

TRANSPORT FOR LONDON
BOARD MEETING – OPEN SESSION
TO BE HELD ON 24 MAY 2006 AT 1000 HOURS
IN THE CHAMBER
CITY HALL, THE QUEEN’S WALK, LONDON SE1 2AA

AGENDA

A Meeting of the Board will be held to deal with the following business:

Procedural Matters

- 1.1 Apologies for Absence
- 1.2 Minutes of the Previous Meeting held on 29 March 2006
- 1.3 Any Matters Arising from the Minutes

Business Items

Sponsor

- | | | |
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| 2. | The Commissioner’s Report | Peter Hendy, Commissioner of TfL |
| 3. | TfL Adoption of Section 17 -
Crime and Disorder Act | Jeroen Weimar, Director of Transport
Policing and Enforcement |
| 4. | Joint Arrangement with the London
Borough of Islington | Jeroen Weimar, Director of Transport
Police and Enforcement |
| 5. | GLA Group Sustainable Procurement Policy
- Direction and Delegation from the Mayor | Valerie Todd, Interim Managing Director
Group Services |
| 6. | DLR (Capacity Enhancement & 2012
Games Preparations) TWA Order | Howard Smith, Chief Operating Officer
London Rail |
| 7. | Operational, Financial and
Investment Reports | Jay Walder, Managing Director
Finance & Planning |
| 8. | 2007/08 Business Planning Process &
Spending Review 2007 | Jay Walder, Managing Director
Finance & Planning |
| 9. | 2005/06 Borrowing Report | Stephen Allen, Director
Corporate Finance |

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| 10. | Taxi and Private Hire Licence Fees | Peter Brown, Chief Operating Officer,
Surface Transport |
| 11. | Loampit Hill Compulsory Purchase
Order | Peter Brown, Chief Operating Officer,
Surface Transport |
| 12. | Interim Arrangements for the Audit
Committee | Peter McGuirk, Interim Director of
Governance & Assurance |

Procedural Items

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| 13. | Report from the Finance Committee | Sir Mike Hodgkinson, Chair of the
Committee |
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Items for Noting

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| 14. | Documents Sealed on Behalf of TfL | Peter McGuirk, Interim Director of
Governance & Assurance |
| 15. | Any Other Business | |

MEETING OF MEMBERS OF THE BOARD – OPEN SESSION

MINUTES of the Board Meeting held in the Chamber, City Hall, The Queen's Walk, London, SE1 2AA at 10.00 am on Wednesday, 29 March 2006

Present:	Ken Livingstone	Chair (minutes 18-27/03/06)
	Dave Wetzel	In the Chair (minutes 13-17/03/06)
	Honor Chapman	
	Kirsten Hearn	
	Stephen Glaister	
	Kirsten Hearn	
	John Ormerod	
	Patrick O'Keeffe	
	Tony West	
In attendance:	Lord Toby Harris	
	Bryan Heiser	
	Murziline Parchment	
	Lynn Sloman	
	Peter Brown	Chief Operating Officer, Surface Transport
	Stephen Critchley	Chief Finance Officer
	Peter Hendy	Commissioner
	Ellen Howard	Public Law Team Leader
	Gareth John	Director of Legal & Compliance
	Adrian Maher	Head of Operational Property (13-18/03/06)
	Peter McGuirk	Interim Director of Governance & Assurance
	Tim O'Toole	Managing Director, London Underground
	Ben Plowden	Managing Director, Group Communications
	Howard Smith	Chief Operating Officer, London Rail
	Duncan Symonds	Commissioner's Chief of Staff
	Valerie Todd	Interim Managing Director, Group Services
	Jay Walder	Managing Director, Finance & Planning
	Clive Walker	Senior Audit Manager
	Jeroen Weimar	Director of Transport Policing & Enforcement (13-16/03/06)
	Horatio Chishimba	TfL Secretariat

13/03/06 Apologies for Absence

Apologies for absence were received from Paul Moore, Sir Mike Hodgkinson and Ian Brown.

Declaration of Interests

There were no interests declared.

14/03/06 Minutes of the Preious Meeting held on 8 February 2006

The minutes of the last meeting were approved and signed by the Chair as a correct record subject to an amendment being made to the last sentence of

minute number 05/02/06 to the effect that the Board had noted that TfL was a contender for Beacon status for road safety.

15/03/06 Matters Arising

The Commissioner reported on progress:

Disability Capital Evening Event: the event had taken place on 23 March and had been very successful.

Borough Support for Taxicard: the Mayor had been provided with a briefing paper but this matter would not be progressed before the forthcoming Borough elections.

DLR City Airport – Lifts: Bryan Heiser had agreed to the Vice-Chair's request that he officiate at a press launch, which would mark the provision of two lifts at the Airport, rather than one.

Disabled People's Mentoring Scheme Developed with Clutterbuck Associates: an update would be provided at a future Board meeting.

Action: Valerie Todd

Section 17 of Crime & Disorder Act: a report would be provided at the next Board meeting.

Action: Jeroen Weimar

Proposed Changes to Taxi & Private Hire Licence Fees: the Board **NOTED** written responses from the Surface Transport Directorate to questions asked at the previous Board meeting concerning licence fees.

Urban Design London: an update on progress would be provided to the Board within 6 months.

Action: Peter Brown

Hate Crime Figures: the statistics requested at the previous Board meeting had been included within the Commissioner's Report to this meeting (section 3.1.8).

16/03/06 Commissioner's Report

The Board received the Commissioner's Report for March 2006, which provided an overview of major issues and developments since the previous meeting and also updated the Board on significant projects and initiatives. The Commissioner also drew members' attention to a number of very recent developments not covered in the Report:

Oyster Pre-pay: the Secretary of State for Transport had announced that the renewed South West franchise would include a requirement to allow use of Oyster pre-pay on all stations in London.

DLR Dagenham Dock extension: development work had begun on this project, which was, however, not yet funded.

LUL Evening Newspaper Distribution Contract: following commitments given to the Office of Fair Trading by Associated Newspapers, the afternoon distribution contract was now being pursued through the OJEU process as quickly as

possible.

Wembley Park Station: the Mayor had been present at a press launch to mark completion of this £53m project, with David Seaman. The project had been on time and within budget, and had resulted in significant improvements to the station.

In response to questions, the Commissioner gave the following explanations:

Hydrogen Buses: in considering funding and the business case for this initiative, a broad view needed to be taken, recognising that this was brand new technology, and exploring scope for cooperation with the EU, other cities and manufacturers. An analogy could be drawn with low-floor buses.

Crossrail: the Bill was being actively pursued, along with work on reducing projected costs, as a precursor to more detailed funding discussions.

Hate Crime: Kirsten Hearn felt that the figures provided looked quite low and raised the issue of campaigning and developing third-party reporting, whilst being very careful to avoid scaring people off the system. Jeroen Weimar explained lessons learnt from recent experience working with Lambeth Council, including the importance of working with local agencies. Reporting was complicated by the fact that hate crimes were defined by the victim.

Disability Emergency Planning: A seminar had been held and actions were now being followed up.

Prosecution follow-up from LU Staff Assaults: Tim O'Toole explained that a dedicated unit was now up and running to address this and results should be seen from this over time.

Olympic Waste & Construction Strategy: work was continuing with the ODA and LDA to secure the best balance between road, rail and water in relation to Olympic waste and construction traffic, with a view to minimising the proportion accounted for by road.

Free Under-11 Travel on the Tube: Dave Wetzel congratulated the Mayor on this initiative.

The Board **NOTED** the Commissioner's report.

17/03/06 2006/07 Budget

The Board received a report which outlined TfL's budget for 2006/07 reflecting both the Mayor's agreed budget for 2006/07 and amendments that had arisen since the Business Plan approval in October 2005. The report was accompanied by a presentation from Jay Walder.

Financial balance had been maintained whilst absorbing changes since the Business Plan approval, in funding and expenditure. The budget continued to build upon the substantial progress made in 2005/06 and the Finance Committee had recommended that the Board approve the budget.

Bryan Heiser asked how TfL could be confident that the boroughs were delivering TDM to appropriate standards. Ben Plowden explained the

arrangements for close scrutiny of Borough spending and confirmed that TfL received bi-monthly reports from boroughs providing information on how funds had been applied. TfL remained the budget holder.

Patrick O'Keeffe asked about progress on implementation of cashless bus. Jay Walder explained that at this point implementation was planned for April 2007, giving an opportunity to bed down Oyster, further reduce cash on buses and conduct an aggressive marketing campaign, involving posters discounts and incentives. The proportion of cash on buses was already below 6% (down from 24% in 2000) and this had already resulted in operating savings.

Tony West applauded the move from employing consultancy staff to employing more permanent staff, with the consequent effect on staff numbers. The Commissioner explained that this was only a start and a relentless campaign of consultant to permanent staff conversion was underway, starting with consultants employed for the longest periods of time.

The Board **NOTED** the contents of the report and **APPROVED** the 2006/07 Budget.

18/03/06 Hammersmith Temporary Bus Station – Compulsory Purchase

The Board received a report on Hammersmith Temporary Bus Station, which sought approval in principle to the making of a compulsory purchase order of land required for a scheme to construct a temporary bus station adjacent to Hammersmith Station and for its subsequent use for bus facilities in the event it could not be acquired by agreement. The report was presented by Valerie Todd.

The Board **APPROVED** in principle for TfL to make a compulsory Purchase Order, if that became necessary, for the acquisition of all necessary land interests in order to implement the schemes described in paragraph 2.3 of the report.

The Board **NOTED** that the final decision to make the compulsory purchase order and the decision as to the exact details of the land interests required (including finalisation of the boundaries and dimensions of the land) would rest with the Managing Director, Surface Transport.

19/03/06 Treasury Management Strategy and Prudential Indicators

The Board received a report on TfL's Treasury Management Strategy and Prudential Indicators which set out how TfL would manage its investments (i.e. cash balances). The report was presented by Jay Walder.

The Board **APPROVED:**

1. the Treasury Management Strategy attached to the report, until it was revised later in the year;
2. the Prudential Indicators; and
3. subject to the Mayor's consultation, an authorised borrowing limit of £1,485m for 2006/07 based on borrowing a further £604m.

20/03/06 Transfer to TfL of Silverlink Metro Services and Future Plans

The Board received a report on the Transfer to TfL of Silverlink Metro Services and Future Plans, which summarised the agreement with the DfT for the transfer

of responsibility for Silverlink Metro rail services (to be known as North London Railway upon transfer) to TfL from 11 November 2007. The report was presented by Jay Walder.

For the first time, an agreement had been reached with the government for TfL to be responsible for franchising London commuter rail services, in this case the North London Railway. The funding required to deliver the NLR as a showcase railway would come partly from central government, partly from Olympic sources and partly from TfL, by reallocating existing Funds. The franchise required investment to provide, in due course, a service of 8 trains per hour, new rolling stock, refurbished stations and improved signalling and security. However, such improvements could not happen overnight and public expectations needed to be managed accordingly.

Dave Wetzel welcomed the transfer and congratulated everybody involved in its achievement, as a milestone for London, providing an opportunity for a true metro-style service, along with integrated fares and ticketing. The Commissioner explained that he had asked London Rail to ensure full awareness, possibly by the eventual new concessionaire, of a clear passenger expectation for an underground-type service, rather than a continuation of national rail-type services. Kirsten Hearn asked that, wherever possible, taking account of existing dilapidation, the NLR should be dovetailed into wider work on accessibility, including the excellent plans in LU.

In relation to the planned closure of the North London Line (NLL) south of Stratford, Howard Smith explained that it was expected that the NLL would close in two stages, starting in December 2006, to enable the replacement of that part of the NLL with an extension of the DLR from Stratford to North Woolwich.

The Board **NOTED** the contents of the report.

21/03/06 Investment Programme Oversight by the TfL Board

The Board received a report on Investment Programme Oversight

The report was presented by the Commissioner who explained that an approach dividing oversight of IP between the Audit and Finance Committees was now considered preferable to setting up a new Board committee.

The Board **APPROVED** the proposed approach to oversight of the Investment Programme through the Finance Committee and the Audit Committee.

22/03/06 Publication of Public Agenda Committee & Panel Papers

The Board received a report on the publication of Public Agenda Committee & Panel Papers, which proposed a revised approach to publication of such papers and informed the Board of the Commissioner's intention concerning publication of internal audit reports. The report was presented by the Commissioner.

Lord Toby Harris drew attention to the need to ensure that Panel papers were relatively consistent given the differing modal operations across all three Panels.

Kirsten Hearn drew attention to the need to ensure that papers published on the TfL website could be downloaded without undue difficulty.

The Board **APPROVED** the revised approach to publication of public agenda committee and panel papers and **NOTED** the Commissioner's intention regarding publication of internal audit papers.

23/03/06 Report from the Finance Committee

The Board **NOTED** the contents of the report from the Finance Committee, presented by John Ormerod.

24/03/06 Report from Safety, Health and Environment Committee

The Board **NOTED** the contents of the report from the Safety, Health & Environment Committee presented by Dave Wetzel.

25/03/06 Report from the Audit Committee

The Board **NOTED** the contents of the report from the Audit Committee, presented by John Ormerod.

26/03/06 Documents Sealed on Behalf of TfL

The Board **NOTED** the list of documents sealed on behalf of Transport for London between 21 January and 23 March 2006.

27/03/06 Any Other Business

Stratford Regional Development: the Chair provided the Board with an oral report providing further information relating to Stratford Regional Station and Stratford City Development. Progress on the Stratford City Development was essential for the provision of the S106 funded Northern Ticket Hall to Stratford North, for the Olympics.

There being no further business the meeting closed.

Signed by the Chair: _____

Date: _____

TRANSPORT FOR LONDON

TFL BOARD

SUBJECT: COMMISSIONER'S REPORT FOR MAY 2006

MEETING DATE: 24 MAY 2006

1. PURPOSE

This report provides an overview of major issues and developments since 29 March Board meeting and updates the Board on significant projects and initiatives.

2. MODAL OPERATIONS

2.1 Surface Transport

2.1.1 Managing Director of Surface Transport

I am pleased to announce the appointment of David Brown as the new Managing Director of Surface Transport. David is currently the Chief Executive London for London Central and London General, the two Go-Ahead contracts that operate London Buses contracts.

As Managing Director of Surface Transport, David will be responsible for: London Buses, Street, Congestion Charging, Taxi and Private Hire Licensing, London Trams, Dial-a-Ride, London River Services, Victoria Coach Station, and TfL's corporate interest in Transport Policing and Enforcement. He will be taking up the post in the summer.

2.1.2 Euro 4 Buses in South London

More than 100 new buses are being introduced in South London to enhance service levels in order to meet increasing demand. On 6 May, five months in advance of the date Euro 4 is mandatory for new vehicles, the first 15 of 39 "Enviro400" double decker buses were delivered to Go-Ahead for use on route 196. This model is the first bus to meet TfL's Euro 4 emissions test requirements. Under testing in the London bus test cycle it produced 18% less CO₂ and 48% less NO_x emissions than Euro 3 models. Passing TfL's test requirements also means that the vehicle does not require a particulate trap as it has proved it can meet acceptable levels of particulate matter emissions without such technology.

2.1.3 Centra

Centra, London Buses' poorest performing operator, ceased operations from 19 May 2006. Centra (the trading name of Central Parking Systems UK), took over operation of six routes in south London from Mitcham Belle in August 2004 when that company faced severe operating and financial difficulties.

Centra has been unable to improve the performance of its services, and hence to establish itself in the London market. Over the past six months three routes have been awarded to new operators through the normal contract tendering process, and arrangements were made to transfer them before the contract end dates, to secure improved service to passengers in the short term. Of the remaining three routes, two were recently tendered under short term contracts and the third will be operated by East Thames Buses (ETB).

2.1.4 Croydon Tramlink

London Trams sought clarification from the courts over the obligations within the Concession Agreement for managing demand on the Tramlink system and investing in capacity enhancements. TfL's interpretation of the concession was that, having accepted demand and revenue risk, the PFI Concessionaire was responsible for funding and implementing capacity enhancements within prescribed limits. The court disagreed and found for TCL, maintaining that investment in capacity to meet demand was a matter for the public sector. Having considered the judgement, the clarifications given by the judge and legal advice, London Trams has applied for leave to appeal. This case deals with fundamental matters of principle within the PFI concession and the way in which risk is allocated and managed. It is important therefore that London Trams ensures that a precise interpretation of the Concession is obtained.

2.1.5 Rotherhithe Tunnel

The Rotherhithe Tunnel was closed on 6 May for a period of up to three weeks to allow for emergency gas main repairs at the junction of the A13 and Branch Road. On excavation, National Grid discovered several minor leaks and three large splits in the gas main. The defective main is to be replaced with a new steel main and work on this is now underway. National Grid has advised that the target date for completion of the works is 26 May 2006, allowing the Tunnel to re-open in time for the bank holiday weekend.

To make optimum use of the closure period, TfL has granted Thames Water permission to undertake works in the same excavation and in the closed section of Branch Road, on the understanding that their work will not be allowed to continue after National Grid has finished. TfL is also accelerating its own tunnel maintenance programme to reduce the number of weekend closures planned for later in the year.

2.1.6 UAE payment of Congestion Charge

On 6 April the Embassy of the United Arab Emirates (UAE) paid £99,950 to clear the outstanding Congestion Charge fines and charges accrued from February 2003 to March 2006. Legal advice has confirmed the non-exemption of diplomats from Congestion Charge payment. Following the payment by the UAE Embassy, press interest was renewed in the US Embassy's non-payment and supportive editorials were published in The Times and New York Times.

2.1.7 Door to Door Programme

The Door to Door Programme has been established based on principles agreed through the Board paper in September 2005 and is being led by the Director of Strategy, Surface Transport, with internal input from Dial a Ride, the Public Carriage Office, Equalities and Inclusion and Strategy.

The Programme has developed a number of key work areas, which are as follows:

- Policy (Eligibility, Entitlement and Assessment and Application)
- Service Delivery (Supply, Performance, Customer Service and Operations)
- Finance (Fares, Funding and Costs)

Progress is being made to develop the future shape of the service through a combination of research and involvement of a diverse range of stakeholder groups. Options will be developed over the summer and a report will be brought back to the Board in the Autumn. A wide consultation exercise will be conducted prior to developing plans for implementation.

2.2 London Underground

2.2.1 Health & Safety

LU issued an Emergency Direction to Metronet to address concerns about the quality of track maintenance and renewal on the District line. HMRI issued an Improvement Notice for the

District line and expressed the view that LU has done everything practicable in managing Metronet's performance under the Safety Case. This situation, which is of great concern, was followed by a number of speed restrictions on the sub-surface lines as a result of; Metronet's failure to correctly install new track between King's Cross and Farringdon over the 29 April weekend resulting in first trains to exceed the kinetic envelope and scrape wall brackets; and then the failure to prepare track for hot weather caused temporary speed restrictions to be applied on the sub-surface lines on 3 May and so far for five other days (4, 5, 10, 11 and 12 May).

I have met with Metronet's Chairman and Chief Executive and now expect to meet the CEO's of the shareholders.

2.2.2 Industrial Relations

Discussions have been taking place with the trade unions on pay, with the objective of achieving a fair and affordable long term agreement that provides stability for staff, passengers and London. On 27 April LU presented a revised offer of a long term deal that combines a fully pensionable salary increase and a bonus for achieving customer satisfaction goals. A portion of the bonus in the first year would be guaranteed as an incentive. The trade unions' response to this offer is awaited.

A dispute over remote booking on and off by Acton Town train operators that caused some disruption to District line services during 2005/06 has been resolved.

2.2.3 Late Running at weekends

On 28 April the Mayor announced that the Underground is to run later at weekends from the end of May 2007. This change follows the major public consultation that was held between February and April 2005, when the majority of respondents were in favour of the later weekend Tube.

From 25 May 2007 Underground services will run half an hour later on Friday and Saturday nights and start one hour later on Saturday mornings. This means that last trains will leave central London stations at around 0100hrs instead of 0030hrs on Friday and Saturday nights, while on Saturday mornings first trains will arrive in central London at around 0700hrs. The time available for essential maintenance to track, trains and signals that can only be carried out when the network shuts down will consequently be unaltered. Sunday morning services would remain unchanged from the present, where trains reach central London at around 0730hrs. The National Rail position on these changes is not yet clear.

2.2.4 Closures

The Waterloo & City line closed for five months from 1 April for improvements that will deliver increased reliability of services, an increase in capacity and improved journey times. During the closure, the entire track is being replaced, electrical, mechanical, fire protection and communication equipment are being renewed and improvements will also be made to the trains and platforms.

Two other line closures resulted in alterations to weekday services during April. Network Rail closed the District line Richmond branch from 1 to 9 April inclusive to replace the 40-year old track, points and crossing at Gunnersbury Junction and renew the associated signalling. Asbestos removal at Brixton station meant that Victoria line services terminated at Stockwell for 10 days from 8 to 17 April. Both these projects were completed on time allowing services to resume as planned, although the Network Rail possession was followed by three days of signal failures caused by the quality of the work.

2.2.5 Security Measures

London Underground has been working closely with the Department for Transport (DfT) on reviewing the long-term appropriateness of some of the security measures that were implemented following events in July 2005.

It has been agreed that LU will re-instate the use of litter receptacles at Category B – Security Significant and Category C – Security Aware stations and implement an appropriate management regime. Controls including use of transparent bags and regular emptying will remain in place, and visual checks of the receptacles will be carried out as part of the regular station security check. The re-instatement commenced from Monday 27 March.

More recently it has been agreed that it is not necessary for LU operational staff to wear high-visibility clothing under normal circumstances unless they are undertaking platform duties or in the event of an incident or for other safety reasons.

2.2.6 Station Upgrades

On 2 May the Mayor and I visited St John's Wood station to view the modernisation work that has recently been completed. This is one of ten stations where upgrades have recently been completed by Tube Lines. As well as preserving the historic features of these stations, some of which are listed buildings, the work has included installation of the latest safety and security technology, with the number of CCTV cameras at the ten stations increasing from 201 to over 700. Work to provide step free access at two of the stations – Golders Green and Morden – is continuing.

Metronet's station upgrade programme continues to run well behind the PPP contract dates as described in the fourth quarter investment programme report to this meeting of the Board.

2.2.7 Accessibility

At the Disability Capital conference held on 23 March, Tim O'Toole announced that one third of London Underground's stations will have step-free access by 2013 and, where possible, works will be accelerated ahead of the 2012 Olympic and Paralympic Games.

2.3 London Rail

2.3.1 North London Line Concession

The process of evaluating seven bidders prequalification responses and shortlisting for ITT is underway with a decision scheduled for early June. It has been confirmed to bidders that they will be bidding for a single concession to operate the North London and East London Lines.

Work is underway to confirm the business case for the transfer to LU of intermediate stations served by the Underground.

2.3.2 North London Line Upgrade

Discussions are underway with Network Rail on the terms of the development agreement to take forward TfL's requirements for infrastructure enhancements to provide its strategic capacity enhancements on the North London Line through the Network Rail Guide to Railway Investment Projects (GRIP) process.

2.3.3 DfT Consultation on Mayor's Powers

The DfT have so far received c. 30 responses which are mostly supportive to the proposal of a wider rail boundary for the Mayor to specify rail services. Concerns appear to focus on the authority of the Mayor to stop longer distance services at one station within the GLA boundary. The Office of Rail Regulator, London TravelWatch and Network Rail have indicated that they are supportive of the overall proposal. The consultation period ends on 31 May.

2.3.4 Docklands Light Railway

Passenger numbers on the newly opened City Airport Extension continue to grow. Service quality remains at a very high level with reliability 97.25% in Period 1. This is particularly pleasing as the opening of London City Airport introduces additional complexity into the DLR schedule. Dave Wetzel and Brian Heiser attended a ceremony on 27 April 2006 unveiling a plaque recording TfL's decision to fund a second lift at City Airport station.

The new Franchise Agreement comes into effect on 28 May 2006; this covers the seven year period up to and including the London Olympics & Paralympics under a new Managing Director, Tony Thomas. The contract includes a number of new initiatives to improve performance, customer service and security. There will, in particular, be increases in services later in the year as the current vehicle refurbishment project is completed.

The Public Inquiry for the conversion of the North London Line south of Stratford (Stratford International) project closed on 4 April 2006. Supporters included Network Rail and most objections were settled in advance of the Inquiry, including the objection from the London Borough of Newham. We now look forward to receiving the decision later this year.

The Mayor launched the Tunnel Boring Machine from North Woolwich on 3 April 2006. The machine will dig one of the tunnels as far as Woolwich Arsenal before being returned to the north bank of the Thames to start the second. The project, including the works in Woolwich town centre to create the new DLR station, are progressing very well and the project remains on programme to open in February 2009.

Work has commenced on the development of the extension to Dagenham Dock, through Barking Reach. This will require submission for a TWA Order.

3. MAJOR PROJECTS AND INITIATIVES

3.1 Docklands Light Railway - Capacity Upgrade

An OJEU notice has been placed starting the process of tenders for the work to upgrade the majority of the railway for three car operation. Advance works are already underway at Poplar and work will start shortly at Shadwell. Some works will be combined with the Stratford International Project so as to reduce the complexity interfaces and minimise costs. An application for TWA powers to upgrade the remainder of the railway has been developed and will be brought to the Board for approval prior to submission.

3.2 East London Line

The project is going well and remains on course for public opening in June 2010. As the first transformation of the existing line, Shoreditch station will close permanently next month. It will be replaced in due course by the station at Shoreditch High Street which forms part of the new line.

The Enabling Works contract continues to progress well. Bids have been received from two consortia for the Main Works Contract. These are now being evaluated and there will be a further stage of bidding prior to award of the contract which is scheduled for August 2006.

Three tenders for the supply of rolling stock, linked to the provision of a dedicated depot facility at New Cross Gate, have been received and the proposals of two bidders have now been shortlisted. The New Cross Gate depot will maintain the common fleet for the North and East London Line services.

As noted above, the competition for the operator who will provide passenger services on the North London Railway and East London Lines is underway with shortlisting taking place in June.

Design work is underway to progress the 'missing link' at Dalston between the East London and North London Railways, whilst this will be partly dependent on Network Rail as the Infrastructure Manager of the North London Railway TfL intend to progress this connection, which currently forms part of the East London Line Phase 2 proposals if it is feasible and cost effective to do so.

The proposed development above Dalston station received planning permission from the London Borough of Hackney on 30 March 2006.

3.3 Crossrail

The parliamentary process continues satisfactorily with a number of petitioners withdrawing prior to being heard by the Committee. On 30 March 2006 Crossrail announced that it is proposing changes to its tunnelling strategy in East London, removing part of the works and considerably reducing the impact in the area of Hanbury Street and its environs. This is welcome as it removes one of the key public concerns regarding the Crossrail Bill. Petitions seeking the inclusion of a station at Woolwich were heard w/c 8 May 2006. Discussions continue with the railway interests affected by Crossrail who are due to appear before the Committee before the summer recess.

Doug Oakervee as Executive Chairman of Cross London Rail Links, has strengthened Crossrail management team and processes with the appointment of separate Managing Directors for the Bill process (Keith Berryman) and for subsequent delivery of the project (Richard Morris).

3.4 Thameslink 2000

Discussions with the DfT continue on the feasibility of a phased approach to the building of the project with the central section being completed before 2012. Whilst there is agreement in principle of a phased approach, we differ somewhat on the interim service specification, with the DfT favouring the early delivery of more outer suburban service enhancements to Midland Main Line services.

3.5 Travel Demand Management

Work is progressing on all aspects of enhancing the TDM programme. Key activities over the month include training and implementation of the first PTP pilot for 06/07, and assessment and review of all 10 metropolitan town centres.

3.6 Kings Cross

On 23 March the Mayor took his decision not to direct refusal for the Kings Cross Central planning application. This followed extensive negotiations between the developer and TfL and the agreement of a significant package of transport improvements: £4.2m on bus enhancements, space for a cycle park for 800 bikes, a temporary bus garage for 60 buses for up to 10 years, and the safeguarding of land for a terminus for the Cross River Tram in TfL's preferred location. It was also agreed that TfL will sign the Section 106 agreement giving us a formal and on-going involvement in the delivery of these improvements.

3.7 Safer Neighbourhoods Policing Bases

Group Property & Facilities has agreed generic terms with the Met. Police for their occupation of TfL properties for Safer Neighbourhoods Policing Bases, in support of the Mayor's initiative to roll this out across London. Initially, the Met will take two units at Ealing Broadway and Turnpike Lane. Work continues with the Met to identify further units suitable for their use.

3.8 Residential use of surplus TfL land

Group Property & Facilities has established a Framework Agreement with the governmental regeneration agency English Partnerships for the disposal and development of TfL owned sites suitable for residential use, in support of the Mayor's London Wide Initiative for the provision of

affordable housing. Work has been undertaken with English Partnership in relation to the potential for development of station car parks for affordable housing. An initial study of 11 sample car parks has been undertaken, and the consultant's report will be completed shortly.

4. GROUP CORPORATE OPERATIONS

4.1 Group Services

4.1.1 Human Resources

TfL has agreed a three year pay deal for band 1 to 3 managers (office based). This gives security in planning for both the businesses and employees. It allows TfL to take forward a value-add relationship with the seven unions representing employees in TfL as pay issues are off the agenda. It will also allow much more timely pay rise implementation to employees – three months earlier this year.

4.1.2 Equalities & Inclusion

Local Government Equality Standard is a framework to direct local authorities towards a comprehensive and systematic approach to dealing with equality issues. Local authorities to assess their progress based on five levels. TfL businesses provided supportive evidence with an accompanying report to support the self assessment attaining level four of the Local Government Equality Standard in March 2006. A TfL report highlights where standards have been achieved and exceeded and areas where there are further improvements required. TfL demonstrated robust systems in place for monitoring against targets, with accompanying action plans. Self assessment, accompanied by informal independent assessment, positions TfL at level four of the standard which positions TfL above the average attainment of level two for local authorities for 2004/05.

The work experience pilot programme for disabled people which started on 9 January 2006 on the Piccadilly Line was completed on 31 March. The three trainees worked at Green Park, Russell Square and Turnpike Lane over 6-8 weeks. The major points of success were the enthusiasm and commitment of the three Customer Service Assistants who worked closely with the business, as well the development of the work experience candidates. One candidate is now applying to work in LU.

The LU E&I Steering Group is now looking to roll out a staged programme with support from the TfL work experience team to administer the project. The programme will start with securing further three to six participants.

4.1.3 Accommodation Strategy

The leases for a significant proportion of TfL's current office portfolio expire in the medium term from 2009 onwards, and the strategy for relocation and consolidation of these properties into SE1 is well advanced. The two phases of this strategy will deliver not only property savings, but increases in integration and efficiency.

TfL continues to develop its options with regard to the earlier of the 2 phases, in line with both operational requirements and property market considerations. In terms of the later phase, competitive terms have already been agreed with Sellar Properties, for space in the "Shard of Glass" development at London Bridge station. A paper on this subject will be presented to the Board in June.

4.2 Group Finance & Planning

4.2.1 Transport Innovation Fund

Discussions about potential funding for TfL from DfT's Transport Innovation Fund (TIF) for years 2008/9 and 2009/10 are underway. TfL has been working with the LDA, who submitted a list of potential productivity candidates to the DfT on the 31 March. Productivity candidates will be short listed by the Department during May and successful schemes will be required to produce business cases for submission by 31 July.

4.2.2 Olympic and Paralympic Games 2012

The first Olympic Transport Portfolio Report was delivered to the ODA on 5 April 2006 in line with the timescales agreed with TfL and was very positively received.

The report examines current issues related to delivery and how they are being addressed and confirms whether or not the improvements will be delivered to the planned timescales. Specifically it focuses on projects that are critical to transporting spectators to and from the Olympic venues and identified enabling projects that require long lead time Infrastructure works. This portfolio may be refined over time as a result of the requirement by the IOC to report against the Transport and Infrastructure Construction Schedule. It is intended that in future this report will be updated and issued every month reflecting progress up to the TfL 4 weekly reporting period for which information is available as at the date of the report.

4.2.3 Financial Services Centre

The FSC has successfully met its year end timetable and is now focusing on a continued improvement in KPIs and the project to extend the scope of the FSC by transferring additional activities from Surface Finance and Corporate Accounts. For the full year 2005/06, the FSC beat its target of 84% of invoices paid on time, achieving a final result of 85%. It also beat the KPI for overdue debt with 7% of total debt overdue at year end compared to a target of 20%. Other projects for the FSC include the implementation of electronic invoicing which is planned to drive further efficiencies late in 2006/07.

4.2.4 Oyster on National Rail

Transport for London has agreed to pay for and install Oyster validation equipment at London rail stations in Zones 1 - 6. This will include smartcard readers, station equipment and back office support systems. The train operator must provide communications and power as well as take responsibility for operation and maintenance. This is a significant breakthrough that offers train companies the opportunity to accept Oyster pay-as-you go products on their services. The introduction of Oyster technology could start this year at gated stations and once worked through with train operators, Oyster pay-as-you-go could be available at National Rail stations in London during 2008.

TfL has also agreed to work with the Department for Transport to ensure that all Oyster equipment is capable of accepting other smart cards. These are currently under development for use on public transport across the country by the Integrated Ticketing Smartcard Organisation. This is a further step towards the wider introduction of smart ticketing technology outside of London. It will allow the development of fully integrated ticketing systems in and beyond the Capital, extending the convenience and ease of smartcard technology to millions more passengers.

4.3 London Transport Museum

The Museum closed in September 2005 for a major renovation and redesign project. It will reopen in July 2007 with 20% more display space, an enhanced environment and better facilities for exhibits and visitors. Fundraising for the project continues with £13.1m being raised from Lottery, corporate and foundation sources towards a target of £14.7m. The project includes a showcase photo-voltaic and trigeneration scheme designed with the assistance of the London Climate Change Agency.

4.4 Transport Planning & Policy

4.4.1 The London Plan and T2025

Detailed transport planning and modelling work continues to produce a vision to 2025 containing a long term transport strategy for London which takes into account the transport implications raised by the revision of The London Plan. The two T2025 deliverables to be produced are a document in June on the challenges and policy options and one in September on the vision itself. The September document will input into the 2007 Spending Review.

As part of this, TfL is engaging stakeholders on the long term challenges and issues, and discussions have now been held with the ALG TEC, the London Business Board (CBI, London First etc) and Borough Chief Executives. The Board will receive an updated briefing at the next round of Advisory Panels.

4.4.2 January 2006 fares revision

Revenue and passenger numbers remain close to forecast. Underlying bus journey volumes are up 2 to 3% year-on year, largely as a result of the introduction of free travel for the Under 16s last September. On the Underground, despite the increases in cash single fares, there appears to have been minimal losses of traffic overall, with underlying traffic volumes continuing to recover following the events of 7/7 in 2006.

Pay as you go journeys continue to build up and now generally exceed a million trips a day on week days. Around 40,000 new customers continue to move over to pay as you go each week. On the Underground, Oyster single fares comprised 15% of all journeys in March, with cash single fares moving down towards 6%. For buses, Oyster single fares exceeded 8% of all journeys March. Fares paid on-bus comprised 5.5% of all journeys.

4.4.3 Under 11 travel on the Tube

The Mayor's initiative enabling children under 11 to travel free on the Underground and Docklands Light Railway was implemented on 2 April 2006. Under-11s accompanied by an adult can now use the Tube and Docklands Light Railway for free, from 9.30am on weekdays and all day at weekends and public holidays.

4.4.4 West London Tram

The project programme is currently being revised as a result of the need to conduct further modelling to investigate traffic impacts. A very detailed traffic model has now been effectively calibrated.

4.4.5 Thames Gateway Bridge

The Public Inquiry into the planning applications and orders for the Thames Gateway Bridge (TGB) ended on 3 May following a closing statement by TfL.

The Inquiry sat for 89 days over an 11 month period and heard evidence from Transport for London, organisations in support of the TGB and four local boroughs as well as local objectors and their representatives.

4.4.6 Stratford Regional Station Upgrade

In accordance with the programme a detailed validation report of Scope and Scheme Costs was completed by consultants in April 2006 and is currently being reviewed by the project team. Detailed design needs to start in July 2006.

4.4.7 Interchange Programme

Greenwich Station forecourt works have been completed and an opening ceremony attended by the Mayor of Greenwich is scheduled for 5 June 2006.

Finsbury Park new cycle park has been completed and an opening ceremony was held on the 23 March 2006.

Victoria Interchange Programme : TfL are working to establish a programme for identification of a costed single preferred concept, in order to identify funding required for a property development. Commercial negotiations with Land Securities continue, to agree Heads of Terms by June 2006.

4.5 General Counsel

4.5.1 Freedom Of Information

The Information Commissioner's Office (ICO) has found in favour of TfL in its first formal Decision on a complaint about TfL's compliance with the Freedom of Information Act. The ICO concluded that TfL fully complied with its obligations under the Act when a request for information was refused. The request was for disclosure of TfL's files on prosecutions of individuals and the ICO upheld the refusal of the request, agreeing that the exemption in the FOI Act protecting personal data from disclosure had been applied correctly.

4.5.2 Transport for London Bill 2005

The Bill commenced its Parliamentary process in the House of Lords and has recently had its second reading in the House of Lords.

Four petitions were lodged against the Bill by the London Borough of Barnet, the Licensed Taxi Drivers' Association, the London Cab Drivers' Club and the Licensed Private Hire Car Association. Discussions with the petitioners regarding their issues have been taking place and TfL Legal has been liaising with Government regarding its view on the Bill.

4.5.3 London Local Authorities and Transport for London Bill 2004

The Bill has passed through the House of Commons and has now had its second reading in the House of Lords.

Five further petitions have been lodged against the Bill in the House of Lords. Discussions with the petitioners regarding their issues have been taking place and consideration is being given to challenging some of those petitions on the basis of lack of standing.

4.6 Investment Programme Oversight

TfL's Investment Programme Oversight function is now fully established. The permanent Head of Oversight (David Hughes), whose appointment was notified to the Board in my February report took up his post on 3 April, as did the remainder of the new permanent team. The handover from the (consultancy led) interim Oversight team completed at the end of April.

TfL's Investment Programme (IP) reporting capability continues to improve. Summary progress reports on Olympic related projects are being provided to the ODA each period and these have been well received.

On 3 March, following an OJEU procurement exercise, TfL appointed three suppliers (Scott Wilson, Halcrow and Parsons Brinkerhoff) to an Independent Engineer framework agreement. The conclusion reached at the end of bid evaluation was that appointing a limited number of IE

suppliers would send a strong message about the specialist nature of the IE role, promote supplier commitment and facilitate the development of strategic relationships with these IE firms. Management of potential 'conflicts of interest' will take place on a case-by-case basis (with TfL retaining the option to appoint a supplier outwith the IE framework contract). Oversight is working with the modes to develop its use of the Independent Engineers but the early indications are that this resource constitutes a valuable additional 'delivery assurance' mechanism.

In addition to the delivery assurance provided through both its ownership of TfL's IP reporting processes and its management of the Independent Engineers, the Oversight team is also responsible for identifying areas of TfL's organisational capability where improvements are required to reduce IP delivery risk, and, subsequently, overseeing the initiatives and change programmes which are put in place to deliver these improvements. Several such initiatives are already underway, focusing in particular on the following areas:

- People: Ensuring TfL has the right people with the right skills to deliver the Investment Programme.
- Supplier Management and Procurement: Reviewing our approaches to supplier management and procurement to see whether these need to be changed to meet the needs of the Investment Programme.
- Planning Consents: Looking at whether TfL could improve its approach to obtaining the planning consents and approvals necessary to progress many of the IP projects and programmes
- Risk Exposure: Monitoring TfL's IP risk exposure and reviewing the organisation's approach to managing this.
- Project and Programme Management Controls: Improving TfL's project and programme management control processes.

Oversight is working with the business - in particular Group Services - to develop a reporting framework which will enable TfL to assess its capabilities in each of the above areas (which are termed the Investment Programme 'Drivers of Success'). Although such a reporting framework must inevitably be largely subjective, it should nonetheless give TfL a better feel the extent to which its project and programme delivery capabilities are improving over the course of the Investment Programme.

4.7 Local Implementation Plans (LIPs)

The Mayor approved the first three borough LIPs in March 2006 following recommendations provided by TfL. It is an excellent achievement by these boroughs, Kingston, Camden and Hammersmith and Fulham, and also by the further 13 that have submitted Final LIPs to TfL by early May. These include most of the boroughs in west London. It is expected that 31 Final LIPs will have been received by TfL by end of July 2006. The last borough, Kensington and Chelsea, has begun detailed preparation of its LIP and the Final version is expected to be submitted before the end of 2006. The borough was provided extra time to digest the implications of the extension to the congestion charging scheme and to overcome the extended absence of its lead officer for LIP preparation.

TfL is now working with the boroughs to integrate the LIPs process with the existing Borough Spending Plan (BSP) process which, to date, has provided transport funding to the boroughs. This integration will better ensure delivery of the Mayor's Transport Strategy within London; will reduce bureaucracy and reporting; enable TfL funding to be set better into specific borough contexts; avoid superfluous bidding for money by boroughs; and co-ordinate more ably with other borough responsibilities and TfL initiatives, e.g. Network Management Duty and Network Management Planning.

A key opportunity afforded by LIPs will be enabling TfL to work with the boroughs and the ALG to identify and pursue other sources of funding, e.g. Government, EU or Lottery. LIPs also provide opportunities to advance other Mayoral Strategies and freight, waste management and travel demand management than might otherwise exist.

5. ADDITIONAL ITEMS

5.1 London Transport Awards

Teams across TfL picked up a number of awards at the 2006 London Transport Awards held on 4 April. Special Recognition Awards went to LU, LTCC and TfL partners including Thames Clipper and Tube Lines, for exceptional service on 7 July 2005; Tim O'Toole won the award for Outstanding Contribution to Transport Across London; and an honourable mention was made for the efforts of TfL and others in helping to secure the 2012 Olympics.

Transport Team of the Year went to the SRA and the Cross Industry Project Team for the Thameslink blockade – LU joined them picking up the award in recognition of their key role in this. When the Thameslink route was severed during major engineering work in King's Cross, the project helped 30,000 commuters complete their journeys.

TfL's Traffic Enforcement team won the Transport Partnership Project of the Year award for a pilot scheme to test new traffic enforcement powers contained in the London Local Authorities and TfL Act 2003. The seven month pilot saw a 23% reduction in the number of motorists blocking yellow box junctions.

The LU Station Customer Service Team of the Year Award went (for the third year running) to Canary Wharf, the result of a public vote on TfL's website. Customers commented on the 'funny', 'upbeat', 'professional' staff and the 'beautiful' station.

5.2 Board Appointments

As reported at the March Board meeting, a process is now underway to fill vacant board positions. Adverts for recruiting as representative a set of board members as possible will be placed in June 2006 and the appointment process will be administered by the GLA.

Peter Hendy
Commissioner for Transport
Transport for London
May 2006

TRANSPORT FOR LONDON

STAFF SUMMARY

TFL BOARD

SUBJECT: TfL adoption of Section 17 - Crime and Disorder Act 1998

MEETING DATE: 24th May 2006

Introduction

1. The purpose of this paper is to seek approval to the voluntary adoption by TfL of the provisions of Section 17 of the Crime and Disorder Act 1998 and the implementation of the necessary business processes to meet the provisions.

Background

2. On 6th January 2006 the Mayor wrote to the TfL Commissioner to request that TfL voluntarily adopt the principles of section 17 of the Crime and Disorder Act. This requires responsible authorities to consider crime and disorder and community safety in the exercise of all their duties. This would mean that TfL would have to consider the impact of its activities/projects on crime and disorder in London and where appropriate identify actions to reduce levels of crime and disorder as part of this process. On 19th January 2006 the then Commissioner Bob Kiley wrote back confirming that TfL would be complying with this request (see Appendix A).
3. Many public authorities including all London Boroughs, the Metropolitan Police Service and the London Fire and Emergency Planning Authority are already designated as responsible authorities under the Act. However, the GLA, LDA and TfL were not designated as a responsible authority on their creation – possibly as an oversight in the drafting of the GLA Act. The Mayor is now keen to rectify this.
4. Adopting the principles of Section 17 (S17) of the Crime and Disorder Act would give further support to the Mayor's commitment to reducing crime and fear of crime and promoting safer communities. Including the GLA, LDA and TfL as designated authorities under the Act is a clear policy objective of the Mayor and this request forms part of that policy commitment.
5. In addition to the Mayoral requirement for voluntary adoption of S17 provisions it is highly likely that TfL will become statutorily subject to S17 in the next two years. The Department of Communities and Local Government (previously Office of the Deputy Prime Minister (ODPM)), as part of the review of Greater London Authority powers, has identified such designation of TfL as a measure that should be included in the forthcoming legislation amending GLA powers. The issue of TfL designation is also being considered by the Home Office as part of a review of the Crime and Disorder Act, programmed for 2007/8.

Transport Policing and Enforcement Activities within TfL

6. TfL already undertakes a number of relevant activities in this area and this is clearly recognised within the Mayor's letter to TfL. The activities make a significant contribution to

tackling crime and disorder on the network overall many of the operational businesses within TfL work in a high level of partnership with outside agencies on a range of crime reduction activities. A number of these activities have been led or co-ordinated by the Transport Policing and Enforcement Directorate (TPED) and many notable achievements have been delivered.

7. TfL currently spends over £110m per year in transport policing across its operational areas. This expenditure provides over 2,000 uniformed officers who provide a transport focussed visible policing presence on the TfL network. TPED provides both a strategic lead for these activities in TfL and a number of services relating to crime and disorder reduction and problem solving. The policing of the network is undertaken by a number of groups and this is summarised in Appendix B.
8. Over the last two years in this area of activity TfL has made a significant contribution to improving community safety in London, including:
 - **Decriminalisation** – the decriminalisation of the red routes coupled with the use of MPS traffic wardens has delivered real compliance gains and an integrated policing and enforcement resource that was used to good effect on the 7th July.
 - **BusTAG** – the effective use of on-bus CCTV by MPS Transport Operational Command Unit (TOCU) has led to over 700 arrests and directly tackled persistent vandals on the network.
 - **BTP Compstat** – the introduction of this leading edge performance management technique to the London Underground area of the BTP has delivered real performance gains, transparency and partnership working on the network. It was also instrumental in delivering a policing service for LU that delivered 9 out of 9 performance targets for the network.
 - **Silverlink Policing** – the innovative roll out of reassurance policing on the Silverlink Network drove a real improvement in perception of the system and has now become a core component of Mayoral policy in this area.
 - **Illegal mini cab touting** – a reduction in female users of illegal cabs from 14% to 4% of all female travellers at night in central London has underpinned the Mayor’s successful Safe Travel at Night (STAN) campaign.

Crime and Disorder Act - Section 17

9. Section 17 of the Act requires designated authorities to consider crime and disorder and community safety in the exercise of all their duties. Its purpose is to encourage public authorities to mainstream crime and disorder prevention and promotion of community safety into their core business. Section 17 states:

Without prejudice to any other obligation imposed upon it, it shall be the duty of each authority...to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in this area.

10. The proposed memorandum of understanding issued by the Mayor makes the Mayoral position and view of TfL’s role clear (a copy of which is attached as Appendix C), it states that:

***“The Mayor of London is committed to making London the safest city in the world. In order to achieve this vision it is essential that community safety is embedded in the GLA functions and that there is a coordinated response to tackling crime and disorder across the GLA group. That is why the Mayor has sought sign up to the principles of Section 17 of the Crime and Disorder Act 1998 across the GLA group.*”**

All of the functions of the Mayor and the GLA group are in some way relevant to community safety. The Mayor and the GLA group create the economic, social and spatial environment within which London and pan-London community safety initiatives take effect.

As a functional body of the Greater London Authority, TfL is responsible for implementing the Mayor's transport strategy and managing transport services across London. A number of community safety priorities are already built into the transport strategy in order to ensure that public transport in London can be used safely by all. In common with the rest of the GLA group, TfL has an interest in reducing crime and disorder."

11. The Act places an obligation on responsible authorities and police to work in partnership with a number of stakeholders to conduct an audit of crime and disorder, consult with and involve the local community and develop a community safety strategy (also known as a crime and disorder strategy).

Relevance of S17 to TfL

12. As mentioned above TfL already undertakes a number of activities in this area and key strategic drivers around crime and disorder reduction are already in place:
 - The delivery of a safe and reliable transport system
 - The safety and security provisions within the London Plan
 - The forward planning and policy work relating to safety and security
 - The proposed revisions to the plan which identify safety and security of the transport system and the associated public realm as a key issue for development
13. Voluntary adoption of Section 17 also provides a number of opportunities to TfL. It will allow a better level of engagement to be developed with London Borough Crime and Disorder Reduction Partnerships, provide a framework for contributing to the Mayor's Crime and Disorder objectives, ensure that safety and security considerations are consistently applied across the network, help provide a safe and secure environment for passengers and staff and contribute to the quality of life of Londoners as a whole.
14. As part of TfL's ongoing commitment to safety and security on the network TPED is already working on a Crime and Disorder Strategy for TfL and this would fully support the principles of S17 adoption. It is envisaged that this paper will be submitted to TfL Board for final sign off in September 2006.

15. Implementation Options

16. As with any initiative there are a number of possible models for implementation. A Crime Concern¹ briefing paper, Mainstreaming Community Safety – A practical guide to implementing section 17 of the Crime and Disorder Act 1998 identified three possible levels for implementation of section 17 principles – minimalist, mid-level and corporate. The level of commitment and resources required is dependent on the approach adopted, as is the potential benefit.

¹ A well established independent not-for-profit agency who offers advice to Local Authorities on community safety issues

17. The **minimalist** approach involves having basic mechanisms in place to ensure that crime and disorder implications are considered whenever policy and service developments are approved. This might be achieved, for example, by inserting a section on community safety in all reports going to the TfL Board.
18. The **mid-level** approach involves building a commitment to reducing crime and disorder into the routine activities of individual departments and service areas.
19. The **corporate** approach involves treating crime and disorder reduction as a 'whole organisation' activity and supporting this at a corporate level, for example by building a commitment to creating safer communities into corporate plans, objectives, information gathering and review processes.
20. For TfL the corporate approach appears to be the most appropriate option, in particular this approach:
 - has the best strategic fit with Mayoral aspirations relating to community safety in London
 - meets the expectations set out in the memorandum of understanding - ***"....to achieve this vision it is essential that community safety is embedded in the GLA functions and that there is a coordinated response to tackling crime and disorder across the GLA group"***
 - meets the commitments around safety and security set out in the Mayor's Transport Strategy
 - delivers the highest levels of safety and security benefits for London's travelling public and staff
 - aligns with the approach taken by TfL around the Equalities agenda
 - best meets the stated objectives of S17 in the act – ***"and the need to do all that it reasonably can to prevent crime and disorder in this area"***
 - Creates the most potential for delivering safer communities in London, responding to community concerns and ensuring joined-up service delivery
 - Is consistent with many of TfL's current activities around crime and disorder and policing on the network
 - Reflects explicitly the commitment to and importance of this issue to TfL and its senior management

Implications of adoption for TfL

21. Community safety is a cross cutting mainstream issue and is likely to affect the work of all business areas and issues and initiatives in one area could well have implications for the work of another area. Because of such dependencies, cross- Directorate and pan-modal co-ordination is essential for the successful delivery of this process. This process will be led by TPED.
22. Under S17 TfL would be required to demonstrate that administrative and decision-making processes provide for both consideration and action to tackle crime and disorder (C&D) in

delivery of its services. Section 17 must be demonstrably built into statutory plans, including service and corporate plans. Processes/documents that would need to include this type of consideration would be such things as:

- Business Planning submissions
- Business Planning Guidance
- Project Review Group papers
- Board and Panel papers
- Project initiation Documents
- Feasibility reports
- Project approval documents
- Business Cases

23. To take the adoption of S17 forward and embed it in day to day processes, two ongoing streams of activities would be required:

a) **C&D Advisory Capability** – to ensure that suitable and co-ordinated actions are identified as part of the C&D assessment undertaken by the Businesses there will be a need for a specialist advice function to support the officers undertaking that assessment.

This need can be met by the existing Crime and Disorder Reduction Team in TPED with the addition of a small amount of resource. This team has the necessary C&D expertise and the necessary network of contacts, including links to specialist advice sources such as the BTP Architectural Design Team.

b) **Impact Evaluation** – it is imperative that TfL assesses the effectiveness and impact of those actions identified as part of the S17 process. There is a need to assess the impact, identify the lessons learnt and provide a clear and transparent process for documenting the affect of S17 actions. Much of this evaluation will be related to the impact of TfL projects on crime and disorder in London and particularly the impact of any S17 driven aspects on the project/activity.

TPED already has well developed performance assessment, mapping and analysis expertise in this area and with the addition of a small amount of additional resources the existing performance function can undertake this activity. This also provides an internal TPED split between the advisory function and the evaluation function to ensure independent objective assessment. This activity will also provide the base data for any ongoing evaluation of S17 compliance for TfL as a whole.

24. An outline timetable for implementation of S17 within TfL is identified below:

Date	Action
24 th May 2006	Paper on S17 adoption to TfL Board
June 2006	Memorandum of understanding signed between TfL and GLA
20 th September	TfL Crime and Disorder Strategy to Board
October 2006	TfL Crime and Disorder Strategy published
September 2007	Evaluation of effectiveness assessment of S17 processes undertaken and Board paper submitted
March 2007	Revised TfL Crime and Disorder Strategy published to align with local authority C&D processes

Linked Initiatives

25. As part of the current TfL Bill (at consultation stage at the moment) TfL has applied for the powers to make application to the courts for Anti-Social Behaviour Orders to be issued for offenders on the network. The Home Office has recently confirmed that it will be granting this power to TfL by Statutory Order rather than legislation and this is likely to be in place by November 2006. This power aligns with the principles of S17 and provides a useful tool for TfL in the C&D arena.
26. The production of a Crime and Disorder Strategy will complement the adoption of S17 and provide a documented focus of those actions identified as part of the S17 process.

Legal implications

27. If S17 becomes a statutory obligation on the Authority there are potential ramifications for not giving due consideration to crime and disorder – there is a risk that individuals or groups who feel that authorities are in breach of their duty may challenge their actions and decisions in the courts.
28. In the absence of case law, it remains unclear what the courts would consider to be a breach of section 17. The courts will look for evidence that the organisation has adopted a coherent plan for complying with section 17 and that this is being implemented. Non-compliance could leave TfL vulnerable to legal action.
29. Effective compliance monitoring will help ensure that TfL is fulfilling its requirements under the Act and minimise the risk of legal challenge. Monitoring of the necessary processes and the impact of actions identified as part of the process must be a key element in the implementation of section 17.

Financial Implications

30. It is considered that many of the implications of S17 adoption can be contained within existing budgets. However, there are a small number of additional direct costs identified

and these are detailed in the table below. Should the Board approve this paper then these will be included in the TPED Business Plan submission for 2007/8.

Area of Expenditure	Estimated Annual Cost	Comments
Additional Advisory Capability (TfL staff)	£100k (including on costs)	2 staff (one additional Transport Community Safety Manager and one case tracker/administrator)
External Advisory Capability	£250k	This budget will provide the necessary resources to purchase specialist advice when required.
Impact Evaluation	£170k (including on costs)	3 staff (one impact analyst, one performance officer and one case tracker/administrator)

31. This level of resourcing will provide the necessary levels of support during the set up and initial phases of the implementation. The ongoing resource requirement once the initiative is rolled out throughout the business will need to be kept under review and will be assessed as part of a one year evaluation process.
32. In addition, there will be a substantial amount of work undertaken during the set up period both within the TPED structure (which can be accommodated within existing workplans and the growth in resources mentioned above) and all TfL Directorates as part of the assessment – and consequent change management of existing processes, systems and activities. It is envisaged that the resource requirements on specific businesses will not require specific funding and existing processes and expertise utilised wherever possible. For example, London underground have well developed partnership arrangement in place with the British Transport Police and these can be utilised by TfL/LU to facilitate this process. Monitoring will be undertaken as an early part of the process to assess any substantive cost pressures driven by this initiative. Ongoing management of the process can be accommodated within TPED Transport Policing structures.

Conclusions

33. The adoption of S17 principles by TfL is a clear Mayoral priority for TfL and aligns with the Mayor's overall aspirations around community safety in London. This Mayoral priority is likely to be reinforced by statutory obligations in 2007/8.
34. TfL should implement this initiative at a corporate level rather than a minimalist level this will deliver real benefits to the organisation and the travelling public and it will best meet the expectation of the Mayor in this area. This also connects and aligns with the work being undertaken in relation to good urban design and appropriate links will be built with this work.
35. Within the organisation TPED is best place to meet this challenge and provide the support, specialist advice and evaluation required to make the adoption of S17 both a success and an initiative that delivers real benefits for London.

Recommendations

36. The board is asked to APPROVE the following recommendations:

- a) The voluntary adoption by TfL of the provisions of Section 17 of the Crime and Disorder Act 1998, and;
- b) The implementation of the necessary business processes outlined in the paper to ensure that TfL meets the provisions of Section 17.

Transport for London



Your ref:
Our ref: TFL040746

Ken Livingstone
Mayor of London
Greater London Authority
City Hall
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19 January 2006

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Dear Ken

Thank you for your letter of 6 January 2006 regarding Section 17 of the Crime and Disorder Act 1998.

As you know, TfL is committed to reducing crime and disorder on and around the transport network and recognises the value of the partnership work with our police agencies and other key stakeholders. Indeed with the support of funding from yourself we are investing over £100m in direct policing on TfL's services and other crime reduction initiatives. We are already at the consultation stage in the development of TfL's Crime and Disorder Strategy for TfL which should be completed in 2006.

We are therefore keen to build on this work by proposing to the TfL Board that we adopt section 17 on a voluntary basis. We believe that the most significant impact of this would be to include explicit considerations of crime and disorder issues within all our activities and the production of our Crime and Disorder Strategy.

I will ask Jeroen Weimar and Steve Burton to work with GLA colleagues to prepare a submission to the TfL Board in order to inform a discussion around adopting section 17 provisions and seek approval from the Board to TfL signing up to the Memorandum of Understanding.

Do let me know if you would like to discuss this further.

Yours sincerely

Robert R Kiley

Appendix B

Policing Agency	Organisational Unit	Responsibilities and investment levels
Metropolitan Police Service	Transport Operational Command Unit (TOCU)	<p>Responsibilities include:</p> <ul style="list-style-type: none"> ➤ patrols focussing on bus crime, anti-social behaviour and bus flow ➤ passenger perception of safety and security on the bus network ➤ congestion and some traffic management on the TLRN ➤ cab enforcement ➤ on street enforcement of decriminalised traffic regulations <p>Fully funded by TfL - £63m per year (£10m income generated by unit gives net cost of £53m)</p>
	Traffic Operational Command Unit (Traffic OCU)	<p>Responsibilities include:</p> <ul style="list-style-type: none"> ➤ Road safety ➤ Response to accidents ➤ Automatic Number Plate Recognition (anpr) <p>Small amount of TfL funding for tunnel management, road safety and other traffic management activities – circa £1m per year</p>
	Safer Neighbourhood Teams	<p>Responsibilities include local beat policing, identifying local priorities and anti-social behaviour.</p> <p>No direct funding but a small number of teams are co-located with BTP officers and they undertake a number of Bus TAG arrests.</p>
British Transport Police (BTP)	L Area	<p>A full range of policing activities on the London Underground and Docklands Light Railway Networks.</p> <p>Fully funded by TfL - £53m per year</p>

	London North and South	Enhanced provision of high visibility policing on specific areas of the overground network. £4.2m per year (funding provision for £3.2m of this service currently only provided for one year)
City of London Police (CoLP)	No specific units	A number of areas of joint work including cab enforcement and parking enforcement on red routes. No direct funding.

Appendix C

Memorandum of Understanding between the Mayor of London and Transport for London – Voluntary adoption of principles of Section 17 of the Crime and Disorder Act 1998

1. This memorandum of understanding is between the Mayor of London and Transport for London (TfL). The memorandum is intended to record TfL's agreement to voluntary adoption of the principles of Section 17 of the Crime and Disorder Act 1998 and sets out the expectations placed on TfL as a result of this.
2. Section 17 of the Crime and Disorder Act 1998 requires local authorities, police authorities and fire authorities to exercise their various functions with due regard to both the likely effect of the exercise of those functions on crime and disorder in their area and the need to do all they reasonably can to prevent crime and disorder in their area. The overarching purpose of Section 17 is to encourage relevant public authorities to mainstream crime prevention and the promotion of community safety into their core business. Although the MPA and LFEPA already fall within the definition of Section 17 as a result of the Police Reform Act 2002, the GLA, TfL and the LDA do not.
3. The Mayor of London is committed to making London the safest city in the world. In order to achieve this vision it is essential that community safety is embedded in the GLA functions and that there is a coordinated response to tackling crime and disorder across the GLA group. That is why the Mayor has sought sign up to the principles of Section 17 of the Crime and Disorder Act 1998 across the GLA group.
4. All of the functions of the Mayor and the GLA group are in some way relevant to community safety. The Mayor and the GLA group create the economic, social and spatial environment within which London and pan-London community safety initiatives take effect.
5. As a functional body of the Greater London Authority, TfL is responsible for implementing the Mayor's transport strategy and managing transport services across London. A number of community safety priorities are already built into the transport strategy in order to ensure that public transport in London can be used safely by all. In common with the rest of the GLA group, TfL has an interest in reducing crime and disorder.
6. The Mayor recognises that TfL already undertakes a good deal of work that contributes to the prevention of crime and disorder in London, for example through implementation of the transport strategy and the work of TfL's Transport, Policing and Enforcement Directorate. Signing up to Section 17 provides an opportunity to promote this work and identify how the TfL, may contribute, where appropriate, to meeting new challenges.
7. By agreeing to the voluntary adoption of Section 17 of the Crime and Disorder Act TfL agrees, without prejudice to any other obligation imposed on it, to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in London.
8. It is anticipated that TfL's responsibilities as a result of voluntary adoption of Section 17 will include, though not necessarily be restricted to:
 - Providing a document outlining how Section 17 adoption is being approached and detailing how Section 17 adoption is being incorporated into TfL's work
 - Ensuring that TfL's Section 17 strategic responsibilities are clearly understood by all staff internally and by external partners
 - The implementation of Section 17 impact assessments on key strategies, policies and processes and TfL's business plan

- Contribute to quarterly updates on Section 17 to the Crime and Disorder Plus Steering Group
 - Contribute to the production of an annual GLA group update setting out key areas where TfL has used Section 17 impact assessments
9. The coordinating body for overseeing the voluntary adoption of Section 17 principles will be the Crime and Disorder Plus Steering Group, which is chaired by the Mayor's Policy Director for Equalities and Policing. This group will continue to meet quarterly and meetings will act as a forum for providing updates, sharing information and exchanging good practice on meeting Section 17 responsibilities.

TRANSPORT FOR LONDON

STAFF SUMMARY

TFL BOARD

SUBJECT: JOINT ARRANGEMENT WITH THE LONDON BOROUGH OF ISLINGTON

MEETING DATE: 24 MAY 2006

1. PURPOSE

To seek the Board's approval to enter a Joint Arrangement under Section 101 of the Local Government Act 1972 with the London Borough of Islington for the purpose of removing and impounding illegally-parked vehicles on the TLRN in Islington, Tower Hamlets and Hackney area.

2. BACKGROUND

A paper was presented to Surface RISC on the 7th December 2005 seeking approval to the 'principle of establishing a London-wide removal operation and the development of a detailed business case' and the establishment of a small group of staff drawn from internal stakeholders to evaluate the outcome of the Islington pilot. The paper was 'Approved and supported, especially for using boroughs where possible.' As a result the Islington pilot went live on the 30th January 2006 for an initial period of 3 months. The agreement was operated under delegated authority as the cost of the pilot was not significant. The income from Penalty Charge Notices and removal fees would offset any cost from the pilot.

The initial pilot has been very successful in improving compliance with parking controls in this area. TfL are now keen to explore some further detailed options within the pilot. This would result in an increased cost which, although entirely offset by income from release fees, must be supported by a Joint Arrangement between TfL and LB Islington.

Under Section 101 of the Local Government Act 1972, any London Highway Authority may act by agreement on behalf of another Authority in respect of any of its highway services. Such an Agreement – or Joint Arrangement as it is known – must be approved by the senior Committee of the Authorities involved. In the case of TfL this is the Board.

The pilot removals operation is critical to finalising TfL's long term strategy for establishing a removals service operating across the TLRN. We are keen to establish the effect of removals on compliance with parking controls, level of parking demand, vehicle recovery rates and removal/ payment rates. The pilot is enabling us to do this. Penalty Charge Notices (PCNs) are being issued by Traffic Wardens or the Islington 'on- board' parking attendant. This arrangement applies to 2 total lift removal trucks operating from Islington's Clifton Street vehicle pound.

3. ALTERNATIVES

The pilot could be run following a full competitive tendering exercise but it would be necessary to terminate the current arrangement with Islington and start a new service in some months time. It is our intention to tender a full removals operation later this year but decisions as to how this could be delivered will be informed by the continuation of this pilot.

4. FINANCIAL IMPLICATIONS

The income from release fees covers the costs of running the pilot.

5. RECOMMENDATIONS

To recommend to the Board for TfL to enter a Joint Arrangement with the London Borough of Islington for a limited period in respect of secondary enforcement on the TLRN in order to collect data for the London wide Removal Strategy business case.

PATRICK TROY
HEAD OF ENFORCEMENT

TRANSPORT FOR LONDON

TFL BOARD

SUBJECT: GLA GROUP SUSTAINABLE PROCUREMENT POLICY - DIRECTION AND DELEGATION FROM THE MAYOR

MEETING DATE: 24 MAY 2006

1. PURPOSE

1.1 On 31st March 2006 the Mayor issued a Direction and Delegation [see appendix 1] to TfL to adopt the GLA Group Sustainable Procurement Policy [see appendix 2]. Under the GLA Act, TfL must comply with Directions of the Mayor when exercising its functions. The purpose of this paper is to notify the TfL Board of the GLA Group Sustainable Procurement Policy and the Direction and Delegation.

2. BACKGROUND

2.1 Under section 30 of the GLA Act 1999, the Mayor has the power to do anything which he considers will further any one or more of the GLA's principal purposes, being to promote London's economic development and wealth creation, social development and environment improvement in Greater London. Under section 34 of the GLA Act 1999, the Mayor also has power to do anything incidental to the fulfilment of his other powers. The Mayor expects the GLA Group to lead by example to improve the quality of life for Londoners now and in the future.

2.2 Through the Direction and Delegation, the Mayor authorises TfL to use his powers under sections 30 and 34 of the GLA Act 1999 and requires TfL to do all things reasonably necessary to comply with the GLA Group Sustainable Procurement Policy (see 2.6 below) in the procurement of goods, works and services (see 2.7 below).

2.3 Sustainable Procurement is seen as a key driver in realising the Mayor's aspirations. The GLA Group spends in the order of £5 billion per year (excluding investment funding) on the procurement of goods, works and services. Most of this £5 billion per year is spent by TfL.

2.4 TfL's significant purchasing power makes it a key part of the GLA Group in delivering Sustainable Procurement, through its supply chain, to its partner organisations, suppliers and the market place. TfL is committed to delivering Sustainable Procurement.

2.5 The scale of TfL's expenditure means that there is the potential for it to have a noticeable and positive socio-economic and environmental impact through implementation of GLA Group Sustainable Procurement Policy. TfL was consulted upon and has commented on this document.

2.6 The key themes of the GLA Group Sustainable Procurement Policy are:

- Encouraging a diverse base of suppliers;

- Promoting fair employment practices;
- Promoting workforce welfare;
- Meeting strategic labour needs and enabling training opportunities;
- Promoting community benefits;
- Encouraging ethical sourcing practices; and
- Promoting greater environmental sustainability.

- 2.7 The GLA Group Sustainable Procurement Policy is consistent with the UK National Procurement Strategy for Local Government, which outlines that the public sector should use procurement as a vehicle to deliver corporate responsibility objectives to in turn realise economic, social and environmental benefits. It also states that sustainability should be built into procurement strategies, processes and contracts.
- 2.8 TfL has set up a governance structure to manage implementation of the GLA Group Sustainable Procurement Policy themes. This includes a Strategic Steering Board chaired by Valerie Todd (Managing Director, Group Services), a Procurement director level implementation team and a working group to ensure effective delivery of the programme.
- 2.9 Good progress has already been made by TfL Group Procurement within some of the themes listed in 2.6 above with the Supplier Diversity programme, promoting Environmental Sustainability (through Green Procurement and Health, Safety and Environment within procurement) and Promoting Fair Employment practices (through The London Living Wage programme).
- 2.10 Discussions are underway between the GLA and TfL Group Procurement on the implementation of the remaining key themes contained within the GLA Group Sustainable Procurement Policy.
- 2.11 Whilst it is expected that implementation of certain themes contained within the GLA Group Sustainable Procurement Policy may have an increased financial impact on TfL, they are also likely to promote socio-economic and environmental benefits.
- 2.12 TfL acknowledges that to include Sustainable Procurement retrospectively into existing contracts could potentially be expensive. Implementation will therefore be on a contract-by-contract basis for relevant new contracts and relevant existing contracts as they come up for renewal.
- 2.13 The objective is to achieve the requirements of the GLA Group Sustainable Procurement Policy within the existing financial constraints of the TfL Business Plan.
- 2.14 In addition to financial considerations, implementation of each theme of the GLA Group Sustainable Procurement Policy will need to be considered on a case-by-case basis to ensure legal compliance, with careful attention at all times to the best value duty and the general fiduciary duty, compliance with the requirements of public sector procurement law and compliance with the provisions of other relevant legislation.

3. RECOMMENDATIONS

- 3.1 Following the Finance Committee review on 10 May 2006, the TfL Board is asked to NOTE the GLA Group Sustainable Procurement Policy and the Direction and Delegation from the Mayor.

TRANSPORT FOR LONDON

OPEN PAPER – BOARD MEETING

SUBJECT: GLA Group Sustainable Procurement Policy -
Direction and Delegation from the Mayor

MEETING DATE: 24th May 2006

Appendix 1: Mayoral Direction & Delegation

MA2631

**MAYORAL DIRECTION AND DELEGATION
TO TRANSPORT FOR LONDON AND THE LONDON DEVELOPMENT AGENCY
SUSTAINABLE PROCUREMENT**

RECITALS

Whereas:

1. Under s30 of the Greater London Authority Act 1999 ("the Act"), the Mayor has the power to do anything which he considers will further any one or more of the Greater London Authority's ("GLA") principal purposes, those being:
 - (a) promoting economic development and wealth creation in Greater London;
 - (b) promoting social development in Greater London; and
 - (c) promoting the improvement of the environment in Greater London.together with ancillary powers set out in s34 of the Act
2. In determining whether or how to exercise these powers, the Mayor is required by the Act to have regard to the effect of the proposed exercise of the powers on the health of persons in Greater London and the achievement of sustainable development in the United Kingdom.
3. The Mayor has resolved to exercise his powers in a manner that will tackle poverty, diversity and environmental issues in London as a means of promoting both the economic and social well being of the Greater London area.
4. The National Procurement Strategy for Local Government published by the Office of the Deputy Prime Minister sets out a number of strategic objectives for contracting authorities including:
 - (a) the use of procurement to help deliver corporate objectives including the economic, social and environmental objectives set out in the community plan;
 - (b) the development of a corporate procurement strategy which addresses the relationship of procurement to the community plan, workforce issues, diversity and equality and sustainability.
5. There are provisions in the new consolidated public sector procurement Directive (Directive 2004/18) and the Public Contracts Regulations 2006 and in the new utilities procurement Directive (Directive 2004/17) and the Utilities Public Contracts Regulations 2006 which expressly authorise the use of environmental and social considerations as evaluation criteria (provided that the considerations in question relate to the subject matter of the

contract) and as conditions of contract provided that they are not directly or indirectly discriminatory and are indicated in the contract notice and in the contract documents and that social considerations may, in particular, be intended to favour on-site vocational training, the employment of people experiencing particular difficulty in achieving integration, alleviating unemployment or the protection of the environment.

6. The Office for Government Commerce ("OGC") has published Guidance on the use of social considerations in procurement processes and advised contracting authorities that the principles of sustainable development (linking social, economic, and environmental goals together) can be consistent with achieving value-for-money and meeting EU rules in procurement.
7. The Mayor wishes to delegate authority to Transport for London ("TfL") and the London Development Agency ("LDA") and direct them to implement and comply with the GLA Group Sustainable Procurement Policy when taking decisions on the procurement of resources and/or in providing grant funding or financial assistance to any organisation or individual, subject to compliance with all relevant law and subject to any consents that may be required from, or restrictions that may be imposed by, the Department of Trade and Industry on LDA's funding arrangements.

DIRECTION

NOW THEREFORE in accordance with section 155 of the Greater London Authority Act 1999 and section 27 of the Regional Development Agencies Act 1998 (as amended) the Mayor **DIRECTS** TfL and the LDA (respectively) to do all things reasonably necessary in relation to the exercise of their functions to comply with the GLA Group Sustainable Procurement Policy when taking decisions on the procurement of resources and/or in providing grant funding or financial assistance to any organisation or individual, subject to the following conditions:

CONDITIONS TO DIRECTION

1. TfL and the LDA shall comply with the GLA Group Sustainable Procurement Policy when taking decisions on the procurement of resources and/or in providing grant funding or financial assistance to any organisation or individual, subject to compliance with all relevant law (including, without limitation, procurement law and the law relating to Best Value) and in such a way as to achieve value for money and in accordance with the principle that there should be equality of opportunity for all people;
2. All expenditure incurred pursuant to this Direction shall be in accordance with TfL and LDA internal corporate governance arrangements, existing contractual obligations, statutory functions and all relevant legislation and rules of law.
3. Compliance by LDA with this Direction is subject to any consents that may be required from, or restrictions that may be imposed by, the Department of Trade and Industry on LDA's funding arrangements.

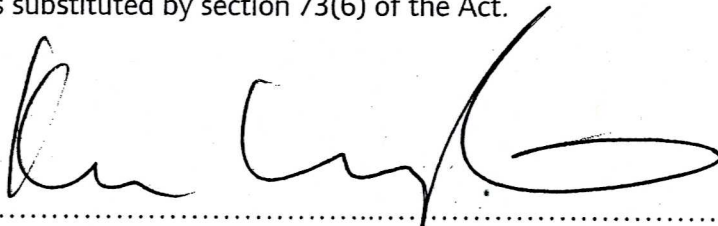
DELEGATION

AUTHORITY is given to TfL and LDA under section 38(1) of the Greater London Authority Act 1999 ("the Act") to exercise the Mayor's powers under sections 30 and 34 of the Act to do all things reasonably necessary to facilitate compliance with the GLA Group Sustainable Procurement Policy in when taking decisions on the procurement of resources and/or in providing grant funding or financial assistance to any organisation or individual and to take any other action they consider reasonably necessary for the purpose of implementation subject to the following conditions:

CONDITIONS TO DELEGATION

1. TfL and the LDA shall submit regular reports to the Mayor on the activities that they will be undertaking pursuant to this Delegation;
2. All expenditure incurred pursuant to this Delegation shall be in accordance with TfL and LDA internal corporate governance arrangements, existing contractual obligations, statutory functions and all relevant legislation and rules of law;
3. TfL and LDA in exercising the Mayor's power under sections 30 and 34 of the Act pursuant to this Delegation, shall generally comply with any directions issued by the Mayor, and instructions issued by any officer authorised by the Mayor (and duly notified to TfL and the LDA that such person acts as an officer of the Mayor in relation to this Delegation); and
4. TfL and the LDA shall at all times afford to the Head of Law of the Greater London Authority all co-operation and access to documents and facilities as he may from time to time reasonably require in respect of his duties as Monitoring Officer under section 5(2) of the Local Government and Housing Act 1989 as substituted by section 73(6) of the Act.

Signed



Ken/Livingstone, Mayor of London

Date

31. 3. 06

TRANSPORT FOR LONDON

OPEN PAPER – BOARD MEETING

SUBJECT: GLA Group Sustainable Procurement Policy -
Direction and Delegation from the Mayor

MEETING DATE: 24th May 2006

Appendix 2: The GLA Group Sustainable Procurement Policy

The GLA Group Sustainable Procurement Policy

March 2006

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THE GLA GROUP SUSTAINABLE PROCUREMENT POLICY

The Mayor's Vision

The Mayor's vision is for London to be an exemplary, sustainable, world city. Sustainable development for London is about creating a better quality of life for London's communities now and in the future and is underpinned by three key principles:

- strong and diverse economic growth;
- social inclusivity to allow all Londoners to share in London's future success;
- fundamental improvements in environmental management and use of resources.

The GLA Group¹ will lead by example in using procurement as a mechanism for achieving his vision.

Context

The principal purposes of the GLA are the promotion of:

- Economic development and wealth creation within the Greater London area;
- Social development within the Greater London area; and
- Improvement of the environment².

The GLA has the power to do anything in furtherance of these principal purposes and in exercising these powers the GLA must do so in ways best calculated to promote improvements in the health of Londoners, and ways calculated to contribute towards the achievement of sustainable development in the United Kingdom³.

¹ The Greater London Authority, the London Development Agency, Transport for London, the London Fire and Emergency Planning Authority and the Metropolitan Police Authority. This Policy is also supported by the Metropolitan Police Service.

² Section 30(2) Greater London Authority Act 1999

³ Section 30(5), Greater London Authority Act 1999

In performing its principal purposes the GLA must have regard to principle that there should be equality of opportunity for all people⁴.

- The Mayor has a statutory obligation to produce strategies for London's spatial development (the London Plan), transport, economic development, and five environmental strategies covering air quality, biodiversity, waste, energy and noise. For each of these areas, the Mayor has produced strategies following appropriate consultation. In addition, the Mayor has prepared a number of non-statutory strategies.
- The Mayor sees procurement as a key opportunity to take forward the delivery of these principal purposes.
- The GLA Group spends in the order of £5 billion a year on procurement. The scale of this expenditure means that there is the potential for it to have a noticeable positive direct socio-economic and environmental impact, and for the GLA Group to influence wider procurement practice.
- The scale of the GLA Group procurement expenditure creates economic opportunities in relation to the delivery of the principal purposes and the GLA Group will seek to increase these opportunities through increased collaborative purchasing.
- The potential role that public sector procurement can play in implementing sustainable development is reflected in recent government policy documents and initiatives including the 'UK National Procurement Strategy for Local Government'⁵. The strategy states that the public sector should use procurement to help deliver corporate objectives including economic, social and environmental objectives and that sustainability should be built into procurement strategies, processes and contracts.
- Developing sustainable procurement is an important national policy priority, reconfirmed and emphasised in the March 2005 UK Sustainable Development Strategy⁶. The strategy states the UK's goal of becoming 'a leader within the EU' on sustainable procurement by 2009.
- The UK Government's current efficiency programme, initiated by Sir Peter Gershon's efficiency review⁷, has increased the importance of the public sector's efforts to deliver cost efficiencies while pursuing environmental and social objectives. The Gershon review contained a number of references to SMEs, innovation, competitive

⁴ Section 33(1) Greater London Authority Act 1999

⁵ 'National Procurement Strategy for Local Government in England' (ODPM/LGA. October 2003).

⁶ 'Securing the Future': March 2005, DEFRA.

⁷ 'Releasing Resources to the front Line: An Independent Review of Public Sector Efficiency' by Sir Peter Gershon (July 2004).

markets and whole-life costing⁸ and clearly stated that efficiency does not equal lowest price.

- The new EU procurement directives⁹ have helpfully clarified the extent to which environmental and social considerations can be taken account of during public sector procurements.
- Sustainable procurement was a valuable feature of the successful 2012 Olympic bid, and it will bring huge benefits to London as well as developing good practice that benefits the whole of the UK. A Statement of Procurement Principles for the Olympics was published in September 2005¹⁰ and provided a clear commitment to fully incorporating sustainable development into Olympic procurement processes.

⁸ The Office of Government Commerce defines whole-life costs as the costs of acquisition, operation, and maintenance over the whole life of a good, service, facility or works through to its disposal.

⁹ Directive 2004/17/EC (the Utilities Directive), Directive 2004/18/EC (the Public Sector Directive)

¹⁰ <http://www.lda.gov.uk/server/show/ConWebDoc.1221>

Our Commitment

We the members of the GLA Group and the Metropolitan Police Service are committed to leading on and promoting sustainable procurement in London.

We will strive to ensure that decisions taken by members of the GLA Group on the procurement of resources and/or in relation to the provision of grant funding or financial assistance to any organisation or individual are undertaken in line with our sustainability commitments, and wherever possible commercial relationships are formed and nurtured with partnering and contracting organisations who share our values on sustainability.

In our determination to become leaders in the field of sustainable procurement we will seek to identify and learn from examples of best practice. We will support, and evaluate opportunities for working in partnership with organisations such as the London Centre of Excellence¹¹ and the Sustainable Procurement Taskforce¹² in delivering and promoting sustainable procurement both in London and the rest of the United Kingdom.

We will communicate this policy across our organisations, our partners and through our supply chains.

¹¹ The London Centre of Excellence is one of nine regional Centres of Excellence created by the Office of the Deputy Prime Minister in February 2004 to deliver the National Procurement Strategy and the Gershon Review. Further information on the LCE is available at www.lcpe.gov.uk

¹² The Sustainable Procurement Taskforce is located within the Sustainable Development Unit of the Department for Environment, Food and Rural Affairs. Established in May 2005, the SPT is charged with drawing up an action plan by April 2006 to bring about a step-change in sustainable public procurement so that the UK is among the leaders in the EU by 2009.

Aims

The GLA Group and the Metropolitan Police Service aim to improve London's sustainability through its procurement across the following themes:

ENCOURAGING A DIVERSE BASE OF SUPPLIERS

- We will continue our commitment to the GLA Group Statement of Principles on Supplier Diversity.
- We will provide ongoing engagement and support to the Diversity Works for London Programme, which promotes greater supplier diversity in the private sector.
- We will explore opportunities for working with voluntary and community sector organisations in supply and service delivery.
- Our ongoing programme of reviewing our procurement processes will seek to ensure they remain transparent and open to the whole of the supplier community.

PROMOTING FAIR EMPLOYMENT PRACTICES

- Our ongoing programme of contract review will seek to ensure we move towards a position that, where appropriate, our contractors' staff receive a fair wage reflecting the environment in which they work, and that they enjoy contractual terms which represent reasonable minimum standards and which provide for family friendly, flexible and diverse working environments.
- We will support the ongoing work of the GLA's Living Wage Unit in monitoring the development and implementation of a London Living Wage Policy.
- We will seek to promote the benefits of adopting fair employment practices through the supply chain to our partner organisations, suppliers and the market.

PROMOTING WORKFORCE WELFARE

- Our ongoing programme of contract review will seek to ensure that wherever appropriate, our contract terms require our suppliers to make provision for the welfare of their workforce.
- We will seek to work with suppliers who do not prevent or discourage employees from joining trade unions or discriminate against employees who hold trade union membership.

MEETING STRATEGIC LABOUR NEEDS AND ENABLING TRAINING OPPORTUNITIES

- We will seek to incorporate provisions into our contracts, where appropriate, to offer training and employment opportunities for London's communities and to address under-representation of particular groups in particular sectors, and the need for providing skills and opportunities for people experiencing long-term unemployment.
- We will work with our suppliers to ensure that wherever appropriate employment opportunities arising from our contracts are communicated to local communities.

COMMUNITY BENEFITS

- We will take measures to understand the impact our procurement activities have on local communities.
- We will encourage a positive contribution from our suppliers to the local communities in which they work on our behalf.
- We will fully explore the opportunities for developing appropriate contractual provisions to deliver specific community benefits.

ETHICAL SOURCING PRACTICES

When sourcing suppliers for our contracts we will seek to work with suppliers who:

- Afford their employees the freedom to choose to work for them. Employees should be free to leave the supplier after reasonable notice is served. Suppliers should not use forced, bonded or non-voluntary prison labour;
- Establish recognised employment relationships with their employees that are in accordance with their national law and good practice. Suppliers should not seek to avoid providing employees with their legal or contractual rights;
- Can demonstrate a commitment to equality of opportunity for individuals and groups enabling them to live their lives free from discrimination and oppression;
- Impose working hours on their staff which are compliant with national laws or industry standards;
- Under no circumstances abuse or intimidate, in any fashion, employees and have appropriate disciplinary, grievance and appeal procedures in place;

- Work within the laws of their country
- Take appropriate measures to ensure the health and safety of their workforce and the wider public;
- Support our view that the long-term elimination of child labour is ultimately in the best interests of children, and have taken measures to ensure that child labour is not utilised in their operations;
- Do not support, encourage or facilitate the trade in drugs, arms, tobacco, slavery or prostitution; and
- Offer wages and benefits that at least meet relevant industry benchmarks or national legal standards.

We will encourage ethical sourcing practices among our suppliers, partner organisations and the broader market.

PROMOTING GREATER ENVIRONMENTAL SUSTAINABILITY

In promoting greater environmental sustainability through procurement we will:

- Continue our commitment to the Mayor's Green Procurement Code, to ensure that environmental issues are proactively addressed in all aspects of the procurement process and monitor our progress in this area;
- Seek to reduce waste through reviewing the amount and type of materials purchased, and by exploring the opportunities to purchase refurbished, recycled and recyclable equipment, products and materials;
- Source green energy wherever possible and adopt appropriate energy management measures across all GLA Group sites;
- Ensure that goods purchased by the GLA Group derive from natural sources where appropriate, do not have an adverse effect on the environment, and comply with EU and international trading rules;
- Purchase organic and Fair-trade food and drink where practicable;
- Ensure that vehicles purchased have low emissions of local air pollutants and climate change gases, and take account of the need to minimise emissions and exposure to air pollution in purchasing goods and services;

- Develop appropriate procurement frameworks to support the implementation of the Mayor's Ambient Noise, Air Quality, Biodiversity, Energy and Waste Strategies, and sustainable corporate working practices including on asset disposal; and
- Where appropriate, examine the environmental management practices of our current and potential suppliers.

Implementation

To ensure effective implementation of this policy we commit ourselves to:

- Making appropriate financial and staff resources available to take sustainable procurement forward;
- Implementing appropriate means of measuring progress, including establishing a baseline and regularly reporting progress;
- Integrating work on sustainable procurement across the GLA Group as appropriate; and sharing good practice.

Greater London Authority
Transport for London
London Development Agency
London Fire and Emergency Planning Authority
Metropolitan Police Authority
Metropolitan Police Service

**TRANSPORT FOR LONDON
STAFF SUMMARY
TfL BOARD**

TITLE: DLR (Capacity Enhancement and 2012 Games Preparations) Order
DATE: 24 MAY 2006

1.0 INTRODUCTION

- 1.1 The aim of this document is to provide an update on the proposal to upgrade capacity of the DLR North and East routes as part of the ongoing programme to enhance the capacity on the DLR network in conjunction with the Olympics preparations and seek support from the TfL Board for submission of an application for a Transport and Works Act (TWA) Order.
- 1.2 The proposed TWA Order application will incorporate a package of works, based on the Investment Programme. The distinct elements are:
 - Car North Route (LR-PJ05);
 - Delta Junction Grade Separation (LR-PJ21);
 - 3 Car Poplar-Woolwich Arsenal (LR-PJ22); and
 - 3 Car Canning Town-Beckton (not currently in the investment programme).

2. BACKGROUND & OBJECTIVES

- 2.1 This capacity enhancement project forms a major component of Docklands Light Railway Limited's (DLR) plans to upgrade lines across the DLR network. It is included in the TfL Investment Programme and the routes affected are shown in Appendix 1. This project will increase the capacity on the North and East routes by upgrading the stations and viaducts for three-car operation. It will:
 - Allow trains with an additional 50% capacity to operate on the route;
 - Reduce crowding;
 - Encourage regeneration, by providing space for passenger growth generated by new development; and
 - Maintain reliability by reducing dwell times.
- 2.2 In addition, part of the upgrade represents a major component of the Olympic Delivery Authority's (ODA's) package of transport improvements required to cater for additional travel demand during the 2012 games.
- 2.3 DLR is proposing to package together 4 different projects, 3 of which are included in the Investment Programme to secure all the necessary powers. This is the most effective process for securing all necessary powers in the timescales set out in the IP. The scope of the individual projects is similar and connected to the broader DLR strategy for capacity enhancement therefore it is logical to present them as a package of works in terms of statutory approvals. This approach has been agreed with TfL Legal and does not restrict DLR in attempting to secure consents and approvals outside of this process, ie, through negotiation or planning powers. However, in the absence of securing these consents, the TWA application and its associated powers provides a guaranteed

mechanism for securing all necessary powers to deliver the projects in the timescales set out.

3. ALTERNATIVES

- 3.1 DLR has undertaken a review of options available to increase capacity that would meet the projected levels of growth. To provide a significant increase in capacity, the only viable option is increasing the length of trains on the route from the current two-car formation to three-car formation.

4. DESCRIPTION

- 4.1 This project incorporates a package of planned measures that will lead to a major enhancement of capacity on the DLR network and will also form a key part of the Olympic transport proposals. The different elements are described in more detail below and illustrated in Appendix 1:

3 Car North Route (LR-PJ05)

- 4.2 The DLR North Route from Poplar to Stratford is served by two-car DLR trains from Stratford to Lewisham. Stratford station is already being replaced with a new twin platform facility that will be built to three-car length and Poplar station is included in the Bank-Lewisham three-car upgrade. This leaves DLR stations at All Saints; Devons Road; Bow Church and Pudding Mill Lane to be upgraded to three-car operation. Pudding Mill Lane is proposed to be relocated and rebuilt as part of the Crossrail proposals which will include new three-car length platforms. Subject to timing of the Crossrail works, DLR will be looking at the possibility of short term measures to upgrade Pudding Mill Lane station. Some other infrastructure works will also be required on this route including modifications to signalling, power supply and selected viaduct strengthening.

3 Car Poplar to Woolwich Arsenal (LR-PJ22)

- 4.3 The newly-opened DLR extension to King George V via London City Airport has been built to three-car specification, and the further extension to Woolwich Arsenal will also be able to accommodate three-car trains. Upgrading the short section between Poplar and Canning Town will enable three-car trains to run between Bank and Woolwich Arsenal. There are two stations on this section that need upgrading: Blackwall and East India.
- 4.4 No major structural strengthening works will be required, as the viaducts were built to accommodate three-car trains. Works will, however, be required to modify signalling and power supply. It is currently anticipated that this part of the scheme will be funded by Olympic Delivery Authority (ODA).

Delta Junction Grade Separation (LR-PJ21)

- 4.5 DLR has secured funding to upgrade the 'Delta Junction' at the centre of the DLR network just to the north of Canary Wharf. This junction currently restricts the frequency of trains and operational flexibility, in particular, the ability to run services between Canary Wharf and London City Airport/Woolwich Arsenal. This upgrade will see increased 'grade separation' to provide additional capacity and reduce operational constraints on the network. This is additional to the Bank-Lewisham three-car upgrade but it is envisaged these works will be undertaken as part of the broader three-car programme. Details of this proposed improvement are illustrated in Appendix 3.

3 Car Canning Town-Beckton (not in IP)

- 4.6 The upgrade of Royal Victoria station to allow for 3 car operation will be included as part of the DLR Stratford International Extension scheme. Beckton Park and Cyprus stations were built to three-car standards and will not require any further works. Therefore, the only remaining stations on the DLR network that will require upgrading to 3 car operation

are Custom House, Prince Regent, Royal Albert, Gallions Reach and Beckton. No major structural strengthening works will be required, as the viaducts were built to accommodate three-car trains. Works will, however, be required to modify stations, signalling and power supply equipment. The required station upgrades east of Canning Town are not currently funded in the TfL Investment Programme. However the provision for planning and feasibility work is included in DLR's existing budget.

- 4.7 Given this is a small package of works it is not particularly sensible (or cost efficient) to promote as a TWA application in isolation but incorporate as part of a larger scheme. Assuming the TWA for the larger package of works is confirmed, the powers for these particular works will have been activated and thus remain live until DLR has funding secured to implement them.

5. IMPACT ON FUNDING

- 5.1 THE CURRENT CAPITAL COST ESTIMATE FOR THE NORTH ROUTE 3 CAR UPGRADE IS £37.4 MILLION, WHICH HAS PROVISION IN THE TFL INVESTMENT PROGRAMME. THE DELTA JUNCTION GRADE SEPARATION IS ALSO FUNDED IN THE TFL INVESTMENT PROGRAMME (£24.8 MILLION). THE UPGRADING OF THE STATIONS AT EAST INDIA AND BLACKWALL IS TO BE FUNDED THROUGH THE ODA. FOR THE CANNING TOWN- BECKTON ROUTE, ONLY FEASIBILITY AND PLANNING WORK IS CURRENTLY ALLOWED FOR IN DLR'S BUDGET.

- 5.2 The cost of implementing the upgrade of the remaining parts of the East Route (stations at Custom House, Prince Regent, Royal Albert, Gallions Reach and Beckton) fall outside of existing budgets. The cost of implementing the works is approximately £15 million including an allowance for fees, procurement and land. DLR intends to include this as part of the TWA submission for securing the necessary powers, but this does not commit DLR to delivering this part of this scheme if additional funding is not available.

- 5.3 THE 3 CAR NORTH ROUTE PROJECT REPLACES PREVIOUS PROPOSALS TO UPGRADE THE SECTION OF THE RAILWAY BETWEEN BOW CHURCH AND STRATFORD TO DOUBLE TRACK, FOR THE REASONS DESCRIBED ABOVE.

- 5.4 IT IS ANTICIPATED THAT APPROXIMATELY £2.5-3.0 MILLION OF THE COMBINED PROJECTS BUDGET WILL BE USED TO COMPLETE FEASIBILITY/ SCHEME DEFINITION, PREPARE THE MATERIAL NECESSARY FOR THE TWA ORDER APPLICATION, MANAGE POTENTIAL OBJECTIONS, GO THROUGH THE PUBLIC INQUIRY PROCESS AND GO THROUGH THE PROCUREMENT PROCESS.

6. EVALUATION AND BENEFITS

- 6.1 THE BUSINESS CASE FOR THE NORTH ROUTE (POPLAR-STRATFORD) HAS BEEN PREPARED. THIS SHOWS A POSITIVE BENEFIT-COST RATIO FOR THE SCHEME OF 1.7:1. THE BENEFITS HERE ARE INCREASED REVENUE AND JOURNEY TIME AND REDUCTIONS IN OVERCROWDING. REGENERATION BENEFITS HAVE NOT BEEN INCLUDED. A BUSINESS CASE HAS ALSO BEEN PREPARED FOR THE SECTION TO THE EAST OF CANNING TOWN. THE BENEFIT-COST RATIO HERE IS 3.6:1, AS THE SIGNIFICANT JOURNEY TIME AND CROWDING IMPROVEMENTS SIGNIFICANTLY OUTWEIGH THE RELATIVELY LOW COSTS OF THE UPGRADE.

- 6.3 FOR THE DELTA JUNCTION UPGRADE, THE BENEFIT-COST RATIO IS FINANCIALLY POSITIVE, WHICH IS DUE TO A COMBINATION OF IMPROVED JOURNEY TIMES BETWEEN BANK AND CANARY WHARF, IMPROVED RELIABILITY,

NEW SERVICES FROM THE EAST WHICH AVOID INTERCHANGE AT CANNING TOWN AND CROWDING REDUCTION. THE BUSINESS CASE FOR OLYMPICS-RELATED UPGRADE WORK BETWEEN POPLAR AND CANNING TOWN HAS BEEN ASSESSED AS PART OF THE BROAD PACKAGE OF DLR WORKS.

REGENERATION

- 6.4 THE IMMEDIATE CATCHMENT AREAS SERVED BY THE DLR STATIONS COVERED IN THIS SCHEME ARE GENERALLY NOT SERVED BY MAJOR PUBLIC TRANSPORT LINKS WITH THE EXCEPTION OF THE DLR. THEREFORE, THE DEVELOPMENT OF THE NETWORK AND PROVISION OF ADDITIONAL CAPACITY IS ESSENTIAL IN ALLOWING THE CONTINUED REGENERATION OF THESE AREAS.

ACCESSIBILITY AND INTEGRATION

- 6.8 INCREASING CAPACITY OF THESE ROUTES WILL ALLOW MORE PEOPLE TO BENEFIT FROM THIS IMPROVED ACCESSIBILITY AND PROVIDE JOURNEY TIME IMPROVEMENTS IN SOME CASES.

EQUALITY AND INCLUSION

- 6.9 AS WELL AS SERVING AN AREA OF MAJOR CHANGE AND REGENERATION, THIS SCHEME WOULD PROVIDE SIGNIFICANT IMPROVEMENTS FOR EXISTING COMMUNITIES LIVING ALONG THE ROUTES. THIS INCLUDES POCKETS OF HIGH LEVELS OF SOCIAL DEPRIVATION WITH A LARGE PROPORTION OF BLACK AND MINORITY ETHNIC RESIDENTS WITHIN THE POPULATION. DLR WILL CONTINUE TO PROVIDE THE OPPORTUNITY FOR LOCAL RESIDENTS TO HAVE IMPROVED ACCESS TO JOBS ELSEWHERE IN THE DOCKLANDS AREA AND LOCATIONS SUCH AS LONDON CITY AIRPORT AND WOOLWICH ARSENAL.

ENVIRONMENTAL CONSIDERATIONS

- 6.10 THIS DLR UPGRADE WILL IMPROVE LOCAL ACCESSIBILITY AND MAINTAIN THE ATTRACTIVENESS OF A PUBLIC TRANSPORT ALTERNATIVE FOR NEW AND EXISTING RESIDENTS AND BUSINESSES LOCATED IN THE CATCHMENT AREA OF THE STATIONS. THE CONSTRUCTION WORK WILL HAVE SOME IMPACT ON THE LOCAL URBAN ENVIRONMENT BUT THROUGH CAREFUL DESIGN AND APPROPRIATE MITIGATION, THE NEW STRUCTURES HAVE THE POTENTIAL TO BE SEEN AS A POSITIVE IMPACT ON THE LOCAL AREA. UPGRADING TO THREE-CAR CAPABILITY MAY LEAD TO A SLIGHT INCREASE IN NOISE LEVELS. HOWEVER, THE DESIGN OF DLR VEHICLES, THE APPLICATION OF THE DLR NOISE AND VIBRATION POLICY AND THE INTRODUCTION OF MITIGATION MEASURES SUCH AS SCREENS AND BARRIERS WILL ENSURE THAT THIS INCREASE IS KEPT TO AN ACCEPTABLE MINIMUM. AS PART OF THE TWA SUBMISSION, THE PROPOSALS WILL BE SUBJECT TO A FULL ENVIRONMENTAL IMPACT ASSESSMENT.

7 RISKS

- 7.1 The scheme is subject to approval via a Transport & Works Act application. This involves an element of risk in terms of third party objections. However, DLR is in the process of consulting with the public/stakeholders and negotiating with third parties and potential objectors. DLR has demonstrated its ability to manage these risks effectively with recent TWA schemes such as the previous 3 car (Bank-Lewisham) project, Woolwich Arsenal and Stratford International extensions.

- 7.2 In the absence of progressing this project through a TWA application, DLR would have to rely solely on securing agreement with third parties and securing supplementary consents, which may not be forthcoming. TWA minimises some of these risks and provides a vehicle for securing all necessary approvals through a single combined process.

8 OVERALL PROGRAMME

- 8.1 The outline timetable for the project (assuming all works are progressed to implementation at the same time) is summarised below:

- Detailed scheme development and Environmental Impact Assessment complete: May 2006
- Transport & Works Act submission: June 2006
- Public Inquiry: December 2006
- Secretary of State Decision: June 2007
- Construction start: January 2008
- Likely completion date: March 2010

- 8.2 DLR is currently progressing with technical engineering studies and is about to commence a full environmental assessment. A major consultation exercise is ongoing and DLR has circulated leaflets to DLR users and 90,000 households along and around the affected routes and stations.

- 8.3 DLR has a regular working group meeting with Council Officers at the London Borough's of Newham and Tower Hamlets and will work to ensure Council members are briefed accordingly and their support in principle for the scheme and TWA application is forthcoming. The suggested next steps in terms of approvals are as follows:

- Staff Summary to Board seeking approval to submit TWA application in May
- Separate Mayoral approval to deposit TWA application in June 2006
- TWA submitted in late June 2006

- 8.4 A detailed programme of the work involved to prepare for the TWA submission is attached in Appendix 2.

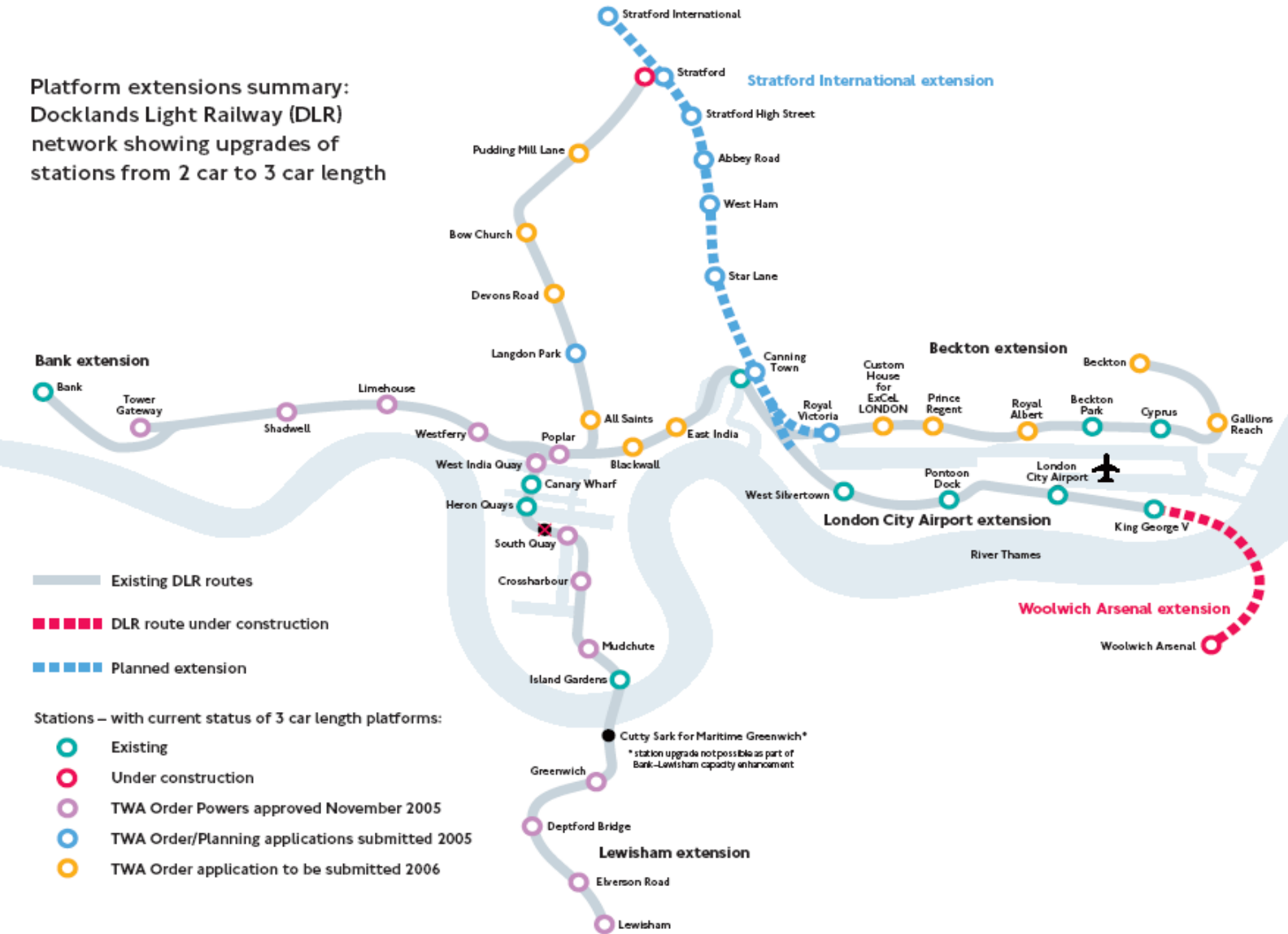
9. RECOMMENDATION

The Board is requested to:

- (a) note the content of this paper;
- (b) approve the submission by DLR Limited of an application under the Transport & Works Act for powers to upgrade the Beckton and Stratford routes of the DLR network to 3 car operation and associated capacity enhancements described above ("the Scheme") subject to:
 - (i) the Managing Director London Rail agreeing the details of the final scheme; and
 - (ii) the consent of the Mayor;and
- (c) delegate authority to any of the Managing Director London Rail or Chief Operating Officer of London Rail as directors of DLR Limited to:
 - (i) agree the final terms of the application for an Order under the Transport & Works Act for the Scheme; and
 - (ii) do all such further things and sign and/or seal and deliver, or authorise DLR to sign and/or seal and deliver, such further documents, agreements or notices as are required in connection with the submission of the application

for an Order under the Transport & Works Act for the Scheme, to respond to any objections to the Scheme and to prepare for and attend any public inquiry that made be held in relation the Scheme.

**Platform extensions summary:
Docklands Light Railway (DLR)
network showing upgrades of
stations from 2 car to 3 car length**



Appendix 1: Planned upgrade routes between Poplar and Stratford and Poplar and Beckton (orange circles represent stations to be upgraded under this TWA order). The Delta Junction is just to the north of West India Quay station.

TRANSPORT FOR LONDON

STAFF SUMMARY

TFL BOARD

**SUBJECT: TfL OPERATIONAL, FINANCIAL AND INVESTMENT PROGRAMME
REPORTS – 4th QUARTER 2005/06**

MEETING DATE: 24 MAY 2006

1. PURPOSE

1.1 To inform the Board of TfL's operational and financial performance and progress of the Investment Programme over the fourth quarter of 2005/06 (11 December 2005 to 31 March 2006) and highlight the main achievements of the full year.

2 INTRODUCTION

2.1 Attached are two reports which detail TfL's performance over the fourth quarter of 2005/06. They are as follows:

- The TfL Operational and Financial Report – Appendix 1
- The TfL 5-year Investment Programme Report – Appendix 2

3 RECOMMENDATION

3.1 The Board is asked to note:

- TfL's operational and financial performance over the fourth quarter, 2005/06
- TfL's progress on the Investment Programme over the fourth quarter, 2005/06

4 CONTACTS

4.1 For detailed enquiries on the content of these reports, please contact:

Richard Browning – Director, Group Business Planning & Performance

TRANSPORT FOR LONDON

STAFF SUMMARY

TFL BOARD

SUBJECT: TfL OPERATIONAL AND FINANCIAL REPORT – 4th QUARTER

MEETING DATE: 24 MAY 2006

1. PURPOSE

1.2 To inform the Board of TfL's financial position and highlight related performance issues arising during the fourth quarter of 2005/06 (11 December 2005 to 31 March 2006) and highlight the main achievements of the full year.

2 KEY HIGHLIGHTS

2.1 The key highlights of 2005/06 were as follows:

- TfL's network has shown considerable resilience following the terrorist events on the 7 and 21 July 2005, which had a major impact on the London Underground and to a lesser extent the bus network. The recovery in demand has been much quicker and much stronger than anticipated, with high levels of service seen before these events now restored.
- High levels of customer satisfaction seen in previous years were maintained, with targeted levels achieved in most areas of the business.
- Passenger journeys on the London Underground were 2.5% above target and only 5 million down on the record level set last year, despite the losses caused by the terrorism events, without which a new record of close to a billion journeys would have been established. The rapid recovery in demand following the aforementioned incidents helped London Underground's traffic fares income exceed budget by £52m.
- Passenger journeys on the bus network grew slower than in previous years, up 1.3% on the previous year, and down slightly against budget. Fares income from the bus network was slightly below budget mainly due to lower than anticipated background economic growth exacerbated by the July terrorist events.
- Reliability of service remained significantly better than benchmark levels set in 2002/03. The decrease in the percentage of Scheduled Services Operated compared to the previous year seen on the Underground reflects the impact of increased engineering works and the impacts from the terrorist events in July. Performance on the bus network and DLR remained broadly in line with budget and the level of performance seen last year.
- The total number of accidental fatalities on the London Underground during the year (excluding 7/7 events) was 2. In only one of the past 15 years have there been fewer incidents.

- Improvements were seen to the diversity of TfL's workforce over the year, with increases in the percentage of women and Black, Asian and Minority Ethnic (BAME) across both operational and non-operational staff. Although TfL met its BAME target, it remains short of targeted levels of women.
- The entire mainstream London Bus network was fully accessible by the end of the year, the only exception being the two heritage Routemaster services, which operate over parts of routes 9 and 15. In addition, all buses had on-bus CCTV coverage as planned, by the end of 2005. Passengers will not only benefit from enhanced levels of security, but also environmental improvements resulting from the successful use of CCTV to combat bus etching and graffiti.

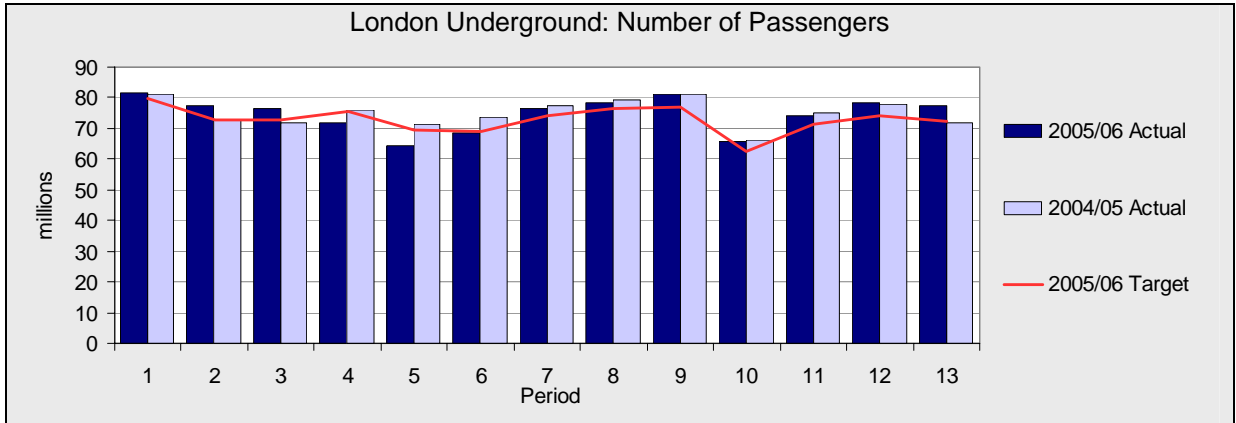
2.2 The key highlights arising over the fourth quarter of 2005/06 were as follows:

- Fare revisions were successfully introduced in January 2006, with the overall increase in revenue and changes in passenger numbers in line with forecasts. The revised packages coupled with marketing and operational improvements have had the effect of reducing cash usage on London Underground by over 50% and reducing its usage on buses to 5.6% of journeys, to speed up journeys and improve the efficiency of the network.
- Journeys using Oyster card pay as you go now exceed a million trips on most days, with over 40,000 new customers continuing to move over to pay as you go each week.
- London Underground successfully implemented the 35-hour week for station staff at the beginning of period 12, with changes to ticket office opening hours and consequent redeployment of staff within stations.
- The Central Line delivered a consistently reliable performance over the quarter, with an impressive 99.1% of schedule operated in period 12, the best result by a major line for over 8 years.
- Six state-of-the-art environmentally friendly, hybrid buses were added to the London bus fleet in February. The new buses, are cleaner, quieter and use less fuel than diesel buses, leading to a reduction in carbon dioxide emissions. They work by using a 336 volt battery and electric motor to drive the wheels, with a diesel engine keeping the battery charged.
- In February, it was agreed with DfT that from Autumn 2007 the responsibility for managing the North London Railway will be transferred to TfL. The process to appoint an operator to run the concession has commenced with the successful bidder will start operating the Railway on 11 November 2007. Until then, the services will continue to be run by the current franchise operator, Silverlink Metro, managed and funded by the Department for Transport.

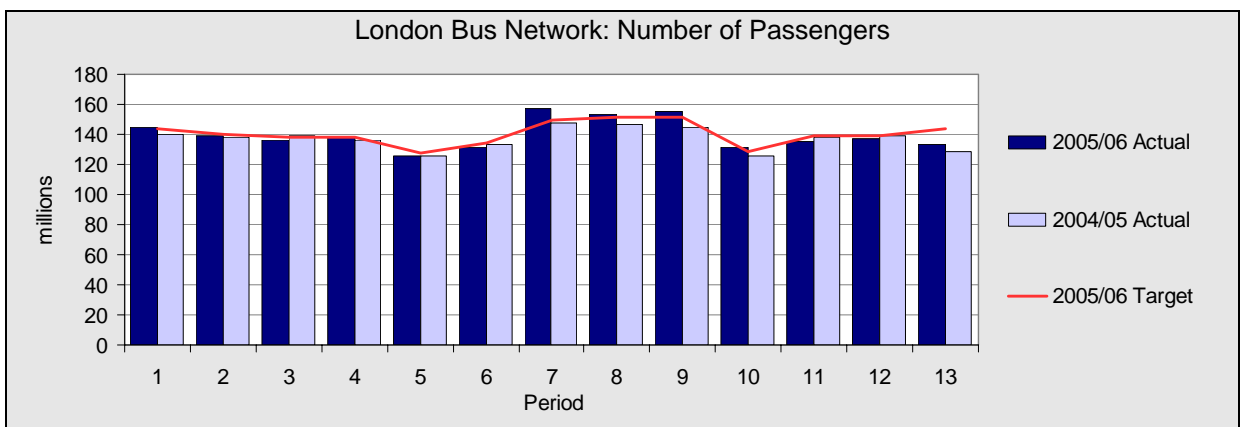
3 OPERATIONAL REVIEW

Service Demand

- 3.1 Overall passenger demand for the full year at 2,866m journeys was 16m higher than target, an increase on numbers seen last year. The result mainly reflected the higher than anticipated demand on the London Underground. Demand on the bus network remained largely unchanged on last year was below its full year target, while demand on the DLR achieved its full year target.

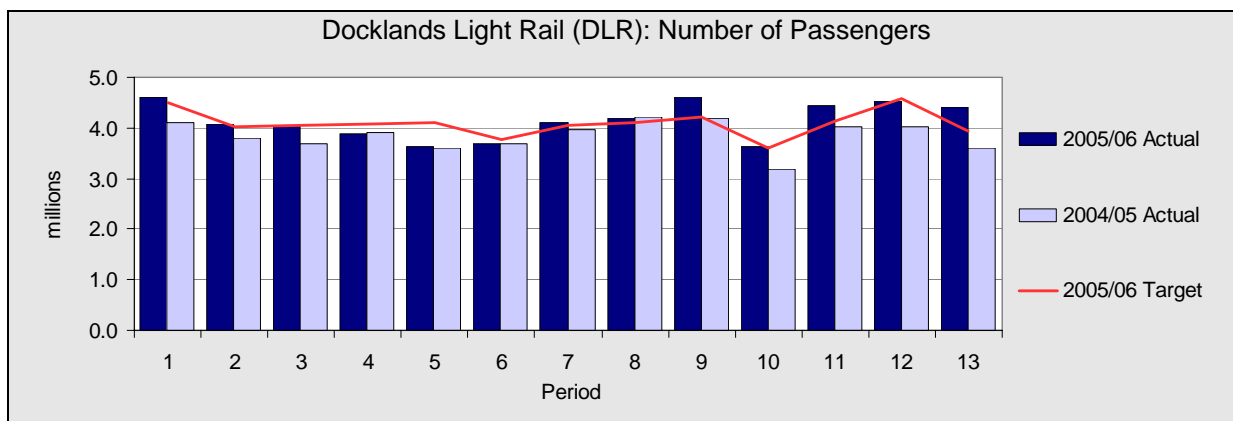


- 3.2 Demand on the **London Underground** continued to increase strongly over the fourth quarter. Passenger journeys at 295m were some 5% higher than target and up on the same quarter last year. The total number of passenger journeys for the year reached 971m, which was 24m higher than target, although a slight decrease on the previous year's result of 976m. These results reflect the continued strengthening of demand on the Underground and the faster than expected recovery from last July's terrorist events.
- 3.3 The January 2006 RPI+1% (3.9%) fares revision was not expected to impact demand to any large extent, as the revision was intended to encourage passengers to switch to Oyster cards. The success of the revisions has seen the proportion of journeys using Ordinary cash fares fall to 6.5% by year end, down from 13.1% at the end of the last quarter, while Oyster single fares have increased to 14.8% of all London Underground journeys compared with 8.7% at the end of the previous quarter.



- 3.4 Demand on the **Bus network** was better than target over the fourth quarter. The total number of passenger journeys for the year was 1,816m, and although slightly below the full year target, this was an increase of 1.2% on the previous year's 1,793m journeys.

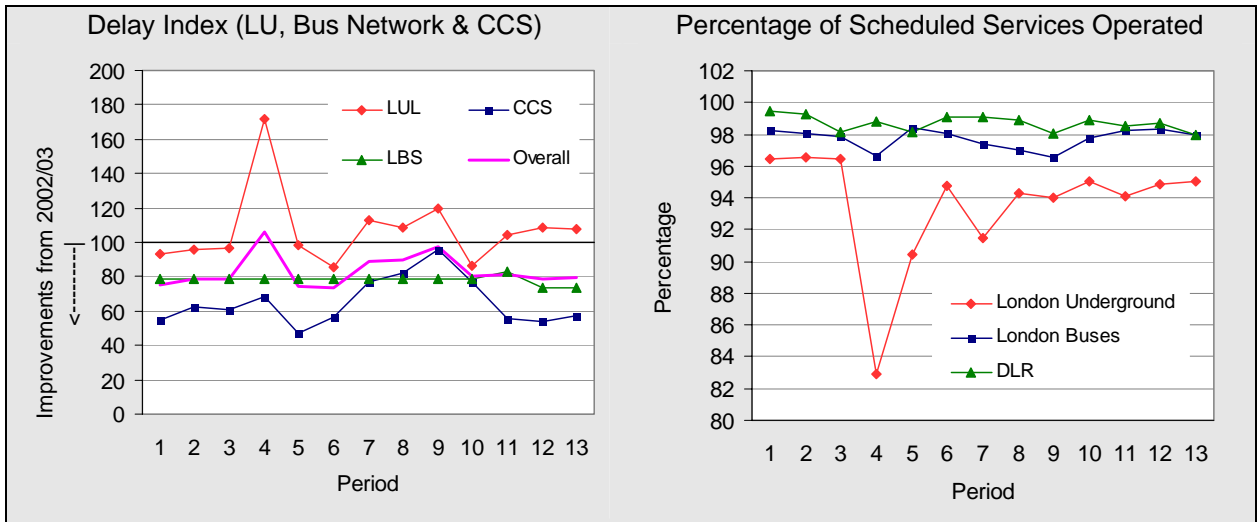
- 3.5 Free bus travel was extended to the under 16s from September 2005. (Since January 2004 under 11s have travelled free on bus). Around 12% of bus journeys (over 200m pa) are now made without charge by the under 16s, and the number is continuing to increase.
- 3.6 The January 2006 RPI+10% (12.9%) fares revision was estimated to have led to a 2% reduction in journeys, offsetting some of the anticipated increase by free travel for under 16's. However, as with tube fares, the intention were to encourage further switching out of cash fares. Before the fares revision around 9% of passengers paid cash fares, while at the end of this quarter this has dropped to below 6%.



- 3.7 Passenger journeys on the **DLR** over the fourth quarter at 17m were in line with target, although up nearly 15% on the same quarter last year. For the full year journeys were up 7% on the previous year, and met target. On the Lewisham Extension, where TfL has revenue risk, journeys were up over 7% on the previous year. Since the opening of the London City Airport at the end of the third quarter, journey numbers over the quarter were encouraging with around 10,000 passengers using the line each weekday, which is in line with expectations.
- 3.8 In other areas of TfL, journey numbers on London River Services (multi-stop) were up 40% on last year, with the river bus service provided under the Thames Clipper contract performing strongly. Departure numbers at the Victoria Coach Station however were down 8% on last year primarily as a result of a reduced Oxford Express service and lower than anticipated Euroline services.
- 3.9 The level of walking and cycling continued to increase strongly across London. Levels of cycling during 2005/06 were over 70% higher on London's main roads than they were in 2000.

Service delivery

- 3.10 Overall reliability of service, measured by the Delay Index, remained 17% better than the benchmark level set in 2002/03, although the full year result was slightly worse than last year. Over the final quarter, service reliability on the bus network and for the congestion flow rate (CCS) improved, although journey time on the London Underground continued to be impacted by higher than anticipated passenger demand and industrial action.



- 3.11 On the **London Underground** Excess Journey Time improved on the previous quarter as the effect of higher demand at stations and on trains were offset by lower unplanned closures. The growth in the use of Oyster cards particularly ‘pay as you go’ has also been a positive factor in reducing overall journey times. For the full year, Excess Journey Time results were over target, if the direct effects from the terrorist events in July and the Northern Line tripcock issue are excluded, the average result falls within targeted levels of performance.
- 3.12 The percentage of Scheduled Services Operated on the **London Underground** for the year was below target, primarily due to the July terrorist incidents which significantly impacted the Circle, Hammersmith & City and Piccadilly lines, the Northern line tripcock issues, and industrial action which mainly affected the District line. Excluding these factors, performance would have exceeded target levels and improved on the previous year.
- 3.13 On the **bus network** the previous years' service improvements were maintained in 2005/06, with full year results of Scheduled Services Operated matching results from 04/05 at 97.7%. This result demonstrates the continued success of the Quality Incentive contracts in sustaining service reliability. It is estimated that the target level of 97.8% would have been comfortably achieved were it not for the non-deductible losses resulting from the closure of Battersea Bridge, the Limehouse Link Tunnel fire and the events of July 7th. Losses due to staffing and for mechanical reasons were at the lowest level for many years.
- 3.14 On central London roads, traffic entering the **Congestion Charging Zone** was down around 5% on last year. The PCN issue rate also continued to decrease showing greater compliance by motorists. The operational performance of the scheme, by the service provider Capita over the year, remained in line with expectations.
- 3.15 Journey time reliability on the **road network** (TLRN) was significantly higher (worse) than the previous year result which is against the downward trend seen since 2002. Further work is being carried out to look at historic flows and number and type of incidents and events to gain further insight into their impact.

Other operational issues

- 3.16 Other operational issues of note during the quarter are as follows:

- TfL agreed voluntarily to adopt Section 17 (S17) of the Crime and Disorder Act, which will mean that the business will need to consider the impact all of its activities and projects have on crime and disorder. The adoption of the S17 provision is expected to deliver real benefits to both TfL's customers and staff.
- The use of Quality Incentive Contracts (QIC) for the management of the bus fleet continued to provide benefits to both TfL and its customers in terms of financial and service performance. An investigation by the London Assembly Cross Party Transport Committee into the management of the London Bus fleet highlighted the success of the QIC model in terms of improved service levels and cited it as a preferred model for other world cities.
- A Travel Demand Management unit was established during the quarter, and has been organised around five principal work areas and will develop best practice toolkits, pilots and guidance to relevant areas.

3.17 A summary of TfL's performance over the quarter against key indicators is provided in **Annex 1**.

4 CUSTOMER IMPACTS

- 4.1 TfL's fourth quarter Customer Satisfaction Score (CCS) overall evaluation remained unchanged on the previous quarter at 78, and has met the full year target.
- 4.2 Overall satisfaction on the **London Underground** has met target, remaining at 78 for the second successive quarter after achieving a record high of 79 in quarter 2.
- 4.3 Satisfaction on the **bus network** was only one point down against target. Satisfaction with information provided has decreased since last quarter and was under the target level of 75. However, reliability, personal safety and security and level of crowding have all met the set targets. Satisfaction with night bus services remain lower than for day buses, although it has increased by three points this year to 73.
- 4.4 The number of killed or seriously injured casualties (KSI) on London's roads during 2005 was 3,650 (estimate), which is a reduction of 12% compared with the 4,169 that were injured in 2004. This shows that by the end of 2005, KSI casualties are about 45% below the average for 1994-98, so that London remains in line to meet the new 50% casualty reduction target by the year 2010.
- 4.5 There was an increase in the overall fatality and injury figures (excluding those on the road network) for the full year. While it is still thought that the longer-term trend for incidents are decreasing, improvements to the data collection process and higher levels of incident reporting have resulted in an increase year on year.

5 FINANCIAL REVIEW

- 5.1 TfL's gross margin for the full year at £2,123m was £195m better than budget. The result reflects income of £2,852m which is £91m higher than budget and operating expenditure of £4,975m which was £104m lower than budget. Net capital expenditure for the full year of £519m was £28m below budget after taking into account the budgeted overprogramming reduction.

£'millions	Full Year			Full Year	
	Outturn	Budget	Var to Budget	Period 9 F'cast	Var to F'cast
Operating Budget					
Income	(2,852)	(2,761)	(91)	(2,778)	(74)
Operating expenditure	4,975	5,079	(104)	5,002	(27)
Gross Margin	2,123	2,318	(195)	2,224	(101)
Capital Budget					
Capital expenditure	680	884	(204)	693	(12)
Capital receipts/reimbursements	(147)	(184)	37	(146)	-
Property sales	(15)	(13)	(2)	(13)	(2)
Over-programming (capital)	-	(140)	140	(5)	5
Net Capital Expenditure	519	547	(28)	528	(10)
Contingency	-	26	(26)	-	-
Net Service Expenditure	2,642	2,891	(249)	2,752	(111)

Outturn against Period 9 Forecast

5.2 TfL's gross margin was £101m lower than forecast in period 9, as a result of higher than forecast income and lower than forecast expenditure. Net capital expenditure was £10m lower than forecast. The main movements are explained below.

Operating Budget

- Within London Underground fare income for the full year was £22m higher than the forecast, which was not raised at the end of last quarter due to uncertainty over the impact that the January fares revision would have.
- Expenditure on PPP payments fell £13m lower mainly due to poorer than anticipated performance by the Infracos.
- Following the increase of London Underground's risk provision in response to a number of high profile risk issues at the end of the third quarter, it has been managed down by £60m to within the original budget level.
- There has been a £25m increase in income and a £19m increase in expenditure relating to congestion charging since the period 9 forecast. Enforcement income was significantly higher than anticipated, up nearly £20m on the forecast. In addition there have been some adjustments made to the bad debt provisions based on changes in the expected recovery rates. The full year effect of this has been captured in period 13. The adjustments made cover the full provisions balance from the inception of Congestion Charging to 31 March 2006 and now more reasonably reflect current and expected future levels of Income recovery.
- TPED income was £8m higher than anticipated in the period 9 forecast. This was offset by the proportional increase in expenditure relating to the bad debt provision of £5m.

- Within Surface Transport there is an £12m increase in income offset by a £12m increase in expenditure relating to the commencement of a new bus stop shelter advertisement contract with Clear Channel in January 2006, following the cessation of the Adshel Partnership agreement. Under the new agreement the advertising income and expenditure relating to the contract is being accounted for gross. This has a no impact on net expenditure.

Capital Budget

- London Underground's gross capital expenditure was £12m lower than forecast in period 9, mainly as a result of non-materialised risk on Connect enabling works that were substantially completed by the year end.

6 INCOME

- 6.1 TfL's total income for the full year was £91m better than budget and up 8.4% on the previous year. The result principally reflects better than budgeted fares income on the London Underground and Congestion Charging income. The years Easter fell outside of the fourth quarter increasing annual revenue on a like for like basis when compared to 2004/05.

Prior Year Actual	Income (£m)	Full Year		
		Actual	Budget	Variance to Budget
(1,240)	Underground Traffic Income	(1,307)	(1,255)	(52)
(869)	Bus Network Income	(939)	(941)	2
(192)	Congestion Charging Income	(254)	(216)	(38)
(331)	Other Income	(352)	(349)	(3)
(2,632)	Total Income	(2,852)	(2,761)	(91)

- 6.2 Traffic revenue on the **London Underground** for the full year was well above budget, as demand recovered strongly following the terrorist incidents of 7 and 21 July. After adjusting for the timing of Easter, income is up 3.8% on the previous year. By the end of the year, Oyster PAYG (pay as you go) accounted for nearly 20% of all London Underground's periodic fare income, having started the financial year at around 6%. Ordinary fare revenue fell from around 20% of the total at the beginning of the year to around 11% by year end. There was also decrease in the percentage of revenue from One Day Off-Peak Travelcards, down from 25% to 20%.
- 6.3 London Underground secondary income for the full year, including advertising income and property rental income was better than budget. This reflects additional advertising income from the Viacom contract, higher Metro distribution figures and new letting in Acton.
- 6.4 **Bus network** income of £939m for the full year was slightly less than budget. However, income was up 7.5% on a year ago, after adjusting for the timing of Easter, primarily as a result of higher demand. The £2m shortfall in revenue was largely the result of lower than anticipated background economic growth, exacerbated by the July bombings. (UK retail sales volume grew by only 0.4% in 2005/06 compared with 3.7% in 2004/05). A more minor contributory factor was customers switching from cash to cheaper prepaid tickets faster than expected over the latter part of the year.
- 6.5 The February Bus Fare Evasion Survey indicate that fare evasion rates on one person operated (O.P.O) routes over the year were down slightly from 3.0% to 2.3%, while fare

evasion rates on open boarding routes have increased slightly from 7.3% to 7.8% over the year.

6.6 **Congestion Charging** income is now presented on a gross basis, with a separate bad debt provision. The real increase in income was £14m compared to budget at £245m. This reflects a higher than estimated yield per PCN, and volumes being higher than expected following the increase in the charge in July 2005.

6.7 In 'Other income', TPED enforcement income for the year was £25m (or 35%) below budget as a consequence of a slower than planned build up of enforcement of moving traffic offences and continued changes to driver behaviour with respect to bus lane enforcement. PCO income was £4m higher than budget as a result of churn within the market, while VCS commercial income was £4m below budget due to lower coach ticket sales. Income on the DLR was in line with budget, however on the Lewisham Extension, where TfL has revenue risk, income was up around 5% against budget.

7 OPERATING EXPENDITURE

7.1 TfL's total operating expenditure for the full year, after overprogramming, was £104m under budget.

Operating Expenditure (£m)	Full Year		
	Actual	Budget	Variance to Budget
London Underground	2,362	2,472	(111)
Surface Transport	2,234	2,243	(9)
London Rail	129	117	13
Group Directorates	250	266	(16)
Overprogramming (Operating)	-	(20)	20
Total Operating Expenditure	4,975	5,079	(104)

Note: full year Borough related expenditure within Surface, £91.7m of actual and £93.3m of budget, has been reclassified in the management accounts from capital to revenue. Third quarter forecasts presented in this report has been amended accordingly so that a like for like comparison can be made.

7.2 **London Underground's** operating expenditure for the full year was £111m below budget. This reflects lower than budgeted payments to Infracos (£26m BCV, £8m JNP and £21m SSL), lower PFI costs of £14m due to Connect delays and savings on Prestige and Power, £8m reduction in expenditure on operational improvements and £32m of savings on central expenses including rates (£4m), insurance (£5m), commissions (£5m), settlement of old liabilities (£6m), interest payable by Infracos (£3m) and recovery of very old bad debts (£2m). As forecast, higher energy costs have resulted in traction and utility costs being £10m above budget.

7.3 Operating expenditure in **Surface Transport** for the full year was £9m below budget. This reflects £33m of savings on Bus network operating costs which benefited from efficiency savings through the contract re-tendering regime, rescheduling of services and a reduction in ticket selling commission payable due to changes in the ticket mix. Lower spend of £12m related a delay in usage based payments as a result of delayed completion of the communication system for the A13 DBFO². TPED expenditure was

⁽²⁾ Accounted for as operational expenditure

£6m lower than budget due to recruitment delays and lower cost recovery by London Boroughs in respect to the agreement to support bus lane enforcement. The provision for Congestion Charging bad debts was £24m higher than budget as a result of additional income and a revised bad debt policy. In addition, expenditure within Finance and IM was £10m above budget due to additional IM expenditure to create a unified technical environment, while expenditure within marketing and research (strategy) was £6m above budget due to additional marketing campaigns undertaken including Everyone's London and Safe Travel at Night.

- 7.4 Full year operating expenditure in **London Rail** was £13m higher than budget. £8m of this is a result of re-classification of capital expenditure to operating expenditure on National Rail security projects where the assets are being purchased, operated and maintained by the train operating companies (TOCs). The balance is made up primarily of the following items; £2m for Stratford International and £1m for 3 Car both due to programme acceleration, with a further £1m for the DLR refranchise due to the increased number of bidders and procurement stages. There has been an increase in activity on the DLR which has cost £1m which is offset by £1m in the income line.
- 7.5 Operating expenditure within the **Group Directorates** was £16m below budget for the full year. This mainly reflects lower than budgeted interest costs, which were £45m, lower than budget, as a result of the value and timing of Prudential borrowing draw-downs. This was offset by increased marketing spend on Oyster to support the January fares revision and on the Everyone's London campaign, additional project planning and approval costs on projects such as the Thames Gateway enquiry, and higher expenditure on IT including provision for payments with Logica CMG that are currently in dispute, unbudgeted work the Momentum Programme (to stabilise and enhance SAP) and the SAP portal.

8 CAPITAL EXPENDITURE

Capital Expenditure (£m)	Year to Date		
	Actual	Budget	Variance to Budget
London Underground	318	376	(57)
Surface Transport	267	345	(78)
London Rail	83	93	(10)
Group Directorates	12	70	(58)
Gross Capital Expenditure	680	884	(204)
Capital receipts/reimbursements	(147)	(184)	37
Property sales	(15)	(13)	(2)
Overprogramming (Capital)	-	(140)	140
Net Capital Expenditure	519	547	(28)

- 8.1 Net capital expenditure year to date at £519m was £28m below budget. For further detail on capital expenditure please refer to the **Investment Programme Report**.

9 BALANCE SHEET

TfL Group Balance Sheet at the end of Period 13 (£m)	Variance to Budget
Fixed Assets (higher than budget)	280
Debtors and payments in advance (higher than budget)	95
Cash (i.e. an increase in cash over budget)	418
Creditors (higher than budget)	(442)
Prudential loans (higher than budget)	(8)
Deferred Capital Grant (higher than budget)	(116)
Provisions (lower than budget)	8
Total Net Assets	235

- 9.1 Fixed assets are higher than budget because reporting information received from the Infracos shows a higher proportion of expenditure under the PPP contracts will be accounted for as fixed assets on London Underground's balance sheet. This is partially offset by lower capital expenditure and higher depreciation.
- 9.2 The main variances from budget for debtors and payments in advance are in London Underground. Debtors are higher than budget as the budget assumed an earlier receipt of monies due to London Underground under the Share Purchase Agreement with the Infracos. In addition, costs on the Connect PFI project are being held in debtors and will be released to the profit and loss account as the assets it is delivering come in to service. This was budgeted to be in the current year but the New Service Live Date has been rescheduled and this has contributed to a higher debtor position.
- 9.3 Creditors are over budget by £512m, largely due to the higher PPP lease creditor balances associated with the increased levels of fixed assets delivered in the year. In addition, cash has been received by the Group in respect of certain contractual disputes but is being held in abeyance pending final resolution of the disputes.
- 9.4 The higher net creditor position and lower than budget activity spend has resulted in cash balances some £418m above budget.
- 9.5 Deferred capital grant is higher than budget reflecting lower than budgeted net operating expenditure and therefore lower revenue grant requirement.
- 9.6 London Underground have increased their provision balances following legal advice relating to a contractual indemnity.
- 9.7 In period 13 the percentage of invoices paid within 30 days remained at 86%, the same as in period 9. This kept the cumulative figure at 85%, above the Best Value Performance Indicator target for Accounts Payable of 84% for the year.

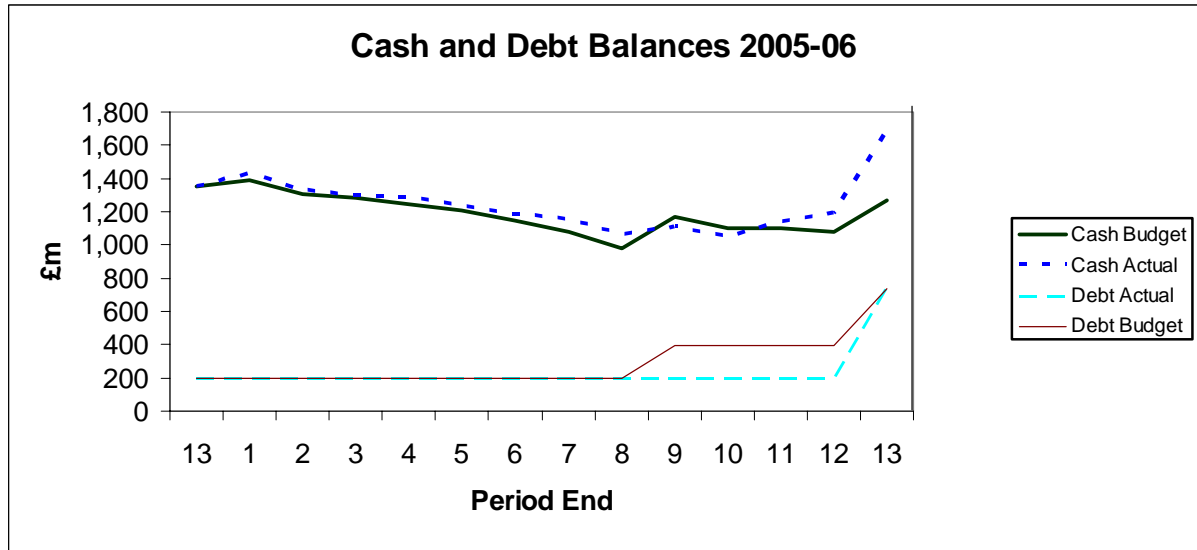
10 CASH

Cash Balances

- 10.1 Cash balances of £1,687m at 31 March are £418m higher than budget mainly due to lower than budgeted external payments by London Underground. Refer to **Annex 5** for periodic cash balance over the quarter.

Cash Balances and Debt

- 10.2 Net cash at 31 March 2006 amounted to £941m comprising £1,687m (as reported above) less outstanding debt of £746m. Debt increased in March by £550m with the receipt of £197.6m proceeds from the second MTN issue, borrowing of £334.3m from the Public Works Loan Board and the drawdown of the first instalment of £18.1m from the European Investment Bank's £450m facility to fund the East London Line.
- 10.3 The graph below shows the budgeted cash balances and debt compared to actual at each period end throughout the year.



Performance

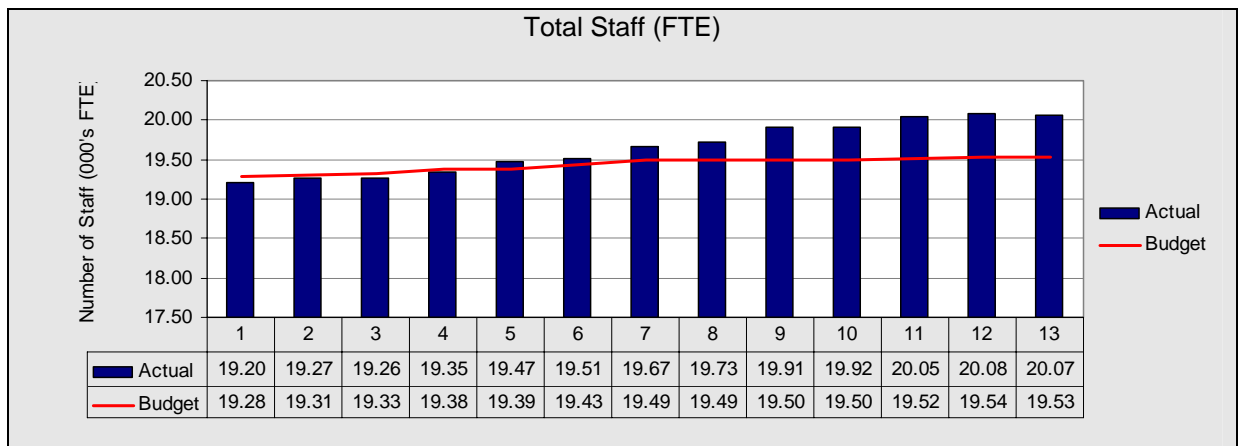
- 10.4 Performance against the earnings benchmark of average 3 month's LIBOR minus 15 basis points is tabled below. TfL continues to perform above this benchmark, currently within a range of 9 – 12 basis points. The average yield for the year was 4.68%, 10 basis points above benchmark.

Treasury Management Yield (%)	P10	P11	P12	P13	Year Actual	Year Budget
Period end	7 Jan	4 Feb	4 Mar	31 Mar	-	-
Benchmark	4.46	4.47	4.46	4.45	4.58	-
Average Rate of Return	4.58	4.56	4.56	4.56	4.68	5.00
Excess over Benchmark	0.12	0.09	0.10	0.11	0.10	-
Interest Earned	£3.8m	£3.5m	£3.9m	£4.3m	-	-
Interest year to date	£43.3m	£46.8m	£50.7m	£55.0m	£55.0m	£62.0m

- 10.5 Base Rate was budgeted at 5%. Rather than rise to 5% it fell to 4.5% in August where it has remained. The current consensus is that interest rates will not move either way for the time being. Interest income for the year was £55m, an improvement of £3m over the period 9 forecast.

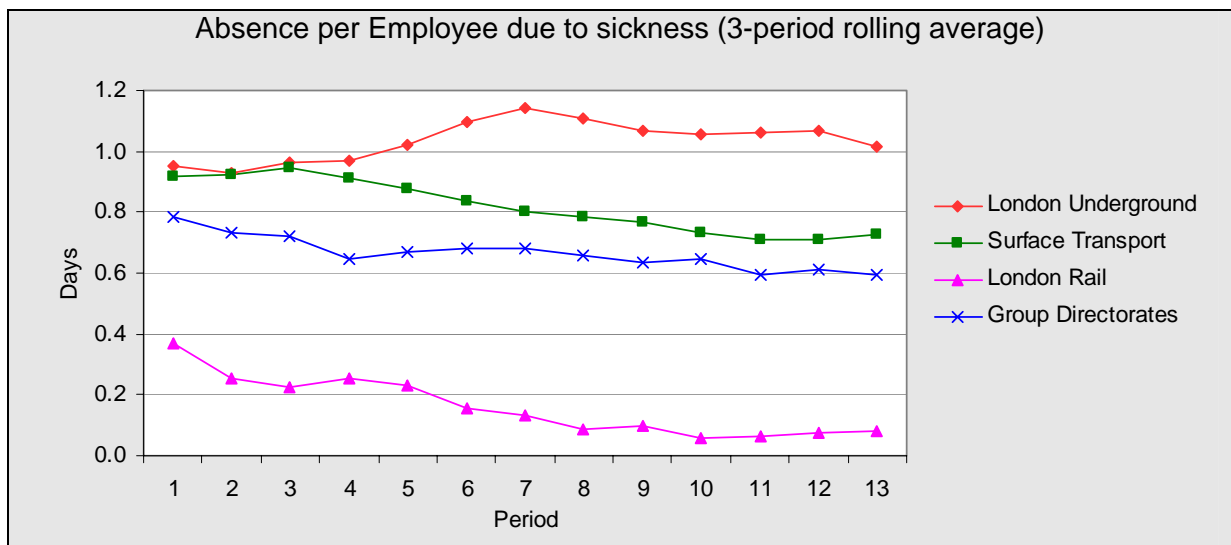
11 STAFF Staff numbers

- 11.1 The total number of staff at the end of the year at 20,069 FTE was 511 (or 2.6%) higher than budget and an increase of 729 FTE on the previous year. This is a significant increase on the previous quarter which was 350 FTE above budget, and predominately reflects the increase in the number of staff with divisions of Streets where numbers are running ahead due to increases to meet programme delivery requirements. There also remain an additional 146 British Transport Police (BTP) in London Underground reflecting additional officers recruited or seconded following the terrorist events of 7 and 21 July 2005. Since year end, 57 seconded officers have returned to their substantive forces and a further 60 are to be transferred to London North and South BTP divisions. The staff increases also reflect the commencement of recruitment up to the budgeted 2006/07 FTE of 20,493.



Sickness

- 11.2 The average sick absence per employee for the year was 12 days, which was broadly in line with the target level of 11.9 days.



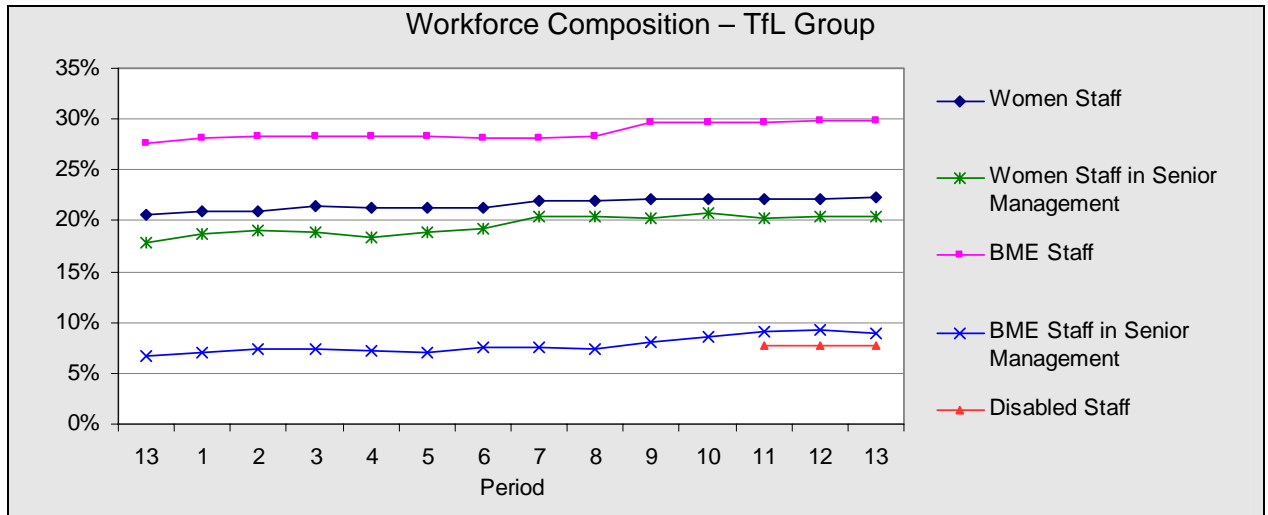
- 11.3 For operational staff, there was a significant reduction in the sickness absence within London Underground over the fourth quarter, an indication that the attendance management programme that has been implemented is beginning to take effect.

Sickness absence was below previous year levels in all areas except London Underground.

- 11.4 Levels of sickness for non-operational staff have improved on last year and are now broadly in line with target levels. Sickness absence relating to Surface operational staff has significantly improved over the year. While the trend is improving, sickness for this group, remains slightly worse than target.

Workforce Composition

- 11.5 All group workforce composition indicators have improved over the year.



- 11.6 The percentage of Women Staff within TfL at the end of the year was 22.3%, with the group directorates continuing to attract a high percentage of applicants. Although this is still below the current target, there has been a tangible improvement in the result over the year. The improvement reflects the success of initiatives undertaken by TfL to attract and retain more women at all levels of the organisation. Initiatives have focused on specific recruitment programmes such as women train drivers on the London Underground, and longer-term programmes such as the promotion of flexible working practices across the business.
- 11.7 The figures for Black, Asian and Minority Ethnic (BAME) staff have increased by 2% over the year to 29.8% which exceeds the current percentage for economically active BAME people in London, although this is not reflected at all levels in the organisation. TfL’s continuing commitment to recruit from these communities, and on-going positive strategies around recruitment and staff development will continue to result in long term gains in this area. Targeted recruitment campaigns, such as the graduate recruitment, which has profiled Universities having the courses and skill sets required by TfL, and a diversity campaign in PCO, are currently being undertaken.
- 11.8 A recent re-survey of TfL employees showed a significant increase in the number of staff reporting a disability, which is now only slightly below the economically active disabled population of 8.3% for London. The latest survey undertaken by TfL addresses a previous concern that staff were not willing to confirm their disability status, and suggests that historic reports have been under-estimating the level of disabled staff employed.

12 EFFICIENCIES

12.1 TfL delivered a total of £222m of efficiency savings against the full-year target of £148m. This included £74m of savings sustained from previous years. This compares with a third quarter forecast for the whole year of £198m.

12.2 The main changes between third quarter forecast and outturn were:

- Higher than expected levels of procurement efficiencies.
- Additional efficiencies arising from alternative financing of investment programme schemes ('Marketing & Other' efficiencies).
- The Financial Service Centre (FSC) secured a refund for invoices overpaid in previous years. This represents an additional benefit from the establishment of a centralised service.
- Lower than forecast savings arising from London Underground 'other' operational efficiencies.

The following table shows the major areas of efficiency savings.

Initiative (£m)	Full Year (In Year)		Full Year (In Year and Recurring)		
	Outturn	Var to Budget	Outturn	Budget	Var to Budget
Procurement	43	15	73	58	15
Staff & BIP	14	2	27	25	2
Marketing & Other	25	24	43	18	25
Total Back Office	82	41	143	101	42
Bus Network	20	20	31	11	20
Tube lines refinancing	-	-	2	2	-
LUL Other Efficiencies	2	(2)	2	7	(5)
LUL Communications Infrastructure	44	17	44	27	17
Total Operational	66	35	79	47	32
Cashable Total	148	76	222	148	74
Additional secondary revenue	2	2	2	-	2

12.3 The overall full year procurement savings target was £58m, of which £30m was sustained from previous years. At the end of the third quarter a further £39m of in-year procurement efficiencies have been identified of which only £6m had been delivered. However, due to considerable focus of attention by Group Procurement and Group Business Planning and Performance, the programme delivered £43m of in-year savings resulting in full year outturn of £73m.

12.4 In addition to the claimable cashable efficiencies, Group Procurement also delivered a further £2m of benefits through increased income. TfL has not historically counted additional secondary revenue against its efficiency target, although this is included in the efficiency gains claimed by other Passenger Transport Executives.

12.5 The full year variance of £74m reflects:

- An increase in procurement related efficiencies identified across both the modes and corporate directorates resulting in a favourable variance of £15m.




- A significant increase in 'other' mainly due to Finance and Planning (Corporate Finance) delivering £18.1m of in-year savings as a result of innovative use of financing on projects such as the DLR Woolwich extension and railcar upgrade.
- Bus contract savings of £20m achieved against a target of zero, due to continuing favourable operating conditions partly enabled by the declining usage of cash on buses.
- Increased savings in London Underground as a result of additional rebates being agreed with the Infracos in respect of PPP completion accounts and special projects (£4m), and the operational communications project – TIMIS (£17m). It should be noted that £8m was an additional rebate, and £9m was for the early settlement of future years' rebates hence reducing future plan years' targets by the same amount.

12.6 These increases more than offset the lower than budgeted savings in the London Underground 'other' efficiencies (£5m). London Underground now has a firm strategy in place to deliver the specific operational efficiencies in future plan years.

ANNEX 1: PERFORMANCE SUMMARY

Performance Indicators		Fourth Quarter				Full Year			
		Actual	Target	Var	Prior Year	Actual	Target	Var	Prior Year
TfL GROUP									
Total passenger journeys	Millions	872.6	855.8	16.8	860.4	2,865.9	2,850.2	15.8	2,842.8
Operating cost per passenger journey	£	2.3	1.8	0.6	1.2	2.3	1.8	0.6	1.2
Reliability of service (Delay Index)	#	79.9	80.0	(0.1)	79.8	83.1	80.0	3.1	79.8
CSS: Overall Satisfaction	Score	78	78	-	79	78	78	-	79
Major Injuries and Fatalities	#	330	n/a	-	279	1,168	n/a	-	898
Number of Staff	#	20,069	19,533	536	19,340	20,069	19,533	536.0	19,340
Percentage of Women Staff	%	22.3	24.3	(2.0)	21.0	22.3	24.3	(2.0)	21.0
Absence per Employee	Days	12.0	11.9	0.1	12.5	12.0	11.9	0.1	12.5
LONDON UNDERGROUND									
Passenger Journeys	Millions	295.2	280.5	14.7	291.0	971.1	947.0	24.1	975.9
Train Kilometres Operated	Millions	20.9	21.5	(0.6)	20.5	68.8	70.8	(2.0)	69.4
Percentage of Scheduled Service Operated	%	94.8	95.1	(0.3)	95.7	93.6	95.1	(1.5)	95.3
Peak Hour Trains Cancelled due to ONA	%	0.2	0.6	(0.4)	0.1	0.2	0.6	(0.4)	0.1
Excess Journey Time - Unweighted	Minutes	3.20	3.25	(0.05)	3.15	3.34	3.25	0.1	3.23
CSS: Overall Satisfaction	Score	78	78	-	78	78	78	-	78
Lost Customer Hours	M Hours	3.6	5.0	-1.4	4.0	15.6	16.2	(0.6)	14.1
LONDON BUSES									
Passenger Journeys	Millions	551.7	549.8	1.9	531.4	1,815.6	1,824.3	(8.7)	1,793.4
Bus Kilometres Operated	Millions	138.6	141.4	(2.8)	135.2	454.0	461.2	(7.2)	449.6
Percentage of Scheduled Service Operated	%	98.1	98.0	0.1	98	97.7	97.8	(0.1)	97.7
Excess Wait Time - High Frequency Routes	Mins	1.1	1.2	(0.1)	1.0	1.1	1.2	(0.1)	1.1
On Time Performance - Low Frequency Routes	%	78.0	77.1	0.9	77.8	77.2	77.0	0.2	77.1
On Time Performance - Night Buses	%	84.4	82.3	2.1	82.9	83.6	82.0	1.6	81.9
CSS: Overall Satisfaction	Score	77	78	(1.0)	77	77	78	(1.0)	77
Percentage of 'Low Floor' Buses	%	100	100	-	95.5	100	100	-	95
LONDON TRAMS									
Passenger Journeys*	Millions	6.6	n/a	-	5.7	21.1	21.1	-	19.3
Percentage of Scheduled Service Operated	%	98.8	98.0	0.8	95.5	97.4	98.0	(0.6)	95.4
CSS: Overall Satisfaction	Score	80	86	(6)	86	85	86	(1)	86
PUBLIC CARRIAGE OFFICE									
Number of Taxi Drivers Licensed	'000	24.7	24.7	-	24.7	24.7	24.7	-	24.7
Number of Private Hire Drivers Licensed	'000	28.8	30.0	(1.2)	16.3	28.8	30.0	(1.2)	16.3

Notes/Key:




	Target achieved/ exceeded		Less than 5% worse than target		More than 5% worse than target
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* Passenger journey targets are estimated, due to the service being provided by a third party
n/a = KPI data not available / not measured.

ANNEX 1: PERFORMANCE SUMMARY (CONTINUED)

Performance Indicators		Fourth Quarter				Full Year			
		Actual	Target	Var	Prior Year	Actual	Target	Var	Prior Year
LONDON RIVER SERVICES									
Passenger Journeys (Multi stop)	'000	141	95	46	95.2	524	350	174	372
Passenger Journeys (Excluding Multi Stop)	'000	268	240	28	295	1,849	1,750	99	1,887
Percentage of Scheduled Service Operated	%	99.5	98.5	1.0	99.0	98.3	98.5	(0.2)	98.5
VICTORIA COACH STATION									
Number of Coach Departures	'000	56.9	66.3	(9.4)	63.9	198.6	226.6	(28.0)	215.3
CSS: Overall Satisfaction	Score	77	72	5	77	77	72	5.0	75
DIAL-A-RIDE									
Total Costs per Trip	£	19.2	14.6	4.6	17.0	19.1	13.9	5.2	17.0
CSS: Overall Satisfaction	Score	92	93	(1)	95	92	93	(1)	95
ROAD NETWORK									
No. of Major Injuries and Fatalities (TLRN)	#	n/a	n/a	-	306	n/a	1,058	-	1,093
No. of Major Injuries and Fatalities (Londonwide)	#	n/a	n/a	-	1,139	n/a	4,031	-	4,169
Cycling on TLRN (Index April 2000 = 100)	#	145.7	137.0	8.7	122.5	172.0	150.0	22.0	141.8
Journey Time Reliability (TLRN)**	%	n/a	n/a	-	n/a	30.6	19.7	10.9	18.7
Traffic Signals Operating Effectively (Londonwide)	%	98.6	97.0	1.6	97.3	98.6	97.0	1.6	97.3
DOCKLANDS LIGHT RAILWAY									
Passenger Journeys	Millions	17.0	16.9	0.1	14.8	53.9	53.8	0.1	50.1
Train Kilometres Operated	Millions	1.3	1.0	0.3	0.9	3.6	3.4	0.2	3.3
Percentage of Scheduled Service Operated	%	98.5	98.0	0.5	98.7	98.7	98.0	0.7	98.5
On-Time Performance - Adherence to Schedule	%	96.6	96.0	0.6	97.4	97.3	96.0	1.3	97.1
CSS: Overall Satisfaction	Score	96	84	12	95	95	84	11	95
Percentage of System Accessible	%	100	100	-	100	100	100	-	100

Notes/Key:

	Target achieved/ exceeded		Less than 5% worse than target		More than 5% worse than target
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** Measured annually

n/a = Data not available/not measured

ANNEX 2: MODAL SUMMARY OF FINANCIAL PERFORMANCE

£'m	Full Year			Full Year	
	Actual	Budget	Variance to Budget	P9 Forecast	Variance Actual to Forecast
OPERATING BUDGET					
London Underground					
Income	(1,402)	(1,344)	(57)	(1,379)	(22)
Operating expenditure	2,362	2,472	(111)	2,434	(73)
Gross margin	960	1,128	(168)	1,055	(95)
Surface Transport					
Income	(1,312)	(1,291)	(21)	(1,272)	(40)
Operating expenditure	2,234	2,243	(9)	2,196	38
Gross margin	922	952	(30)	925	(2)
London Rail					
Income	(51)	(48)	(2)	(49)	(2)
Operating expenditure	129	117	13	128	1
Gross margin	79	68	10	80	(1)
Group Directorates					
Income	(88)	(77)	(11)	(78)	(10)
Operating expenditure	250	266	(16)	243	7
Gross margin	162	189	(27)	165	(3)
Total					
Income	(2,852)	(2,761)	(91)	(2,778)	(74)
Operating expenditure	4,975	5,099	(124)	5,002	(27)
Overprogramming (operating)	-	(20)	20	-	-
Gross margin	2,123	2,318	(195)	2,224	(101)

() variance is an above budget for income, and below budget for operating expenditure
Table may be subject to rounding accuracy.

ANNEX 2: MODAL SUMMARY OF FINANCIAL PERFORMANCE (CONTINUED)

£'m	Full Year		Variance to Budget	Full Year	
	Actual	Budget		P9 Forecast	Variance Actual to Forecast
CAPITAL BUDGET					
London Underground					
Capital expenditure	318	376	(57)	335	(17)
Capital receipts/reimbursements	(121)	(142)	21	(119)	(2)
Property sales	(15)	(13)	(2)	(13)	(2)
Total Capital Expenditure	183	221	(38)	203	(20)
Surface Transport					
Capital expenditure	267	345	(78)	262	5
Capital receipts/reimbursements	(15)	(12)	(3)	(15)	-
Total Capital Expenditure	252	333	(81)	247	5
London Rail					
Capital expenditure	83	93	(10)	83	-
Capital receipts/reimbursements	(2)	(0)	(2)	(2)	(1)
Total Capital Expenditure	81	93	(13)	81	(1)
Group Directorates					
Capital expenditure	12	70	(58)	12	-
Capital receipts/reimbursements	(9)	(30)	21	(10)	2
Total Capital Expenditure	4	40	(37)	2	2
Total					
Capital expenditure	680	884	(204)	693	(12)
Capital receipts/reimbursements	(147)	(184)	37	(146)	-
Property sales	(15)	(13)	(2)	(13)	(2)
Overprogramming (capital)	-	(140)	140	(5)	5
Net Capital Expenditure	519	547	(28)	528	(10)

NET EXPENDITURE					
London Underground	1,143	1,349	(206)	1,258	(115)
Surface Transport	1,174	1,285	(111)	1,171	3
London Rail	159	162	(2)	161	(2)
Group Directorates	166	229	(64)	167	(1)
Central Overprogramming	-	(160)	160	(5)	5
Contingency	-	26	(26)	-	-
Net Service Expenditure	2,642	2,891	(249)	2,752	(111)

() variance is a below budget for capital expenditure but not for capital receipts/reimbursements
Table may be subject to rounding accuracy.

ANNEX 3: BALANCE SHEET

£'m	Full Year		
	Outturn	Budget	Variance to Budget
Fixed assets			
Tangible assets	14,213	13,933	280
Current assets			
Stocks	5	5	-
Debtors	249	200	49
Payments in advance	106	60	46
Cash at bank and in hand	1687	1,269	418
	2,047	1,534	513
Current liabilities			
Revenue	(885)	(807)	(78)
Receipts in advance	(165)	(155)	(10)
Capital	(174)	(223)	49
	(1,224)	(1,185)	(39)
Long term liabilities			
Balances with Infracos	(1,589)	(1,178)	(411)
Prudential loans	(746)	(738)	(8)
Creditors due after one year	(370)	(378)	8
Capital grants	(6,720)	(6,604)	(116)
Pension liabilities	(1,003)	(1,004)	1
Provisions for liabilities and charges	(216)	(223)	7
Total net assets	4,392	4,157	235
Capital reserves			
Reserves	3,240	2,992	248
Earmarked reserves	986	999	(13)
General fund	166	166	-
Total capital employed	4,392	4,157	235

ANNEX 4: CASH FLOW STATEMENT

£'m	Full Year		
	Actual	Budget	Variance to Budget
Net revenue expenditure	(1,831)	(1,722)	(109)
Working capital movements	172	(110)	282
Cash spend on operating activities	(1,659)	(1,832)	173
Net capital expenditure	(664)	(908)	244
Working capital movements	42	130	(88)
Cash spend on capital activities	(622)	(778)	156
Funded by:			
Transport grant	2,162	2,143	19
Precept funding	20	20	-
Other grants	32	25	7
Prudential borrowing	551	543	8
Capital payments on finance leases	(292)	(359)	67
Third party contributions	145	157	(12)
Total funding	2,618	2,529	89
Net movement in cash	337	(81)	418

ANNEX 5: CASH BALANCES

Approved Investments and Cash £'m	Period 10	Period 11	Period 12	Period 13
Period end	7 Jan	4 Feb	4 Mar	31 Mar
Budget	1,103	1,105	1,077	1,269
Cash Balances	1,048	1,140	1,194	1,687
Increase/(Decrease)	(55)	35	117	418

Net Cash Balances comprise:				
Investments	996	1,086	1,143	1,636
Investments-Guernsey	32	32	32	33
Cash & Credits in Transit	20	22	19	18

Investment Profile				
Up to 1 Month	112	168	175	307
1-2 Months	76	45	45	-
2-3 Months	232	195	191	211
3-4 Months	44	44	44	113
4-5 Months	40	40	-	-
5-6 Months	165	165	178	111
>6 Months	327	429	510	894

TRANSPORT FOR LONDON

STAFF SUMMARY

TFL BOARD

SUBJECT: TfL 5 YEAR INVESTMENT PROGRAMME REPORT – 4th QUARTER

MEETING DATE: 24 MAY 2006

1. PURPOSE

1.3 To inform the Board on the performance of the Investment Programme in the fourth quarter of 2005/06 (11 December 2005 to 31 March 2006) and also progress made during the year against the 5 year Investment Programme. This report is published quarterly.

KEY HIGHLIGHTS

2.3 There have been a number of major achievements during the year as follows:

- London City Airport opened ahead of schedule on 2 December 2005. The official opening was held on 6 December whilst ridership on the new extension exceeded 10,000 for the first time on 8 December.
- LUL successfully introduced 7-car trains into passenger service on the Jubilee Line on 29 December. Additionally four new trains have now also been delivered into passenger service making a total fleet of 63. This will increase capacity by nearly a fifth across the whole line or an extra 6,000 passengers in both directions every morning and evening peak.
- LU achieved operational use of Wembley Park Station on 31 December 2005. The official opening ceremony by the Mayor took place on the 27 March 2006. The project also includes modernisation to the existing station which remains on schedule to complete in May 2006.
- On 30 September the Mayor approved plans for the Western Extension to the Congestion Charging Zone. Implementation remains on track although development of the scheme is on a very tight timescale.
- On the East London Line good progress has been maintained on all major workstreams and, whilst challenging, the project remains on schedule. Main works tenders were received on 31 March 2006.

2.4 The primary achievements and deliverables during the fourth quarter have been:

- The Piccadilly Line extension to Terminal 5 broke through the last of the existing Piccadilly Line tunnels on the Heathrow Loop to complete tunnelling activities.
- On Woolwich Arsenal DLR Extension tunnel boring commenced on 3 April 2006. The project remains on schedule for 2009.
- Good progress was made on National Rail Service/Station Security projects, and several projects were completed, with station security works now complete on Southern, C2C, ONE, and South West Trains stations.
- The Stratford International DLR Extension public inquiry finished on the 4 April. Agreement with Excel, PLA and the London Borough of Newham has been reached and an agreement has been finalised with London and Continental Railways/ODA but has not yet been signed.
- Greenwich Station forecourt works have been completed and an opening ceremony is scheduled for May 2006.
- Finsbury Park new cycle park has been completed and an opening ceremony was held on the 23 March 2006.
- On Greenwich Waterfront Transit confirmation has been received from the London Borough of Greenwich that the compromise route through Woolwich Town Centre was accepted on 14 March 2006.

3 DELIVERY

3.1 The initiative to establish a TfL Oversight Group, has successfully delivered to its remit of embedding a permanent (TfL staffed) Oversight Group with the supporting processes, tools and governance forums in place. The project team formally closed on the 28 April 2006 after a short period of interim-to-permanent team handover.

3.2 Notable items of achievement over the financial year include:

- Organisation design, recruitment and embedding (following one-month capability transfer) of the permanent Oversight team.
- Establishment of the Independent Engineer framework contract.
- Completion of a number of 'early' Independent Engineer reviews on critical projects (i.e. West London Tram, Kings Cross CTRL, Blackwall Tunnel (North) Refurbishment, East London Line Extension, London Underground Operational Accommodation Improvement Programme and A406 Bounds Green).
- The establishment of an Investment Programme risk categorisation process involving cross-modal cooperation – to ensure that IP assurance efforts are focused on those programmes/projects that carry most delivery and reputation risk to the TfL Group.
- The embedding the new IP focused governance forums. On a periodic basis, the Commissioner now reviews IP delivery on a modal basis (at the IMR meetings) and,

subsequently, with his Chief Officers to address cross-modal and systemic risks and issues (at IP COM).

- Facilitation of the Chief Officer Group in identifying and addressing cross-modal and systemic risks that are impacting the delivery of the Investment Programme. This forum has already driven material progress in a number of key areas e.g. consent approvals risk (Project ACORN), development of TfL's internal Programme and Project Management capability (Project PYRAMID), SAP data quality improvement etc.

3.3 In summary, whilst there are still areas to address, the TfL Oversight Group is now fully operational and able to provide IP delivery assurance to the Commissioner (and the TfL Board).

PROJECTS OVER £100m

3.4 Major projects which have a total budget within the Investment Programme of more than £100m are listed in the table below. A more detailed summary of projects over £100m is provided in **Annex 1**.

Code	Project	Total Budget ¹	IP (5 years)	Status
LU-PJ03	Sub-Surface Train Capacity	N/A ¹	N/A ¹	●
LU-PJ26	Camden Town Congestion Relief	£255m	£124m	■
LU-PJ110	Channel Tunnel Rail Link at Kings Cross	£765m	£394m	●
ST-PF39	Congestion Charging Western Extension	N/A ¹	N/A ¹	●
LR-PJ01	East London Line Extension	£896m	£896m	●
LR-PJ06	DLR Capacity Enhancements 3 Car	£102m	£102m	●
LR-PJ08	London City Airport DLR Extension	£150m	£80m	●
LR-PJ09	Woolwich Arsenal DLR Extension	£150m	£150m	●
¹ Information is commercially sensitive Total Budget = Budget for the duration of the project IP = Total project spend budgeted in the 5 year Investment Programme		● = Will be delivered according to authorised plan ▲ = Variance exists but either the impact is not deemed significant or recovery plans are in place or no current variance but requires close management attention ■ = Variance will have significant impact on project delivery schedule and/or cost		

Delivery highlights and key issues over the quarter are as follows:

3.5 **Sub-Surface Train Capacity - Sub-Surface Train Capacity** - A feasibility study is underway to develop design options and costs for works at four Major Stations (where TWA or major traffic diversion will be required). Survey works are complete at these four stations and survey reports will be delivered in Period 1. Engineering studies and conceptual design have commenced, and these are planned for completion in Period 2. Planning for the TWA Inquiry is underway, and properties are being registered that may require compulsory purchase. A revised programme of works at 12 Minor Stations (not requiring TWA) has been prepared and is under review by Metronet Rail SSL prior to finalising. Planning Documents have been exchanged with the Crossrail project to

assess potential interdependencies between the two projects. All efforts of this project are on schedule to deliver the full project on time to the contractually agreed date of February 2015.

- 3.6 **Camden Town Congestion Relief** - The preparation of the Over Station Development design brief by Camden Council is expected to be completed by autumn 2006 to be followed by a LU funded detailed design and full public consultation.
- 3.7 **Channel Tunnel Rail Link (CTRL) at Kings Cross** - Handover of the Western Ticket Hall at Kings Cross has been delayed due to faults identified during the commissioning and integration of the Electrical/Fire/Communications and the Human Control Interface. The overall Phase 1 works completion date is still targeted for the end of December 2006. Phase 2 works are progressing to plan, with no critical issues at present.
- 3.8 **Congestion Charging Western Extension** – Implementation remains on track although development of the scheme is on a very tight timescale. The first part of additional WEZ functionality has been delivered and 110 camera base sites (85% of total) have been installed.
- 3.9 **East London Line Extension** – Good progress has been maintained in the quarter for all major workstreams on the East London Line Extension project. Two tenders were received on 31 March 2006 for the Main Works. The BAFO (Best and Final Offer) package for the rolling stock was issued to the bidder as scheduled on 15 March 2006. Returns were received in April and BAFO assessment has commenced. The project completion remains on schedule.
- 3.10 **DLR Capacity Enhancements 3 Car** - Outline design work for the project continued during the quarter. The procurement strategy (in conjunction with the Stratford International project) and form of contract are now substantially agreed. An OJEU notice for the works, was issued during April. Work continues on site on the Beckton Depot expansion.
- 3.11 **London City Airport** - This project is complete and open for passenger service.
- 3.12 **Woolwich Arsenal DLR Extension** - Construction work continued where the tunnel boring machine (TBM) cutter head was launched on the 3rd April ahead of tunnelling commencement schedule for period 1 2006/07. The station layout change has been agreed with South Eastern Trains. Land notices have been served.

PROGRAMMES/PORTFOLIOS AND PROJECTS UNDER £100m

This section includes projects whose expenditure is less than £100m over the 5 year Investment programme. It should be noted that some projects will have significant expenditure after the Investment Programme period which will lead to total project values above this level.

Delivery highlights and other key issues during the fourth quarter of 2005/06 for projects under £100m include:

- 3.13 **Piccadilly Line Extensions to Heathrow T5** – The Piccadilly Extension to the Terminal 5 project has broken through the last of the existing Piccadilly Line tunnels on the Heathrow Loop to complete tunnelling activities. Potential delays in the handover of the Signal Equipment Room have been mitigated by Tube Lines rescheduling works and by Heathrow Airports Ltd providing Tube Lines access to adjacent rooms, where vital assembly works could be carried out without incurring delay. The room was formally handed over on 1 March 2006 and the preliminary works continue on schedule. Although a number of challenges remain, work is on schedule for the T4 Loop to reopen in September 2006.
- 3.14 **PFI Power** – Implementation details (in the form of a bid proposal) have been received from Powerlink for the Victoria Line Power Upgrade (VLPU). A detailed evaluation of this proposal is underway to ensure value for money and cost optimisation. Powerlink's senior management team formally presented proposals to the LU Chief Programmes Officer, and the Major Power Works management team on 19th April 2006. It was agreed that a series of independently facilitated review sessions would be held in the week commencing 2nd May 2006 to harness collaborative team working and to promote better understanding of LU and Powerlink's requirements and expectations in respect of costs, programme, delivery organisation and risk. The output of the review sessions will be collated for presentation to LU senior management on 23rd May 2006.
- 3.15 **Connect Enabling** – Works are substantially complete. Handover documentation is forecast for June 2006.
- 3.16 **Tottenham Court Road** – As part of the Crossrail Hybrid Bill the TCR Station project has made good progress during the early part of 2006. It was discussed at Select Committee but not in any detail given Westminster and Camden's application for a Second House undertaking. Fruitful discussions have also taken place with private petitioners with resolution on a number of issues and a requirement for an Additional Provision to the Hybrid Bill with programme and cost benefits. This is a very positive step forward for the TCR project. The planning application for early enabling works has also progressed with submission due in May.
- 3.17 **Low Emission Zone (LEZ)** – A decision by the Mayor on whether or not to publish the Transport and Air Quality Strategy revisions is due in July 2006. Scheme enforcement will be provided by the Congestion Charging service providers. Public and stakeholder consultation on the strategy revisions commenced on 30 January and ran for 12 weeks until 24 April 2006. Detailed discussions continue with DfT and its agencies on the provision of key support services for LEZ.
- 3.18 **iBus** – A phased approach to releasing the software has been proposed. This has primarily been driven by additional requirements, in particular an increase in scope. It is the policy of London Bus Services Limited that only functionality that does not impact

normal business operations (on bus and garage in particular) may be considered for later release. Any implications to project risk and timescales are currently under review.

- 3.19 **A406 Bounds Green** – An Independent Engineer Review is underway, and will report by the middle of May. The first full meeting of the Project Board took place on 24 March at which its composition was confirmed. Subsequent to the meeting a presentation to the Mayor was made regarding updated programme dates and costs which are now approved.
- 3.20 **Blackwall Tunnel Northbound** – Overall the project remains on schedule against the published baseline despite delays in placing the works contract. Modifications to the design and contract documents which were identified in a review of the consultants' proposals are underway and will be submitted to the Project Board at the end of April for consideration.
- 3.21 **Coulsdon Town Bypass** – The project has suffered from delays due to the impact of adverse ground conditions on the tube installation at Smitham Station. The estimated works completion date is now October 2006. The costs are being kept under review and a report was submitted to the Project Review Group on the 21 April 2006 together with an updated business case. The TfL team is working closely with the consultant, contractor, and Network Rail to minimise delays and consequent cost increases. A review of risk management and estimating on the project was undertaken during this period.
- 3.22 **Western Avenue Bridges** – Construction of the main contract started in May 2005 and is currently progressing, although currently 4 months behind schedule. The project has suffered delays due to uncharted Network Rail underground utility services and problems with obtaining Network Rail possessions, hence the 4 week delay in the project milestones. Several strategies have been put into place to combat these problems and works are now progressing. A review of the current construction programme is being undertaken in order to accelerate some of the construction activities. TfL is continuing to work closely with the local residents to minimise disruption and improve the local area.
- 3.23 **Hanger Lane Bridges** – Despite informal agreement with the London Borough of Ealing in January 2006 on the Section 106 Agreement which sets out the mutually agreed planning conditions, the LBE wrote to TfL on 6 March raising further amendments to the S106 text and drawings. TfL have now taken further advice on how to progress with the demolition and are now progressing this Agreement as quickly as possible.
- 3.24 **DLR Railcar Refurbishment** – A total of 68 vehicles from the fleet of 94 vehicles are now completed. Final completion of the refurbishment programme is still anticipated to be November 2006.
- 3.25 **Stratford Regional Station DLR Modernisation** – Progress continues to be made on the detailed design, with design packages on permanent way, plant rooms and drainage submitted for DLR approval. Works on site are also progressing in line with the programme.
- 3.26 **Stratford International DLR Extension** – The public inquiry commenced on the 14 March and completed on the 4 April. Discussions are ongoing in conjunction with the 3 Car project to finalise the procurement strategy, form of contract and packages. An OJEU notice was issued for the first package of construction works on Stratford International DLR Station.

- 3.27 **Thames Gateway Bridge** – The public inquiry re-commenced on 21 February 2006 and completed on 3 May. TfL have positively rebutted all objections received on the issues relating to the traffic forecasts. The Borough Agreement which sets out how the boroughs will work together has been agreed by 4 out of 5 of the local London Boroughs: namely; Newham, Greenwich, Redbridge and Barking and Dagenham, which is a major achievement for the project.
- 3.28 **West London Tram** – The design and modelling is proceeding and the preparation of the TWO and planning documentation has commenced. Following a review of the consultation responses on site compounds and electrical substations some changes are being recommended.
- 3.29 **Stratford Regional Station Upgrade** – Stratford Station is an Olympic Critical Interchange Station which is surrounded by a major property development, the Stratford City Development. Delivery of the station works to meet the Olympic programme required the release of £8m from the Olympic Transport budget in February 2006. This was approved and the design consultant has commenced. Funding for the capital works cost is currently estimated at £117m and is being pursued with DCMS whose current Olympic budget is £50m.
- 3.30 **Cross River Tram** – Good progress has continued on the development of options and workshops have been held with three of the boroughs and representatives from TfL Streets, Buses and London Trams. Traffic surveys have been commissioned and site work has commenced. The second phase of the depot study is underway to investigate potential options for the depot/stabling facilities should the proposed Peckham site be unable to accommodate a single depot operation.

4 INVESTMENT PROGRAMME EXPENDITURE

- 4.1 The Investment Programme comprises both directly managed capital programmes by TfL and indirectly managed programmes where delivery is the responsibility of a third party under a PPP/PFI type contract or other arrangement.
- DIRECTLY MANAGED***
- 4.2 The table below now breaks out expenditure on projects included in the Investment Programme relating to their development phase only. These include projects such as West London Tram and Greenwich Waterfront Transit. This expenditure whilst part of the Investment Programme is treated as operating expenditure for the purpose of statutory accounting.
- 4.3 Net Value of Work Done (VOWD) on projects directly managed by TfL at the end of 2005/06 was £722m, exactly on budget, after overprogramming.

VOWD (Directly Managed)	Full Year		
	Actual	Budget	Variance to Budget
£'millions			
London Underground	318	376	(58)
Surface Transport	273	355	(82)
London Rail	101	95	6
Group Directorates	192	233	(41)
Gross Directly Managed Expenditure	884	1,059	(175)
Capital receipts/reimbursements	(147)	(184)	37
Property sales	(15)	(13)	(2)
Overprogramming (capital)	0	(140)	140
Net Directly Managed Expenditure	722	722	-
Boroughs	(150)	(139)	(11)
Development Expenditure	(54)	(37)	(17)
Net Capital Expenditure	519	547	(28)

* VOWD includes development expenditure that is treated as operating expenditure in London Rail and Group Directorates for statutory accounts purposes

London Underground

- 4.4 Expenditure for the year of £318m within London Underground's own managed works was below budget by £58m. Principal variances continue to be from cost savings and delays in Connect enabling works of £13m and Phase 2 CTRL works at Kings Cross of £14m, which is matched by lower reimbursements from DfT, Power works of £7m and the Camden and Tottenham Court Road station schemes of £6m.

Surface Transport

- 4.5 Expenditure for 2005/06 of £273m is £82m below budget. The main causes of this underspend include: (i) a £43m saving on Congestion Charging Western Extension as a result of successful contract negotiations with service providers and a rephrasing of traffic management and enforcement infrastructure works, (ii) a £20m full year underspend on iBus as a result of changes in the accountancy treatment of this programme (largely stemming from a revised payment profile agreed with the supplier at the time of the contract award) and (iii) a £25m full year underspend as a result of delays on the A406 Western Avenue and A40 Hanger Lane Bridges projects.

London Rail

- 4.6 The full year variance of £7m is mainly due to delays to the commencement of construction on Stratford Regional Station (£9m) and slower than anticipated activity on the DLR Railcar Refurbishment project (£7m). This is partially offset by accelerated expenditure on the East London Line Extension Project (£7m).

Group Directorates

- 4.7 As reported in the previous quarter, the full year reduction in spend is mainly as a result of the cessation of the Oyster Card National Rail Validator Installation project, as the Train Operating Companies declined TfL's financing offer. TfL is looking at alternative ways to progress the deployment of Oyster card readers to National Rail stations in the London area.

Borough

- 4.8 Borough Investment Programme expenditure at £150m was £11m above budget of which £6m relates to the Thames Road Bexley Project which is jointly funded with the ODPM. Funding has been accelerated to bring it back in line with the ODPM agreement. This was as a result of the London Borough of Bexley postponing the main railway bridge works due to failure to secure the necessary Network Rail permissions in time. No additional funds have been offered to Bexley and legal advice is being sought about sanctions available to TfL / ODPM due to possible breaches of the funding agreement conditions.

Development Expenditure

- 4.9 Development expenditure included in the Investment Programme at £54m was £17m above budget for 2005/06 mainly as a result of £15m additional expenditure in London Rail. Investment in the National Rail network is no longer on hold following the agreement between TfL and DfT over the transfer of Silverlink Metro. Work is progressing well on all aspects. Some work has been brought forward from later years of the plan to compensate for the delays on Silverlink programme.

INDIRECTLY MANAGED

These are projects where delivery is the responsibility of a third party under a PPP/PFI type contract or other arrangements. Reportable values represent the assessed capital value of assets delivered.

Full year expenditure was £1,305m an underspend of £146m against budget.

VOWD (Indirectly Managed)	Full Year		
	Actual	Budget	Variance to Budget
£'millions			
London Underground	1,017	1,144	(127)
Surface Transport	206	225	(19)
London Rail	82	82	-
Total Indirectly Managed Expenditure	1,305	1,451	(146)

London Underground

- 4.10 Work has continued with the Infracos to populate London Underground's Master Projects Database (MPD) with information regarding the indirectly managed capital expenditure. Tube Lines' reporting structure is closely aligned with the MPD structure, and, as a result, Tube Lines has managed to provide almost 100% of the required data. However, Metronet's reporting structure is considerably different to that of MPD. London Underground has seen improvements in the quality of data presented by Metronet since

Quarter 3 and the Programme Offices of both LU and Metronet are working closely to resolve the situation and achieve compliance.

- 4.11 The VOWD at the end of 2005/06 was £1,017m. Infraco-managed works, at £1,007m, was £63m below the 2005/06 Annual Asset Management Plans (AAMPs). Expenditure under the PFI contracts, at £10m is £64m lower than budget due to revised work allocation on the Power PFI between Directly managed and PFI funded expenditure.
- 4.12 The amounts included in the Investment Plan represent capital payments that the Infracos plan to make to their subcontractors, which in some cases run ahead of the actual delivery of the capital work. London Underground has yet to formally approve the plans and the quality and validity of the data contained in those plans is yet to be proven.

Progress on renewal and upgrade works is as follows:

Tube Lines JNP

- **Track** – Completed 12.8 km of track renewal compared to the plan of 13.6 km. The variance was due to cancelled weekend work because of the 7th July incident.
- **Lifts & Escalators** – Two customer service lift refurbishments were completed and 11 escalators were refurbished which was one more than the 2005/06 AAMP.
- **Stations** – One Station Refurbishment and Modernisation has been completed with a further ten awaiting LU approval for delivery into service.
- **Line Upgrades** – Progress on early phases is on schedule. Work plans for signalling and control systems for Jubilee and Northern lines submitted to LUL. Signalling contracts for upgrades have been placed.

Metronet SSL

- **Track** – Completed 4.7 km of track renewal compared to the 4.3 km in the 2005/06 AAMP.
- **Lifts & Escalators** – Three escalators were refurbished compared to the seven in the 2005/06 AAMP.
- **Stations** – Nine Station Refurbishments and one Station Modernisation have been completed to date, on average 27 weeks behind schedule, of which two are still under review. The remaining 8 stations in progress are on average 31 weeks behind schedule.
- **Line Upgrades** – Programme for completing extends to 2018 with interim milestones in 2012 and 2015 with specified performance increases. The progress on this to date is at the stage of initial feasibility and conceptual design for both rolling stock and signalling.

Metronet BCV

- **Track** – Completed 12.6 km of track renewal compared to the 13.6 km in the 2005/06 AAMP.
- **Lifts & Escalators** – Six escalators have been refurbished in the year compared to the 12 in the 2005/06 AAMP.
- **Stations** – The three Station Refurbishments due for completion in 2004/05 have now been completed on average 33 weeks late. One of the 16 stations due for refurbishment or modernisation is currently under review while the other 15 are on average more than 24 weeks behind schedule.

- **Line Upgrades** – The VLU Programme continues to track performance against an early completion programme designed to drive all parties toward a successful, on-time delivery.

Surface Transport

- 4.13 Indirectly Managed capital expenditure in Surface Transport relates to Improvements to the bus fleet and A13 DBFO. The full year outturn is £19m below budget, the result of lower expenditure on bus network fleet improvements of £7m resulting from lower than expected contract price increases from re-tendering. £12m underspend on A13 DBFO caused by the problems the concession have had completing the communications system. This work is not expected to be completed until next financial year and therefore reduced payments will continue.

London Rail

- 4.14 Indirectly Managed capital expenditure in London Rail relates to the assessed capital value of assets delivered on the London City Airport, Woolwich Arsenal DLR Extension and Woolwich Arsenal DLR 3 Car Railcars. Currently there is no contractual mechanism in place to capture actual costs therefore the full year numbers reflect budget values. Going forward, options are being looked into as to whether actual information can be obtained.

5 OLYMPICS

- 5.1 The first Olympic Transport Portfolio Report was delivered to the ODA on 4 April 2006 in line with the timescales agreed with TfL and was very positively received. The ODA are proposing that the TfL report format forms the template for reporting by other Olympic delivery agencies.
- 5.2 The report examines current issues related to delivery and how they are being addressed and confirms whether or not the improvements will be delivered to the planned timescales. The information is taken directly from TfL's own reporting which is based on monitoring carried out by the TfL modes which are responsible for the projects and reviewed by 'Oversight' and Group Business Planning and Performance, the latter under the responsibility of the Managing Director, Finance & Planning. The portfolio included in this report was agreed between the modes, Oversight and the ODA and focuses on projects that are critical to transporting spectators to and from the Olympic venues and identified enabling projects that require long lead time Infrastructure works. This portfolio may be refined over time as a result of the requirement by the ODA to report against the Transport and Infrastructure Construction Schedule included in the bid.
- 5.3 For reporting and planning purposes, the projects are divided into two categories:
- Improvements required for the Olympics where TfL was committed to delivering before winning the Olympic bid
 - Additional improvements, requiring separate funding, which TfL has committed to as part of winning the bid
- 5.4 Going forward a timetable is being agreed to align our reporting with the Olympic Management Board (EMB) and the ODA Board meetings. It is therefore intended that in future this report will be updated and issued every month reflecting progress up to the TfL 4 weekly reporting period for which information is available as at the date of the report.

6. PROCUREMENT AND EFFICIENCY

6.1 Savings identified during the year as a result of value engineering and similar exercises include:

Construction	£m
Westminster Bridge Facia Replacement	17.9
A 40 Bridge Works	12.1
Consultancy	
North Greenwich Station	0.4
Congestion Charging – Western Extension	3.2
Cross River Transit	2.1
Thames Gateway Bridge	1.9
Victoria Station Upgrade	0.2
West London Tram	0.5
Financing (NPV)	
DLR Woolwich Arsenal Extension	10.0
DLR 3 Car Railcars	6.5

6.2 We have also secured a loan from the European Investment Bank at pricing below that available from the Government backed Public Works Loans Board.

Projects over £100m


ANNEX 1


The following Annex provides progress details of projects in excess of £100 million which are being implemented and are in the Investment Programme.


The overall project status reflects the Modes latest view of schedule and cost performance over the total life of the project (inclusive of and beyond the period of the Investment Programme).


Total Budget = Budget for the duration of the project


IP = Total project spend budgeted in the 5 year Investment Programme


LU-PJ03	Sub-Surface Train Capacity	Total Budget = N/A IP = Commercially Sensitive	
Baseline:	The aim of this project is to provide additional train capacity (above that already to be provided through PPP upgrades). The initial phase of the project is focused on the central area of the sub-surface network and the Wimbledon branch.		
Schedule:	A feasibility study is underway to develop design options and costs for works at four Major Stations (where TWA or major traffic diversion will be required). Survey works are complete at these four stations and survey reports will be delivered in Period 1. Engineering studies and conceptual design have commenced, and these are planned for completion in Period 2. Planning for the TWA Inquiry is underway, and properties are being registered that may require compulsory purchase. A revised programme of works at 12 Minor Stations (not requiring TWA) has been prepared and is under review by Metronet Rail SSL prior to finalising. Planning Documents have been exchanged with the Crossrail project to assess potential interdependencies between the two projects. All efforts of this project are on schedule to deliver the full project on time to the contractually agreed date of February 2015.		
Costs:	Full year expenditure totalled £2.0m against a budget for the year of £1.0m		
Approval:	Current authority was approved on 9 February 2005. The figures are confidential.		


LU-PJ26	Camden Town Congestion Relief	Total Budget = £255m IP = £124m	
Baseline:	The objectives of the station redevelopment are to develop a scheme that maximises the capacity of the station (expanded ticket hall and additional escalators) and provide step free access to platform level. The Secretary of State has refused the TWA application.		
Schedule:	The preparation of the Over Station Development design brief by Camden Council is expected to be completed by autumn 2006 to be followed by a LU-funded detailed design and full public consultation.		
Costs:	Full year expenditure totalled £3.2m against a budget for the year of £6.6m		
Approval:	Authority for preliminary design and supporting costs for securing formal planning application/TWA powers of £18.5m approved on 4 February 2004 by Managing Director Finance & Planning. No further authority will be sought until a solution to the planning issues has been found.		


LU-PJ110	Channel Tunnel Rail Link (CTRL) at Kings Cross	Total Budget = £765m IP = £394m (DfT funded)	
Baseline:	King's Cross Congestion Relief (Channel Tunnel Rail Link) covers increased capacity at King's Cross St Pancras. Phase 1 includes an expanded Tube ticket hall and new Western Ticket Hall. Phase 2 includes a new Northern Ticket Hall, step-free access to Metropolitan & Circle lines and links to the new Channel Tunnel Rail Link Terminal. The King's Cross project is funded by the DfT and contracted by London Underground to Metronet.		
Schedule:	Phase 1 installation work is substantially complete for handover of the Western Ticket Hall and Tube Ticket Hall Back of House, however delays have occurred due to problems in commissioning of the management systems, particularly the CCTV and Human Computer Interface (station controls). The remaining works to complete Phase 1 (principally the refurbishment of Met & Circle Line platforms and the St Pancras Chambers Euston Rd façade) are continuing and being rescheduled where necessary to accommodate the slippage in ISA12 handover. Forecast completion of Phase 1 works remains on schedule against the RWA baseline, resulting in an SPI rating of 1.00 despite the issues surrounding ISA12. Phase 2 works are progressing to plan, with no critical issues at present.		
Costs:	Full year expenditure totalled £96.0m against a budget for the year of £110.0m		
Approval:	Authority of £462m approved at London Transport Board on 6 February 2003. Additional authority of £465m was approved at IRMC 20 September 2005. TfL Board approval was received on 26 October 2005 with DfT approval received in December 2005.		

ST-PF39	Congestion Charging Western Extension	Total Budget = N/A IP = Commercially Sensitive	
Baseline:	The objective of the scheme is to further reduce congestion in a wider area of London (a Western Extension) by extending the benefits achieved in the Central London Congestion Charging Scheme.		
Schedule:	Implementation remains on track; all milestones to date have been met. 110 camera base sites (85% of total) have been installed. TfL are still in dispute with the Royal Borough of Kensington and Chelsea on the need for planning permission for cameras but site work to install bases is underway (47 bases and poles have now been installed).		
Costs:	Full year expenditure totalled £21.4m against a budget for the year of £64.8m		
Approval:	The February 2005 TfL Board approved in principle the entering into of contracts required to implement the Western Extension. Board approval for the provision of an appropriate data centre was given in November 2005 (£6.4m).		

LR-PJ01	East London Line Extension	Total Budget = £896m IP = £896m	
Baseline:	This project scope covers the rail link between Dalston Junction, Crystal Palace and New Cross Gate. This includes 4 new stations, 6 refurbished stations and 3 major bridges.		
Schedule:	<i>Good progress has been maintained during the period on all major workstreams The Enabling Works – Stage 2 contractor is progressing well with bridge refurbishments & replacements are underway on site. Two tenders were received on 31 March for the main works. A third tenderer declined to tender as a result of difficulties within their consortium structure. The tender evaluation strategy is being reviewed in light of there being no need to deselect from 3 to 2 tenderers. Rolling Stock Best and Final Offer (BAFO) requests were issued to three tenderers on 15 March. Returns were received in April and BAFO assessment has commenced. Meetings have been held with the North London Railway team in London Rail to finalise concession arrangements</i>		
Costs:	Full year expenditure totalled £32.4m against a budget for the year of £ 20.4m		
Approval:	May 2005 – Approval in principle to the entering into of contracts and other expenditure exceeding £100m.		

LR-PJ06	DLR Capacity Enhancement 3 Car	Total Budget = £102m	
		IP = £102m	
Baseline:	This scope of this project covers the structural works (platform extensions, track realignment, viaduct strengthening) necessary for 3 car operations between Bank/Tower Gateway & Lewisham.		
Schedule:	Outline design work for the project continued during the period. The procurement strategy (in conjunction with the Stratford International project) and form of contract are now substantially agreed. An OJEU notice for packages 1 – 5 and 7 were issued mid April. Work continues on site on the Beckton Depot.		
Costs:	Full year expenditure totalled £4.1m against a budget for the year of £4.6m		
Approval:	October 2005: DLR - Capacity Enhancements (3 Car) £1.5m was approved to cover the development and outline design stage. A paper is currently being prepared for funding of the main contract award.		

LR-PJ08	London City Airport DLR Extension	Total Budget = £150m	
		IP = £80m	
Baseline:	This scope of this project covers the extension of DLR to London City Airport and onward to King George V, including intermediate stations at West Silvertown and Pontoon Dock. This includes passive provision for two further stations to be opened in line with future development. It has been let as a 30 year DBFM concession.		
Schedule:	London City Airport Extension opened ahead of schedule on 2 December 2005. The official opening was held on 6 December whilst ridership on the new extension exceeded 10,000 for the first time on 8 December. 23 of the 109 outstanding snagging items remain, and are scheduled to complete by the end of May.		
Costs:	Full year expenditure totalled £8.0m against a budget for the year of £5.6m		
Approval:	No additional approvals are required on this project.		

LR-PJ09	Woolwich Arsenal - DLR Extension	Total Budget = £150m	
		IP = £150m	
Baseline:	The scope of this project covers extension of the railway under the Thames from King George V to Woolwich Arsenal with a new combined station at Woolwich Arsenal linking the town centre, buses, South Eastern rail services and Waterfront Transit.		
Schedule:	Tunnel boring commenced 3 April 2006. Station layout change has been agreed with South Eastern Trains. Land notices have been served.		
Costs:	Full year expenditure totalled £12.9m against a budget for the year of £11.9m		
Approval:	No further approvals 2005/06. Funding for construction is now under a concession agreement value £177m and no further capital funding will be sought.		

Modal Summary of Capital Expenditure

ANNEX 2

	Full Year		
	Actual	Budget	Variance to Budget
London Underground			
Investment expenditure	318	376	(58)
Capital receipts/reimbursements	(121)	(142)	21
Property sales	(15)	(13)	(2)
Net Directly Managed Expenditure	182	221	(39)
Surface Transport			
Investment expenditure	273	355	(82)
Capital receipts/reimbursements	(15)	(12)	(3)
Net Directly Managed Expenditure	258	343	(85)
London Rail			
Investment expenditure	101	95	6
Capital receipts/reimbursements	(2)	-	(2)
Net Directly Managed Expenditure	99	95	4
Group Directorates (and Boroughs)			
Investment expenditure	192	233	(41)
Capital receipts/reimbursements	(9)	(30)	21
Net Directly Managed Expenditure	183	203	(20)
Total Net Directly Managed	722	862	(140)
Total TfL			
Investment expenditure	884	1,059	(175)
Capital receipts/reimbursements	(147)	(184)	37
Property sales	(15)	(13)	(2)
Overprogramming (capital)	-	(140)	140
Net Directly Managed Expenditure	722	722	-
Boroughs	(150)	(139)	(11)
Development Expenditure	(54)	(37)	(17)
Total Net Capital Expenditure	519	547	(28)

() variance is a below budget spend for capital expenditure except for capital receipts/reimbursements and property sales.

TRANSPORT FOR LONDON

STAFF SUMMARY

TfL BOARD

SUBJECT: 2007/08 Business Planning Process and Spending Review 2007

MEETING DATE: 24 May 2006

1. PURPOSE

1.1 This paper summarises TfL's 2007/08 Business Planning process and updates the Board on Spending Review 2007 (SR2007) and other Government discussions.

2. 2007/08 Business Plan

2.1 The 2007/08 Business Planning process commenced with the issuing of the Business Planning and Budgeting Guidelines in mid-March. Workshops were held with key Business Planning contacts in April, to set out and discuss the context for this planning round, including the:

- TfL Business Plan (period to 2009/10)
- Transport Innovation Fund;
- SR2007 (period beyond 2009/10); and
- Government Eddington and Lyons reviews.

2.2 Dialogue between each of the businesses and between the businesses and Group Business Planning during the preparation of plans is being encouraged and there will also be regular 'checkpoint' meetings. Additionally in June each Managing Director will present the key themes and issues of their plans to all the others and the Commissioner, their 'direction of travel', to further improve cross-modal working and integration.

2.3 Submissions from each of the businesses to Group Business Planning will be made on 27 July. Businesses' proposals will be required to meet operating and capital expenditure targets and include a summary of changes from the Business Plan published in November 2005, to ensure that an updated financially balanced Business Plan and Investment Programme can be produced. Appendix 1 outlines the key milestone dates for the Business Plan and related planning activities.

3. SR 2007

3.1 Discussions have begun on the size and scope of the TfL bid submission for SR2007 which will build off of the T2025 work that has been under discussion with the Board over the past year. An important aspect of TfL's bid will be to clearly demonstrate the achievements that have been delivered since SR2004 and the critical importance of London in maintaining UK economic competitiveness. SR2007 will provide an opportunity for TfL to argue the case for funding beyond the period of the current Business Plan building on the long-term transport planning work being undertaken through the T2025 initiative.

3.2 The formal period for consideration in SR2007 across Government is the financial years 2008/09 to 2010/11. For the first two of these years, TfL already has an agreed settlement, so the only discussion will be whether there are specific pressures which can be discussed with Government under the terms of that agreement. We are discussing with Government the prospect of a renewed longer-term settlement but it is not clear at this stage what the period of such a settlement might be. The first Periodic Review of the London Underground PPP is just within the Spending Review period, so we will need to discuss the likely funding requirements for the second period with Government, recognising however that we will not have definitive numbers within the timeframe of this Spending Review. Government has not yet set out its guidelines for the Spending Review – the dates in Appendix 1 are based on experience from SR2004 – but we expect to engage with them before the summer recess to outline the future needs for London and possible options based upon T2025.

4. Transport innovation fund (Tif)

4.1 TfL is actively engaged in the Government's Transport Innovation Fund (TIF) process. TIF is part of a DfT strategy of focusing transport funding which support national productivity, demand management and modal shift through innovative enhancements. The fund may be expected to contribute funding for the construction of Crossrail. The intention is that from 2008/9, all real growth in the DfT transport budget is directed to TIF projects, which is dependent on controlling spending on the baseline budget.

4.2 Discussions on TIF for years 2008/9 and 2009/10 are underway with a list of potential productivity candidates submitted by the LDA on the 31st March. Productivity candidates will be short listed by the Department for Transport during May and successful schemes will be required to produce business cases for submission by 31st July. We are also discussing with Government potential funding for demand management measures.

4.3 Announcement of TIF conditional approvals is expected to be announced by the end of 2006. Funding will be released for scheme implementation in years 2008/9 and 2009/10.

5. Timetable & Communications

5.1 Group Business Planning will consolidate and analyse the businesses' submissions after receipt on 27 July, and the Group Equality and Inclusion and Group Sustainability teams will analyse the information provided for their respective areas. The Managing Director, Finance and Planning will have review meetings in early September with each of the businesses' Managing Directors to discuss key issues.

5.2 The Board will have an opportunity for their views and input into the Business Plan at a briefing in September. The draft Business Plan will be brought to the Finance Committee and Panels in the October cycle, prior to consideration by the Board at the 25 October meeting.

5.3 Following Board approval, the Business Plan will be part of the GLA budget submission made in November, following which there will be in December consultation with the London Boroughs and other stakeholders. The Assembly will consider the Mayor's consolidated budget at two meetings (late January and mid-February), and the GLA precept will be set at the mid-February meeting. The 2007/08 TfL budget will be finalised at the March 2007 Board meeting.

5.4 A suite of Business Plan/SR2007 documents are proposed this year. These are:

- An updated Business Plan, covering the period to 2009/10;
- An updated 5-Year Investment Programme, covering the period 2005/06 to 2009/10;

- An SR2007 document, covering the period beyond 2009/10;
- ‘Delivering Achievements’, showing how TfL has delivered since 2000, and in particular, following the five year funding settlement in 2004;
- A ‘value for money’ appraisal of the wider benefits of TfL’s Business Plan and SR2007 proposals; and
- The Transport Innovation Fund submission.

5.5 TfL will also contribute to the Regional Emphasis Document prepared if this is prepared by the GLA as part of the SR2007 process (for the SR2004 spending round it was published as the ‘Case for London’). Engagement with Boroughs on TfL’s Business Plan, TIF and SR2007 submissions is expected to take place beginning in June with meetings planned with Borough representatives, ALG TEC and other stakeholders, including the London Business Board and London Assembly.

6. RECOMMENDATION

6.1 The Board is asked to NOTE the Business Planning process for the coming year.

TRANSPORT FOR LONDON

STAFF SUMMARY

TfL BOARD

SUBJECT: 2005/06 BORROWING REPORT

MEETING DATE: 24 MAY 2006

1 INTRODUCTION

- 1.1 As part of the 2005/06 budget, the Board adopted plans to borrow £550 million under the provisions of the Prudential code. This amount was filled with a sale of bonds, a loan from the European Investment Bank ("EIB"), and a borrowing from the Public Works Loans Board ("PWLB"). This paper provides a summary of the various transactions. The Board is asked to NOTE the contents of the report.

2 EIB LOAN TRANSACTION DETAILS

- 2.1 At the meeting on 26 October 2005, the TfL Board approved a transaction whereby TfL would borrow £450 million to fund part of the East London Line Project ("ELLP") over a period of time via a loan from the EIB. Only £18 million of this amount would be drawn in 2005/06, and therefore count against the £550 million limit. Following the delegated approval from the Board, the documentation for the EIB loan was approved by the Managing Director Finance and Planning and signed on 21 December 2005.

Interest Rate

- 2.2 TfL agreed a fixed rate of interest of 4.293% with the EIB at the beginning of March. This rate was 6bps tighter than the comparable rate from the PWLB and is equivalent to 1.5bps under Libor and 27bps over the comparable Gilt rate. The EIB rate is fixed for the entire loan, including the drawdowns still to occur.

Loan Profile

- 2.3 As described to the Board in October, the loan will be drawn down over five years. The amounts to be drawn down each year are approximately half of the capital cost expected to be incurred by the project as per the Business Plan. The drawdown profile agreed with the EIB is as set out below.

Outline drawdown date (Financial year)	Amount (£ million)
2006	18.1
2007	64.0
2008	112.1

2009	190.0
2010	65.7
Total	450.0

- 2.4 The loan will be repaid in equal instalments of £30 million per year from 2017 to 2031 (inclusive), and is equivalent to 50% of forecast capital spending on the ELLP.

3 TfL's SECOND BOND ISSUE

- 3.1 As discussed at the Board meeting on 8 February 2006, the Board agreed that TfL enter into programme documentation which had been updated for the EU Prospectus Directive. These changes were largely mechanical, and in-line with what was agreed at the first bond issue.
- 3.2 The Finance Committee, under delegated authority from the Board, approved the updated Prospectus issued by TfL as part of the MTN Programme and bond issue.

Interest Rate

- 3.3 Following a four day roadshow where senior management met with a number of potential investors, TfL agreed a yield spread of 0.38% over the relevant risk-free Government bond (4.12%) leading to an all-in market interest rate of 4.50%. This compares favourably to the first bond issue where the yield spread was 0.50% over the Government bond (4.54%) leading to all-in market interest rate was 5.04%. This all-in interest rate of the second bond issue was 0.15% greater than the comparable rate from the Public Works Loan Board.
- 3.4 The interest rate achieved in this bond issue is 0.05% better than that of the current bond issued by the Italian government. Further, the difference between TfL bonds and Network Rail bonds has also narrowed since the first bond issue by 0.07%. The table below shows TfL's yield spread versus a range of other issuers at the time of the second bond issue, included for comparison purposes:

Issuer	Rating (S&P, Moodys, Fitch)	Mar 2006 spread to Gilts (bps)
TfL	AA, Aa1, AA	38
Metronet	AAA, Aaa, NR (insured)	50
Network Rail	AAA, Aaa, AAA	18
Republic of Italy	AA-, Aa2, AA	40

Source: HSBC, Morgan Stanley, RBS

Closing Details

- 3.5 The bond has a size of £197.6 million and the principal will be repaid over five years from 2026 – 2031. The transaction was priced on 16 March, and funds were received by TfL on 28 March.
- 3.6 Since March, the bond has performed well in the secondary market, with yields tightening slightly since launch. This solid performance demonstrates that TfL has not paid a premium for the second bond issue.

4 PWLB LOAN TRANSACTION DETAILS

- 4.1 At its meeting on 2 March 2006, the Finance Committee approved, under delegated authority from the Board, the size of the PWLB loan as the balance of the undrawn 2005/06 financial year borrowing limit of £550 million after the amount of the second bond

issue (£197.6 million net of fees) and the £18.1 million drawdown of the EIB Loan. As a result, the size of the loan from the PWLB is £334.3 million, net of fees.

Loan Profile & Interest Rate

4.2 The borrowing was arranged to maintain debt service within a profile based on average asset lives, whilst taking advantage of historically low long-term interest rates. TfL set a series of six loans with a range of bullet maturities (27 to 32 years), allowing for future flexibility in borrowing at longer maturities within the overall debt service profile. The interest rates were 4.20% or 4.25% (depending on maturity), equating to approximately 12-16bps over the relevant Gilts.

5 CASH INVESTMENT

5.1 TfL is currently earning around 4.57% on its cash balances, which is higher than the interest on all the 2005/06 borrowings. This is a reflection of the “inversion” in the current yield curve (i.e. long-term rates being lower than short-term). TfL thus does not currently have a cost of carry from these borrowings, that is the interest earned on cash investment currently exceeds the interest TfL is paying on its borrowing.

6 TfL BORROWING TO DATE

6.1 At the end of March 2006, TfL is in line with the borrowing profile agreed with Government as shown in the table below. This is also in line with the borrowing strategy that has been previously discussed with the Board and Finance Committee.

	(£ million)
Second bond issue	197.6 (net of fees and discount)
EIB Loan (first tranche)	18.1
PWLB	334.3 (net of fees)
2005/06 Borrowing	550.0
December 2004 bond issue	195.6
Total borrowing	745.6

7 RECOMMENDATION

7.1 The Board is asked to NOTE the contents of this report

TRANSPORT FOR LONDON
STAFF SUMMARY
TRANSPORT FOR LONDON BOARD

SUBJECT: **TAXI AND PRIVATE HIRE LICENCE FEES**
SUBMITTED BY: **MANAGING DIRECTOR, SURFACE TRANSPORT**
MEETING DATE: **24 MAY 2006**

1. INTRODUCTION

1.1 The purpose of this paper is to seek approval from the Board for changes in June 2006 to private hire licence fees, and to note changes to licence fees for taxis.

2. BACKGROUND

2.1 TfL is the licensing authority for taxis and private hire.

2.2 Charges for taxi and taxi driver licences were subject to maximum prescribed limits until the Transport Act 1981 introduced changes that enabled the licensing authority to determine charges. Since then, licence fees have been reviewed every year and set to recover the full cost of the PCO taxi licensing functions.

2.3 TfL first reviewed taxi and taxi driver licence fees in November 2001.

2.4 Sections 6(5) and 8(8) of the Metropolitan Public Carriage Act 1869 (amended by the Greater London Authority Act 1999) enabled the licensing authority to charge for taxi driver and taxi applications and for licensing application tests and re-tests, as well as charging for driver and vehicle licences. Since then changes have been introduced to reflect the principle that licence holders and applicants alike should pay for the costs of the licensing resources they use. These changes are shown in Annex 1.

2.5 Private hire operator licensing in London was introduced in January 2001, with private hire driver licensing introduced in April 2003, and private hire vehicle licensing introduced in April 2004. The level of charges for PHV related licence fees are set by regulations made by TfL. The record of licence fees changes is set out in Annex 2.

2.6 The making of regulations is a matter reserved to the TfL Board under Standing Order 2. It is necessary, therefore, for the TfL Board's approval to be sought in relation to the

making of regulations in order to amend private hire licensing fees in respect of operators and vehicles. No changes are proposed to private hire driver fees on this occasion.

- 2.7 A change in taxi and taxi driver licensing fees does not require regulations. It is an administrative decision for the Chief Officer responsible for the PCO. The Board is asked to note the changes for taxi licensing fees. No changes are proposed in respect of taxi drivers.

3. PROPOSED CHANGES FOR JUNE 2006

- 3.1 The following changes are proposed with effect from Thursday 1 June 2006.

- Taxi licensing application and inspection from £105 to £107 (1.9%)
- Taxi annual licence – no change at £35 (0.0%)
- **Total taxi fees from £140 to £142 (1.4%)**
- PH vehicle application and inspection from £75 to £82 (9.3%)
- PH vehicle annual licence from £25 to £27 (8.0%)
- **Total PH vehicle fees from £100 to £109 (9.0%)**
- PH operator licence application from £637 to £703 (10.4%)
- PH operator five-year licence (small) from £500 to £550 (10.0%)
- PH operator five-year licence (standard) from £1,510 to £1,707 (13.0%)
- **Total PH operator fees (small) from £1,137 to £1,253 (10.2%)**
- **Total PH operator fees (standard) from £2,147 to £2,410 (12.2%)**

3.2 *The overall cost of taxi licence fees was reduced from £146 to £140 (4.1%) in April last year. There was no overall increase in taxi driver licence fees last year and no increases are proposed this year. There were no increases last year for private hire operators, drivers and vehicles, and no increases are proposed this year for private hire drivers.*

3.3 *The above the rate of inflation increases for private hire operators and vehicles reflects, in the main, adjustments to the distribution of PCO staff resources on operator and vehicle licensing compliance matters.*

- 3.4 The fees for both taxi and private hire continue to compare favourably with fees charged by licensing authorities elsewhere, and this is especially so when London's office accommodation, staff and general business costs are taken into account.

4. IMPACT ON THE TRADES

- 4.1 Changes in taxi and taxi driver licence fees are included (as a very small element) in the cost-of-living index and are therefore recovered by the drivers through fares.
- 4.2 The proposed changes in respect of private hire vehicles and operators are the first in two years. It is not considered that the increases impose an unreasonable burden on the trade.

5. ALTERNATIVES

- 5.1 Fund the full costs of licensing through TfL grant, or through a combination of grant and fees. There is no justification to use TfL's financial resources to subsidise taxi and private

hire businesses, particularly when the costs in the former are recovered through fares and the prices in the latter trade are not regulated.

6. IMPACT ON FUNDING

6.1 There is no impact on TfL. The proposed licence fees reflect the PCO's budget over the plan period, which is set to recover the full cost of PCO's licensing functions.

7. RECOMMENDATIONS

7.1 The Board is asked to note the intended changes to taxi licence fees.

7.2 The Board is also asked to approve the making of regulations, to take effect from Thursday 1 June 2006, that will implement new:

- private hire operator application fees.
- private hire operator five-year grant of licence fees.
- private hire vehicle application fees
- private hire vehicle annual grant of licence fees.

The regulations to be signed by the Commissioner of Transport for London on behalf of Transport for London.

Annex 1

Taxi Fees												
Date	Taxi driver application	Taxi driver licence	Vehicle appointment/ inspection	Vehicle licence	Driving test				CRB* check	Knowledge of London examination		Written knowledge test
					Normal hours		Saturday & evening hours			All London	Suburban	
					Driving and wheelchair test	Wheelchair test only	Driving and wheelchair test	Wheelchair test only				
01-Jul-00	n/a	£103.00**	£78.00***		£36.00				n/a	n/a	n/a	n/a
22-Jan-01	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
02-Nov-01	n/a	£160.00	£106.00		£35.00				n/a	n/a	n/a	n/a
02-Apr-02	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	£12.00	£50.00		n/a
14-Nov-02	n/a	n/a	n/a	n/a	£55.30		£69.00		n/a	n/a	n/a	n/a
01-Apr-03	n/a	£241.00	£140.00		n/a	n/a	n/a	n/a	n/a	£100.00		n/a
01-May-03	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
01-Jul-03	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	£29.00	n/a	n/a	n/a
01-Apr-04	n/a	£249.00	£146.00		£57.00	£16.40	£71.00	£20.40	£33.00	£100.00		n/a
13-Apr-04	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
01-Nov-04	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
01-Apr-05	£25.00	£224.00	£105.00	£35.00	£57.00	£16.40	£71.00	£20.40	£34.00	£150.00	£100.00	£25.00
01-Sep-05	n/a	n/a	n/a	n/a	£62.50	£18.00	£76.00	£22.00	n/a	n/a	n/a	n/a
06-Apr-06	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	£ 36.00	n/a	n/a	n/a

* Criminal Records Bureau

** The taxi driver licence fee (set at £87 in August 1993) increased to £103 in April 1998.

*** The taxi licence fee increased from £65 to £78 in June 1992.

PH Fees								
Date	PH Operator Application	PH Operator Licence (Small)	PH Operator Licence (Standard)	PH driver application	PH driver licence	PH vehicles application	PH vehicle licence*	CRB**
1-Jul-00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
22-Jan-01	£425.00	£375.00	£975.00	n/a	n/a	n/a	n/a	n/a
2-Nov-01	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2-Apr-02	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
14-Nov-02	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1-Apr-03	£619.00	£500.00	£1,459.00	n/a	n/a	n/a	n/a	£12
1-May-03	n/a	n/a	n/a	£131.00	£87.00	n/a	n/a	n/a
1-Jul-03	n/a	n/a	n/a	n/a	n/a	n/a	n/a	£29
1-Apr-04	£637.00	£500.00	£1,510.00	£157.00	£105.00	n/a	n/a	£33
13-Apr-04	n/a	n/a	n/a	n/a	n/a	£75.00	£25.00	n/a
1-Nov-04	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1-Apr-05	£637.00	£500.00	£1,510.00	£157.00	£105.00	£75.00	£25.00	£34.00

* In addition to the licence, vehicles over 1 year old must have an MOT test twice a year.

**Criminal Records Bureau

TRANSPORT FOR LONDON

STAFF SUMMARY

TFL BOARD

**SUBJECT: A20 LOAMPIT HILL RETAINING WALL REPLACEMENT SCHEME –
COMPULSORY PURCHASE ORDER**

MEETING DATE: 24 May 2006

1. PURPOSE

- 1.1 To seek approval in principle for the making of a compulsory purchase order to acquire all necessary land interests required for the scheme to replace a retaining wall along the A20 Loampit Hill in the London Borough of Lewisham.

2. BACKGROUND

- 2.1 The retaining wall along Loampit Hill runs along the southwest side of the A20. It retains the rear gardens of the houses in Halesworth Road having odd numbers 1 to 29. The wall, which is 140m in length and 2m in height, has significant defects including deflection, bulging and cracking.
- 2.2 The construction date of the wall is not exactly known but is believed to be around 1900. Despite extensive research its ownership is not certain.
- 2.3 In September 2003, a specialist contractor carried out ground investigation works to establish the structural integrity of the wall. TfL's consultant, Atkins, concluded that the wall was unstable and showed serious signs of distress. A 30m section has severe cracks and leans towards the highway by up to 235mm. A temporary repair involving the installation of steel anchored support cables, was carried out in November 2003 to prevent the wall failing.
- 2.4 The life span of the temporary repair specified by the manufacturer is two years, although Atkins has stated that the repair is likely to have a longer life than that specified. Atkins has monitored the retaining wall since July 2005. Current monitoring of the wall shows it to be stable, however, a permanent replacement is necessary to ensure public safety in the future.
- 2.5 Atkins has designed a permanent replacement for the entire retaining wall. The intention is to build the new wall slightly set back from the existing wall (offset of 2.0m approximately) on land currently believed to be in the ownership of the owners/leaseholders of numbers 3-29 (odd) Halesworth Road as shown on the attached plan ("the Required Land"). At the same time the opportunity will be taken to widen the narrow footway at this location. This would facilitate the relocation of bus stops and pedestrian crossings to optimum positions, enable the provision of bus shelters, create safer pedestrian crossing facilities by relocating them away from a junction as well as providing parking/loading boxes closer to their users. The design of the new retaining wall and associated highway improvements is complete.
- 2.6 In May 2005, Streets RISC agreed to approach the land owners of the Required Land requesting they voluntarily dedicate land at the bottom of their gardens as public highway. TfL could then construct the new retaining wall and carry out other highway improvements in accordance with the permanent design. In June 2005, Surface Transport sent letters to the owners of the Required Land putting forward this proposal. In the letters, TfL agreed to fund all of the costs for

these works and accepted responsibility for the maintenance of the new wall as part of the public highway. Unfortunately only a few replies were received to this proposal and as a result the scheme was not able to progress further.

- 2.7 In March 2006, Streets RISC agreed that the TfL Board should be requested to authorise the use of compulsory purchase powers to acquire the Required Land and rights at the rear of numbers 3-29 (odd) Halesworth Road in order for the scheme to go ahead.
- 2.8 TfL Legal and Group Property have been supporting Surface Transport throughout in seeking a way forward. Group Property on behalf of Surface Transport has sent further letters to the landowners in an attempt to come to an agreement by offering them a revised (non-negotiable) financial settlement for the purchase of the Required Land. Responses to this offer are currently awaited. It is likely that Surface Transport will not receive agreement from all the landowners. Therefore, in order to ensure the scheme can progress, a Board resolution authorising the use of compulsory purchase powers to acquire the Required Land and rights is requested. This will allow TfL to commence the process of the making of the compulsory purchase order. In the meantime, Surface Transport proposes to pursue negotiations with each of the landowners in the hope of reaching a settlement and will continue to do so throughout the process of the making of the compulsory purchase order.
- 2.9 Group Property estimates the cost of acquiring all of the Required Land either by compulsory purchase or negotiated settlement (including compensation and associated legal/surveyors fees in negotiating a settlement) to be £180,000 and this amount has been budgeted for. It is expected that compulsory purchase powers will not be obtained until mid to late 2007.
- 2.10 A compulsory acquisition of land interferes with an owner's rights of property under Article 1 of the First Protocol to the European Convention on Human Rights which is incorporated into English Law under the Human Rights Act 1998. The view has been taken that the interference is made for a legitimate aim and is in the public interest. Compensation will be paid under the statutory code to all landowners from whom land is taken and in all cases the acquisition will be proportionate and justified.

3. RECOMMENDATION

- 3.1 The Board is asked to give approval in principle for TfL to make a compulsory purchase order for the acquisition of all necessary land interests (including rights) at the rear of Numbers 3 to 29 (odd) Halesworth Road, London, SE13, required for the A20 Loampit Hill Retaining Wall scheme.
- 3.2 The Board is asked to note that the final decision to make the compulsory purchase order and the decision as to the exact details of the land interests required (including finalisation of the boundaries and dimensions of the land) will rest with the Managing Director, Surface Transport.

Peter Brown
Chief Operating Officer – Streets
Surface Transport

May 2006

Rev A
 Drawing Number 5022376/2/DRG015
 Status D



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File: P:\06616\PROJECTS\5022376 - Loampit Hill - WILKINS\ACAD\0150\0150.dwg
 Date: Feb 09, 2008 - 9:49am
 Plotted by: chin342



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KEY:-
 LAND REQUIRED FOR FOOTWAY WIDENING
 LAND REQUIRED FOR RETAINING WALL CONSTRUCTION

Rev	Description	By	Date	Chk'd	Auth	Rev	Purpose of Issue	Date	Auth
A	ORIGINAL ISSUE	SEC	02.08	NJD	CP	A	FOR INFORMATION	02.08	CP

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Client 
 Project **LOAMPIT HILL
 RETAINING WALL PHASE 2**

Title			
LAND ACQUISITION PLAN			
Original Scale	Designed/Drawn	Checked	Authorised
1:500	NJD/SEC	NJD	CP
Status	Drawing Number	Date	Date
D	5022376/2/DRG015	02.08	02.08
Rev			
			A

AGENDA ITEM 12

TRANSPORT FOR LONDON

STAFF SUMMARY TFL BOARD

SUBJECT: INTERIM ARRANGEMENTS FOR THE AUDIT COMMITTEE

MEETING DATE: 24 MAY 2006

PURPOSE / INTRODUCTION

- 1.1 The purpose of this paper is to make an appointment to the Audit Committee.

BACKGROUND

- 2.1 Under TfL's Standing Orders, it is the responsibility of the Audit Committee to review TfL's Group annual accounts.
- 2.2 Under the Accounts and Audit Regulations 2003 the external auditors, KPMG, have to appoint a day on or after which electors may exercise their rights to question the Auditors and to object to the Accounts. The appointed day for the 2005/6 accounts is Monday 17 July 2006. TfL must have its accounts open for public inspection before the appointed day. This will commence on 19 June 2006. It has been TfL's practice to ensure that the Statement of Accounts made available for public inspection has been reviewed by the Audit Committee.
- 2.3 Quorum for the Audit Committee is three members. However, two of the four current members are not available during the week in which the accounts must be reviewed.
- 2.4 In order to ensure that the Audit Committee can meet and be quorate at its next meeting on 15 June 2006 it is proposed that Stephen Glaister be appointed to the Audit Committee. The next scheduled meeting of the Audit Committee is November 2006.
- 2.6 As the Commissioner reported at the March Board meeting, a recruitment process is underway for additional Board Members to be appointed by the Mayor. It is expected that these new Board members will be attending the Board meeting scheduled for 20 September 2006 and that the membership of the committees and panels will be adjusted to reflect the new membership.

RECOMMENDATIONS

- 3.1 The Board is asked to APPOINT Stephen Glaister to the Audit Committee.

TRANSPORT for LONDON

TfL BOARD

SUBJECT: FINANCE COMMITTEE REPORT

MEETING DATE: 24 MAY 2006

1. PURPOSE

To report to the Board on matters discussed at the Finance Committee meeting on 10 May 2006.

2. BACKGROUND

The Finance Committee considered a report on Operational and Financial performance in the final quarter of 2005/6 and the quarterly report on the progress of TfL's 5-year Investment Programme. These reports are being considered under a separate agenda item at this Board meeting.

The Committee received a paper on the GLA Sustainable Procurement Policy and the Direction and Delegation from the Mayor in respect of this policy. The Committee noted the policy and provided a number of ideas for management to take into account as they develop guidance for the practical implementation of the policy by TfL.

The Committee received a paper on the 2007/8 Business Planning process and an update on Spending Review 2007 and other Government discussions. This paper is being submitted to the Board for its consideration as a separate agenda item.

A Post-Transaction report was submitted on the £450 million loan from the European Investment Bank and loans entered into with the Public Works Loan Board in 2005/6. The Committee asked that this report be summarised and combined with a similar report which it had previously received on the further issue under the Medium Term Note Programme and be submitted to the Board for its consideration. This summary report has been prepared and appears as a separate agenda item.

The Finance Committee received a paper on the proposal to upgrade the DLR North and East routes as part of the ongoing programme to enhance the capacity on the DLR network in

conjunction with the Olympics preparation and to submit an application for a Transport and Works Act Order. The Committee recommended approval of such submission to the TfL Board, which approval is requested in a separate paper to this meeting.

The next regular meeting of the Finance Committee will take place on 8 June 2006.

3. RECOMMENDATION

The Board is asked to NOTE the contents of this report.

**DOCUMENTS SEALED ON BEHALF OF TRANSPORT FOR LONDON
BETWEEN 24 MARCH 2006 and 12 MAY 2006**

- 1 SETTLEMENT DEED – SETTLEMENT OF TERM MAINTENANCE CONTRACTORS CLAIMS
- 1 SETTLEMENT DEED – SETTLEMENT OF TERM MAINTENANCE CONTRACTORS CLAIMS
- 1 SETTLEMENT DEED – SETTLEMENT OF TERM MAINTENANCE CONTRACTORS CLAIMS
- 1 LAND REGISTRY TPI TRANSFER OF PART OF REGISTERED TITLE OF GARAGE WORKSHOP AT 387 NEWHAM WAY, WEST HAM E16 4ED
- 1 SECTION 278 AGREEMENT DEVELOPER TO UNDERTAKE WORKS AT A23 PURLEY WAY CROYDON
- 1 TFL PENSION FUND DEED OF VARIATION (CHANGES CONSEQUENTIAL ON FINANCE ACT 2004)
- 1 LAND REGISTRY TPI TRANSFER OF PART OF REGISTERED TITLE PREMISES ON THE SOUTH SIDE OF ALFRED'S WAY BARKING ESSEX IG11 0AZ
- 3 DEED ACKNOWLEDGING RECEIPT OF COMPENSATION PAYABLE IN RESPECT OF PREMISES ON THE SOUTH SIDE OF ALFRED'S WAY BARKING ESSEX
- 1 LAND REGISTRY TPI TRANSFER OF PART OF REGISTERED TITLES 261 WRINKLE MARSH ROAD LONDON SE3 8DL
- 1 HM LAND REGISTRY TRI TRANSFER OF WHOLE OF REGISTERED TITLE 311 BOWES ROAD NEW SOUTHGATE LONDON N11 1BA
- 1 DEED OF RECITIFICATION RELATING TO THE A2012 GLA ROAD (THAMES GATEWAY BRIDGE) COMPULSORY PURCHASE ORDER 2004 AND LAND AT THAMESMEAD IN THE LONDON BOROUGH OF GREENWICH
- 1 DEED OF UNDERTAKING

- 5 AGREEMENT RELATING TO THAMES GATEWAY BRIDGE MADE PURSUANT TO SECTIONS 111 OF THE LOCAL GOVERNMENT ACT 1972 AND SECTION 2 OF THE LOCAL GOVERNMENT ACT 2000 AND IN RESPECT OF THE LONDON BOROUGH OF NEWHAM UNDER SECTION 106 OF THE TOWN AND COUNTRY PLANNING ACT 1990

- 1 AGREEMENT RELATING TO THE A2012 GLA ROAD (THAMES GATEWAY BRIDGE) COMPULSORY PURCHASE ORDER 2004, SPECIAL ROADS AND BRIDGE SCHEME 2004, SIDE ROADS ORDER 2004, TOLL ORDER 2004

- 1 UNDERTAKING UNDER SECTION 106 OF THE TOWN AND COUNTRY PLANNING ACT 1990 RELATING TO PROPERTY AT THE JUNCTION OF HORN LANE AND WESTERN AVENUE, ACTON

- 1 AGREEMENT RELATING TO THE A2012 GLA (THAMES GATEWAY BRIDGE)SPECIAL ROAD AND BRIDGE SCHEME 2004, SIDE ROADS ORDER 2004, COMPULSORY PURCHASE ORDER 2004 AND LAND TO THE WEST OF GALLIONS REACH SHOPPING PARK, BECKTON, LONDON

- 1 TRANSFORMER CHAMBER LEASE AT HECKFORD STREET, LONDON E1

- 1 CONTRACT DOCUMENT COULSDON TOWN CENTRE IMPROVEMENT SCHEME VOLUME 1 FORMS OF TENDER, AGREEMENT BY DEED AND BOND, CONDITIONS OF CONTRACT AND SPECIAL REQUIREMENTS

The TfL Seal Register will be available for inspection by Board Members at the meeting.