

Transport for London

Minutes of the Meeting

**Committee Rooms 4 and 5 - City Hall,
The Queen's Walk, London, SE1 2AA
10.00am, Thursday 22 September 2016**

Members

Sadiq Khan (Chair)
Val Shawcross CBE (Deputy Chair)
Baroness Grey-Thompson DBE
Michael Liebreich
Dr Alice Maynard CBE
Dr Mee Ling Ng OBE
Dr Nelson Ogunshakin OBE
Dr Nina Skorupska CBE
Dr Lynn Sloman
Ben Story

Staff

Mike Brown MVO	Commissioner
Howard Carter	General Counsel
Leon Daniels	Managing Director, Surface Transport
Michele Dix CBE	Managing Director, Crossrail 2
Vernon Everitt	Managing Director, Customers, Communication and Technology
Ian Nunn	Chief Finance Officer
Gareth Powell	Director of Strategy & Contracted Services, Surface Transport
Clive Walker	Director, Internal Audit
Mark Wild	Managing Director London Underground
Alex Williams	Managing Director, Planning
Shamus Kenny	Head of Secretariat

70/09/16 Apologies for Absence and Chair's Announcements

The Chair introduced and welcomed the new Members and the two reappointed Members. He commented on the depth of the talent and greater diversity of the Board and the savings that had been achieved on the budget for the Board. He encouraged the Board to challenge and encourage TfL and senior management to achieve the best outcomes for customers.

The Chair expressed his gratitude to the former Members who stood down on 5 September 2016 for their contribution to TfL: Sir John Armitt CBE, Sir Brendan Barber, Angela Knight CBE, Eva Lindholm and Keith Williams.

Apologies for absence had been received from Kay Carberry CBE, Prof Greg Clark CBE, Ron Kalifa and Anne McMeel. The Mayor acknowledged that as the appointment process had taken place at the start of September, with the Board date already set, a number of new Members were unable to attend this meeting. Sir Terry Morgan, Chairman of Crossrail Limited, was also unable to attend the meeting.

The Chair noted the recent passing of Robert Raymond “Bob” Kiley – Transport Commissioner 2000-2006 (16 September 1935 – 9 August 2016). Bob Kiley was the first Transport Commissioner for London. His contribution was immense and had helped shape modern London by building TfL into the UK’s largest local transport operator, successfully combining the different elements of London’s transport system. He was instrumental in securing essential investment to modernise the Tube and to transform the bus network. He had also led the way in the introduction of the Congestion Charge and Oyster ticketing.

Prior to joining TfL, Mr Kiley developed his ability to secure investment and transform transport in his roles as Governor of Massachusetts, responsible for the Massachusetts Bay Transportation Authority, and most famously as the chairman and chief executive of the New York Metropolitan Transport Authority where he turned around the fortunes and reputation of the MTA.

The Board requested that their sympathy be passed on to his family and friends.

71/09/16 Declarations of Interests

Members confirmed that their declarations of interests, as provided to the Secretariat and to be published on tfl.gov.uk, were up to date and there were no interests that related specifically to items on the agenda.

TfL had provided Members with guidance on the handling of conflicts of interest and the Chair encouraged Members to always speak to Howard Carter, General Counsel, in advance if they thought they may have an interest to declare.

72/09/16 Minutes of the Meeting of the Board held on 19 July 2016

The minutes of the meeting of the Board held on 19 July 2016 were approved as a correct record and the Chair was authorised to sign them.

73/09/16 Matters Arising, Actions List and Use of Delegated Authority

Howard Carter introduced the item. Delegated authority had been exercised by the Finance and Policy Committee with the consent of the Chair of TfL in relation to two items: London Overground Capacity improvement Programme; and Stratford – Angel Road Project.

The Board noted the actions list and use of delegated authority granted by the Board.

74/09/16 Commissioner's Report

Mike Brown welcomed the new Board on behalf of himself and his senior team and looked forward to harnessing the wealth of experience and skills of the Members.

He introduced his report, which provided an overview of major issues and developments since the report to the meeting on 19 July 2016 and updated Members on significant

projects and initiatives.

The key issues arising from the overview and discussion are summarised below.

- (a) On 19 August 2016, the Mayor made history with the successful launch of London's first all night Tube service on the Central and Victoria lines. The new services had a key role in supporting the night time economy and providing an alternative transport option for key workers. Preparations were well underway for the launch of Night Tube services on the Jubilee line on 7 October 2016, with the Northern and Piccadilly lines to follow before the end of the year.
- (b) Work continued on the transformation of the Underground with a new approach to reliability improvements and greater accessibility. A fuller update would be provided to the Board in due course. Members were invited to visit key sites and control rooms to get a feel for the work being done as part of the transformation programme.
- (c) On 29 July 2016, the Commissioner unveiled the first of the new state-of-the-art Elizabeth line trains in Derby and had also visited a selection of TfL's supply chain throughout the UK to encourage further innovation. TfL's supply chain demonstrated how investment in London's economy benefited jobs and growth throughout the UK.
- (d) On 31 August 2016, the Mayor made the first station-to-station journey from Custom House to Canary Wharf on an Elizabeth line engineering train. This marked a significant milestone for the Crossrail project. The Crossrail project was 75 per cent completed with half of the permanent track laid, the platforms in place at Liverpool Street and good progress being made on fitting out the tunnels, shafts and portals.
- (e) Good progress was being made on the development of plans for the Silvertown Tunnel. TfL had made a number of enhancements to the public realm, environment and public transport as part of the Mayor's review of the scheme. The procurement process would begin shortly.
- (f) On 12 September 2016, the Mayor launched the Bus Hopper ticket to allow two journeys to be made within an hour of the start of the first journey. The Hopper ticket had already been used 2.64m times, with over 1.2m individual cards. By the end of 2018 TfL would be able to extend the Hopper to allow for unlimited bus and tram transfers within an hour.
- (g) On 13 September 2016, TfL launched the Taxi and Private Hire Action Plan to support the trades by improving standards and enhancing public safety. The plan would support the Mayor's agenda on the environment by having the greenest taxi fleet in the world by encouraging drivers to adopt new ultra low emission vehicles. TfL was also appointing an additional 250 Taxi and Private Hire Compliance Officers to tackle illegal activity such as touting. TfL was committed to improving its engagement with the taxi trade to establish a collaborative and productive relationship.
- (h) A lot of activity was underway to support the Mayor's key priority of improving London's air quality. TfL was making its own air quality data more useable to developers and was displaying Air Quality Alerts at bus stops, river piers and on the

Underground. It was expanding the Ultra Low Emission Zone and reducing bus emissions. On 8 August 2016, the Mayor announced that Putney High Street would be the first of a series of clean bus corridors which would prioritise the greenest buses on the worst polluted routes.

- (i) On 6 September 2016, the Commissioner opened TfL's inaugural Technology and Data conference. Over 200 partners from suppliers, stakeholders and the developer community discussed how TfL could use technology and data to improve customer experience further.
- (j) The Commissioner had been appointed to the new Homes for Londoners Board, which would drive forward the Mayor's commitment to building more new and affordable homes in the Capital. Kidbrooke marked the first of over 100 sites that TfL was looking at developing to support the delivery of affordable housing. Members would be provided with more information on how TfL was contributing to the Mayor's agenda on this. **[Action: Graeme Craig]**
- (k) Good progress was being made on the development of Crossrail 2, led by Michèle Dix with support from the Crossrail 2 Programme Board. Engagement with local communities, suppliers and stakeholders continued in preparation for the launch of a consultation which would run until early January 2017. TfL was also working with London First to understand what the development sector needed to do to unlock the 200,000 new homes that Crossrail 2 would enable.
- (l) As requested at the last meeting of the Board, a paper on Social Needs Transport would be submitted to the new Customer Service and Operational Performance Panel.
- (m) The timeline for a report to the Board on the evaluation of Cycle Superhighway usage and lessons learned from their design and location, as well as the construction process, would be notified to Members. **[Action: Leon Daniels]**
- (n) Members supported the drive to tackle hate crime. In relation to crime generally, security issues would continue to be high on the agenda during the Business Planning process. The Commissioner met regularly with his counterparts and senior staff at the Metropolitan Police and the British Transport Police. The ticket office closure review would cover the impact on both staff and customer safety. To date, the level of crime on Night Tube services was very low due to a proactive approach. The review by Lord Harris of security preparedness across the GLA Group included transport.
- (o) Ian Nunn would continue to keep the Finance Committee informed of the impact of the downgrade of TfL's credit rating arising from the outcome of the EU referendum.

The Board noted the Commissioner's report.

75/09/16 Finance Report

Ian Nunn introduced the Finance Report. The format of the report represented a completely refreshed means of reporting on performance and provided the Board with the latest management results available. The quarterly reports would be published on a fixed cycle.

Mark Wild, Leon Daniels and Vernon Everitt highlighted significant projects and initiatives from the Quarterly Performance Report.

The key issues arising from the report and discussion are summarised below.

- (a) The operating account was close to budget. Depreciation and amortisation costs were £36m (-10 per cent) higher than Budget as a result of the Budget being prepared on the basis of the December 2015 balance sheet, rather than the year-end balance sheet. Fares income from the Underground and Buses were lower than anticipated as ridership had softened with people moving to more walking and cycling. This was being kept under review though the shortfall was offset by lower operating costs. Financing costs were £10m (seven per cent) lower than Budget as a result of a decision to delay taking out further borrowing until as late as possible to save on interest costs.
- (b) There was a favourable variance in operating costs compared with Budget of £26m (one per cent) at the end of Period 5 as the drive to reduce cost in all areas of the business has begun to take effect.
- (c) The capital account was slightly under budget but this was not considered significant.
- (d) Following the introduction of new recruitment controls in spring 2016, TfL and Crossrail headcount had reduced to 30,931. Non permanent labour had reduced by 19 per cent against the year end figure, saving around £1m a week. TfL continued to work on refining how it could more accurately forecast its headcount.
- (e) Good progress continued to be made on the London Underground station improvement programmes. The Victoria station works would more than double the size of the station, with the new Cardinal Place entrance due to open by the end of 2016. Tottenham Court Road station would also be completed by the end of 2016 with a new ticket hall five times larger than the hall it replaced. London Underground was reenergising its commitment to step free access at key stations, with Tower Hill station now step free and Vauxhall station due to be step free in a matter of weeks.
- (f) The Night Tube services had launched successfully, with Jubilee and Northern line services to be introduced later in 2016.
- (g) In 2015/16 delays on the Underground were at their lowest ever level and this had stabilised in Quarter 1 2016/17 with some disruption due to the flooding in June 2016.
- (h) As part of London Underground's drive to save energy and reduce costs, regenerative braking was being introduced to the new S Stock trains as part of the four lines modernisation programme. The reduction in overall power consumption resulted in annual cost savings of £200,000.
- (i) The Crossrail project was 75 per cent complete, with an enormous amount of work going on. It remained on time and within its funding envelope. The London Underground team embedded in Crossrail Limited was working very well.

- (j) TfL remained on a trajectory to achieve the Mayor's target of reducing the number of people killed and seriously injured (KSI) on London's roads by 50 per cent. However the first quarter of the year had seen an overall increase in the KSI figure, with motorcyclists particularly affected. As most motorcycle incidents involved no other vehicle, TfL was looking at increasing education, training and enforcement in this area.
- (k) TfL's Bus Safety Programme was aimed at driving down customer injuries on buses. It was agreed that the Programme should include specific targets and that the data reported to the Safety, Sustainability and Human Resources Panel should include details on bus staff safety (injuries and assaults), injuries to other road users impacted by buses and trend analysis over the medium and long term.
[Action: Leon Daniels]
- (l) The bus operators and staff were commended on the Excess Wait Time reliability performance measure, which was the best on record. This reflected an amazing amount of work despite current Red Route reliability being slightly off target due to adverse weather conditions in June 2016.
- (m) London Overground had the best performance of all Train Operating Companies in the last quarter. Performance on the network had improved considerably since TfL took over the services. There was, however, always an impact on overall service performance when TfL took over new routes, as it took time to raise standards, as was the case with the West Anglia Inner Suburban services taken over in May 2015.
- (n) Members discussed TfL's approach to low emission buses as part of its drive to improve air quality and sustainability. TfL was on course to have the biggest electric bus fleet in Europe and had just launched all electric buses on routes 507 and 521. While TfL was keen to explore other low emission options and to encourage the industry to innovate, advances in battery technology meant it currently favoured electric and hybrid vehicles. Further information would be provided to the Safety, Sustainability and Human Resources Panel on the factors that determined TfL's approach to low emission bus technologies.
[Action: Leon Daniels]
- (o) Cycling rates continued to grow enormously, including a record day for Santander Cycle Hire the day after the Ride London event. On Blackfriars Bridge cycling was now the biggest volume of traffic during the peak morning period.
- (p) TfL's approach to customer service was to help Londoners with their travel options and to put things right when they went wrong. A number of TfL's customer satisfaction measures were at record high levels but this required constant vigilance and work. Complaints were taken seriously and staff sought to identify any themes and the root causes so that underlying issues were addressed. TfL customer contact centres had a response rate target of dealing with 80 per cent of issues within three working days and the most complex within 10 working days. Where possible issues were dealt with instantly. A detailed report on TfL's customer service approach would be submitted to the Customer Service and Operational Performance Panel.
[Action: Vernon Everitt]

- (q) As set out in the Transparency paper elsewhere on the agenda, TfL was committed to using its data to improve its services and to assist App developers. Effective deployment of technology, big/open data and innovation were core to enabling TfL to deliver for the Mayor, customers and users and staff. While papers would be brought to Committees and Panels, Vernon Everitt would also engage with interested Members to help develop TfL's strategy. **[Action: Vernon Everitt]**
- (r) As part of the induction process, Members were encouraged to take part in site visits and to meet front line staff.
- (s) The Chair and Deputy Chair confirmed that Members would be engaged informally in the Business Planning process, before the Business Plan was submitted to the Board in December 2016. The Business Planning discussions would look at clear targets and benchmarking data available to TfL.

Ian Nunn had invited Members, as well as external stakeholders, to comment on how the revamped Finance and Quarterly Performance Report could be further developed. Members suggested that future reports include more commentary on how TfL was bearing down on costs and driving up efficiency and should provide information on targets and key performance indicators in addition to the performance statistics.

[Action: Ian Nunn]

The Board is asked to note both the Finance Report and the new Quarterly Performance Report.

76/09/16 Suburban Rail Services

Gareth Powell introduced the item, which set out TfL's proposed position on possible further rail devolution in and around London following a period of engagement by the Department for Transport (DfT) and TfL with stakeholders earlier in the year on devolution options.

Members, like the London Assembly, were strongly in favour of the proposals. TfL's approach to developing its Overground services had demonstrated a track record in driving up performance by focusing on reliability and the customer experience. TfL was also able to integrate rail with its other services.

Future papers would set out more fully the risks and how TfL could influence the Network Rail stations programme in relation to stations serving inner suburban services. TfL was confident that it would have the resources available to take over and improve these services if they were awarded to TfL. TfL had a good working relationship with Network Rail and sought to offer advice to the current service operators.

The Board noted the paper and:

- (a) noted the outcomes of the engagement process on 'A new approach to rail passenger services in London and the South East' (the Prospectus) and agreed to the publication of detailed analysis once agreed with DfT;**
- (b) endorsed TfL's proposed approach to operating future devolved rail services through a concession; and**

- (c) **endorsed the proposed strategic partnership with DfT, should DfT agree to proceed with this proposal.**

77/09/16 Transparency

Howard Carter and Vernon Everitt introduced the item, which set out TfL's commitment to operating in an open, accountable and transparent manner, in line with its Transparency Strategy published in 2015. TfL's presumption was that all of its information should be made publicly available except in circumstances involving disproportionate cost, personal data or information which would harm its ability to maximise value for money for fare and tax payers.

TfL's approach to open data was industry leading and Members welcomed the next steps set out in the paper, including further consultation. They encouraged the provision of data that was easy to use, machine readable and, where possible, real time.

The Board noted the paper.

78/09/16 TfL Standing Orders

Howard Carter introduced the item, which set out the proposed changes to TfL's Standing Orders and the terms of reference of its Committees and Panels to support the new decision-making structure agreed by the Board on 19 July 2016.

The structure provided a clearer focus on customer service and operational performance across TfL and safety, which was at the heart of all TfL did, along with sustainability. It also ensured that HR matters would have a clear focus at Board level. The other significant changes were to split finance matters and programme and capital investment decisions into separate Committees and for major investment decisions to be taken at a programme level so that there was an adequate focus on each.

Members would receive a briefing on governance as part of their induction process.

Howard Carter informed Members that a correction was required to standing order 99 ahead of approving the Standing Orders due to an omission in the drafting.

The Board noted the paper and:

- (a) **approved the revised Standing Orders, including revised authorities, as set out in Appendix 2 of the paper, subject to standing order 99 (e) (i) starting "in respect of Programmes and Projects that...";**
- (b) **approved the revised terms of reference of TfL's Committees and Panels, as set out in Appendix 3 to the paper; and**
- (c) **agreed that, as an interim measure, where any matter that was likely to be included in a Programme required any Authority before that Programme had received its first Programme and Project Authority, the Programme and Investment Committee and Finance Committee were authorised to give any Authority in respect of that matter.**

79/09/16 Appointments to Committees and Panels and the TfL Nominee for Crossrail Limited

Howard Carter introduced the item. The paper set out the appointments by the Mayor of the Members of TfL and that Professor Greg Clark CBE and Alice Maynard CBE had also been appointed to represent the interests of rail users. The paper set out the proposed membership of the Committees and Panels, which had been discussed with Members.

The Deputy Chair of TfL would meet with the chairs of the Committees and Panels to discuss and coordinate the forward agendas. **[Action: Howard Carter]**

Under the Crossrail Limited Sponsors' Agreement, TfL and the Department for Transport were able to nominate one additional director each to the Board of Crossrail Limited. The Chair and Deputy Chair of TfL recognised the importance of the final stages of the project and the need for a seamless integration into TfL. It was proposed that Mark Wild, as the Managing Director London Underground be appointed as TfL's nominated non-executive director to the Board of Crossrail Limited.

The Board noted the paper and:

- (a) noted the Mayor's appointments of Members to TfL, as set out in Appendix 2 to the paper;**
- (b) approved the appointment of Members to TfL's Committees and Panels, as set out in Appendix 2 to the paper; and**
- (c) approved the appointment of Mark Wild as TfL's nominated non-executive director to the board of Crossrail Limited, as provided for in the Crossrail Sponsors' Agreement.**

80/09/16 Greater London Authority Group Framework Agreement

Howard Carter introduced the item. TfL, as part of the Greater London Authority (GLA) Group of functional bodies, had been asked to sign up to the recently revised GLA Group Framework Agreement, subject to its approval by the Mayor. The Agreement, as part of the GLA's governance arrangements, was an overarching commitment in relation to the culture and individual behaviours of the GLA Group and contained specific corporate governance commitments.

As proposed in the revised Agreement, TfL would report the gifts and hospitality already published to its Audit and Assurance Committee and adopt the new Register of Interests template. TfL had in place processes that addressed all of the other requirements of the Agreement.

The Board noted the paper and approved TfL as a signatory to the Greater London Authority Group Framework Agreement, as set out in Appendix 1 to the paper, subject to its approval by the Mayor.

81/09/16 Independent Board Effectiveness Review 2015 Update

Howard Carter introduced the item, which set out the progress made on the recommendations of TfL's Independent Board Effectiveness Review 2015. The majority of the recommendations had been addressed and the few that were outstanding were almost complete.

A further review would be started in March 2017 after six months of the operation of the new Board and decision-making structure.

The Board noted the progress in addressing the recommendations from the TfL Independent Board Effectiveness Review 2015.

82/09/16 Report of the meeting of the Finance and Policy Committee held on 27 July 2016

The Committee Chair, Val Shawcross CBE, introduced the summary report from the meeting of the Finance and Policy Committee on 27 July 2016. She highlighted the proposed review of the Independent Investment Programme Advisory Group and that the Audit and Assurance Committee would be engaged in the review along with the Programmes and Investment Committee. **[Action: Ian Nunn]**

The Board noted the summary report.

83/09/16 Any Other Business the Chair Considers Urgent

The Chair thanked the Board for its contribution to the meeting and looked forward to working with all of the Members.

There were no items of urgent business.

84/09/16 Date of Next Meeting

The date of the next meeting was Tuesday 8 November 2016 at 10.00am.

The meeting closed at 12.25pm

Chair: _____

Date: _____