

Board

**Transport
for London**



Date: 11 December 2013

Item 10: Report of the meeting of the Finance and Policy Committee held on 27 November 2013

This paper will be considered in public

1 Summary

- 1.1 To report to the Board on the meeting of the Finance and Policy Committee held on 27 November 2013.

2 Recommendation

- 2.1 **That the Board note the report.**

3 Background

- 3.1 The main matters considered by the Committee were:
- (a) Operational and Financial Performance Report – Second Quarter 2013/14;
 - (b) London Road User Charging and Traffic Enforcement Notice Processing Contract Relet;
 - (c) Barclays Cycle Hire Contract Extension;
 - (d) Safety Camera Replacement Project;
 - (e) Achieving Value for Money in the Delivery of London's Bus Service;
 - (f) Update on Planning Obligations; and
 - (g) Actuarial Valuations of the DLR Pension Scheme.

4 Issues Discussed

Operational and Financial Performance Report – Second Quarter 2013/14

- 4.1 The Committee noted the Operational and Financial Performance Report – Second Quarter 2013/14, which appears as an item elsewhere on the agenda.

London Road User Charging and Traffic Enforcement Notice Processing Contract Relet

- 4.2 The Committee recommended that the Board approve the Procurement, Financial and Project Authority being sought in relation to the London Road

User Charging and Traffic Enforcement Notice Processing Relet Project. A paper on this project appears elsewhere on the agenda.

Barclays Cycle Hire Contract Extension

- 4.3 The Committee recommended that the Board approve the extension of the London Cycle Hire Agreement with Serco Limited and approve the additional Procurement Authority required.
- 4.4 Members were advised that a review was underway to determine how revenue and usage could be further improved. This included proposals for further improvements to aid redistribution of the bicycles. The review would contribute to the specification for the Cycle Hire Transition Programme.
- 4.5 A paper on the Barclays Cycle Hire Contract Extension appears elsewhere on the agenda.

Safety Camera Replacement Project

- 4.6 The Committee approved the Project Authority required to implement the average speed camera (ASC) element of the Safety Camera Replacement Programme, using existing budgets to enable further assessment of their operational impacts. Daniel Moylan recorded his vote against the decision.
- 4.7 Based on evidence from the use of ASCs on the A13, the introduction of ASCs in the four locations identified was believed to be more effective than the use of spot cameras in enforcing the speed limit, reducing KSIs and maintaining smoother traffic flow.
- 4.8 The Committee agreed that the use of ASCs required a strong evidence base. A post implementation review would be conducted of the impact of introducing ASCs at the four locations identified to determine if they were making a difference and should be retained. The review would look at the KSI data for the three years prior to implementation and for each quarter after implementation. The information would include impact on traffic flow and the type of collisions taking place on those roads.

Achieving Value for Money in the Delivery of London's Bus Service

- 4.9 The Committee noted the paper, which provided information on how the planning, tendering and contract and performance management processes were driven to secure value for money, the reductions in bus network costs over the last five years and bus operator profit margins. The paper also set out options for how TfL would accommodate growth in demand within a constrained funding environment, and service priorities and trade-offs based on achieving a hypothetical 20 per cent saving.
- 4.10 Members welcomed the paper and recognised the maturity of the tendering process and that increases in ridership were largely in peak hours, where the provision of additional capacity was most expensive.

- 4.11 The Committee requested further information, to a future meeting, on the options, issues and trade-offs for London's bus services to achieve an operational break-even position. The paper would set out the long term demand and subsidy forecast costs, reflecting predicted population growth and present a wider range of options to reduce costs, and the relative value of each element.

Update on Planning Obligations

- 4.12 The Committee noted the update on funding and delivery for developments that will contribute to the funding of Crossrail and other transport projects, an update on the Mayor's and boroughs' Community Infrastructure Levies (CILs) and an update on government proposals to reform the planning system and the implications for planning obligations.
- 4.13 Members were advised that the amount of money being raised by the Mayoral CIL and section 106 agreements toward Crossrail was being closely monitored.
- 4.14 The Committee discussed the value that good or new transport provision added to developments. While the allocation of CIL to transport or affordable housing was determined on a case by case basis, the Committee wanted a strong case to be made for transport funding.
- 4.15 The Committee also discussed the positive benefits to both developers and TfL of section 106 payments in kind, like the building of the bus station at London Bridge as part of the Shard development. TfL was also reviewing its processes to improve the collection by London boroughs of section 106 funds for TfL.
- 4.16 A paper would be submitted to the next meeting of the Committee on the 2050 Infrastructure Plan.

Actuarial Valuations of the DLR Pension Scheme

- 4.17 The Committee noted an update on the actuarial valuations of the DLR Pension Scheme.

List of appendices to this report:

None

List of Background Papers:

Papers for the meeting of the Finance and Policy Committee held on 27 November 2013.

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