

Transport for London

Minutes of the Meeting

**City Hall, The Queen's Walk, London, SE1 2AA
10.00am, Wednesday 29 March 2017**

Members

Val Shawcross CBE (Deputy Chair in the Chair)
Kay Carberry CBE
Prof Greg Clark CBE
Baroness Grey-Thompson DBE
Bronwen Handyside
Ron Kalifa
Michael Liebreich
Dr Alice Maynard CBE
Anne McMeel
Dr Mee Ling Ng OBE
Dr Nelson Ogunshakin OBE
Dr Nina Skorupska CBE
Dr Lynn Sloman
Ben Story

Staff

Peter Blake	Director of Service Operations, Surface Transport (for minute 29/03/17)
Mike Brown MVO	Commissioner
Howard Carter	General Counsel
Leon Daniels	Managing Director, Surface Transport
Michèle Dix CBE	Managing Director, Crossrail 2
Vernon Everitt	Managing Director, Customers, Communication and Technology
Sir Terry Morgan CBE	Chairman, Crossrail Limited
Ian Nunn	Chief Finance Officer
Howard Smith	Director Operations, Crossrail Limited (for Minute 31-32/03/17)
Mark Wild	Managing Director, London Underground
Alex Williams	Managing Director, Planning
Tricia Wright	HR Director
Shamus Kenny	Head of Secretariat

17/03/17 Apologies for Absence and Chair's Announcements

Apologies for absence had been received from the Chair, Sadiq Khan. In the absence of the Chair, Val Shawcross CBE as Deputy Chair chaired the meeting.

The Commissioner, Mike Brown MVO, was also unable to attend the meeting as he was recovering from a minor operation, for which the Board wished him a speedy recovery.

Val Shawcross CBE welcomed everyone to the meeting. She expressed her thanks, on behalf of all Londoners, the Mayor and the Board, for the way everyone at TfL and in London's transport services had responded to the terrorist attack in Westminster on 22 March 2017. The way that TfL staff and those in partner organisations reacted to the

emergency and recovery operation in a swift and coordinated manner was a credit to the city and their calm and quiet efficiency ensured London kept moving. The Mayor and Deputy Mayor were also grateful for the professional and caring manner in which staff were continuing to help and support Londoners, visitors and tourists. As previously planned, TfL would continue to work with Westminster City Council, Parliament, the Police and security services to progress projects to make the area around Parliament even safer.

Ian Nunn added the thanks of the Commissioner and his Executive Committee to all TfL staff for the immediate action they took. Staff and contractors from across the organisation had responded quickly and efficiently to ensure customer safety and wellbeing. As had been seen on this and many other occasions, staff carried enormous responsibilities every day and worked tirelessly to keep London moving even in the most difficult of times.

The Board's thoughts were with everyone who was affected by the events. TfL would work with the police and TfL's suppliers to make sure lessons were learnt and that the highest level of safety was maintained for customers.

The Board stood for a minute of silence for those that had lost their lives in the terrorist attack in Westminster on 22 March 2017.

18/03/17 Declarations of Interests

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

Ron Kalifa declared an interest in relation to the item on Taxi Fares and Fees and would leave the meeting during the discussion of that item.

19/03/17 Minutes of the Meeting of the Board held on 8 February 2017

The minutes of the meeting of the Board held on 8 February 2017 were approved as a correct record and the Chair was authorised to sign them.

20/03/17 Matters Arising, Actions List and Use of Delegated Authority

Howard Carter introduced the item. Updates had been provided for all of the actions.

On 13 March 2017, the Finance Committee exercised the authority delegated by the Board on 15 December 2017 to approve the award of contracts for the One FM project. There had been no other use of authority delegated by the Board since the last meeting.

The Board noted the Actions List and the use of delegated authority.

21/03/17 Commissioner's Report

In the absence of the Commissioner, Ian Nunn introduced the report, which provided an overview of major issues and developments since the meeting of the Board held on 8 February 2017 and updated the Board on significant projects and initiatives.

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

- 1 **Safety – Croydon Tram Derailment:** On 20 February 2017, the Rail Accident Investigation Branch issued its second interim report investigation on the Tram derailment on 9 November 2016. TfL continued to progress extra safety measures with chevron style signage installed at various points on the tram network and continued to provide support to the bereaved families and those injured. Following discussion with insurers, liability had been admitted in relation to civil claims arising from the derailment and TfL was encouraging anyone who had been affected to come forward with their claims. Discussions continued with Croydon Council on longer-term community support arrangements.
- 2 **Other safety investigations:** On 23 February 2017, as a result of the high winds from Storm Doris, a member of the public was seriously injured by a piece of steel that was blown off the recently opened Cardinal Place entrance to Victoria Underground station. The thoughts of TfL were with him and his family and they along with TfL staff that were present were being offered support. The incident was being investigated by TfL and the contractor Taylor Woodrow BAM Nuttall. On 6 February 2017, a passenger became trapped by their coat as a DLR train was departing Bank station. A full investigation was underway by the operator of the DLR, Keolis Amey Docklands, as well as the Rail Accident Investigation Branch.
- 3 **Reducing Railway Bridge strikes:** Bridge strikes continued to be an issue and in the past 12 months had resulted in more than 200 hours of delay to Southern and Thameslink passengers. TfL was working closely with Network Rail, boroughs and local resident groups to develop an effective way of deterring these strikes. At Thurlow Park Road Bridge in Tulse Hill, TfL had installed a new detector system that used sensors to identify vehicles that were too high to pass under the bridge and which set off a series of warning signs to alert drivers.
- 4 **'Report It to Stop It' campaign:** The latest phase of the campaign to help stamp out unwanted sexual behaviour on the TfL network was launched on 10 March 2017. It received widespread broadcast and national media coverage. People were encouraged to report any incidents as multiple reports helped the police build a picture of offenders, making it far more likely to catch and charge them. The campaign ran in parallel with ongoing targeted police activity to rid the network of this type of behaviour.
- 5 **Crossrail 2:** This project was critical to London and the south east in order to be able to respond to increasing levels of congestion on public transport, while providing an opportunity to deliver 200,000 new homes and jobs. The Strategic Outline Business Case and supporting documents had been reviewed by the Crossrail 2 Programme Board and submitted to Government, with a decision expected in spring 2017. It was hoped that the timing of the approval of the project would enable key staff and skills from the Crossrail project to be brought across to support the development of the Crossrail 2 project. The Board welcomed the

positive business support for Crossrail 2 and commended the team for the work it had done on the business case.

- 6 **Mayor's Transport Strategy:** An extensive engagement programme had been carried out ahead of the planned publication of the draft strategy for consultation in spring 2017. Over 300 groups had responded through a variety of means.
- 7 **Healthy Streets:** The Healthy Streets programme launched on 16 February 2017, the same week that Dr Will Norman took up post as TfL's Walking and Cycling Commissioner. TfL was committed to the programme, which supported increased walking, cycling and public transport and most importantly put people at the heart of TfL's decisions to make London a safer and more pleasant city to live and move around in.
- 8 **Cycling:** The Santander Cycle hire scheme continued to go from strength to strength and had a record breaking start to the year with 638,491 hires in January 2017. In total 10.3 million hires were made in 2016 – a 4.4 per cent increase on 2015. TfL's cycling workplaces programme, launched in 2014, continued to grow with over 1,400 workplaces resulting in more than 255,000 employees being part of the programme. It had resulted in an impressive three per cent mode shift where employees of participating companies now cycle to work.
- 9 **Toxicity Charge:** As one of a range of measures to tackle pollution, the Mayor had announced that he would introduce a Toxicity Charge (also known as a T-Charge) from October 2017. Up to 10,000 of the oldest, most polluting vehicles every weekday were expected to be liable for the new emissions levy, which would apply to motorists who own vehicles that do not meet Euro 4 standards – typically those diesel and petrol vehicles registered before 2006. Funding over the next five years to tackle air quality had been doubled by the Mayor to £875m. Earlier in March 2017, the first Low Emission Bus Zone launched from Putney station to Putney Bridge Road as the first of twelve new zones to be introduced at air quality hotspots across London. The zones represented the most extensive network of clean buses of any major world city.
- 10 **Bakerloo line extension:** The next phase of public consultation was now open on proposals to extend the Bakerloo line beyond Elephant and Castle to Lewisham, via the Old Kent Road and New Cross Gate. The extension was an important part of unlocking growth along this corridor and could support at least 25,000 new homes and 5,000 new jobs. To date more than 3,700 responses had been received.
- 11 **Tottenham Court Road station:** After seven years of work, the modernisation of the station was now completed. Six new lifts were in service, providing step-free access from the street to all the station's platforms making it the 71st step-free station on the network. The restoration of the Eduardo Paolozzi mosaics had also been completed.
- 12 **Elizabeth line:** On 7 March 2017, the first Elizabeth line train arrived at the Ilford depot from the Midlands for testing and driver training in preparation for service in May 2017. The project remained on time and within its budget, and cost pressures continued to be managed to maintain progress towards the five opening stages between May 2017 and December 2019.

- 13 **Gospel Oak to Barking line:** As raised at the last meeting, Network Rail had informed TfL in late January that it was unable to complete its electrification project for the route as planned. Discussions had since taken place at the most senior level, including the Chief Executive Officer and Chairman of Network Rail. The railway reopened on Monday 27 February 2017 but many more weeks of work remained. TfL was working with Network Rail to minimise any further significant disruption ahead of the planned introduction of electric trains in early 2018.
- 14 **Silvertown Tunnel:** Three shortlisted bidders had pre-qualified to take part in the tendering process for the Silvertown Tunnel scheme. Subject to the necessary consent from the Secretary of State, which was expected in October 2017, the Board would be asked in June 2018 to appoint a contractor. This would enable construction to start in 2019, with the new Tunnel expected to be open in 2023.
- 15 **Reducing utility companies' disruption of the road network:** TfL continued to take prosecutions of utility companies very seriously and would continue to pursue any utility provider who failed to adhere to the conditions of their permit. TfL had recently prosecuted Scottish and Southern Electric Limited for a street works offence; the company was fined £200 and ordered to pay prosecution costs of £2,130.
- 16 **Bus Hopper Fare:** Following its launch in September 2016, more than 50 million journeys had been made using the Bus Hopper fare. This was a significant milestone that demonstrated the success of the new fare.
- 17 **Taxi and Private Hire:** On 3 March 2017, the High Court gave its decision on Uber's claim for judicial review. The Judge found the English language requirement to be justified and lawful. The Judge had not found in favour of TfL in relation to the provision of operator telephone facilities and the insurance requirements. TfL was carefully reviewing its position in the light of the judgment.
- 18 **Disabled Access Day:** TfL had supported the UK-wide initiative to encourage disabled people to try something new by giving out accessibility information at 30 venues in London between 10-12 March 2017. Event organisers were invited to speak to TfL about how it could better support disabled customers.
- 19 **Crowding data:** As part of TfL's drive to reduce congestion, it had recently released data on crowding information for customers to allow them to make more informed decisions when planning their journeys. The information was also being incorporated into customer and journey planning tools as well as posters and social media to highlight the busiest services and alternatives, including highlighting the cycling and walking routes available.
- 20 **International Women's Day, 8 March 2017:** TfL was committed to gender equality and developing a more diverse workforce that reflected the customers it served. To celebrate International Women's Day, TfL flew an official International Women's Day flag over 55 Broadway between 6 – 10 March and its Women's Staff Network Group, in partnership with Siemens, delivered a major programme of events across the week that was attended by hundreds of people from across TfL and Siemens.
- 21 **Apprenticeship Opportunities:** TfL was extremely focused on attracting and opening up as many Apprenticeship opportunities as possible. On 7 February 2017, TfL ran a joint event with Newham Council to showcase the array of opportunities

on offer in TfL's Apprenticeship scheme. The event was attended by more than 380 attendees, of which 39 per cent were female and 88 per cent from the Black, Asian and Minority Ethnic community. The event generated nearly 200 applications to the scheme. All of the awards given at a recent Crossrail apprenticeship ceremony had gone to female apprentices.

- 22 **Fourth Military Industry Day, 16 February 2017:** The event supported the recruitment of ex-military personnel and was a great success. It was well attended with Crossrail and London Rail vacancies being of particular interest. As a result of the event, a targeted link was sent to 15 ex-military candidates to apply for roles in traffic management and incident response.
- 23 **Awards:** At the recent London Transport Awards, Sandeep Dhillon from the Press Office was named the inaugural Stuart Ross Transport Communications Professional of the Year. Crossrail was also successful in winning London's Most Impactful Infrastructure project at the London First 25th Anniversary Awards, which celebrated a major infrastructure project which had elevated London's world city status.
- 24 **Reducing costs and generating income:** TfL was committed to reducing costs across the organisation and its cost reduction targets had now been embedded into its budgets. TfL was consulting Trades Unions on proposals to create a single engineering function in TfL with all engineering, major projects, change delivery and Project Management activity located in one area of the business. On income generation, in February 2017, developer Knight Dragon launched its vision and proposals for the next phase of its development of the Greenwich Peninsula. The project would potentially deliver a new North Greenwich station along with 800 new homes and TfL was in discussions with Knight Dragon and the GLA about TfL land that would be required for the development. On 14 March 2017, TfL received planning consent to open up 28 railway arches in Wood Lane that would offer a mix of office, leisure and retail space and would improve pedestrian connectivity between two new major developments in the area, as well as generate much needed revenue to reinvest in the TfL network.
- 25 **Reducing Workplace Violence:** A health and safety survey by Unite the Union of its members indicated a high level of incidents of staff being verbally or physically abused while at work, much of which was underreported. Leon Daniels set out the range of support available for staff and that all incidents were taken seriously and the police involved where appropriate. Bus drivers that had been through the Hello London training programme had welcomed its focus and the messages it also sent to customers. Leon Daniels would review the findings from the Unite survey and share it with bus operators. The Safety, Sustainability and Human Resources Panel had a strong focus and received regular reports on initiatives to reduce workplace violence.
- 26 **Supporting the Mayor's Housing Agenda:** Members requested that developers using TfL land should be encouraged not only to build an appropriate amount of affordable homes but also lifetime homes and neighbourhoods that met wheelchair accessibility standards. This would be fed back to the GLA and the Homes for London Board and considered as part of the review of the London Plan.

The Board noted the Commissioner's Report.

22/03/17 Finance Report

Ian Nunn introduced the item, which provided information on TfL's performance against budget up to 4 February 2017. The Finance Committee discussed the report on 13 March 2017.

The net cost of day to day transport operations continued to be very close to budget, with a net position of £20m better than budget at the end of Period 11. The principal differences to the budget were an adverse variance on fares income, which was more than offset by lower than budgeted operating costs.

The trend of lower than budgeted capital expenditure continued, which was a result of lower costs on some projects, a deferral of some commercial development and elements of some projects being re-phased. There was no slippage of concern to bring to the attention of Members. There had been some slippage on cycling schemes being delivered by the Boroughs and it was expected that Will Norman would be able to unblock some of the issues with boroughs, who were also essential to delivering the wider Healthy Streets programme. That slippage had been used as an opportunity to bring forward some expenditure on bus prioritisation measures. Will Norman would be invited to the next meeting of the Board. **[Action: Secretariat]**

Funding was in line with budget, although property income was some £10m higher than original budget.

The latest forecast for the year showed that the net cost of transport operations was within £10m of the original budget at £906m, with fares income £169m adverse to budget and operating costs £195m favourable to budget. The final result was still expected to be better than the forecast with a lower adverse variance on fares income and a higher favourable variance on operating costs.

Headcount continued to decline, though the trend was likely to reverse in the next period or two due to planned recruitment in some operational areas. Employee costs were four per cent less than budget and cash at the end of the period was nearly £2bn with £0.8m reserved for Crossrail.

Ian Nunn would continue to develop the reporting in the Finance Report and review the reporting of programmes generally.

The Board noted the report.

23/03/17 Operational Performance Report

Leon Daniels and Mark Wild introduced the item, which provided information on TfL's operational performance in Quarter 2, 2016/17. The Customer Services and Operational Performance Panel discussed the report on 2 March 2017.

The highlights from the discussion were:

- 1 **Tram Derailment:** The TfL Independent and the Rail Accident Investigation Branch investigations continued with full support from TfL. Regular update reports were submitted to the Safety, Sustainability and Human Resources Panel and safety was

the first item on the agenda for meetings of the Commissioner's Executive Committee.

- 2 **Surface Transport Passenger Trends:** The growth in passenger numbers on trams, DLR and the Overground was welcomed. Performance on the Overground continued to improve and was the second best in the UK. However, while bus reliability continued to be good, ridership continued to fall; Members would be provided with information in May 2017 on the initiatives to address the fall in ridership. **[Action: Gareth Powell]**
- 3 **Journey Time Reliability (JTR):** JTR had been impacted due to a burst water main and the work on Tower Bridge. TfL had a positive meeting with the new Chief Executive of Thames Water to discuss how to minimise disruption to the road network during both emergency and routine streetworks.
- 4 **Reduction in Killed and Seriously Injured (KSI):** The number of KSI incidents had reduced for cyclists and pedestrians but had increased for car occupants. TfL had committed itself to some very aggressive targets to reduce KSIs.
- 5 **Crime Trends:** TfL was working positively with the police to reduce crime across its networks. Some increases in crime figures related to changes in categorisation and were also in part due to better reporting.
- 6 **Cycling:** As referenced in the Commissioner's Report, the popularity of the Santander cycle hire scheme continued to increase. Cyclists were now the biggest group in the morning peak on a number of key corridors.
- 7 **Social Needs Transport:** The Customer Service and Operational Performance Panel would support a review of Social Needs Transport and report back to the Board in due course.
- 8 **London Underground Safety:** London Underground's safety record, both for its operations and on construction work, remained very strong. Key risk areas remained trips and falls and this was being targeted through a number of initiatives including reducing gaps on platforms and announcements to raise the awareness of customers.
- 9 **London Underground Passenger Trends:** Passenger numbers continued to grow with the highest recorded monthly figures for December through to March.
- 10 **London Underground Reliability:** The adverse trend in Excess Journey Time (EJT) (the customer experience) was beginning to improve. While assets generally continued to perform well, demonstrating the benefits of investment, issues with flat wheels on the Piccadilly line staff availability had impacted on Lost Customer Hours. London Underground management was working hard with its staff and unions to address these issues.
- 11 **Stations:** The new station model continued to perform well and the number of step free accessible stations continued to rise. Both of these issues were key topics for the Customer Service and Operational Performance Panel.

The Board noted the report.

24/03/17 TfL Budget 2017/18

Ian Nunn introduced the item, which sought approval of the TfL Budget 2017/18. The Budget set out the strategies outlined in the December 2016 Business Plan and the detailed financials to deliver the Mayor's plans for improving transport in London and reducing TfL's operating costs in the financial year beginning 1 April 2017.

The document highlighted the programmes and milestones that would see the most significant developments or progress over the next year. The financial schedules and key performance indicators were based on the forecast outturn position for 2016/17 as at period 11. Members of the Finance Committee had reviewed the provisional budget numbers and analysis on 13 March 2017.

The budget was balanced but this had been difficult to achieve given the loss of General Grant from the Government. Ian Nunn was in discussion with HM Treasury about TfL's ability to fund roadworks, without having to cross-subsidise from TfL's other activities, following the loss of this Grant.

Fares income was currently lower than the Business Plan and forecast and this increased pressure on achieving or exceeding the cost savings proposed in the transformation programme, particularly in the early years of the Business Plan. Members welcomed the briefing being scheduled for May 2017 on the comprehensive programme to address the fall in bus ridership. Members would be regularly briefed on the progress of the transformation programme. **[Action: Andrew Pollins]**

Members noted that the higher expenditure on Crossrail was due to the bringing forward of testing, which impacted on the annual budget but not on the overall cost of the project. Ian Nunn would provide more commentary on Crossrail finances in future reports.

[Action: Ian Nunn]

Members discussed the proposals for reducing customer injuries on buses, which included a mix of technology and training to improve driving technique and bus control. The measures and targets were in the forward programme of the Safety, Sustainability and Human Resources Panel.

Dr Alice Maynard CBE would be provided with any demographic breakdown of the response data from the consultation on reducing under used services.

[Action: Gareth Powell]

The Board:

- 1 approved the draft TfL Budget 2017/18; and**
- 2 delegated to the Chief Finance Officer the authority to make any editorial or other minor changes prior to its publication.**

25/03/17 TfL Group Scorecard

Gareth Powell introduced the item, which set out a proposed TfL Group Scorecard. The scorecard articulated the performance targets for 2017/18, aligned to the Budget, to ensure that the organisation delivered on its promises over the coming year. The paper

set out how the objectives for the year ahead had been derived from the Business Plan and the Budget, and the specific metrics and targets which comprise the scorecard.

Members welcomed the work on the Scorecard, which had a one year timeframe and would be kept under review and further developed, including the targets beneath it, particularly once the Mayor's Transport Strategy had been approved.

Key issues arising from the discussion were:

- 1 Members recognised that to be manageable the measures had to be high level. The key to achievement would be the measures that sat below these and the role of Committees and Panels in providing monitoring and assurance of delivery. The Finance Committee would review progress against the overall Scorecard.
- 2 The cultural impact of language was important. The leadership approach in the Scorecard should be engaging and empowering to enable teams to deliver.
- 3 Members wanted to ensure that information on healthy and active travel was visible.
- 4 The Action on Equality measure was supported by a full action plan on the gender pay gap and this would be reported to the Safety, Sustainability and Human Resources Panel.
- 5 The People target on total engagement index had been set by benchmarking against other organisations and the expected impact of the transformation programme, particularly in London Underground. There was a five year plan to increase the target.
- 6 Return on investment would be a measure in subsequent years.
- 7 Where possible, measures should be consistent between London Underground and Surface Transport, with the Average cash in TfL account throughout 2017/18 measure at the end of Appendix 1 cited as an example.

Gareth Powell thanked Ron Kalifa, the Finance Committee and other Members for their input into the development of the scorecard.

The Board approved the paper.

26/03/17 TfL Prudential Indicators 2017/18 to 2019/20

Simon Kilonback introduced the item, which set out the proposed TfL borrowing limits and other Prudential Indicators under the Chartered Institute of Public Finance Accountancy Prudential Code (the Prudential Code), which were consistent with the proposed Treasury Management Strategy for 2017/18. The limits and indicators were based on figures in the 2017/18 TfL Budget, which appeared as an item elsewhere on the agenda for this meeting.

Under the Prudential Code, TfL was required to adopt Prudential Indicators to support decision making on planned capital expenditure, borrowing and treasury management activities.

Under Capital Finance regulations, TfL was also required each year to set aside some of its revenues as provision for debt. The TfL Policy on Minimum Revenue Provision complied with the requirement on TfL to make an annual statement as to its policy for the calculation of this provision.

The Board noted the paper and:

- 1 approved the TfL Prudential Indicators as set out in Appendix 1 of the paper for 2017/18 and the following two years;**
- 2 approved the Treasury Indicators as set out in Appendix 2 of the paper for 2017/18 and the following two years; and**
- 3 approved the TfL Policy on Minimum Revenue Provision as set out in section 7 of the paper.**

27/03/17 Treasury Management Strategy 2017/18

Simon Kilonback introduced the item, which sought approval for the proposed TfL Treasury Management Strategy (TMS) for 2017/18. The TMS 2017/18 comprised the Investment Strategy, the Borrowing Strategy, the Liquidity Strategy, the Risk Management Strategy and the Counterparty Exposure Limits.

On 13 March 2017, the Finance Committee endorsed the recommendations in the paper. Given the tapering off of Treasury funding for TfL via the General Grant, the Committee had noted the need in the medium term for the Mayor to provide a letter of funding assurance to TfL and set the borrowing limit. Members had also been provided with assurance around the Treasury team's processes and segregation of responsibilities and future meetings of the Committee would consider specific parts of the TMS to provide assurance and to seek Members' input.

The Board:

- 1 noted the paper;**
- 2 approved the Treasury Management Strategy (TMS) for 2017/18, attached at Appendix 1 to the paper, including the Investment Strategy, the Borrowing Strategy, the Liquidity Strategy, the Risk Management Strategy and the Counterparty Exposure Limits; and**
- 3 authorised the Finance Committee to approve any changes to the TMS 2017/18 during the course of the year.**
- 4 approved that the following Officers and Subsidiaries shall have delegated authority:**
 - (a) TfL Officers: the Commissioner, Chief Finance Officer, General Counsel and Director of Group Treasury; 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.

28/03/17 Treasury Management and Derivative Investments Policies 2017/18

Simon Kilonback introduced the item, which sought approval for the proposed TfL Treasury Management Policies and the proposed TfL Group Policy relating to the use of Derivative Investments. On 13 March 2017, the Finance Committee had endorsed the recommendations in the paper.

The Board noted the paper and:

- 1 approved the proposed TfL Treasury Management Policies, set out in Appendix 1 of the paper; and**
- 2 approved the proposed TfL Group Policy relating to the use of Derivative Investments, set out in Appendix 2 of the paper.**

The Board noted the report.

29/03/17 Taxi Fares and Tariffs, and Taximeter Specification

Ron Kalifa declared an interest in this item and left the meeting during the discussion and decision on this item.

Leon Daniels and Peter Blake introduced the item, which updated the Board on the annual taxi fares and tariffs review and the changes to the taximeter specification and asked it to approve the proposed changes.

Following the request of the Board in February 2016, a full review of taxi fares and tariffs was undertaken by an external company. The results of the review were summarised in the paper and concluded that short distance and daytime fares offered relative value for money but that this was less so for evenings and longer journeys. TfL had consulted on the proposals to begin to amend taxi fares to address the review findings. The five main taxi driver associations had responded, raising legitimate concerns surrounding the future deployment of zero emission capable vehicles, the capital and running costs of which would impact heavily on the Cost Index. They submitted revised proposals that began to address the balance of fares across daytime and evenings and recognised that further work was required in the longer term. Having reviewed the proposals set out by the taxi driver associations, it was recommended that the Board adopt these proposals for 2017/18 taxi fares and commit to a further review of taxi fares and tariffs during the year. The further review would look at low emission vehicle capability and pool booking issues.

The taxi fares and tariffs review was considered by the Customer Service and Operational Performance Panel at its meetings on 30 January 2017 and 2 March 2017.

Members welcome the Equality Impact Assessment and encouraged TfL to ensure that the issues raised were followed through, including raising the awareness of the travel mentoring service among taxi card users.

The Board noted the paper and:

1 approved:

- (a) an increase to Tariff 1 of 3.7 per cent;**
- (b) an increase to Tariff 2 of 3.9 per cent;**
- (c) no change to Tariffs 3 and 4;**
- (d) an extension of the fuel charge arrangements until 6 April 2018;**
- (e) the minimum taxi fare remaining at £2.60.**

2 noted that:

- (a) further work and research would be conducted to look at taxi fares and tariffs, fixed/capped fares to and from Heathrow Airport and the possibility of allowing greater flexibility when setting fixed fares for pre-booked taxi journeys; and**
- (b) the taximeter specification would be updated as necessary to reflect the Board's decision.**

30/03/17 High Level Output Specification (HLOS) - TfL proposals for London

Gareth Powell introduced the item, which set out the activity being undertaken by TfL to make the case for potential enhancement schemes for delivery in the next five year National Rail financial settlement, which ran from 2019 to 2024. Initial Industry Advice was produced by Network Rail and train operators early in 2017 setting out their high level priorities for enhancements during 2019-24. This would form an important input to the High Level Output Specification (HLOS3) process.

Once the Government had agreed the HLOS3 for the industry to achieve, it would issue a statement of funds available.

On 8 March 2017, the Programmes and Investment Committee considered the issues and proposals set out in the paper, including extending the number of stations with step free access. Following further engagement with stakeholders, the Committee requested TfL consider prioritising the key recommendations.

Members endorsed the work to date and were keen to support any associated advocacy.

The Board noted the paper and the High Level Output Specification 3 recommendations.

31/03/17 Crossrail Transition Update

Howard Smith introduced the paper, which summarised recent progress towards the staged opening of the Elizabeth line and the transition of the Crossrail project to become an integral part of TfL. Proposals for increased frequency of service were covered in a separate agenda item.

On 8 March 2017, the Programmes and Investment Committee had noted the progress on the testing of the new rolling stock and signalling software and both Mike Brown's and Mark Wild's involvement in ensuring a smooth transition, including Mark Wild's role as a member of the Board of Crossrail Limited. The Committee had congratulated the team on the momentum of the project and the significant improvement in the reliability of the existing railway service between Liverpool Street and Shenfield since TfL had taken over responsibility, which had been achieved without any new capital investment.

As previously requested, work was underway to clearly communicate to the public the phased opening of the railway between 2017 and 2019.

The Board noted the paper.

32/03/17 Elizabeth Line – Increasing Service Frequency

Howard Smith introduced the paper, which informed the Board about the work that has been completed to enhance service frequency on the Elizabeth line. The proposal included higher frequency services in the Off Peak and an enhanced Peak service west of London. The change would be included in the December 2019 timetable, at the final stage of the agreed Elizabeth line Opening Strategy.

On 8 March 2017, the Programmes and Investment Committee considered a similar paper and endorsed the recommendations.

The Board noted the paper and the related paper on Part 2 of the agenda and:

- 1 approved Procurement Authority for the acquisition of the additional rolling stock in accordance with the option in the Crossrail Rolling Stock and Depot Contract (RSPA) with Bombardier Transportation, as detailed in the supplemental paper on part 2 of the agenda; and**
- 2 approved the amendment of the Sponsor Requirements for Crossrail accordingly.**

33/03/17 Role Profiles

Howard Carter introduced the paper, which asked the Board to agree proposed role profiles for the TfL Chair and Deputy Chair and for TfL Board Members. These set out key responsibilities and for the Members the skills, experience and attributes required. The profiles address two outstanding recommendations from the Independent Board Effectiveness Review 2015.

Proposals for the focus of the next Board effectiveness review would be submitted to the next meeting. **[Action: Howard Carter]**

The Board agreed the role profiles set out in the appendices to the paper for:

- 1 the TfL Chair and Deputy Chair, subject to the fourth bullet under Board Decision-Making and Meetings referring to information provided to the Board being appropriately (rather than sufficiently) detailed; and**
- 2 TfL Board Members.**

34/03/17 Report of the meeting of the Customer Service and Operational Performance Panel held on 2 March 2017

Panel Chair, Mee Ling Ng OBE, introduced the item. The Panel welcomed the success and major achievement of the introduction of the Night Tube service, which had quickly become business as usual. The Panel was also committed to keeping the London Underground Station changes under review as a standing item.

Anne McMeel had been asked to be the initial Social Needs Transport Champion and the Board would be updated on the role in due course.

The Panel members also thanked the staff that had facilitated the informative site visit to the London Underground and Surface Transport control centres. Members of the Panel were going to visit the Dial-a-Ride control centre on 29 March 2017.

The Board noted the summary report.

35/03/17 Report of the meeting of the Programmes and Investment Committee held on 8 March 2017

Committee Chair, Prof Greg Clark CBE, introduced the item. The Committee had a productive meeting and now had real momentum. The Committee's agenda was now ordered so that it first considered authority approvals, then reviewed progress with projects and then received information in preparation for decisions that would come before the Committee in the future.

The Board noted the summary report.

36/03/17 Report of the meeting of the Finance Committee held on 13 March 2017

Committee Chair, Ron Kalifa, introduced the item. The Committee was also working well and had useful discussions on the key items.

The Board noted the summary report.

37/03/17 Report of the meeting of the Audit and Assurance Committee held on 14 March 2017

Committee Chair, Anne McMeel, introduced the item. She thanked staff for the briefings and site visits that had been organised for Members and for the changes to the audit reports, which helped Members focus their deliberations.

A joint meeting with the Crossrail Limited Audit Committee was being arranged for May 2017 to enable both committees to compare and contrast their approaches and to get assurance on the progress of the project.

Anne McMeel encouraged Members to attend the proposed risk appetite workshop with the Commissioner's Executive Committee on 4 April 2017.

The Board noted the summary report and approved the proposal to opt in to the national scheme for the appointment of auditors to Transport for London for a period of five years commencing with the audit of the 2018/19 financial year.

38/03/17 Report of the meeting of the Safety, Sustainability and Human Resources Panel held on 21 March 2017

Panel Chair, Michael Liebreich, introduced the item. The Panel continued to work well.

The Panel continued to monitor TfL's response to the tragic tram derailment in Sandilands in November 2016. It had discussed the response to date, including infrastructure changes, support to the victims and staff, the claims process for those affected and the issuing of an independent report, which would be published as soon as it was ready.

A briefing would be provided to Bronwen Handyside on how TfL engaged with the Trade Unions on matters relating to equalities and inclusion. **[Action: Tricia Wright]**

The Board noted the summary report.

39/03/17 Any Other Business the Chair Considers Urgent

There were no items of urgent business.

40/03/17 Date of Next Meeting

The date of the next meeting was Wednesday 24 May 2017 at 10.00am.

41/03/17 Exclusion of Press and Public

Although two items on the agenda contained information that was exempt from publication, the Board did not need to discuss the material prior to taking its decision. Therefore, there was no requirement to exclude the press and public from the meeting.

The meeting closed at 12.55pm.

Chair: _____

Date: _____