regeneration Budget, granted by the LDA, due to the focus on local access to major areas of deprivation.

11. **Thames Gateway River Crossings**

11.1 The document states that 48,000 jobs will result from the package of three crossings – the Board felt that extreme caution needs to be taken with such statements. The report should substantiate such estimates and in this case should also recognise that there are other costs associated with development in such areas, such as decontamination of land. The main case for the river crossings is regeneration and this point is not made sufficiently in the EDS. Discussion of the individual Thames River Crossings is omitted – these are quite different schemes and a balance will need to be struck between the regeneration potential of the area and the level of investment in the transport infrastructure. An examination of whether each specific rail or road crossing, (rather than the whole package), would assist in regeneration is required.

11.2 Also, in determining the individual river crossing schemes which go ahead extreme care will be needed in their planning to ensure they do not detract from the desire to ensure a quality urban environment (page 21). Concern was expressed that a road crossing may negatively impact upon urban residential communities by attracting additional car traffic to the area. Also, the document should address the benefits of a further rail crossing that would assist freight in avoiding central and inner London.
TRANSPORT FOR LONDON
BOARD PAPER

SUBJECT: TFL COMMENTS ON THE MAYOR’S DRAFT AIR QUALITY STRATEGY

MEETING DATE: 13TH March 2001

1. INTRODUCTION

This paper seeks approval of the T/L comments made on the Draft Air Quality Strategy (AQS) as prepared for consultation by the Greater London Authority (GLA). This paper summarises T/L officer comments. The Board is asked to endorse these comments in order that these, and further detailed comments, are forwarded to the GLA in response to the consultation on the AQS.

2. BACKGROUND

2.1 The Mayor issued his draft Strategy on Air Quality for Assembly and Functional Bodies statutory consultation in January for comments by end of March 2001. T/L has a particular interest because it will be one of the delivery agents of the AQS.

2.2 A high proportion of the policies and proposals in the AQS would have direct impact on T/L. In most cases the AQS repeats the policies and proposals in the draft Transport Strategy, although often expressed in different terms. The attached table outlines the proposals of the AQS and highlights those that would have a direct impact on T/L, the latter have been identified in italics.

3. SUMMARY OF COMMENTS

The comments made by T/L Officers are summarised below.

3.1 General support

As noted in terms of transport the AQS largely repeats the approach of the draft Transport Strategy. The AQS should be generally supported.

3.2 Consistency with the Draft Transport Strategy

The content of the draft AQS, especially the proposals, needs to be checked for consistency with the Mayor’s draft Transport Strategy. In a number of places there are differences, mostly of detail, that need to be resolved. Better cross-referencing and additional references to, and in, the draft Transport Strategy may facilitate this.
3.3 **Partnerships**

The role of partnerships between TfL and others such as Boroughs, LDA, and DETR should be strengthened because these partners will be vital for financing, managing and delivering the proposals. In terms of partnership with boroughs some of the proposals require stronger links back to the draft Transport Strategy and the Boroughs’ Local Implementation Plans.

3.4 **Timescales, Methodology and Milestones**

The AQS gives little quantification of the impacts of fairly general proposals. While many of the actions will be determined by external agencies, it would be helpful to have some indication of the potential scale of impact of the strategy and associated milestones and deliverables.

3.5 **Funding**

The present level of TfL’s grant and income to fund some of the commitments set out within the strategy has to be considered. This will affect TfL where it is the major delivery agent but also affects Boroughs who are crucial in delivering parts of the strategy. Greater attention needs to be given to this in the document.

4. **RECOMMENDATIONS**

The TfL Board is asked to:

(1) NOTE the comments made by the TfL officers on the Mayoral draft Air Quality Strategy (Assembly and Functional Bodies Consultation Version).

(2) APPROVE the comments for forwarding to the GLA.

__________________________
Richard Smith
Director of Integration
## TRANSPORT FOR LONDON

### Draft Air Quality Strategy Proposals

**PROPOSAL 1:** Measures are set out in the Mayor’s Transport Strategy to encourage more sustainable travel and to reduce unnecessary car use.

**PROPOSAL 2:** Measures will be set out in the Mayor’s Spatial Development Strategy to develop the infrastructure needed to encourage more sustainable travel and to reduce unnecessary car use.

**PROPOSAL 3:** The Mayor will encourage both the retrofitting of existing vehicles and the take-up of cleaner vehicles, working closely with the Energy Saving Trust and DETR.

**PROPOSAL 4:** The Mayor will work with others to promote the benefits of cleaner technologies and fuels.

**PROPOSAL 5:** The Mayor will explore opportunities to reduce costs of cleaner technologies through bulk purchasing.

**PROPOSAL 6:** The Mayor will endorse environmentally aware businesses in London, by implementing an ‘Environmental Business Marque’, awarded to businesses meeting set environmental standards, including the efficient use of vehicles, low emissions vehicles, good vehicle maintenance and high driving standards.

**PROPOSAL 7:** The Mayor, together with the London boroughs, the ALG and the DETR will consider the role of a low emission zone (LEZ) in London by undertaking a feasibility study of the practicality, enforceability, benefits and costs. Businesses will also be invited to be fully involved with the process through a consultative forum.

**PROPOSAL 8:** The Mayor will provide the support and framework of a vehicle maintenance campaign together with London boroughs and the Association of London Government, to allow those boroughs that want to undertake vehicle emissions testing to gain maximum benefit from this. London boroughs using these powers should do so in co-ordination and co-operation with each other and the Vehicle Inspectorate. The Mayor will work with the Metropolitan Police Authority and Service to provide increased police support for this. Boroughs are also encouraged to undertake events where Londoners can present their vehicles for testing, and, where this is practical, undertake or advise on remedial work as part of this measure.

**PROPOSAL 9:** The Mayor will enforce idling vehicle legislation through the police traffic wardens on the Transport for London Road Network. The Mayor will also encourage those London boroughs to enforce this legislation.

**PROPOSAL 10:** The Mayor will consider the findings of the Government’s work on cleaner fuels, additives and technologies. Where these are shown to have significant benefits, they will be promoted in London through information and campaigns and will be used within the Functional Bodies.

**PROPOSAL 11:** The Mayor will promote the development of new refuelling infrastructure for alternative fuelled vehicles, which should be enabled through borough Unitary Development Plans (UDP)s, and partnerships with industry and others.

**PROPOSAL 12:** The Mayor will encourage the development of cleaner technologies within London, such as fuel cells or gas powered vehicle conversion technology, through the London Development Agency (LDA) and others. The Mayor will investigate the practicalities of giving preferential treatment to ‘green’ technologies.

**PROPOSAL 13:** Measures set out in the Mayor’s Transport Strategy will develop the infrastructure needed to encourage more sustainable travel, in order to provide a real choice for Londoners when deciding whether to make a modal shift.

**PROPOSAL 14:** The Mayor will set targets for cleaner vehicles in the fleets run by the
GLA’s Functional Bodies, and introduce criteria for new vehicles and maintenance of vehicles.

PROPOSAL 15: Transport for London will give high priority to further reducing bus emissions, with all of the London Bus Network Fleet meeting the Euro II standard by 2005, and new buses from October 2001 meeting the Euro III standards.

PROPOSAL 16: Transport for London will, in partnership with the CleanUp programme, investigate methods for further reducing nitrogen oxide (NOx) emissions from buses, and implement any measures as soon as these become available and practicable.

PROPOSAL 17: The Mayor will ensure that all buses are fitted with regenerating particulate traps at a rate of 900 a year, and all buses will continue to run on ultra low sulphur diesel.

PROPOSAL 18: Transport for London will actively review opportunities for the beneficial use of alternative fuels such as gas and fuel cells. This will include trials of zero emission buses operating on fuel cells.

PROPOSAL 19: Transport for London will influence transport providers to adopt enhanced driving techniques, in order to reduce emissions, save fuel and therefore money, and to provide smoother travel for passengers.

PROPOSAL 20: Transport for London will set up a forum to work with all sections of the taxi and minicab trade and attempt to build consensus around taxi issues, and work with the taxi trade to improve taxi emissions.

PROPOSAL 21: The London Fire and Emergency Planning Authority will negotiate the provision of new vehicles (fire appliances, other operational vehicles and their operational equipment) from their leasing group with the lowest possible exhaust emissions.

PROPOSAL 22: The Mayor will set targets for cleaner vehicles in the London Fire and Emergency Planning Authority.

PROPOSAL 23: The Metropolitan Police Service will evaluate new technologies to reduce exhaust emissions when replacing vehicles and seek to reduce exhaust emissions from the rest of the operational vehicles.

PROPOSAL 24: The Mayor will set targets for cleaner vehicles in the Metropolitan Police Service.

PROPOSAL 25: The Mayor will use sustainability considerations, where possible, as one way of evaluating tenders for future contracts.

PROPOSAL 26: Transport for London will set up a Sustainable Distribution Forum, in conjunction with relevant organisations, which will develop a Freight Action Plan that balances the distribution of freight necessary to the functioning of the city with reducing congestion and the impact on the environment.

PROPOSAL 27: Transport for London will encourage the development of sub-regional freight quality partnerships.

PROPOSAL 28: Measures set out within the Mayor’s Transport Strategy seek to increase rail freight, while taking into consideration the parallel priority of increased transfer of passengers to rail. The Mayor will also look at diverting rail freight journeys that do not begin or end in London from the London rail freight network.

PROPOSAL 29: The Mayor will develop quality partnerships with London coach operators, where higher emissions and maintenance standards will be discussed.

PROPOSAL 30: The Mayor’s Coach Guidance will include guidance to reduce vehicle emissions. The London Service Permit will be used to enforce the guidance, and grants may be available to fund measures to reduce emissions.

PROPOSAL 31: The Mayor will work with the London Tourist Board, using the ‘Environmental Business Marque’ to encourage the use of cleaner coaches in London.

PROPOSAL 32: The Mayor will encourage all waste authorities to specify that emissions of vehicles used should meet at least Euro II standard, when awarding new waste contracts. The Mayor will require all boroughs to do this through the Municipal Waste Management
<table>
<thead>
<tr>
<th>Strategy</th>
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<tbody>
<tr>
<td><strong>PROPOSAL 33:</strong> The Mayor will investigate a programme of encouraging motorcyclists to invest in improved emissions technology, and drive more safely and smoothly.</td>
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<tr>
<td><strong>PROPOSAL 34:</strong> Transport for London will investigate what measures can be undertaken on the Transport for London Road Network to reduce emissions. This will include an audit of the network to assess the scope for introducing ‘green phase’ traffic lights, optimising bus priority to increase bus speed and reduce vehicle emissions, and bring in other measures to reduce stop-start driving.</td>
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<tr>
<td><strong>PROPOSAL 35:</strong> Transport for London investigate reducing speed limits on the Transport for London Road Network on roads that have 70 mph limits at present, for road traffic accident and emissions benefits.</td>
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<td><strong>PROPOSAL 36:</strong> The Mayor will encourage pedestrianisation, in conjunction with the London boroughs, where this is shown to be both practical and effective.</td>
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<tr>
<td><strong>PROPOSAL 37:</strong> Transport for London will investigate the use of high occupancy vehicle lanes, and enabling heavy goods vehicles to use segregated lanes, where this does not disadvantage buses or vulnerable road users. This may enable heavier vehicles to drive more smoothly, and so reduce emissions.</td>
</tr>
<tr>
<td><strong>PROPOSAL 38:</strong> The Mayor will encourage implementation of Clear Zones and Home Zones by the London boroughs through the transport Local Implementation Plans. The Mayor will encourage 20mph speed limits where appropriate in residential areas. Traffic calming should be implemented to avoid measures that increase acceleration and deceleration.</td>
</tr>
<tr>
<td><strong>PROPOSAL 39:</strong> Transport for London will investigate whether different, smoother road surfaces could be used to reduce emissions, whilst retaining good traction for road safety. Surfacing materials found to be beneficial will be used when resurfacing is required.</td>
</tr>
<tr>
<td><strong>PROPOSAL 40:</strong> The Mayor will work with the Metropolitan Police Authority to improve traffic enforcement of illegal parking especially at congestion hotspots, such as town centres in the rush hour, to improve traffic flow and thereby reduce emissions.</td>
</tr>
<tr>
<td><strong>PROPOSAL 41:</strong> Transport for London will establish a streetworks taskforce to ensure the effective co-ordination and advance planning of all streetworks on the Transport for London Road Network.</td>
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<tr>
<td><strong>PROPOSAL 42:</strong> The Mayor will seek to promote information on air pollution, and the role that individuals and organisations can play to help reduce it.</td>
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<tr>
<td><strong>PROPOSAL 43:</strong> The Mayor will support organisations with air quality campaigns within London.</td>
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<tr>
<td><strong>PROPOSAL 44:</strong> The Mayor will seek to raise awareness on air quality, by publishing information leaflets and will lead or support promotional campaigns on many of the initiatives listed below.</td>
</tr>
<tr>
<td><strong>PROPOSAL 45:</strong> Through the LDA and Transport for London the Mayor will encourage the development and use of zero emission vehicles.</td>
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<tr>
<td><strong>PROPOSAL 46:</strong> Measures set out in the Mayor’s Transport Strategy work towards developing more long term sustainable transport infrastructure such as increased rail links and intermediate modes such as trams or trolley buses.</td>
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<tr>
<td><strong>PROPOSAL 47:</strong> The Mayor will work with BAA/Heathrow Plc and the CleanUp programme to give further encouragement to cleaner airside vehicles. The Mayor would support the provision of facilities for the refuelling of alternative fuel vehicles (compressed natural gas (CNG), liquefied natural gas (LNG) or liquid petroleum gas (LPG) and hydrogen for fuel cell vehicles) in the Heathrow Airport area.</td>
</tr>
<tr>
<td><strong>PROPOSAL 48:</strong> Measures set out in the Mayor’s Transport Strategy seek to work with BAA/Heathrow Plc and the Heathrow Area Transport Forum to increase the use of sustainable travel in West London, including building Crossrail to connect Heathrow and the city.</td>
</tr>
</tbody>
</table>
**PROPOSAL 49: Measures set out in the Mayor’s Transport Strategy seek to increase the use of rail and water transport.**

**PROPOSAL 50: The Mayor will encourage the Government to revise the relevant regulations in order to improve the quality of gas oil fuel used by river vessels.**

**PROPOSAL 51: The Mayor will work with train operators and Railtrack to promote best practice in terms of train operation at stations. The Mayor will encourage the train operating companies to investigate methods of reducing emissions from trains.**

**PROPOSAL 52: Transport for London will investigate methods of improving the air quality in the Underground.**

**PROPOSAL 53: The Mayor will encourage the Environment Agency to fulfill their undertaking to ensure that there are no exceedences of the Air Quality Objectives due to the Part A processes which they regulate.**

**PROPOSAL 54: In those cases where Part B processes are located within Air Quality Management Areas, the London boroughs should ensure that operators follow best practice in managing plant and use the best available technology.**

**PROPOSAL 55: The Mayor will assist with the promotion of a construction best practice scheme. The Mayor will build on the work of other organisations, to reduce the levels of PM$_{10}$ from construction. This would include using water sprays as a way of reducing dust during demolition, and avoiding the burning of waste on site.**

**PROPOSAL 56: Through the Spatial Development Strategy, and the Government’s reduction of duty for the re-use of buildings, the Mayor will encourage the re-use of existing building stock, rather than demolition and rebuild. This would reduce construction and demolition PM$_{10}$ as well as that from transport and energy emissions from the construction work. It would also promote a sustainable use of resources.**

**PROPOSAL 57: Measures set out in the Mayor’s Municipal Waste Management Strategy will encourage the London boroughs to promote home, community and centralised composting, to help reduce the need for bonfires.**

**PROPOSAL 58: The Mayor will encourage the conversion of the few large boilers that still use heavy fuel oil in London to lighter fuel oils or gas.**

**PROPOSAL 59: Measures set out in the Mayor’s Energy Strategy will seek to increase energy efficiency and reduce fuel used for space and water heating. This will also reduce emissions, mainly of No$_x$. Measures include those listed above.**

**PROPOSAL 60: The Mayor will review the available information on air quality and trees.**

**PROPOSAL 61: The Mayor will encourage appropriate academic research through the APRIL (Air Pollution Research in London) network.**

**Note:** The italicised proposals are those that would have a direct impact on T/L.
TRANSPORT FOR LONDON

BOARD PAPER

SUBJECT: TFL COMMENTS ON THE MAYOR’S DRAFT BIODIVERSITY STRATEGY

MEETING DATE: 13TH March 2001

1. INTRODUCTION

This paper seeks approval of the T/L comments made on the Biodiversity Strategy (BDS) as prepared for consultation by the Greater London Authority (GLA). This paper summarises T/L officer response. The Board is asked to endorse this response in order that this response, and further detailed comments, are forwarded to the GLA in response to the consultation on the BDS.

2. BACKGROUND

2.1 The Mayor issued his draft Strategy on Biodiversity for Assembly and Functional Bodies statutory consultation in January 2001 for comments by end of March 2001. T/L has a limited role as a delivery agent for the Strategy. All of the proposals directly related to T/L are listed below for information:

Proposal 11: The Mayor will encourage the GLA’s Functional Bodies to undertake surveys of biodiversity on their land holdings.

Proposal 26: The Mayor will encourage Transport for London, the Highways Agency, Railtrack, the borough councils and other transport bodies to ensure that the potential for wildlife habitat on the verges of roads, footpaths, cycleways and railways is realised wherever possible.

Proposal 54: The procurement policies of the GLA ‘family’ should pay due regard to biodiversity conservation. The Mayor’s Spatial Development Strategy will encourage sustainable procurement of materials used in construction and development.

Proposal 64: The GLA ‘family’ should ensure that the budgets for major infrastructure and development projects include provision for the necessary environmental appraisal (including a biodiversity assessment where appropriate) and for retention, enhancement and creation (where appropriate) of wildlife habitat.

2.2 These proposals are generally supported by the different parts of the organisation and there are no significant budgetary implications. The necessary actions are already, or would be, incorporated in T/L’s planning and work practices.
2.3 The Board is recommended to support the BDS as it affects TfL. No significant further comments have been made for the Board to note. More detailed comments are focussed on the initiatives already underway, particularly those London Underground are undertaking in regard to biodiversity.

3. RECOMMENDATIONS

The TfL Board is asked to:

(1) AGREE the general support proposed by TfL officers for the Mayoral draft Biodiversity Strategy (Assembly and Functional Bodies Consultation Version).

(2) APPROVE the comments for forwarding to the GLA.

___________________________
Richard Smith
Director of Integration
AGENDA ITEM 9.1

TRANSPORT FOR LONDON
BOARD PAPER

SUBJECT: TAXI FARES IN 2001

MEETING DATE: 13 March 2001

1. INTRODUCTION

This paper presents proposals for the first change in fares for licensed London taxis since their control passed from the DETR to TfL. It recommends that:

(1) the tariff is revised with effect from Saturday 28 April 2001, in line with previous practice;

(2) the new tariff is set to raise the average fare by 45p, which is a 5.5% increase;

(3) The minimum fare is unchanged at £1.40 but the time or distance bought for each 20p unit is reduced;

(4) no change is made at this time to the current flat rate supplements during unsocial hours;

(5) no change is made made at this time to other extra charges.

2. PROPOSED TARIFF

The proposed 5.5% increase has been determined using the same formula that the DETR have used for recent tariff revisions. It is based on the year-on-year changes in taxi operating costs and average national earnings. The formula has been accepted by the trade and indeed the trade organisations have, as previously, supplied most of the raw cost information used.

The biggest contributors to this are increased earnings (2.0%), higher insurance premiums (1.3%), more expensive taxi parts (0.7%) and increased garage and servicing costs (0.6%).

The Appendix shows the existing and proposed tariffs, together with the effect on the average fare by time of day.
3. **BEYOND APRIL 2001**

A number of representations have been made by the taxi trade for higher fares during unsocial hours, when the supply of taxis does not fully meet current demand. A recently published study by MVA for the DETR supports this, indicating that the supply of taxis could be significantly increased and the demand reduced somewhat by a substantial increase in fares at those times.

This could be achieved by either:

1. increasing the existing 60p and 90p flat rate supplements; or
2. removing these supplements and using different tariffs during unsocial hours which give less time or distance for each 20p unit.

The second approach is favoured by many representative groups but limitations in a significant proportion of existing taximeters prevent it being implemented satisfactorily this April. Steps are being taken to ensure that all taximeters are upgraded or replaced to enable the implementation of flexible tariffs from a future date.

Given this, the recommended approach is to make no change to the current supplements at this time but to defer the change until multiple tariffs could be introduced. This will also give the opportunity for a wider ranging review of all aspects of taxi tariffs and further research into the taxi market as a whole to be carried out.

4. **CONCLUSIONS**

The TfL Board is asked to approve the proposal that:

- The licensed taxi tariff is revised on 28 April 2001;
- The basic tariff is increased to achieve a 5.5% increase in the average taxi fare, as specified in the Appendix;
- No change is made to the minimum fare or extra charges.

The TfL Board is also asked to authorise the Commissioner of Transport for London to sign the London Cab Order 2001 on its behalf. This Order is required to bring the new tariff into effect.

____________________________

Michael Swiggs  
Director of Corporate Services
# Appendix – Proposed Taxi Fare Tariff From 28 April 2001

<table>
<thead>
<tr>
<th></th>
<th>Current Tariff</th>
<th>Tariff from 28 April 2001</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Value</td>
<td>%</td>
</tr>
<tr>
<td>Minimum charge (includes first two units)</td>
<td>£1.40</td>
<td>£1.40</td>
</tr>
<tr>
<td>Distance or time* for 20p, up to 6 miles**</td>
<td>202.5m or 43.5 secs</td>
<td>189.3m or 40.8 secs</td>
</tr>
<tr>
<td>Distance or time* for 20p thereafter</td>
<td>135m or 29 secs</td>
<td>126.2m or 27.2 secs</td>
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## Supplements

<table>
<thead>
<tr>
<th></th>
<th>Current Tariff</th>
<th>Tariff from 28 April 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evenings (8pm-midnight)</td>
<td>£0.60</td>
<td>£0.60</td>
</tr>
<tr>
<td>Nights (midnight - 6am)</td>
<td>£0.90</td>
<td>£0.90</td>
</tr>
<tr>
<td>Saturdays</td>
<td>£0.60</td>
<td>£0.60</td>
</tr>
<tr>
<td>Sundays &amp; public holidays</td>
<td>£0.90</td>
<td>£0.90</td>
</tr>
<tr>
<td>Christmas / New Year</td>
<td>£3.00</td>
<td>£3.00</td>
</tr>
<tr>
<td>Each additional passenger</td>
<td>£0.40</td>
<td>£0.40</td>
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<tr>
<td>Each luggage item</td>
<td>£0.10</td>
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</tr>
<tr>
<td>Telephone bookings</td>
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</table>

## Average Fares

<table>
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<tr>
<th></th>
<th>Average</th>
<th>Change</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daytime</td>
<td>£7.85</td>
<td>+£0.45</td>
<td>+5.7%</td>
</tr>
<tr>
<td>Evening</td>
<td>£8.45</td>
<td>+£0.45</td>
<td>+5.3%</td>
</tr>
<tr>
<td>Night</td>
<td>£8.75</td>
<td>+£0.45</td>
<td>+5.1%</td>
</tr>
<tr>
<td>Saturday</td>
<td>£8.45</td>
<td>+£0.45</td>
<td>+5.3%</td>
</tr>
<tr>
<td>Sunday</td>
<td>£8.75</td>
<td>+£0.45</td>
<td>+5.1%</td>
</tr>
<tr>
<td>Whole Week</td>
<td>£8.15</td>
<td>+£0.45</td>
<td>+5.5%</td>
</tr>
</tbody>
</table>

*  whichever is completed first for each 20p unit.
**  or the equivalent number of 20p units if this occurs earlier
1. INTRODUCTION

This paper seeks approval to finalise and issue the consultation document on Driver Licensing for London’s private hire drivers. It also seeks approval for TfL to review the existing private hire operator regulations.

2. BACKGROUND

The Private Hire Vehicles (London) Act 1998 provides for the regulation of private hire operators and their drivers and their vehicles in London. The primary aim of the Act is to give passengers in London the same protection already afforded by statute in the rest of the country.

The Act is being implemented in three stages. Regulations to provide for the licensing of operators have already been agreed (project managed by DETR, and handed to TfL in November 2000). It is considered appropriate that TfL now reviews these operator regulations in the light of the Mayor’s Transport Strategy.

The licensing of drivers now follows as the second stage, with the licensing of vehicles to take place as soon as practicable.

The Act governs the licensing of drivers. It provides for applicants for driver licences to be assessed as “fit and proper” (taking account of such things as convictions, minimum health standards, age limits, topographical knowledge, driving licence restrictions etc requirements) and for the drivers to be “fit and proper” once the licence has been issued. It sets out procedures, including those for fixing fees, provides for refunds in certain circumstances and the granting of licences, and deals with transitional arrangements.

It is now intended to consult the public and private hire trade on the proposed terms for this licensing. A draft paper which is currently receiving comments from Board Members and other advisors, is planned to be issued as a consultation document. It aims to set the legal framework and possible associated requirements to invite comment and reaction from the private hire industry and those with an interest in it. It is structured around the key requirements of the Act and in each section invites feedback on these.
3. **RECOMMENDATIONS**

The TfL Board is asked to:

(1) **AGREE** that, subject to any further suggestions from Board Members, the consultation document be finalised and issued by the Commissioner.

(2) **NOTE** that the responses, when considered, will be reported to the Board.

(3) **NOTE** also that the existing operator regulations will be reviewed.

_Michael Swiggs_

_Director of Corporate Services_
1. INTRODUCTION

1.1 On 3 October 2000, the Board agreed that London Buses Limited trading as “East Thames Buses” (ETB) should be reorganised to create a management structure independent of London Bus Services Limited (LBSL). The Board also agreed that the Management Board would consider the performance and the future options available for ETB in three months time.

1.2 On 27 February 2001, the Management Board reviewed ETB’s performance and progress. The interim Managing Director of ETB reported to the Management Board that ETB’s performance had improved and that it was now progressing satisfactorily. Based on the performance of ETB the Management Board considered the future options available for ETB and proposes that the Board endorse the recommendations set out in paragraph 2 below.

2. RECOMMENDATIONS FROM THE MANAGEMENT BOARD

2.1 The Management Board recommended the following:

Subject to an ability to pass a “best value” test for the 2001/2 budget, the following items should be pursued as soon as possible:

(a) the current routes operated by ETB should not be re-tendered for the present time and that ETB should continue to operate these routes;
(b) ETB will not bid for any other routes;
(c) ETB should be established as a basis for market intervention in the event of operator failure, excessive high bidding or unremedied poor performance;
(d) the financial and operational performance of ETB should continue to be separately reported to TfL;
(e) for as long as ETB does not tender for bus routes, the Director of Bus & River Services should be appointed as Chair of ETB but that in all other respects ETB will remain independent of LBSL;
(f) ETB should be managed separately, locally and appropriately for an operation of its size; and
(g) a permanent Managing Director should be sought through competitive advertisement.

3. RECOMMENDATIONS

3.1 The Board is asked to endorse the above recommendations subject to the Director of Bus & River Services obtaining further legal advice.

3.2 The Board is asked to delegate to the Commissioner authority to approve any changes that may arise to the recommendations set out above.

3.3 The appointment of the Director of Bus & River Services as Chair of ETB will be carried out by Transport Trading Limited as Majority Shareholder.

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Robert R Kiley
Commissioner
AGENDA ITEM 11.1

TRANSPORT FOR LONDON

BOARD PAPER

SUBJECT: CHAIR’S ACTIONS FOR ENDORSEMENT

MEETING DATE: 13th MARCH 2001

1. INTRODUCTION

Under the Standing Orders, the Chair of the Management Board has the power to take actions, subject to endorsement by the Board.

2. BACKGROUND

Since the Board meeting on 23rd January 2001, the Chair has taken the following actions:

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
<th>Taken By</th>
</tr>
</thead>
<tbody>
<tr>
<td>13th February</td>
<td>Advance payment of compulsory purchase compensation payable to London borough of Enfield. (£1,104,124.31, being the balance of 90% of the purchase money plus interest).</td>
<td>D. Wetzel</td>
</tr>
<tr>
<td>15th February</td>
<td>Operation and maintenance of the Docklands Roads into the A13 DBFO contract</td>
<td>D. Wetzel</td>
</tr>
<tr>
<td>22nd February</td>
<td>Approval for London Bus Services Ltd to take a lease of office space and parking spaces at Trinity Business Park, Chingford. (Annual rent of £25,000 subject to review after five years).</td>
<td>D. Wetzel</td>
</tr>
</tbody>
</table>

3. RECOMMENDATIONS

The Board is asked to endorse the Chair’s actions listed above.

__________________________
Michael Swiggs
Director, Corporate Services