

Transport for London

Minutes of the Meeting

**Committee Rooms 4 and 5, City Hall, The Queen's Walk, London
10.30am, Wednesday 4 November 2015**

Members

Boris Johnson MP	Chairman
Isabel Dedring	Deputy Chairman
Peter Anderson	Member
Sir John Armitt	Member
Sir Brendan Barber	Member
Richard Barnes	Member
Charles Belcher	Member
Brian Cooke	Member
Angela Knight	Member
Daniel Moylan	Member
Steve Wright	Member

Staff

Mike Brown	Commissioner
Richard De Cani	Managing Director, Planning
Howard Carter	General Counsel
Leon Daniels	Managing Director, Surface Transport
Michele Dix	Managing Director, Crossrail 2
Vernon Everitt	Managing Director, Customer Experience, Marketing and Communications
David Hughes	Director of Major Programme Sponsorship, London Underground
Roy Millard	Senior Audit Manager (for Clive Walker, Director) Internal Audit
Ian Nunn	Managing Director, Finance and Chief Finance Officer
Shamus Kenny	Head of Secretariat

79/11/15 Apologies for Absence and Chairman's Announcements

Apologies for absence were received from Roger Burnley, Baroness Grey-Thompson DBE, Michael Liebreich, Eva Lindholm, Bob Oddy and Keith Williams. Nick Brown, Managing Director London Underground and London Rail and Terry Morgan, Chairman Crossrail Limited were also unable to attend the meeting.

The Mayor and the Board expressed their sympathy for the family and friends of Lord Noon, who had recently passed away. As Sir Gulam Noon MBE, he served on the TfL Board from 1 March 2004 until June 2008. He was an active and leading Asian businessman and entrepreneur, the founder of Noon Products Ltd, a family business, and founder of the Asian Business Association. He held many senior positions during his long and successful career, and worked tirelessly for many charities. Sir Gulam established the Noon Foundation which supported a wide range of multi-faith and multi-cultural UK and International causes, representing education, health, welfare and individuals in special need.

The Mayor congratulated Sir John Armitt on his appointment as a member of the newly formed National Infrastructure Commission (NIC).

80/11/15 Declarations of Interest

The following interests were declared: Peter Anderson as a director of the Canary Wharf Group plc in relation to Crossrail and the Jubilee line upgrade; Sir John Armitt as Chairman of the National Express Group plc, Deputy Chairman of the Berkeley Group plc and a member of the National Infrastructure Commission; Sir Brendan Barber as Chairman of ACAS; Charles Belcher as a member of Atos Origin Advisory Council on Transport; Daniel Moylan as a Councillor for the Royal Borough of Kensington and Chelsea, Chairman of Urban Design London and a non-executive director of Crossrail Limited (appointed by TfL); Bob Oddy on matters relating to the taxi trade; and Steve Wright on matters relating to private hire vehicles.

Although not present at the meeting, Baroness Grey-Thompson had declared an interest and had not received a copy of the paper on Part 2 of the agenda in relation to the London Underground Advertising Concession, as she had recently spoken at an event hosted by the contractor.

81/11/15 Minutes of the Meeting of the Board held on 24 September 2015

The minutes of the meeting of the Board held on 24 September 2015 were approved as a correct record and the Chairman was authorised to sign them.

82/11/15 Matters Arising and Actions List

Howard Carter introduced the item.

Minute 71/09/15: Operational and Financial Performance and Investment Programme Reports – First Quarter, 2015/16. In relation to minute 71/19/15, Charles Belcher requested further information on the movement in headcount figures in relation to London Underground's programme to modernise station operations and numbers in stations generally. **[Action: Nick Brown]**

The Board noted the actions list.

83/11/15 Commissioner's Report

Mike Brown introduced his report, which provided an overview of major issues and developments since the report to the meeting on 24 September 2015, and updated Members on significant projects and initiatives.

The key issues arising from the overview and discussion were:

- (a) the outcome of the Government Spending Review was due to be announced on 25 November 2015. TfL remained in discussion with HM Treasury and the Department for Transport on its three remaining requests: confirmed support for its Business Plan to 2020/21, to continue modernising the roads and public transport; to progress the detailed development of Crossrail 2 so building could start by 2020; and to progress rail reforms to improve south London services;

- (b) station modernisation and capacity improvement works remained on target, with two significant tunnelling events. There had been a breakthrough between the north and south tunnels in the Victoria station upgrade and a breakthrough between the new Crossrail station and modernised London Underground station at Bond Street station. London Underground's programme to modernise station operations is transforming the service provided;
- (c) Oyster and contactless payment continued to be rolled out on the national rail network and the Department for Transport would shortly make an announcement on extending both to Gatwick from 2016;
- (d) the unions had taken 48 hour industrial action affecting most DLR services, despite there only being one outstanding item to resolve through negotiations. During the action, TfL ran extra bus services to assist passengers and the Emirates Air-line had seen a record number of uses;
- (e) important milestones had been achieved in the Crossrail project, which was now 70 per cent complete and remained on time and within the funding envelope of £14.8bn. Canary Wharf Group had completed the Canary Wharf station ahead of schedule and Network Rail had started work on the Abbey Wood station. The first test carriage for the new trains had been completed by Bombardier. This would be used to refine the design and manufacturing techniques for full production of the 594 carriages needed for the 66 Crossrail trains;
- (f) good progress had been made on the programme to increase London Tramlink services between Wimbledon and Croydon from eight to 12 trams an hour. Double track had replaced the single track section between Beddington Lane and Mitcham and three of the four new trams had been delivered. A new platform had been opened at Wimbledon, which allowed tram services to be restored to Wimbledon again after terminating at Dundonald Road since July 2015;
- (g) the New Routemaster fleet had passed the 540 mark following the phased conversion of route 88 (Camden Town to Clapham Common) in September and the start of the conversion of route 16 (Victoria to Cricklewood). Further contracts had been awarded for the conversion of routes 91, 149 and 159 as part of the roll out of 800 vehicles by 2016;
- (h) the road modernisation programme was approaching its peak level of construction activity. TfL was implementing a programme of activity to mitigate congestion caused by this work and the increased levels of development, economic recovery and the usual increase in traffic up to Christmas. TfL was reviewing travel demand management tools to communicate with road users and encourage them to check before they travelled. As part of the communication, road users would be better informed of the causes of the congestion and the benefits that they would see in 2016. TfL was also increasing enforcement activity to reduce delays caused by badly parked vehicles;
- (i) significant progress had been made on the Cycle Superhighways programme, including the completion of 800 metres of segregated route between Elephant & Castle and Blackfriars Road on the North-South route;

- (j) the statutory consultation on the Silvertown Tunnel project began on 5 October and would run until 29 November 2015. The proposed tunnel would connect Silvertown to the Greenwich Peninsula to provide additional capacity and resilience to the road network around Blackwall Tunnel, and opportunities for greater road and public transport connectivity to east and southeast London. Subject to the outcome of the consultation, construction was expected to start in 2018, with completion in 2022;
- (k) MBNA Thames Clippers had expanded its fleet with the arrival of two new 150-capacity catamarans. These would operate on River Bus route RB6 Blackfriars to Putney, providing enhanced comfort and space and helping to meet the Mayor's River Action Plan goal of 12 million passengers using the river by 2020;
- (l) on taxi and private hire related issues, a further 12 week public consultation to support the Private Hire Regulations Review had been launched, and would close on 23 December 2015. It included more detailed proposals, building on the first public consultation between March and June 2015. The case was being made to government to limit the overall number of private hire licences. TfL and the police were taking steps, and would shortly announce a range of measures, to assist taxi and private hire drivers waiting for licences to be granted or renewed due to delays with the Disclosure and Barring Service checking process;
- (m) the consultation on Crossrail 2 began on 26 October and would close on 9 January 2016. The consultation events were attracting a big response;
- (n) the Garden Bridge project would now proceed following an agreement between the Garden Bridge Trust, the Department for Transport, the London Borough of Lambeth and TfL. The Commissioner thanked Richard De Cani for his work to make this happen;
- (o) the Commissioner thanked Leon Daniels, Nick Brown and Vernon Everitt for their contribution to the successful delivery of world class transportation to support the Rugby World Cup 2015; and
- (p) the Mayor congratulated the Press office on winning the prestigious PR Week Award for Best In-House Team in the UK.

The Board noted the Commissioner's report.

84/11/15 Health, Safety and Environment Annual Report 2014/15

Mike Brown introduced the Health, Safety and Environment (HSE) Report for 2014/15. The Report had been reviewed by the Safety, Accessibility and Sustainability Panel and the Independent HSE Advisers to the Panel at its meeting on 13 October 2015.

The stand alone report provided an effective focus on an important subject area and was in line with best industry practice. For the most part, the report covered the year 2014/15, but for road safety the details were for 2014 as road safety data was collated nationally on the calendar year.

Mike Brown emphasised the importance of HSE as a key aspect of TfL's work and its delivery partners and suppliers. He described the real improvements in TfL's HSE performance as set out in the report, but confirmed that there was a culture of continuous improvement as there was always more that could be done.

The highlights from the report and discussion were:

- (a) the number of people killed or seriously injured on TfL's roads had continued to decline;
- (b) environmental emissions from oxides of Nitrogen (NOx) and particulate matter (PM10) had reduced and the target set to reduce normalised CO2 emissions by 20 per cent by 2017/18 was met during 2014/15, two years early;
- (c) the number of customer significant injuries was the lowest for five years despite the networks being busier than ever. The reduction in customer injuries on the Underground was attributed in part to clearer announcements that were targeted to specific locations and situations and to engineering solutions. The impact of the London Underground's programme to modernise station operations would be closely monitored;
- (d) Members discussed the rise in injuries to people using buses. They recognised the challenges of operating a bus but requested a review of bus driver behaviours and training and contract incentives to reinforce a safety-first culture. A report would be submitted to the Safety, Accessibility and Sustainability Panel on the causes and proposed actions to address the rise in bus related injuries;
[Action: Leon Daniels]
- (e) the rates of injury to employees had reduced in Surface Transport, London Underground and London Rail. Members congratulated TfL on the strong behavioural and managerial approach, which they credited for the remarkable zero employee fatality rate for nine consecutive years; and
- (f) the accessibility of TfL's services continued to improve, with progress made on step free access to Underground and Overground services and TfL on target to have 90 per cent of bus stops accessible by 2016.

The Board noted the TfL Health, Safety and Environment Report 2014/15, which would be published on tfl.gov.uk.

85/11/15 Northern Line Extension Project - Delegation to the Finance and Policy Committee

Howard Carter introduced the paper, which sought a delegation of any decisions that were reserved to the Board for determination in relation to the Northern Line Extension (NLE) project. The delegation was requested in order to enable matters that may require consideration and decision at short notice to be taken in a timely manner and without the need to arrange a further meeting of the Board.

The Board was informed of the potential impact on the project's cost and risks as a result of changes to the station oversight development.

Any paper submitted to the Committee seeking to use the requested delegation would be circulated to all Members of the Board, who would be given the opportunity to provide comments and to attend the meeting. Any decisions made by the Committee under such delegated authority would be reported to the following meeting of the Board.

The Commissioner had commissioned a review of all of TfL's costs, to be led by the Managing Director, Finance. Members requested that the review include an

examination of how TfL managed its capital projects, including the robustness of the related contracts.

The Board noted the paper and:

- (a) delegated authority to the Finance and Policy Committee to make any decisions that were reserved to the Board for determination in relation to the Northern Line Extension in order to enable such decisions to be taken at short notice; and**
- (b) delegated to the TfL Officers and the Subsidiaries (as described in paragraph (c) below) the ability to:**
 - (i) authorise the agreement and execution (whether by deed or otherwise) of any documentation that may be entered into in connection with any decisions made by the Finance and Policy Committee pursuant to the delegation in paragraph 2.1(a) above;**
 - (ii) do all such other things as they consider necessary or desirable to facilitate or implement any decisions made by the Finance and Policy Committee pursuant to the delegation in paragraph (a) above.**
- (c) The following Officers and Subsidiaries shall have delegated authority:**
 - (i) TfL Officers: the Commissioner; Managing Director, Finance; Managing Director, Rail and Underground; General Counsel; and**
 - (ii) Subsidiaries of TfL including without limitation Transport Trading Limited and any other subsidiary (whether existing presently or to be formed) of Transport Trading Limited: any of the directors of these subsidiaries shall be authorised to act for and on behalf of any such subsidiary.**

86/11/15 Metropolitan Line Extension (Croxley Rail Link)

David Hughes introduced the paper, which sought reaffirmation of decisions in relation to the transfer of Metropolitan Line Extension (MLE) delivery and associated Transport and Works Act Order obligations from Hertfordshire County Council (HCC) to TfL. The reaffirmation was sought as the circumstances set out in the original Mayoral Decision No: 1478, issued on 26 March 2015, had changed. HCC was now proposing that the HCC led local consortium nominal funding contribution of £128.08m include land contributions which it valued at £2.73m but which were of no commercial value to TfL. Therefore TfL would have to provide up to a further £2.73m of funding in addition to the £46.5m TfL was directed to fund on 26 March 2015.

The paper had been drafted in the expectation that a further Mayoral Decision would be issued ahead of the meeting of the Board. As that Mayoral Decision had not yet been issued, it was recommended that all decisions on this matter be delegated to the Finance and Policy Committee.

Members of the Finance and Policy Committee articulated their concern about the funding proposal as there was a real risk that the cost of the project would be significantly higher than estimated. The Committee had asked officers to undertake a full review of the scope and the likely costs. The Mayor agreed but noted that the

funding arrangements had to be seen in the round as part of the wider funding discussions with the Department for Transport and HM Treasury in relation to the current Spending Review.

The Board noted the paper and, subject to a further Mayoral Decision being issued in the terms set out in the paper, delegated to the Finance and Policy Committee the authority to:

- (a) support the transfer of Metropolitan Line Extension (MLE) delivery and associated Transport and Works Act Order obligations from Hertfordshire County Council (HCC) to TfL in line with:
 - (i) the direction issued by the Mayor on 26 March 2015; and**
 - (ii) the further direction to be issued by the Mayor which directs TfL to proceed in accordance with the direction issued on 26 March 2015 but on the basis that the HCC led local consortium nominal funding contribution of £128.08m includes land contributions which while valued by HCC at £2.73m are of no commercial value to TfL and therefore for TfL to provide up to a further £2.73m of funding in addition to the £46.5m TfL was directed to fund on 26 March 2015;****
- (b) reapprove the requirement to enter into appropriate agreements with HCC to facilitate the transfer and delivery of MLE in line with the above directions and subject to due diligence, in particular to cover its funding, its delivery and associated matters and approve the entering into of such agreements with third parties as may also be necessary or desirable to implement the transfer and facilitate delivery;**
- (c) reapprove the requirement to enter into a regulated track access agreement and connection agreement with Network Rail (NR) and station access agreements with the facility owners of Watford High Street station and Watford Junction station (currently London Midland) served by the MLE and any further agreements necessary or desirable for the operation of services over the MLE;**
- (d) reauthorise the acquisition of land owned by NR, Watford Borough Council and other third parties as may be required for the construction and operation of the MLE in line with the above directions and subject to carrying out due diligence, authorise TfL Officers and Subsidiaries (defined in paragraph (g) below) the ability to agree and execute (whether by deed or otherwise) on behalf of TfL or a Subsidiary (as appropriate) any documentation to be entered into in connection with such acquisitions and commitments and to do such other things as they consider necessary or desirable to facilitate the proposed acquisitions and commitments;**
- (e) note that the Financial and Project Authorities granted by the Board on 1 July of respectively £304.68 and £284.40m to deliver the MLE remain for the time-being the same, but that a further submission seeking an uplift in these authorities may follow subject to the outcome of a planned post transfer cost review;**

- (f) note that Procurement Authority for the construction of the infrastructure works, acquisition of rolling stock and systems works is expected to be sought from the Finance and Policy Committee in the New Year.**
- (g) The following Officers and Subsidiaries shall have delegated authority:**
 - (i) TfL Officers: the Commissioner; Managing Director, Finance; Managing Director Planning, Managing Director, Rail and Underground; General Counsel; and**
 - (ii) Subsidiaries of TfL including without limitation Transport Trading Limited and any other subsidiary (whether existing presently or to be formed) of Transport Trading Limited: any of the directors of these subsidiaries shall be authorised to act for and on behalf of any such subsidiary.**

87/11/15 London Underground Advertising Concession Contract

Ian Nunn introduced the paper and the related supplemental information on Part 2 of the agenda, which sought approval to a variation to the London Underground advertising concession contract. The Board was informed of the reason for the requested change and that the officers considered the risks acceptable given the payment being received.

At its meeting on 15 October 2015, the Finance and Policy Committee was informed that a variation to the Contract was being discussed. Prior to its submission to the Board, the members of the Committee reviewed the draft paper and endorsed the recommendations.

The contract was due to be retendered in 2016. Members requested that consideration be given to the treatment of capital costs for investment in digital technology from the procurement exercise.

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

- (a) approved the variation of the London Underground Advertising Concession Contract. The variation relieved the concessionaire, Exterion Media Metro Services (UK) Limited ('Exterion') of its obligation under the Contract to maintain a performance bond in London Underground Limited's favour and to accept the replacement of CBS Corporation as guarantor under the Contract with Exterion's parent company, Doubleplay I Ltd, in return for a payment of £3.345m;**
- (b) authorised the TfL Officers and the Subsidiaries (as described in paragraph (e) below) to finalise the terms of the Deed of Amendment required to implement the variation;**
- (c) authorised the agreement and execution (whether by deed or otherwise on behalf of TfL or any Subsidiary (as appropriate)) any documentation to be entered into in connection with the completion and implementation of the Deed of Amendment and any of the matters referred to in it (including without limitation, all agreements, deeds, guarantees, indemnities, announcements, notices, contracts, certificates, letters or other documents); and**

- (d) 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 Deed of Amendment and related documentation and the matters referred to in them;
- (e) The following Officers and Subsidiaries shall have delegated authority:
 - (i) TfL Officers: the Commissioner, Managing Director Finance, Managing Director Rail and Underground, General Counsel and the Director of Commercial Development; and
 - (ii) 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 the company.

88/11/15 Crossrail Limited – Appointment of Non-executive Director

Howard Carter introduced the paper and the related supplemental information on Part 2 of the agenda, which sought the Board's approval as co-sponsor for the appointment of a non-executive director to the Crossrail Limited Board. The approval of the Department for Transport was also being sought in parallel.

The Board approved the appointment of Pam Alexander OBE as a non-executive director to the Board of Crossrail Limited until 1 December 2017. The appointment may be extended by one year after that by agreement.

89/11/15 Report of the meetings of the Finance and Policy Committee held on 28 September and 15 October 2015

The Chairman of the Committee, Peter Anderson, gave an update on the meetings of the Finance and Policy Committee, held on 28 September and 15 October 2015. The Chairman highlighted the Committee's discussion of future train procurement exercises and the need to review contracts in the light of the lessons learned from the past.

The Board noted the report.

90/11/15 Report of the meeting of the Audit and Assurance Committee held on 8 October 2015

The Vice Chairman of the Committee, Steve Wright, gave an update to the Board on the meeting of the Audit and Assurance Committee, held on 8 October 2015.

The Board noted the report.

91/11/15 Report of the meeting of the Safety, Accessibility and Sustainability Panel held on 13 October 2015

The Chairman of the Panel, Charles Belcher, gave an update to the Board on the meeting of the Safety, Accessibility and Sustainability Panel held on 13 October 2015. He highlighted the discussion on the Transport Emissions Road Map (TERM), which set out the estimated scale of NOx reduction required to reach legal limits for London-wide NOx concentrations. The TERM set out an ambitious package of possible measures up to 2020 to move toward compliance. The introduction of the Ultra Low Emission Zone

was a key component of the package. However, reaching full compliance would only be possible if further action was taken at the national and European level.

Charles Belcher also commended the cutting edge work of the customer experience team as demonstrated in the items on the Travel Demand Programme and Leveraging Our Data for Maximum Impact. TfL's approach to travel demand management and its use and sharing of "big data" would be key to how capacity was managed across TfL services and its road network as demand increased.

The Board noted the report.

92/11/15 Any Other Business the Chairman Considers Urgent

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

The next scheduled meeting would be held on Wednesday 17 December 2015 at 10.00am.

93/11/15 Exclusion of Press and Public

The Board agreed to exclude the press and public from the meeting, in accordance with paragraphs 2 and 3 of Schedule 12A to the Local Government Act 1972 (as amended), in order to consider the exempt appendices to the following items: London Underground Advertising Concession Contract; and Crossrail Limited – Appointment of Non-executive Director.

There being no further business, the meeting closed at 11.55am.

Chair: _____

Date: _____