

Transport for London

Minutes of the Meeting

**Committee Rooms 4 and 5, City Hall, The Queen's Walk, London
10.00am, Wednesday 10 December 2014**

Members

Boris Johnson	Chairman
Isabel Dedring	Deputy Chairman
Sir John Armitt CBE	Member
Sir Brendan Barber	Member
Richard Barnes	Member
Charles Belcher	Member
Roger Burnley	Member
Brian Cooke	Member
Baroness Grey-Thompson DBE	Member (from 95/12/14)
Angela Knight	Member
Eva Lindholm	Member
Bob Oddy	Member
Keith Williams	Member
Steve Wright	Member

Staff

Steve Allen	Managing Director, Finance
Mike Brown	Managing Director, Rail and Underground
Howard Carter	General Counsel
Leon Daniels	Managing Director, Surface Transport
Michèle Dix	Managing Director, Planning
Vernon Everitt	Managing Director, Customer Experience, Marketing and Communications
Sir Peter Hendy CBE	Commissioner
Terry Morgan	Chairman, Crossrail Limited
Andrew Pollins	Interim Chief Finance Officer
Clive Walker	Director of Internal Audit
Shamus Kenny	Head of Secretariat

90/12/14 Apologies for Absence and Chairman's Announcements

Apologies for absence had been received from Peter Anderson, Michael Liebreich and Daniel Moylan. Apologies for lateness had been received from Baroness Grey-Thompson.

91/12/14 Declarations of Interest

The following interests were declared: Sir John Armitt as Chairman of the National Express Group plc, Deputy Chairman of the Berkeley Group plc and a Member of the Airports Commission; Sir Brendan Barber as Chairman of ACAS; Charles Belcher as a member of Atos Origin Advisory Council on Transport; Baroness Grey-Thompson as a member of the London Legacy Development Corporation; Angela Knight as Chief Executive of Energy UK and a non-executive director of William Cook Holdings Limited;

Bob Oddy on taxi related issues; and Steve Wright on matters relating to private hire vehicles.

92/12/14 Minutes of the Meeting held on 5 November 2014

The minutes of the meeting held on 5 November 2014 were approved as a correct record and the Chairman was authorised to sign them.

93/12/14 Matters Arising, Actions List and Use of Delegated Authority

Howard Carter introduced the item.

There had been no exercise of authority delegated by the Board since the last meeting.

The Board noted the actions list.

94/12/14 Commissioner's Report

Sir Peter Hendy introduced his report, which provided an overview of major issues and developments since the report to the meeting on 5 November 2014, and updated Members on significant projects and initiatives.

Members congratulated London Underground on its outstanding ridership figures. Since November 2014, it had consistently broken its 2012 Games record for passenger numbers, with a maximum of 4.576 million journeys on 14 November. It was expected that the record would be broken again in the run up to Christmas. In 2000, full capacity was considered to be 2.5 million journeys per day. The record ridership figures confirmed the case for investment, as they were only possible due to TfL's investment in new, faster and more spacious trains and in line upgrades, which had enabled the improvement in the frequency and reliability of the service.

An improved timetable was being introduced on the Barking to Gospel Oak line from 15 December 2014. The new DLR Franchisee had taken over the operation of the service on 8 December and the maintenance of Croydon Tram was about to be taken in-house – both were expected to provide better value and service.

Members welcomed the news that the Department for Transport (DfT) had agreed to fund works for the final three stations outside London that would ensure that all 40 Crossrail stations would have step free access.

Using the new cycling metric, TfL had recorded the highest level of cycling in London for the fourth consecutive quarter. This was expected to continue improving as TfL started work on its network of quiet ways and its programme of cycle superhighways. The north-south and east-west Cycle Superhighway consultation schemes would be considered by the Board in early 2015. As the cycle superhighways, better junctions schemes and road modernisation programme works would reduce road space, TfL was looking at options to utilise the Travel Demand Management techniques developed during the 2012 Games. It had already hosted a conference as part of a drive to encourage businesses to retime deliveries outside peak hours.

TfL continued to tackle robustly the issues of illegal minicabs and unregulated private hire activities. There had been 36 successful prosecutions in the last 14 months and 56 cases were in process.

Leon Daniels informed Members that Uber was currently fulfilling all of its obligations as a licenced private hire operator, including meeting the requirements of the regular compliance checks that applied to all operators. TfL was closely monitoring compliance issues, with Uber operating different services and under different regulatory regimes abroad. Uber had given an absolute assurance that no personal data or information on the carriage of passengers would be put in the public domain. In response to issues raised by the taxi trade, it was confirmed that the checks on drivers who had recently arrived in the UK and applied for a private hire driver's licence remained unchanged: in the absence of a Disclosure and Barring Service check, a certificate of good conduct was required from the embassy of the country of origin, which disclosed any offences that had been recorded against the individual.

While TfL did not believe that that the smartphone provided by Uber to its drivers was a taximeter, as defined in private hire legislation, it accepted that the law was open to a different interpretation. TfL was keen to have a declaration from the High Court on this matter but the Court did not have jurisdiction to consider the matter whilst there were ongoing prosecutions on the same legal issue. The Magistrate considering the prosecutions against a small number of Uber drivers by the Licensed Taxi Drivers Association (LTDA) had concluded that the matter was the province of the High Court and, in the absence of the LTDA withdrawing its criminal summonses, had adjourned the case indefinitely. TfL had asked the LTDA in writing to withdraw its criminal summonses so that the High Court could make a declaration on the licensing matter. The Mayor understood the Trade's concerns about Uber but wanted the impasse in the legal position resolved as soon as possible. TfL would set out an account for Members of the circumstances leading to the current position. **[Action: Howard Carter]**

Bob Oddy and Steve Wright took no part in the discussion on taxi and private hire issues. The Mayor suspended the meeting for a short period to ask Bob Oddy, in his capacity as Deputy General Secretary of the LTDA, to explain his organisation's position on withdrawing its criminal summonses.

The Mayor had announced his decision to increase fares by RPI only in 2015 and introduce a daily cap on pay as you go fares, to reduce travel costs for part-time workers. The take up of contactless payments for travel continued to rise, in excess of expectations and now represented 10 per cent of pay as you go transactions. TfL was also supporting the Mayor's 'Penny for London' charitable giving scheme.

Since the publication of the Commissioner's Report, the autumn statement of the Chancellor of the Exchequer had confirmed: support for the extension of the London Overground to Barking Riverside to regenerate the area; provision of £2m to develop the business case for Crossrail 2; the regeneration of Brent Cross including associated transport connectivity; a study on transport provision for a new garden city in Ebsfleet and £10m towards ultra low emission vehicles.

TfL had also released a consultation on even greater transparency.

The Commissioner confirmed that ticketing arrangements for the London New Year's Eve celebrations was a GLA function.

In response to a question, Mike Brown said he was confident that in early 2015 TfL would have certainty on whether the DfT and Hertfordshire County Council would agree the full funding for the proposed Croxley Rail Link.

The Board noted the Commissioner's report.

95/12/14 Operational and Financial Performance and Investment Programme Reports – Second Quarter, 2014/15

Steve Allen, Mike Brown, Leon Daniels and Terry Morgan introduced the paper, which informed the Board of TfL's Operational and Financial Performance and presented the Investment Programme Report for the second quarter of 2014/15 (22 June – 13 September 2014). The reports had been considered by the Finance and Policy Committee, at its meeting on 25 November 2014.

The operational performance and investment highlights from the reports included:

- (a) TfL's operating and capital budgets were both slightly behind target;
- (b) London Overground had commenced rolling out 57 additional cars to enable five-car trains;
- (c) the Sub-surface Railway immunisation had been completed across the network, which would allow the new 'S' stock to operate throughout the District line. Negotiations with Thales on the new signalling contract were progressing;
- (d) the New Tube for London concept had received a very positive response from the public;
- (e) good progress continued to be made on all of the station upgrade work. Behind the scenes footage of the Tottenham Court Road station work was available on the Londonist blog website. Bond Street station had reopened three weeks early, which would help with the busy shopping period. The Victoria station team had won a prestigious New Civil Engineer International Tunnelling Award for the first large scale use of jet grouting for tunnel construction in the UK;
- (f) the Secretary of State for Transport had granted the Transport and Works Act Order, which would allow work on the Northern line extension to begin in the spring of 2015. The extension was central to the regeneration of the Vauxhall Nine Elms area;
- (g) the £4bn Roads Programme would include major works starting in April 2015 at Elephant and Castle, Cycle Superhighway 2 and the east-west and north-south Cycle Superhighways (subject to consultation), as well as work on Old Street roundabout in December 2015, Wandsworth Town Centre in summer 2017 and Vauxhall Cross in summer 2018;
- (h) the Tottenham Hale gyratory removal, new bus station and public realm works were completed on time and under budget. The changes in road layout and reduced impact of traffic would make a significant improvement for pedestrians, cyclists and public transport users and had unlocked potential housing sites to help regenerate the area;
- (i) good progress continued to be made on the major work to prolong the life of the Hammersmith flyover for several decades. The final phase, which involved very complicated civil engineering work, was due to complete in summer 2015. 24 apprentices had been employed on the scheme;

- (j) the Crossrail project remained on time and within its funding envelope. Of the 16 milestones to be completed by 31 March 2015, 13 were complete and three were on target. 7,500 people had been through the Crossrail Skills Academy and over 400 apprentices had been used on the programme to date;
- (k) Crossrail tunnelling work was nearing completion, with only two boring machines still in operation and station work was over half complete. The station at Canary Wharf had been designed to enable the mall and restaurants to open in 2015;
- (l) Network Rail was due to undertake a large programme of work for the Crossrail project over the Christmas period;
- (m) London Underground remained on target for a 30 per cent improvement in operational performance in 2015. The second quarter lost customer hours were largely as a result of an issue on the Central line. Operational performance for other Rail and Underground services was good;
- (n) Surface Transport performance remained good, though the increase in traffic on the roads was expected to have a negative impact on journey time reliability and bus excess wait time going forward. Mitigation measures included TfL's work on Travel Demand Management for business deliveries, enforcement action to reduce breakdowns in tunnels and rigorous permitting and liaison and coordination with boroughs and utilities to minimise the disruption caused by road works by reducing their size, duration and frequency. Members encouraged further pressure to ensure roads were not unnecessarily blocked by road works and additional discussions with the police to reduce the time that roads were closed after traffic incidents;
- (o) crime rates across all services continued to fall, with both the recorded crime rates on the Underground and DLR at their lowest ever; and
- (p) customer satisfaction scores across all services were at or above target.

The Board noted the reports.

96/12/14 TfL Business Plan 2014

Steve Allen introduced the paper, which sought approval for TfL's proposed Business Plan 2014. The Plan set out to 2020/21 the services and key capital projects to be delivered, the forecast costs of those outputs and the funding. The paper set out the key additions to the updated Plan, the key sources of financial pressures reflected in the Plan and the mitigations available to TfL. An Equality Impact Assessment was also included as an appendix.

Members requested that the Plan be updated so that the performance information for London Overground in tables 2, 3, 4 and 5 reflected TfL taking over responsibility for West Anglia Inner Suburban services from 2015/16. **[Action: Mike Brown]**

The Board:

- 1 approved the Business Plan document for publication, subject to performance figures for London Overground in tables 2, 3, 4 and 5 being updated to reflect TfL taking over responsibility for West Anglia Inner Suburban services from 2015/16; and**

- 2 delegated authority to the Managing Director, Finance, to make any further design or editorial changes to the Business Plan as may be required prior to publication.**

97/12/14 Commercial Development Advisory Group

Steve Allen introduced the paper, which updated the Board on the progress in establishing the Commercial Development Advisory Group (CDAG). The CDAG would provide scrutiny, assurance and expert advice on TfL's commercial development strategies and plans, both in formulation and during implementation, to support the challenging targets in the Business Plan.

The paper sought approval for the Terms of Reference for the CDAG and set out the recruitment process for CDAG members. Contrary to the reference in paragraph 4.3 of the paper, the Chairman of the Finance and Policy Committee would not review the shortlist of the candidates.

On 25 November 2014, the Finance and Policy Committee endorsed the recommendations in the paper.

The Board:

- 1 noted the paper;**
- 2 approved the terms of reference of the Commercial Development Advisory Group; and**
- 3 noted the recruitment process and that the shortlist of candidates would only be reviewed by the Managing Director, Finance.**

98/12/14 Transfer of West Anglia Routes from DfT to TfL and Crossrail and West Anglia Station Leases

Mike Brown introduced the paper and the related information on Part 2 of the agenda, which updated the Board on: the proposed transfer of responsibility for the West Anglia Inner passenger train (WAI) services and stations from the Department for Transport to TfL; the proposals for London Overground Rail Operations Limited to operate the WAI services and stations under the existing London Overground Concession Agreement; and the proposal for TfL to enter into 125 year station leases in respect of certain West Anglia Inner and Crossrail stations.

At its meeting on 25 November 2014, the Finance and Policy Committee noted the proposals in this paper and endorsed the recommendations to the Board.

The Board noted the paper, the supplementary information on Part 2 of the agenda and:

- 1 approved:**
 - (a) the transfer of responsibility for the West Anglia Inner services and stations and entering into the Terms of Transfer, Grant Memorandum and any further documentation required to facilitate the transfer (Transfer Agreements);**

- (b) entering into a Deed of Amendment to the Concession Agreement with London Overground Rail Operations Limited (LOROL) in relation to the West Anglia Inner services and stations (Deed of Amendment); and
 - (c) entering into 125 year leases at Crossrail eastern and West Anglia stations (Station Leases), each with the value identified in the paper on Part 2 of the agenda;
- 2 authorised the agreement and execution (whether by deed or otherwise on behalf of TfL or any Subsidiary (as appropriate)) of any documentation to be entered into in connection with the completion and implementation of the Transfer Agreements, the Deed of Amendment with LOROL and the Station Leases (the Franchise Agreements) and any of the matters referred to therein (including, without limitation, all agreements, deeds, guarantees, indemnities, property or other licences, announcements, notices, contracts, certificates, letters or other documents); and
 - 3 authorised TfL Officers and Subsidiaries to do all such other things as they consider necessary or desirable to facilitate the execution and implementation of the Franchise Agreements and the matters referred to therein.
 - 4 The following Officers and Subsidiaries shall have delegated authority:
 - (a) TfL Officers: the Commissioner, Managing Director Finance, Managing Director Rail and Underground and General Counsel; and
 - (b) Subsidiaries: Subsidiaries of TfL including Transport Trading Limited and any other subsidiary (whether existing presently or to be formed) of Transport Trading Limited and any of the directors of the relevant company shall be authorised to act for and on behalf of that company.

99/12/14 Crossrail: Infrastructure Management Company

Howard Carter introduced the paper, which set out the requirements under the Railways Infrastructure (Access and Management) Regulations 2005 to separate the infrastructure manager and railways undertakings functions in relation to railway operations. In relation to TfL's responsibilities for the Crossrail Central Tunnel Section, the paper proposed the formation of such new subsidiary companies as may be required to ensure compliance with the Regulations.

The Board:

- 1 noted this paper;
- 2 approved TfL or any of its Subsidiaries (as described in paragraph 7 below) to establish such new subsidiary companies as are required or desirable to ensure regulatory compliance in relation to the Infrastructure Manager arrangements for the Crossrail Central Tunnel Section;
- 3 authorised the TfL Officers and the Subsidiaries (as described in paragraph 7 below) to:
 - (a) form one or more companies as subsidiaries of TfL or any of the

- Subsidiaries (as appropriate);**
- (b) approve the adoption of the memorandum and articles of the new subsidiary;**
 - (c) approve the individuals to comprise the board of directors and the Company Secretary of the new subsidiary;**
 - (d) approve the individuals to be appointed officers of the new subsidiary; and**
 - (e) approve the name of the new subsidiary;**
- 4 (subject to paragraph 5 below) authorised the TfL Officers and the Subsidiaries (as described in paragraph 7 below) to negotiate, approve, authorise, agree and execute (whether by deed or otherwise on behalf of TfL or any Subsidiary (as appropriate)) any documentation:**
- (a) to be entered into in connection with the incorporation of the new subsidiary; and**
 - (b) required in relation to the creation, operation, introduction and management of the subsidiary's regulatory compliance requirements, including, without limitation, all agreements, deeds, guarantees, indemnities, announcements, notices, contracts, certificates, letters or other documents;**
- 5 noted that TfL's Standing Orders would apply to any new subsidiary company formed pursuant to these approvals including, without limitation, the Scheme of Authorities; and**
- 6 authorised TfL Officers and Subsidiaries to do all such other things as they consider necessary or desirable to facilitate the regulatory compliance of the new company.**
- 7 The following Officers and Subsidiaries shall have delegated authority:**
- (a) TfL Officers: the Commissioner, Managing Director Finance, Managing Director Rail and Underground and General Counsel.**
 - (b) Subsidiaries: Subsidiaries of TfL including Transport Trading Limited (TTL) and any other subsidiary (whether existing presently or to be formed) of TTL and the directors of such authorised company shall be authorised to act for and on behalf of that company.**

100/12/14 Report of the meeting of the Finance and Policy Committee held on 25 November 2014

In the absence of the Committee Chairman and Vice Chairman, Isabel Dedring gave an update to the Board on the meeting of the Finance and Policy Committee, held on 25 November 2014.

The Board noted the report.

101/12/14 Report of the meeting of the Remuneration Committee held on 27 November 2014

The Chairman of the Committee, Baroness Grey-Thompson, gave an update to the Board on the meeting of the Remuneration Committee, held on 27 November 2014.

The Board noted the report.

102/12/14 Any Other Business the Chairman Considers Urgent

There was no other business to discuss that was not included on the agenda.

As this was the last meeting of 2014, the Mayor thanked Members for their support during the year.

The next scheduled meeting would be held on Wednesday 4 February 2015 at 10.00am.

103/12/14 Exclusion of Press and Public

The Board agreed to exclude the press and public from the meeting, in accordance with paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended), in order to consider the exempt appendix to the paper on Transfer of West Anglia Routes from DfT to TfL and Crossrail and West Anglia Station Leases.

There being no further business, the meeting closed at 11.30am.

Chair: _____

Date: _____