

**TRANSPORT FOR LONDON**  
**BOARD MEETING – OPEN SESSION**  
**TO BE HELD ON 28 JUNE 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 24 May 2006
- 1.3 Any Matters Arising from the Minutes

**Business Items**

**Sponsor**

- |    |   |   |
|----|---|---|
| 2. | The Commissioner’s Report                                       | Peter Hendy, Commissioner                                 |
| 3. | London Assembly 7 July Report                                   | Ben Plowden, MD, Group Communications                     |
| 4. | TfL Annual Accounts   | Stephen Critchley, Chief Finance Officer                  |
| 5. | TfL Annual Report   | Ben Plowden, MD, Group Communications                     |
| 6. | Best Value Performance Plan (BVPP)                              | Stephen Critchley, Chief Finance Officer                  |
| 7. | Modal Share Trends  | Barry Broe, Director of Group Transport Planning & Policy |
| 8. | Approval to Award Bulk Supply Point Electricity Contract for LU | Tim O’Toole, Managing Director, LU                        |

**Procedural Items**

- |     |                                   |   |
|-----|-----------------------------------|---|
| 9.  | Report from the Finance Committee | Sir Mike Hodgkinson, Chair of the Committee |
| 10. | Report from the Audit Committee   | John Ormerod, Chair of the Committee        |

## Items for Noting

- |     |  |  |
|-----|--|--|
| 11. | Direction from The Mayor – Design for London   | Peter Brown, Chief Operating Officer, Streets, Surface Transport |
| 12. | TfL's Representative on the Association of London Government Transport & Environment Committee | Peter McGuirk, Interim Director of Governance & Assurance        |
| 13. | Documents Sealed on Behalf of TfL  | Peter McGuirk, Interim Director of Governance & Assurance        |
| 14. | Any Other Business   |  |

# TRANSPORT FOR LONDON

## 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, 24 May 2006

<b>Present:</b>	Ken Livingstone	Chair (minutes 30 - 44/05/06)
	Dave Wetzel	In the Chair (minutes 28 - 29/05/06)
	Honor Chapman	
	Stephen Glaister	
	Kirsten Hearn	
	Sir Mike Hodgkinson	
	Paul Moore	
	Sir Gulam Noon	
	Patrick O'Keeffe	
	John Ormerod	
	Tony West	
<b>In attendance:</b>	Lord Toby Harris	
	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
	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
	Ed Thompson	Director of Taxi & Private Hire (mins. 28-39/05/06)
	Jay Walder	Managing Director, Finance & Planning
	Clive Walker	Senior Audit Manager
	Jeroen Weimar	Director of TPED (mins. 28-33/05/06)
	Horatio Chishimba	TfL Secretariat
	James Varley	TfL Secretariat

### **28/05/06 Apologies for Absence**

Apologies for absence were received from Bryan Heiser and Ian Brown.

Dave Wetzel informed the Board that John Ormerod had resigned, with effect from 9 August 2006. The Board thanked John Ormerod for his contribution to the work of Transport for London during his period in office.

### **Declaration of Interests**

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There were no interests declared.

### **29/05/06 Minutes of the Previous Meeting held on 29 March 2006**

The Board agreed an amendment to minute 15/03/06, replacing “the provision” with “TfL’s provision” in the 3<sup>rd</sup> paragraph. Subject to this amendment, the minutes of the previous meeting were **APPROVED** and signed by the Chair as a correct record.

### **30/05/06 Matters Arising**

An update on the Disabled People’s Mentoring Scheme had been included in the Commissioner’s Report. A report on Section 17 of the Crime and Disorder Act 1998 was included as Item 3 on the agenda for this meeting. There were no other matters arising for this meeting.

### **31/05/06 Commissioner’s Report**

The Board received the Commissioner’s Report for May 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 very recent development, not covered in the Report, concerning very positive findings from the Public Accounts Committee, describing the management of London’s bus services by the Mayor and Transport for London as an unqualified success.

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

UAE Payment of Congestion Charge: following payment by the UAE, a number of foreign missions were in discussion with TfL concerning their payment of the congestion charge. However, this did not currently include the US Embassy. It was TfL’s understanding that the US Embassy paid similar charges in other cities such as Singapore and Stockholm. The US Embassy had been paying the congestion charge in London and had then stopped payment. The Mayor confirmed that he was seeking legal advice concerning the possibility of pursuing legal action against the US Government in its own courts.

Industrial Relations: due recognition should be given to the significant reduction in shifts lost through industrial action on London Underground. Tim O’Toole said that the next few months could be a delicate period for industrial relations, and there was a need to focus on keeping employees informed and services running.

Accessibility: efforts would continue to publicise TfL’s success in addressing accessibility and the strategy for further improvement. The Mayor said that difficulties were sometimes experienced in persuading the media to give due prominence to “good news”.

Safer Neighbourhoods Policing Bases: It was confirmed that the Metropolitan Police Service and the BTP were comfortable with the position. Further

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discussions were underway concerning space requirements, to see if more provision could be identified.

Residential Use of Surplus TfL Land: the intention was not to reduce car parking provision at LU stations, but rather to maintain or even increase provision, in the context of mixed-use developments. The developments would need to operate within English Partnerships' structures and arrangements.

Oyster Pre-pay: securing Oyster facilities on national rail had been a giant leap forward and relationships with ATOC were positive but some individual train operating companies (TOCs) had been unenthusiastic. However, any reluctant TOCs would become increasingly marginalised going forward and full network coverage was expected by the end of 2008.

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

### **32/05/06 TfL Adoption of Section 17 – Crime and Disorder Act**

The Board received a report which sought 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.

Jeroen Weimar introduced the report, explaining that adoption would build on TfL's proactive stance concerning reduction of crime and disorder and would also complement work already underway.

Kirsten Hearn welcomed the report.

The Board **APPROVED**:

- 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 report to ensure that TfL met the provisions of Section 17.

The Board also **AGREED** that crime and disorder implications should be considered whenever policy and service developments were being considered by the Board.

**Action: Commissioner**

### **33/05/06 Joint Arrangement with the London Borough of Islington**

The Board received a report which sought approval for TfL to enter a Joint Arrangement under Section 101 of the Local Government Act 1972.

The Board **APPROVED** the recommendation for TfL to enter into 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.

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### 34/05/06 **GLA Group Sustainable Procurement Policy – Direction and Delegation from the Mayor**

Valerie Todd introduced the report which notified the Board of the Mayor's Direction and Delegation, issued on 31 March 2006, requiring TfL to adopt the GLA Group Sustainable Procurement Policy.

Sir Mike Hodgkinson explained that a lengthy discussion had taken place at the May 2006 Finance Committee meeting at which it had been agreed that periodic updates would be provided to the Committee. The Commissioner explained that such reporting would take place in the same cycle as the GLA Group reporting to the Mayor.

The Board **NOTED** the GLA Group Sustainable Procurement Policy and the Direction and Delegation from the Mayor.

### 35/05/06 **DLR (Capacity Enhancement & 2012 Games Preparations) TWA Order**

Howard Smith introduced the report which updated the Board on the proposal to upgrade capacity on the DLR North and East routes and sought support for submission of an application for a Transport and Works Act (TWA) Order.

He explained that, based on the experience in DLR, one key feature of successful applications was to ensure that potential objections could be addressed, as far as possible, prior to the statutory consultation period. Dave Wetzel asked Howard Smith to share DLR experiences with other modes and Ben Plowden explained that this was already being addressed through "Project Acorn".

The Board **NOTED** the contents of the report; and

a) **APPROVED** 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 in the report subject to:

- i) the Managing Director London Rail agreeing the details of the final scheme;
- ii) the consent of the Mayor; and

b) **DELEGATED** authority to 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

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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 may be held in relation to the Scheme.

### **36/05/06 TfL Operational, Financial and Investment Programme Reports**

The Board received a report which informed the Board of TfL's Operational and Financial performance and progress of the Investment Programme over the fourth quarter of 2005/06.

Jay Walder gave a presentation which highlighted and amplified key themes from the report. TfL had had a very successful year, despite the tragic events in July 2005. Recovery in demand had been much quicker and stronger than anticipated.

Customer Satisfaction remained high and reliability targets were being maintained. Safety had continued to improve on roads and there had been only 2 accidental fatalities on the Underground.

Walking and cycling levels had increased. Lynn Sloman asked for an explanation of the basis for walking performance information and Peter Brown said he would provide an explanation for Board members outside the meeting.

**Action: Peter Brown**

Lynn Sloman also asked about utilisation for the Finsbury Park Cycle Facility. The Commissioner explained that he had visited the facility the previous day and, in his view, any underutilisation was more likely to be due to deficiencies in visibility of the facility, rather than the daily charge of 50p. He saw a need for targeted marketing in this context and had asked Peter Brown to take this forward.

**Action: Peter Brown**

There had been a mixed performance on the Infracos. Tube Lines had performed well with the introduction of the Jubilee line 7<sup>th</sup> Car and completion of Wembley Park Station, but the Northern Line remained problematic. Metronet's performance had been disappointing over the period.

TfL had delivered £222m of efficiency savings against a target of £148m, achieved through operational and back office initiatives.

Jay Walder said that TfL was working towards introduction of cashless bus by April 2007.

Valerie Todd explained the arrangements for ensuring that TfL's diversity standards were addressed when dealing with recruitment agencies and the Commissioner reminded the Board of the initiative to drastically reduce reliance on such agencies, in any event.

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Howard Smith assured the Board that the North London Railway (NLR) brand would be retained as part of the planned franchising arrangements, drawing an analogy with the DLR, which remained DLR whoever was operating the franchise.

The Commissioner explained continuing efforts to improve integration of information and services between modes but full achievement must await implementation of iBus.

The Commissioner confirmed that the decline in sales from the Ticket Office at Victoria Coach Station was the result of an increase in internet bookings. The sales forecasts would be reviewed in light of this.

Road Network performance information had a long time delay, resulting in non-availability of significant information on this aspect of performance. For the future, this would be addressed by reporting Road Network information on a different timeline.

**Action: Peter Brown**

The Board **NOTED**:

- a) TfL's operational and financial performance over the 4<sup>th</sup> quarter, 2005/06; and
- b) TfL's progress on the Investment Programme over the 4<sup>th</sup> quarter, 2005/06.

### **37/05/06 2007/08 Business Planning Process & Spending Review 2007**

Jay Walder introduced the report which summarised TfL's 2007/08 Business Planning process. He explained the three work streams involved: the Business Plan; Transport Innovation Fund (TIF); and SR2007

The Commissioner clarified the criteria for both productivity and congestion TIF submissions, of which the latter required both soft and hard travel demand management to be addressed.

The Board **NOTED** the Business Planning process for 2007/08.

### **38/05/06 2005/06 Borrowing Report**

The Board received a report which provided a summary of the various transactions relating to borrowing under the Prudential Code adopted by the Board in October 2005.

The Board **NOTED** the contents of the report and commended Jay Walder and his team for their excellent work.

### **39/05/06 Taxi and Private Hire Licence Fees**

Ed Thompson introduced the report which sought approval for changes in June 2006 to private hire licence fees and asked the Board to note changes to licence



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fees for taxis.

He explained that TfL had 120,000 taxi and private hire licensees - drivers, vehicle owners and private hire operators, with a mixture of 1, 3 and 5 year licences. The total budget for licensing was around £14m per year and it was PCO policy to recover the full costs of licensing, to avoid cross subsidy in either direction between the taxi and private hire trades and between different categories of licensee, e.g. taxi drivers and vehicles.

The PCO aimed to be efficient and licence costs were ultimately paid by the passengers through fares (which were regulated in the case of taxi fares but not in the case of private hire fares). Licence costs accounted for about 1% of the fare.

Fees were allocated on the basis of how PCO resources were allocated and could change over time. This year:

- There would be no changes to driver licence fees – taxi or private hire;
- Taxi (vehicle) fees would rise by just over 1%; and
- Private hire vehicles and operators would rise by 9-12% having been unchanged last year.

The Mayor asked Ed Thompson to review the structure of private hire operator fees, including definition of small v large operators, before next year's revision.

**Action: Ed Thompson**

The Board:

i) **NOTED** the intended changes to taxi licence fees;

ii) **APPROVED** the making of regulations, to take effect from Thursday 1 June 2006, that would 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; and

iii) **NOTED** that the regulations would be signed by the Commissioner on behalf of Transport for London.

### 40/05/06 Loampit Hill – Compulsory Purchase Order

Peter Brown introduced the report which sought 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.

The Board:

- **APPROVED** 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; and

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- **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.

### **41/05/06 Interim Arrangements for the Audit Committee**

The Board received a report which sought approval to make an appointment to the Audit Committee.

The Board **APPOINTED** Stephen Glaister to the Audit Committee.

### **42/05/06 Report from the Finance Committee – 10 May 2006**

The Board **NOTED** the contents of the report from the Finance Committee, presented by Sir Mike Hodgkinson.

### **43/05/06 Documents Sealed on Behalf of TfL**

The Board **NOTED** the list of documents sealed on behalf of Transport for London between 24 March and 12 May 2006.

### **44/05/06 Any Other Business**

#### Directions in Relation to Fares:

The Board **NOTED** the Mayor's recent directions and delegations in relation to fares.

There being no further business the meeting closed.

Signed by the Chair: \_\_\_\_\_

Date: \_\_\_\_\_

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**TFL BOARD – OPEN SESSION**

**SUBJECT: COMMISSIONER'S REPORT FOR JUNE 2006**

**MEETING DATE: 28 JUNE 2006**

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**1. PURPOSE**

This report provides an overview of major issues and developments since 24 May Board meeting and updates the Board on significant projects and initiatives.

**2. MODAL OPERATIONS**

**2.1 Surface Transport**

**2.1.1 Free Travel for Under 18s**

The Mayor has announced that bus and tram travel for under-18s in full time education will be free from September 2006. Free travel for under-18s in full time education is designed to promote the benefits of public transport to school aged children, whilst helping young people to continue studies and improve employment prospects. Young people will need to apply for a 16/17 year old Oyster photocard in September when schools and colleges re-open to qualify for free travel.

**2.1.2 Bus Network Performance**

The 2005/06 bus passenger journey figure showed a 1.3% growth compared to last year, and follows a period of significant growth of 40% between 1999/2000 and 2004/05. Growth is expected to continue at a rate of 1.5% for 2006/07. This increase will result from:

- the extension of free travel to under-18s in full time education; and
- additional journeys made by passengers switching from cash fares to other ticket types.

On bus cash usage fell to 5.5% in period 13 of the 2005/06 financial year, rising slightly to 5.8% in period 1 due to Easter. Usage has fallen again to 5.5% in period 2 and it is anticipated that the downward trend will continue.

London's 100<sup>th</sup> night bus route (281) started operation on Saturday 3 June and will operate a 24-hour service between Hounslow and Tolworth. The night bus network has expanded dramatically over the last six years with passenger numbers more than doubling, from 15 million to 34 million per year since 2000.

**2.1.3 Anti Social Behaviour Orders**

Since the Prime Minister's announcement that TfL was being granted powers to apply for ASBOs, TPED have had further discussions with the Home Office and TfL Legal. A statutory Instrument is currently being drafted, is due to be laid in Parliament in July 2006 and is expected to be made law in October/November 2006.

#### **2.1.4 Low Emission Zone**

Consultation on the proposed draft revisions to the Mayor's Transport and Air Quality Strategies ended on 24 April. The Boroughs had until 5 June to submit representations following the May elections. In total, some 8,500 public, business and operator responses have been received, together with 100 stakeholder responses. TfL's report to the Mayor is due in early July, and is likely to recommend a number of modifications to LEZ proposals resulting from consultation responses.

Productive discussions have been held with senior officials from the European Commission. The EC broadly welcome the proposals and do not envisage any significant legal obstacles at this stage.

#### **2.1.5 Tour of Britain**

The 2006 Tour of Britain finale will be held on Sunday 3 September. The 80km route starts in Greenwich Park, before proceeding over Tower Bridge and into the City. Riders will also follow a proposed 2012 Olympic cycling route across Hampstead Heath and through Regents Park and Hyde Park. The race will then follow the Tour de France Prologue route before finishing with 20 laps of St James's Park perimeter. The press launch took place on 15 May with the TfL Commissioner and the Minister for Sport present.

#### **2.1.6 Flooding on the Road Network**

TfL has undertaken considerable work to improve the resilience of the Transport for London Road Network in the context of flooding, including a full examination of all drainage infrastructure and comprehensive testing of all pumping equipment in tunnels and underpasses. Notwithstanding this work, problems occurred on 13 June 2006 as a consequence of cloudbursts depositing unprecedented quantities of water in East London in a very short period of time. This particularly affected the Blackwall Tunnel and Crooked Billet Underpass. Maintenance crews were able to drain the Blackwall Tunnel and jet all gullies allowing reopening within an hour, however loss of electrical power to pumping equipment at Crooked Billet led to significant network delays in the area for a number of hours. Discussions are ongoing with the energy supplier, EDF, to ensure no recurrence of this problem.

#### **2.1.7 ScooterSafe**

A scooter rider is killed or seriously injured every day on London's roads and scooter riders make up almost half of all motorcycle casualties in London. BikeSafe, which is a partnership between Transport for London, the Metropolitan Police and the City of London Police aimed at improving motorcycle rider skills, is being extended to offer advice to scooter riders in the Capital. The new scheme called 'ScooterSafe' will educate scooter riders with the help of experienced Traffic Patrol Officers and will be tailored towards riding on city roads. It will be further customised for riders under 20 and for those over 20 who may ride for different reasons and so require different training.

ScooterSafe will also provide a separate course aimed at tackling a link between anti-social behaviour and scooters. It will target 16-19 year olds encouraging them to ride legally, take responsibility for their actions, and dissuade them from riding less safe scooters. The courses will be run in association with youth clubs and

motor projects with referrals from Youth Offending Teams, Road Safety Officers and Safer Neighbourhood teams.

### **2.1.8 PCO - Private Hire on line service**

Find-a-ride is a service now available on the TfL website that will enable passengers to search for licensed private hire operators by borough, type of operation, operation times, how many vehicles they have and whether they have wheelchair accessible vehicles.

### **2.1.9 Phipps Bridge**

At 15:57 on Thursday 25 May, a tram travelling eastbound from Wimbledon derailed at the facing points in track section approaching Phipps Bridge tram stop. The tram was brought safely to a halt, and the passengers were safely evacuated to the adjacent Phipps Bridge tram-stop. The service was suspended immediately. There were no reported injuries and, following a thorough track inspection and recovery of the tram, a full service resumed at 21:40. An initial investigation has indicated that the circumstances surrounding the incident are similar to those of the previous derailment at the same location on 21 October 2005.

Under terms of the Concession Agreement, TfL proposes to conduct a full audit of the points on Croydon Tramlink. The audit will also establish the extent of the modifications carried out as a result of the Rail Accident Investigation Branch recommendations made following the previous incident at Phipps Bridge.

## **2.2 London Underground**

### **2.2.1 Pay Negotiations**

London Underground has revised its pay offer in response to trade union concerns. The revised offer is for a four year rather than a five year deal and while there have been some small changes to the proposed annual increases the structure of the offer – a combination of a fully pensionable salary increase and a bonus for achieving customer satisfaction goals – is retained. The trade unions have been asked to respond to this revised offer in writing.

### **2.2.2 Northern line derailment**

On Friday 2 June the last car of an empty Northern line train became derailed as it entered Archway sidings at 10:51 am. There were no injuries, but there was some minor damage to the track supports in the vicinity of the points. A Formal Investigation was launched immediately. The Rail Accident Investigation Branch (RAIB) attended site, along with members of Tube Lines and LU's Engineering and Safety departments.

The cause of the derailment was a broken switch rail at the set of points leading to the siding. From the investigations undertaken on site it is not immediately clear why the rail had broken. The Formal Investigation, which will involve Trade Union health and safety representatives, will concentrate on establishing the factors which led to the rail breaking and whether it could have been detected earlier.

The switch rail that failed is of an industry standard design and manufacture and has been used on the network for many years with an excellent safety record. Whilst it is recognised that there is always a risk of broken rails occurring on the railway, the investigation will seek to make recommendations which reduce the likelihood of this occurring even further.

### **2.2.3 King's Cross**

On 25 May the Mayor and the Secretary of State for Transport toured the new Western Ticket Hall at King's Cross St Pancras Underground station before its opening on Sunday 28 May.

The Western Ticket Hall has been designed to ease congestion during peak periods and will handle 250,000 passengers each day, the busiest on the London Underground network. This number is expected to double to almost half a million each day by 2020. As well as increasing the capacity of the station, the new ticket hall provides a range of accessibility features including new ticket windows with lowered window height to give disabled employees and passengers better access to the ticket counters and step-free access to the Circle, Hammersmith & City and Metropolitan lines.

The Mayor also announced that contracts for a new Northern Ticket Hall for the station, providing extra capacity and step-free access to the Northern, Piccadilly and Victoria lines, have been awarded. The Northern Ticket Hall is due for completion in 2010.

### **2.2.4 Victoria Line Detrainment Incident**

At 00:37 on Tuesday 30 May 2006 a track circuit failure resulted in a Victoria Line train being held between Highbury & Islington and Finsbury Park stations. Train 205, located within Highbury & Islington station at the time of the circuit failure, was moved north into a tunnel section to allow a set of points to be secured. This allowed another train in the tunnel between Kings Cross and Highbury & Islington to move into the now empty platform. Once the points were secured, the intention was for the traction power to be restored and for Train 205 to continue on in passenger service. However by the time the procedure for discharging the current and securing the points was concluded, formal engineering hours for this section of line had commenced, contractor staff had begun work and it was therefore not possible to reinstate the traction power. Locating all the engineering staff booked out on this section of line proved problematic and so at 02:00 the decision was taken to walk the 146 passenger in Train 205 out of the tunnel to Highbury & Islington.

Additional LUL staff were deployed to support the passengers with the detrainment commencing at 02:14 and being completed at 02:52. Replacement buses and taxis were made available to transfer customers to their destinations. There were no serious injuries although a few people became dehydrated and were treated on site by ambulance staff before going home.

Initial investigations have resulted in changes to operational procedures to avoid a situation where the traction current is discharged close to engineering hours. In addition incident management and escalation procedures have also been

strengthened. Customers involved in this incident are being identified, written to with an apology and a cheque for £100. This is being followed up by a telephone call to each individual affected.

### **2.2.5 PPP Annual Report**

London Underground's third annual report on the performance of the PPP, for the year to 31 March 2006 will be published during July.

### **2.2.6 Central Line Incidents**

At 17:45 on Thursday 15 June services were suspended between White City and Holborn when Metropolitan Police pursued an escaped prisoner into the tunnel at Marble Arch. Traction current was switched off and one train became stalled between Lancaster Gate and Queensway Westbound. As Managers were deployed to site and arrangements were put in place, the prisoner was apprehended in the tunnel. After safety checks were carried out the power was restored and the train was moved to the platform at 19:12. Approximately 300 customers were on board and no medical assistance was required on reaching the station. Water and medical assistance were made available on arrival.

On Friday 16 June the Central line was suspended at 08:50 between Leytonstone and Marble Arch due to a defective train at Bank station. One train was stalled behind the defective train on the approach to Bank. At 09:05 detrainment was commenced and 820 passengers were safely on the platform at Bank by 10:45. London Ambulance Service and police were on site to assist and one passenger required medical assistance. The London Underground water truck also attended and passengers were provided with bottled water.

The defective train was found to have a damaged negative shoe-gear. The root cause of the damage is under thorough investigation by LU Engineers and Metronet staff. A check of the fleet has been implemented.

### **2.2.7 Queensway Station**

Despite LU's demands, Metronet did not complete the modernisation and lift replacement works by the end of May as promised. The station reopened on 14 June, five weeks after the original contract completion date of 9 May 2006. The station has been closed for more than one year to allow Metronet Rail BCV to replace lifts, undertake congestion relief work and refurbish the station.

I have demanded that Metronet's five shareholders improve the company's performance following a series of recent failures.

### **2.2.8 Other Metronet Issues**

LU determined through its own inspection that the condition of Metronet track, particularly on the District Line, required immediate improvement and directed Metronet, via an Emergency Direction, to take certain steps to improve performance.

LU has also issued a Corrective Action Notice to Metronet notifying them of their non-performance on their station programme and demanding a recovery plan.

## 2.3 London Rail

### 2.3.1 North London Line Upgrade & Concession

A development agreement has been finalised with Network Rail and instructions have been issued to progress design work.

The evaluation of the seven prequalified bidders has been concluded and four companies have been shortlisted for the NLR / ELL concession. They are:

- MTR/Laing
- National Express
- NedRail
- GoVia

Work continues on preparation of the Invitation to Tender which is planned to be issued to the four short-listed companies in July 2006 with the aim of selecting the successful bidder in the Spring of 2007.

### 2.3.2 Docklands Light Railway

The new franchise with Serco Docklands began as planned on 28 May 2006 with a formal, two-part launch for press and stakeholders taking place at Canary Wharf on 2 June. Early feedback suggests the increased presence of additional customer service and new Travel Safe Officers is registering positively with passengers.

British Transport Police officers are still the backbone of the security presence of the railway however and co-ordination with the franchisee is key. DLR has been working with the BTP to provide new and expanded DLR owned accommodation, including better communication facilities, at Poplar. Ian Johnston, Chief Constable, opened the new building on 8 June.

Performance levels remain encouraging - Period 2 saw the best service performance since the opening of the London City Airport extension.

DLR introduced a new Audio Visual Information System, AVIS, on board trains during Period 2. This gives automatic information to all passengers on approach and arrival at every station, including that required by the security authorities ("please remember to take all your belongings with you") which is in the Transec requirements for DLR.

Further discussions are being held between Serco and the RMT union over changes to station staff roles on the DLR. The main issue remains the proposed mix of station staff responsibilities which, in some cases, relates to differing rates of pay. A verbal update on the discussions will be given at the meeting.

### 2.3.3 DfT Consultation on Mayor's Powers on National Rail in London

The DfT consultation closed on 31 May. The Department has received approximately 100 responses of which around 75% were from organisations, with the rest being from individuals. A very large number of responses were received in the last few days of the consultation period and these are still being evaluated by



the DfT. The majority support the extension of the Mayor's powers in principle, although many raise specific points or comments over their extent. There is a substantial minority body of opinion among the local authorities which objects to the extension on the 'democratic deficit' principle. However, Surrey County Council provided a well thought out and supportive response and it is understood that Essex and Hertfordshire have also submitted responses in support of the proposals.

### **2.3.4 Route Corridor Plans**

London Rail's Route Corridor Plan (RCP) process is beginning to achieve results. The DfT's specification for the South West Trains franchise foreshadowed the agreement between DfT, TfL and the TOCs to install Oyster equipment at all National Rail stations in London by the end of 2008, by requiring the franchisee to install Oyster validating machines at all its Greater London stations by 2009. The specification and Network Rail's South West Mainline Route Utilisation Strategy (RUS) both recognised the need to lengthen platforms and trains during the period 2009-14. This is the first time the Government and Network Rail have accepted the need to expand rail capacity to meet London's needs.

The SWT franchise ITT includes several measures put forward by TfL's RCP such as improved security measures and cycle storage facilities at stations, a commitment to work towards gating at Waterloo and the importance of coordinating the timing of first and last trains with those of TfL services where the two interface.

## **3. MAJOR PROJECTS & INITIATIVES**

### **3.1 East London Line**

The project continues to make good progress and remains on course for public opening in June 2010. As the first transformation of the existing line, Shoreditch station closed permanently on 9 June. 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 have now been evaluated and a further stage of bidding has commenced 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 bidders have now been shortlisted. Supply and service contracts have been issued to the short-listed bidders. It is anticipated that a preferred bidder will be identified by the end of June. The New Cross Gate depot will maintain the common fleet for the North and East London Line services.

Feasibility design work has been undertaken on the 'missing link' at Dalston between the East London and North London Railways and a technically feasible solution has been identified. 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 cost effective to do so.

### **3.2 Thameslink 2000**

Discussions still continue with DfT on the feasibility of the phased approach option with the central section being completed before 2012. The DfT is currently focusing on the interim scheme being dedicated to services from the Midland Main Line to Southern destinations; London Rail perceives benefits of a relief to LUL overcrowding by introducing, before the full scheme is developed, some trains from the Great Northern corridor. Subject to installation of equipment in the new tunnels north of St Pancras Midland Road, it is believed that this could be possible with little disruption to existing proposed heavy rail services.

### **3.3 Docklands Light Railway**

The first phase of the £185m Stratford International Project, the integration of the DLR with Network Rail at Stratford, has gone out to tender with a shortlist of four bidders. The OJEU notice for the second phase will be issued later in June. The project remains on target for completion by Q1 2010.

The prequalification documents have been received from seven bidders for the main works for the £220m 3-car capacity enhancement project. An Invitation to Tender will be sent out to the shortlisted bidders in mid July. The project remains on target for completion by Q4 2009.

The contract to secure 31 additional vehicles from Bombardier for the Olympics has been signed.

### **3.4 West London Tram**

The project is carrying out additional detailed modelling and analysis. The London Borough of Ealing has now withdrawn from the joint promotion and are seeking to work collectively with the other two directly affected Borough to oppose the scheme.

### **3.5 Thames Gateway Bridge**

The Public Inquiry ended on 3 May 2006 after sitting for 89 days over an 11 month period, since the start of the Public Inquiry on the 7 June 2005. The Outline Business Case final draft has been prepared for submission to the DfT Board planned for the 23 June 2006. Work is proceeding on the preparation of the procurement documentation.

### **3.6 Stratford Regional Station Upgrade**

The project validation report has been submitted on schedule and the scheme, with certain revisions, was endorsed by the full project board on the 25 May 2006. Detail design activity will commence in late June 2006, following receipt of survey data. The estimate for the capital works cost has reduced from £117m to £104m. The current Olympic budget is £50m, leaving a shortfall of £54m. This shortfall is being pursued at the highest level with the ODA and DfT.

### **3.7 Cross River Tram**

The planned traffic surveys and phase 2 of the Depot study has been completed. The Planning Inspector reviewing the LB Southwark draft Unitary Development Plan (UDP) concluded that safeguarding the whole of the site for a tram depot was inappropriate since development potential existed on parts of the Peckham site. LB

Southwark has accepted this recommendation and the project team is liaising with LB Southwark about local integration of a reduced site. Route options workshops have been held with all the affected boroughs.

### **3.8 Croydon Tramlink Extension**

Further work is underway on the Crystal Palace to Croydon branch of the Croydon Tramlink Extension (CTLE) as the business case and feasibility report showed this to be the best value option and the most deliverable scheme.

The LDA propose to submit a planning application for redevelopment and enhancement of parts of the Crystal Palace Park and Upper Norwood Triangle in April 2007. A requirement of the submission is for a defined preferred tram alignment in the park area to be agreed, thereby avoiding the risk of not having a safeguarded corridor within the LDA planning proposal. It is proposed that the CTLE public consultation by TfL be brought forward to late 2006 to meet the LDA timetable.

Close working relationships have been established with all stakeholders and the two key Boroughs on this project (Bromley and Croydon) are fully supportive of the extension.

### **3.9 East London Transit**

The feasibility report for phase 1b recommends two alignments for TfL's further consideration. Phase 1b is a service that will serve Barking Riverside development and the alignment refers to a section of the route between River Road and Barking Riverside Development. The two alignment options are:

- via the existing Community Centre on Bastable Avenue
- via the industrial area on Thames Road.

Consultation on phase 2 closed in January 2006 and a draft consultation report has been prepared for publication in June/July 2006. The final results show 59% majority support for TfL's preferred route.

The Phase 3a feasibility study draft report has been produced and is under review by the project team.

### **3.10 Victoria Interchange Programme**

The Interchange Programme Management team are working with Surface Transport and LUL to establish the programme for identification of a single preferred concept, in order to identify funding required for the property development. Commercial negotiations are continuing.

## **4. GROUP CORPORATE OPERATIONS**

### **4.1 Group Services**

#### **4.1.1 Human Resources**

Despite exceeding all 2005/6 BVPI equality targets, under representation at senior level for BAME people and women continues to be a challenge, and low

representation of women and disabled people is a fact at all levels. The cause is different in each case. Women do better than men throughout the recruitment stages, but challenges remain in attracting applicants and the high turnover of women in the operational modes. For BAME candidates the interview stage appears to be the area of failure for the organisation. These issues are being addressed by formal targeted projects during the year, working in some cases with Dept. for Work & Pensions, Fair Cities, and specialist agencies to address the causes.

In March 2006 the Government issued for consultation The Interim Report of the Equalities Review. The purpose is to investigate the causes of persistent discrimination and inequality in British society. In parallel, this will inform work by Dept. of Trade & Industry into a simpler, fairer anti-discrimination legal framework fit for the needs of Britain in the 21st century. In conjunction with the GLA, TfL outlined progress over the last 20 years reducing inequality in service delivery and employment, current activities and future priorities. The report is limited in its focus and proposals and fails to acknowledge the role of transport within social inclusion. TfL and the GLA has requested amendments to the report.

### **4.2 Group Finance & Planning**

#### **4.2.1 Public Service Agreement (PSA) Targets**

As reported to the Board in March 2005, TfL has agreed a set of Public Service Agreement (PSA) targets with the Department for Transport (DfT) which outline the contribution of TfL's business plan towards the DfT's objectives. Since then TfL has been working with the DfT and core cities in the UK to develop a common methodology for an indicator to monitor road congestion, the last PSA target to be finalised.

The PSA target for 2010 has now been defined as *"On target routes, accommodate an expected increase in travel of 2.98% with a 4.48% change in journey times. The target is to achieve an increase of 1.45%, or less, in average journey time per person mile, set in the context of the expected increase in travel on the routes. Travel here means 'person miles'"*. Essentially, this means that the number of miles travelled per person is expected to increase along with journey times per person with higher levels of congestion. The target is to limit the increase in journey time and hence congestion.

The indicator is expressed in average journey time per person mile over a basket of routes on the TLRN, and is derived from TfL's existing models, taking into account the policy interventions and planned improvement works in the existing business plan and investment programme. It is proposed that the targets for this indicator will be included for Board approval in future business plans, and delivery monitored as part of the existing performance reporting arrangements.

#### **4.2.2 Transport Innovation Fund**

As a result of the recent ministerial changes at the DfT, the announcement originally scheduled for end of May as to which Productivity scheme candidates will be taken forward as part of the Transport Innovation Fund (TIF), has now been delayed.

#### **4.2.3 Investment Programme Office**

As TfL's 5-year Investment Programme begins its second year, a new role - Head of Investment Programme Office - and team is being created with responsibilities for working alongside the Oversight team to ensure strategic management and reporting of the progress of delivery against the programme. This team is initially focussed on clarifying the planning and reporting baselines, creating reports for the new financial year consistent with the new budget and meeting the demand for a change control process to improve future reporting.

#### **4.2.4 Financial Services Centre**

For period 2 the FSC was successful in exceeding its reported KPIs to Corporate for the percentage of invoices paid on time, achieving 87.6% against a target of 86%. It also beat the KPI for overdue debt with 9.6% of total debt overdue against a target of 18%.

Work progresses on the project to extend the scope of the FSC by transferring additional Financial Accounting activities from Surface Finance and Corporate Accounts. The current focus is on the selection and assessment activities with senior management now appointed. Other projects for the FSC include the implementation of electronic invoicing which is planned to drive further efficiencies late in 2006/07.

#### **4.2.5 Corporate Finance**

A review by Group Property and Corporate Finance has concluded that by taking a fresh approach to property development, TfL could create significant additional value from large scale projects. A new team is being established within Corporate Finance to develop a strategy to maximise property development potential across TfL and take overall responsibility for commercial negotiations on property development, supported by the existing team in Group Property. This team will work with the operational businesses to balance transport and commercial property issues and with other parts of the GLA Group to achieve the greatest overall improvement for London.

### **4.3 Transport Planning & Policy**

#### **4.3.1 London Plan**

The Mayor has published draft further alterations to the London Plan for consultation with the London Assembly and Functional Bodies between 30 May and 21 July. The draft alterations have been carried out in the light of the Mayor's Statement of Intent on reviewing the London Plan. The review was tightly focused to address the key emerging issues facing London, especially the need to adapt to and mitigate the effects of climate change. The review also extends the Plan timescale from 2016 to 2025/6.

#### **4.3.2 January 2006 fares revision**

Revenue and passenger numbers remain close to forecast, as reported previously.

Pay as you go journeys continue to build up and now often exceed 1.2 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 over 17%

of all journeys in May, with cash single fares moving down towards 6%. For buses, Oyster single fares approached 10% of all journeys in May. Fares paid on-bus comprised just over 5% of all journeys.

### **4.4 Group Marketing**

Travel Information Contact Centre (TICC) is piloting a multi-language service which is being supported by Lionbridge translation and language services primarily covering 12 core languages with the capacity to support any language request. Phase one will commence in mid-June 2006 using staff volunteers across TfL for a period of two months allowing for technical issues to be resolved before the service is rolled out in phase two to customers via the TICC. The availability of this service will be publicised with the quality of service monitored throughout the pilot period to ensure a continued high standard of service is delivered. The success of phase two will determine the long term viability of the service.

The '*One Bus Many Voices*' video project produced in partnership with young people was screened in May 2006 to key TfL staff and represents a powerful unique insight into young people's travel experiences on buses, whilst exploring their behaviour on and attitudes to bus travel and its environment. Findings from this initial consultation with young people present some key challenges and opportunities for TfL which are now being explored with Surface Transport and London's Transport Museum in particular concerning how TfL can better communicate with young people using the system.

### **4.5 Group Communications**

#### **4.5.1 Travel Demand Management**

The School Travel Plans programme is on track to meet its goal of 40% coverage of London schools by the end of the 2006/07. The Personalised Travel Plan pilot in New Malden is being implemented to schedule.

The Workplace Travel Planning team are focusing on providing necessary guidance – for the NHS in particular and for the Development Control process more generally – in tandem with developing a targeted approach to identification and engagement of priority workplaces across the capital.

The Town Centre pilot initiative is on track for launch in September – incorporating significant aspects of each of the core TDM programmes referenced above. Initial meetings have been held with the two identified town centre boroughs (Sutton and Harrow) and their submissions are due on 23 June. A decision as to the location will be made by 3 July.

TfL's own Workplace Travel plan has also been progressed. Input has been gathered from across the business. At the TfL Travel Plan Board meeting on 14 June it is intended to clarify next steps for implementation and agree ownership for the plan moving forwards.

#### **4.5.2 Campaign for Crossrail launch**

On 6 June the Mayor hosted an event at City Hall to promote a new Campaign for Crossrail. The Mayor was joined by senior business and trade union figures as they called on the Government to work with them to find a funding solution to enable the construction of Crossrail from 2008.

The Mayor said Crossrail was his personal priority and more important to London's future growth and prosperity than the London 2012 Olympics. He was also, he said, encouraged by the recent Prime Minister's letter to new Transport Secretary, Douglas Alexander MP, which called on him to find a "clear way forward for Crossrail".

### **4.5.3 New West End Company**

Discussions have been held with the New West End Company executive on how best to deploy the TfL share of investment in the area. Agreement has been reached that the majority will be within the purview of the ORB Steering Group (Oxford Street, Regent Street and Bond Street) and its sub-groups, on which TfL representatives sit. Occasional schemes, e.g. transport marketing research, may be supported by direct application to TfL. The New West End Company is now working on the overall plan and specific projects for which it will request TfL contributions.

### **4.5.4 Local Implementation Plans (LIPs)**

The Mayor has now approved five borough LIPs with Lambeth and Tower Hamlets joining Kingston, Camden and Hammersmith and Fulham. TfL has now received 17 of the 33 Final LIPs, with a number of boroughs expected to deliver in late June and July, following completion of their LIPs after the borough elections in May.

**Peter Hendy**  
**Commissioner for Transport**  
**Transport for London**  
**June 2006**

## AGENDA ITEM 3

### TRANSPORT FOR LONDON

#### OPEN SESSION - TfL BOARD

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**SUBJECT:** London Assembly 7 July Report

**MEETING DATE:** 28 JUNE 2006

#### 1 PURPOSE

- 1.1 The purpose of this paper is to note TfL's initial response to the London Assembly report on the 7 July bombings.

#### 2 BACKGROUND

- 2.1 The London Assembly launched the 7 July Review Committee on 8 September 2005. It was agreed that the Committee should have only five members, one member from each political party on the Assembly, with the membership as follows:

Richard Barnes – Chair (Conservative)  
Sally Hamwee – Deputy Chair (Liberal Democrat)  
Joanne McCartney (Labour)  
Darren Johnson (Green)  
Peter Hulme-Cross (One London)

- 2.2 The Committee's Terms of reference were:

To review and report with recommendations on lessons to be learned from the response to 7 July bomb attacks with particular reference to:

- How information, advice and support was communicated to Londoners;
- How business continuity arrangements worked in practice;
- The role of broadcasting services in communication; and
- The use of information and communication technology to aid the response process.

- 2.3 On 11 October 2005 the Committee Chair wrote to the then Commissioner, Bob Kiley, setting out the Committee's remit, asking for written evidence to help inform the Committee's work and indicating that TfL officers would be invited to attend a meeting of the Committee to



give evidence. TfL agreed to co-operate fully with the Committee and written evidence was submitted setting out the sequence of events on 7 July and the actions of TfL staff.

- 2.4 Peter Hendy (in his then capacity as Managing Director TfL Surface Transport), Tim O'Toole, Chris Townsend and Paul Mylrea attended the first evidentiary meeting of the Committee on 3 November 2005 and gave oral evidence alongside the representatives of the other emergency services. The oral evidence set out the extremely professional reaction of all the TfL staff and its contractors involved in the incidents on 7 July along with details of the problems with radio systems on the day and the Connect PFI.
- 2.5 As part of the inquiry the Committee's members and staff visited CentreComm and London Underground's Network Operations Centre on 27 January 2006. They were briefed by the members of staff who were on duty on 7 July and who made the key operational decisions.
- 2.6 The Committee held a series of other evidentiary hearings with the Mayor, Sir Ian Blair, the London Boroughs affected, media organisations, representatives of the business community and the telecommunications industry.
- 2.7 On 23 March 2006, the Committee heard evidence from survivors and their relatives. Their evidence was understandably emotionally powerful and formed the basis of some of the recommendations made. The Committee also took evidence in private from the relatives of those killed on 7 July.
- 2.8 In order to further inform the Assembly's report and recommendations, the Committee's staff submitted a number of follow up technical questions to TfL on 19 April. These covered LU's radio systems, the provision of first aid equipment, on train communications systems and the evacuation procedures on trains and at stations. This information was provided on 28 April.

### ***The Assembly's Report***

- 2.9 The London Assembly's 7 July Review Committee Report was published on 5 June. This report attracted significant media interest, the tone of much of which implied that the response of TfL and the other agencies to the bombings had fallen far short of what could have been expected and that this response was largely characterised by acts of individual heroism rather than a set of planned and professionally executed processes.

2.10 TfL has significant concerns about the Assembly's report which are set out in the attached paper in Appendix 1. These fall into three categories:

- The reports contains a number of factual inaccuracies or misunderstandings, leading to a number of recommendations being made that do not reflect the situation on the ground or are operationally irrelevant.
- No process was in place that allowed any of the organisations that gave evidence to the Committee to check the report in draft form for factual inaccuracies, misunderstandings or relevance.
- The media were extensively briefed on the report's contents and recommendations well in advance of publication, without giving TfL and the other services under scrutiny adequate information to allow the proper right to reply.

2.11 It is regrettable that there was no opportunity to view and discuss a draft copy of the report, whilst at the same time the media were extensively briefed. Given the sensitivity and importance of this report it would have been sensible for the Assembly to have put in place an arrangement to allow draft copies of the report to be circulated on a confidential basis for comment by key organisations. This would have allowed any factual inaccuracies or misunderstandings in the report to be corrected and therefore avoid the risk of impractical solutions being recommended.

### ***TfL's Position***

2.12 TfL feel that if the inaccuracies contained within the report are allowed to stand, there is a risk that, by default, they become part of a report that may become the document of record about the bombings. This could seriously devalue what was in reality a remarkably professional and effective response to terrorist attacks on an unprecedented scale.

2.13 The London Resilience Team (LRT) has proposed that members of the London Resilience Forum issue a joint response to the Assembly report following discussion at their meeting on 13 July 2006.

2.14 TfL's initial response to the London Assembly's report, attached at Appendix 1, will support TfL's contribution to the response from the London Resilience Forum.

## **3 RECOMMENDATIONS**

3.1 Board members are asked to:

NOTE the content of the report, which will also support TfL's contribution to the response from the London Resilience Forum.

## **Initial TfL Response to the London Assembly's 7 July Review Committee Report – Volume 1 (June 2006)**

### **Introduction**

On 5 June 2006, the London Assembly's 7 July Review Committee published its report on how TfL and the Emergency Services dealt with the terrorist attacks of nearly a year ago.

TfL cooperated fully with the Committee at all stages during their lengthy information gathering process and provided both written and oral evidence to the Inquiry. TfL also facilitated a visit to the Surface Transport's Command and Control Complex, CentreComm and London Underground's Network Operations Centre.

Safety and security remains TfL's top priority at all times. There were lessons to be learnt on 7 July, some of which the report sets out, and we continue to work closely with the police and security services and review our safety policies regularly. Where relevant recommendations have been made we will look seriously at their feasibility.

However, it is important that any report which is portrayed as the definitive statement on an event of this scale and impact is accurate.

### **Accuracy of Report and Relevance of Recommendations**

TfL has some significant concerns about this report and this paper points out a number of factual inaccuracies or misunderstandings that need to be corrected. This is particularly the case where recommendations are based on these factual inaccuracies or misunderstandings.

### **Review of Report's Recommendations**

It is unfortunate that the Committee chose not to reciprocate TfL's close cooperation with the Committee by allowing it to review a draft copy of the report.

The Committee were very clear that no advance or draft copies of the report would be made available to any party. TfL's input to the drafting of recommendations was therefore limited to answering a series of technical questions rather than reviewing a draft of the report for factual accuracy or operational relevance in advance of its publication. Such a review would have meant that mistakes or misunderstandings could have been corrected.

## **Media Briefing**

TfL is disappointed that despite the strict embargo being placed on the reports publication it became clear that the media, both locally and nationally, was being briefed about the report's contents well in advance of its publication. As a result the media coverage focused on specific issues, such as London Underground's radio system, without giving TfL proper notice to give a considered response to the media.

## **Staff Response and Radio Systems**

It is also regrettable that the report largely ignores the incredibly professional and effective response on the day, and dwells instead on recommendations that in many cases could have made little or no difference. For example, the report makes much of the importance of a new radio system but this assumes the fact that blast damage would not have rendered it inoperable. This point was made in person to the Committee by Tim O'Toole when he gave evidence.

The report also regularly implies that it was only individual acts of bravery that saved the day. This is not the case and to assume so is to belittle the knowledge, professionalism and cooperation of the staff of all the agencies concerned. Those staff were brave, but they did not act as individuals outside a coherent system. As Peter Hendy and Tim O'Toole made clear in their evidence to the Committee, they were acting as a team using shared knowledge and training.

TfL is rightly proud of the role staff played in the events of 7 July 2005. They knew how to respond because all parts of TfL and those of our contractors carry out regular exercises to test our resilience plans under a range of scenarios. In addition to allowing the test of procedures in simulated conditions, these exercises also bring together all the key personnel from the groups who worked so well together on 7 July – the British Transport Police, the Metropolitan Police and City of London Police, the Fire and Ambulance Services, London Underground's Emergency Response Units, the infrastructure companies and other parts of TfL.

TfL will be pursuing the issues raised in this analysis through the London Resilience Partnership.

TfL's analysis of the report is set out in detail below:

### **Initial Analysis of the Report**

Set out below are the various sections and recommendations from the report to which TfL would like to respond. Passages from the report are listed sequentially, with TfL's response given below each.

Para

2.9: *“Passengers on the three bombed trains were unable to communicate with the drivers of the trains to alert them to the explosion”.*

Although the radio systems used on the trains in question were over 40 years old, they rely on leaky feeder cables (essentially underground aerials). These cables were damaged following the blasts. It is unlikely that any underground radio system would be guaranteed to remain operable following blast damage. Tim O’Toole told the Committee on 3 November **“those radio systems were not the way we got information because the leaky feeder cable, in essence the antenna, was hit by the explosion.”**

Any new trains brought into operation will be fitted with more sophisticated communication equipment; however there is no guarantee that this will remain functional following a bomb blast.

2.16: *“Transport for London has told us that it is investing £2 billion over 20 years in a new digital radio system for the Tube, as part of the Public/Private Partnership. This is good news in the very long term. But in the short to medium term, we are left with a radio system that is inadequate and will not be fully replaced for another 20 years”.*

This is incorrect. London Underground is rolling out throughout 2006 and 2007 a new communications network for the Tube, which will provide a valuable interface with the new Metropolitan Police Airwave system. It is being delivered through the Connect PFI, not through the PPP. The Connect PFI contract lasts for 20 years, not the process of installing the new communications network.

2.18: *“In the meantime, an interim solution must be identified to provide a robust and resilient form of communication between drivers and their line controllers”.*

There is no “off the shelf” system available that would provide an ‘interim solution’ because any new radio system would require new infrastructure to be installed in order for it to function. It would therefore be impossible to easily install an ‘interim solution’ in advance of the new communications network for the Tube that is being rolled out throughout 2006 and 2007.

It is also worth noting that British Transport Police, who patrol the Tube network, already have radios that work underground.

2.20: *“The leaky feeder cable was finally in place at 9pm on 7 July, eleven hours after the explosions”.*

A delay in running a new leaky feeder cable was inevitable given the scale of the incidents.

2.22: *“Connect will enable emergency services equipped with TETRA based radios to communicate underground and from below ground to the surface. These radios will be interoperable between the emergency services, and will provide a more resilient, reliable form of communications within each service”.*

These radios will still rely on leaky feeder cables, just as the radios in operation on 7 July did. This is still at risk from blast damage in the event of another explosion on the Underground.

Recommendation 6:

*“We recommend that Transport for London conduct a feasibility study to assess the costs and effectiveness of Personal Role Radios and other available technologies to enable communications for emergency and transport services in underground stations and tunnels”.*

Any communications technology would require the installation of new infrastructure for its operation. This is already being done by TfL through the Connect systems mentioned above, which are being installed throughout 2006 and 2007.

2.34: *“We believe that, in future, communications during the critical initial period could be improved, especially in the event of another incident on the Underground, and that this could result in a slightly quicker and more effective emergency response”.*

It is not clear how the Committee reaches this conclusion as apart from the affected trains, tunnels and stations our communications during evacuation worked extremely well. Tim O’Toole told the Committee:

**“I think the impressive thing about the timeline is how quickly the information came around, if you think about it. These incidents occurred at 8.51am; before 9.00am the emergency services and ambulances are on their way, by 9.02am we get a confirmation call that the LAS [London Ambulance Service] was headed there, and by 9.15am we have made a decision, that is not made very lightly, or ever before, to empty the entire system, which is itself a somewhat dangerous thing to do. I think the sequence of communications was amazing, considering the confusion we faced and the unprecedented nature of the incident.”**

Code Amber was called at 9.15am, only 25 minutes after the initial incident. This resulted in the entire network and all trains (that were not directly affected) being evacuated within one hour.

This is an extremely fast response time to such a major incident, on which it would be difficult to improve.

It is a real testament to our staff's experience and skill that this was achieved at the height of the rush hour, and with parts of the network out of action, without further injury or panic. It should also be noted that this was the first time a complete evacuation has been ordered since the early 90s, and only the second time in living memory.

2.67: *“Emergency Response Unit vehicles should be automatically exempt from the congestion charge, and should be allowed to drive in bus lanes. They should also have blue lights. These measures would help the unit to get to the scenes of emergencies on the Tube much more rapidly”.*

On 7 and 8 July, the congestion charge scheme was suspended and nobody paid, including Emergency Response Unit vehicles. TfL is currently looking at what other arrangements might be put in place should similar events occur in London in the future.

2.68: *“The Emergency Response Unit works mostly on the Tube network. It is therefore a cause for concern that they do not have radios that function underground”.*

The Emergency Response Unit **does** have radios that function underground. The radios used by the Unit, however, rely on the same leaky feeder cables as the radios used by train drivers and line controllers which were damaged by the bomb blasts.

2.72-2.76:

*“At each scene on the Tube, it took some time to establish what had happened...The evidence we have seen suggests that communication between those involved in the ‘first alert’ call and the emergency services on the scene would be improved in the future”.*

By 9.15am on 7 July, TfL and the emergency services had a clear understanding of the situation, and had evacuated the entire network (250,000 passengers) in one hour. As with 2.34 above, it is a real testament to our staff's experience and skill that this was achieved at the height of the rush hour, and with parts of the network out of action, without further injury or panic. It should also be noted that this was the first time a complete evacuation has been ordered since the early 90s, and only the second time in living memory.

4.9: *“In the minutes following the explosions on the Tube, passengers outside the affected carriages did not know what had happened, whether they were in danger, or what they should do...Communication from an official source is essential under these circumstances”.*

PA systems were destroyed in some cars, which prevented drivers from getting information to some injured passengers. Other passengers reported that driver announcements were heard and were extremely helpful. When asked about whether the PA systems still worked on the trains effected despite the loss of power Tim O'Toole told the Committee:

**“The battery systems were able to continue to power [the PA systems], but it all depends on what the nature of the problem is whether or not that will be interfered with. I think the behaviour of those drivers that day was just remarkable the way they were able to create calm. I know it was a terrible, terrible period for people who were stuck on those trains, some of them for a very long time, because what was happening was that as the station staff went in they were dealing with people coming off. They were in there within two minutes, but just working their way down the tunnel, processing all those people and it took quite a long time to get to the final carriages.”**

Recommendation 14:

*“Members of the London Resilience Forum should put in place regular checks to ensure that key senior officers are equipped with ACCOLC-enabled mobile phones. We request that the emergency and transport services provide us with details of their plans to conduct such reviews, showing what will be done, and how frequently, to ensure that the technology can actually be effectively used if necessary”.*

Following the events of 7 July London Buses made a formal application to OFCOM to request connection to Airwave. This has been approved and radios are being issued to senior managers, road managers and CentreComm and will be available for emergency use from July 2006.

London Underground's rostered Duty Officers (who are Gold Control in the case of an emergency) and Operational Directors are already equipped with ACCOLC-enabled mobile phones.

London Buses response vehicles are also equipped with mobile telephones and a band three (analogue) radio set that is part of the main London Buses network communication system.

Recommendation 23:

*“We recommend that TfL review the communications systems that are in place to enable station staff and/or the emergency services to communicate with passengers on trains that are trapped in tunnels”.*



Communications systems will only continue to function if the cable integrity is preserved. There is no guarantee that any cables installed will withstand bomb blasts. Blast damage and/or damage to the train car will prevent communications processes from operating.

Recommendation 24:

*“We recommend that TfL conduct a feasibility study on alternative forms of emergency lighting for new/refurbished rolling stock, and report back to us by May 2007.*

*We recommend that TfL review the potential for providing torches in drivers’ cabs for use in the event of loss of lighting and failure of emergency lights”.*

The tunnel lights and emergency car lights do work in the event of power loss. However, any emergency lighting is dependent on cables still being intact, and also on bulbs not being destroyed by blast damage or obscured by dust clouds. Tunnel lighting did switch on automatically when the traction current was discharged to assist evacuation. Although London Underground’s power and lighting system is robust, it will never be completely immune to the effects of an explosion.

Torches could be of use, if access to the affected cars is physically possible from the driver’s end.

Recommendation 25/26:

*“TfL/London Underground should produce a plan for provision of basic first aid kits on trains and at stations, in time for the 2007/08 budget-setting process”.*

*“Transport for London should also consider whether it would be practicable to carry basic first aid kits on buses, and Network Rail operators should produce plans for provision of first-aid kits for public use (and for use by qualified first-aiders) at mainline railway stations and on trains. We recommend that Transport for London and Network Rail report back to us on this issue by November 2006”.*

London Underground procedures make clear that the best way to assist passengers in need of medical assistance is to get them to stations if possible and to seek the specialist assistance of the emergency services, who can provide the best treatment.

London Underground trains do not carry first aid equipment but stations do. Large first aid supply stores exist at key locations across the Tube network and every main station has a number of first aid trained staff on duty.

With reference to the 7 July bombs, our efforts were focussed on getting qualified people to the injured. Bearing in mind the severity and number of injured, the equipment contained in basic first aid kits would not have made a material difference.

As part of the construction and use regulations for buses and coaches they are required to have a working fire extinguisher on the vehicle at all times. There is currently no requirement for a bus to be fitted with a first aid kit when operating on a normal local bus service.

To install first aid kits on all buses would require the installation of a secure box as used for the fire extinguisher, otherwise it is very likely that they would very quickly be lost, stolen or would be left empty when needed. A number of bus operating staff are trained in first aid although endeavouring to train all 22,000 drivers would not be practical.

Having said all this it must be reiterated that the contents of a standard first aid kit, whether on a tube or a bus, would not have made any material difference to the treatment of those injured in a bomb blast. In such circumstances the injured are best served by getting fully trained and equipped medical personnel to them as quickly as possible.

4.17: *“They could not part the doors more than a few inches...We started to feel trapped and worried about fire”.*

The doors are designed this way to prevent people from attempting to leave the train by the side doors in a ‘normal’ situation. The narrow tunnels and in many places the proximity of oncoming trains means that it would be very dangerous to design such a facility on underground trains – the operating environment is very different to the main line rail one.

#### Recommendation 30 – Survivor reception centres:

*“We recommend that London Underground Limited, train operating companies and Transport for London identify, in consultation with local authorities and the emergency services, at least two potential survivor reception centres close to Tube stations, overground rail stations and major bus stations in central London. They should then liaise with the owners/occupiers of those sites and involve them in emergency planning processes and exercises”.*

The recommendation to have at least two potential survivor reception points close to Tube stations is not practical. There are 255 stations owned and managed by TfL.

Our experience in service disruptions is that many people inevitably want to leave the scene to contact friends and family or return home. It is extremely difficult to collect data from them in these circumstances.

London Buses have six major bus stations in the Central London area at Euston, Liverpool Street, Aldgate, London Bridge, Vauxhall and Victoria.

The locating of a survivor reception centre close to any or all of these locations would be very difficult. The location would need to be close, the survivors would not want to walk too far away, but then sufficiently far away for safety and to allow the emergency services to continue to operate at the incident scene.

Ideally the centre would need to be in a building or at least somewhere with some cover from the elements. At some of these locations the only suitable site for a centre may be in an office block and the owners / tenants may not want the disruption to their business that this may bring.

Within section 5.1 of the LESLP Major Incident Manual there is reference to the possibility of secondary devices being at the scenes of terrorist incidents. This section requires that the Police to check Rendezvous Points, marshalling areas and cordon points. There would also be a requirement for a centre site to be checked and Police manpower at the time may prevent this.

The discussions with owners / tenants of buildings and the subsequent listing of these sites may be dangerous especially if their locations fell into the wrong hands. There would always be the potential for the placing a further device.

**TRANSPORT FOR LONDON**

**TfL BOARD**

**SUBJECT: STATEMENT OF ACCOUNTS FOR THE YEAR  
ENDED 31 MARCH 2006**

**MEETING DATE: 28 JUNE 2006**

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**1. PURPOSE**

To present the Statement of Accounts for the year ended 31 March 2006, and request approval thereof.

**2. BACKGROUND**

**2.1 Statement of Accounts**

The Statement of Accounts has been prepared in accordance with the provisions of the Audit Commission Act 1998 and the Accounts and Audit Regulations 2003 ("the Regulations"). The form, content and accounting policies followed in preparing the Statement are as prescribed in the Regulations and by the Code of Practice on Local Authority Accounting developed and published by the CIPFA/LASAAC joint committee ("the SORP"). This SORP is updated annually.

As well as prescribing the format of the Statement of Accounts, the Regulations require that the income and expenditure account and balance sheet are approved by a resolution of a Committee of the Board, or otherwise by a resolution of the members of TfL, meeting as a whole. Such approval is to take place as soon as practicable, and in any event by 30 June 2006.

Prior to the approval, the Regulations further require that the responsible financial officer (in the case of TfL, the Chief Finance Officer) shall sign and date the Statement of Accounts and certify that it presents fairly the financial position of TfL at the end of the year to which it relates, and its income and expenditure for the year. As described in the Audit Committee report, the auditors will also be seeking a representation letter from the Chief Finance Officer in respect of the Statement of Accounts.

In addition, the Statement of Accounts must be made available for public inspection for a period of four weeks following advertisement of the inspection period. This public inspection period commenced on 19 June 2006 and, following it, the auditors may receive questions or objections to the accounts from local government electors in London. Should any

such questions or objections be raised, these will be reported to the Audit Committee at its next meeting. Should any matters arise from questions or objections which require, in the opinion of the Chief Finance Officer, a material change to the Statement of Accounts, he will seek the approval of the Board to these changes.

### **2.3 Publishing of Combined Annual Report and Accounts**

In previous years the Statement of Accounts and the Annual Report were both treated as independent documents and published separately. This year it is intended that the Statement of Accounts be incorporated within the Annual Report with both published together as one document. Further details of the Annual Report are dealt with in a separate paper.

### **3. RECOMMENDATION**

The Board is asked to APPROVE the Statement of Accounts and to agree that the Chief Finance Officer will make any adjustments arising from the ongoing work prior to the auditors signing their opinion. Should any changes be required to the Statement of Accounts which, in the opinion of the Chief Finance Officer, are material, he will seek the approval of the Board to these changes.

## **AGENDA ITEM 5**

### **TRANSPORT FOR LONDON**

#### **TFL BOARD**

**SUBJECT: 2005/06 TfL ANNUAL REPORT**

**MEETING DATE: 28 JUNE 2006**

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#### **1. PURPOSE**

- 1.1 The purpose of this paper is to seek the Board's approval for the proposed outlined contents of the 2005/06 Annual Report and for the process for finalisation of the Annual Report.

#### **2. BACKGROUND**

- 2.1 TfL is legally required under section 161 of the Greater London Authority Act 1999 to produce a report on its achievements and the performance of its functions during the year. Approval of the Annual Report is a matter reserved to the Board under TfL's Standing Orders.
- 2.2 The 2005/2006 Annual Report will for the first time include the final statement of TfL's Accounts. While this is not a legal requirement it is regarded as good practice and will assist key audiences in understanding TfL's financial and operational performance over the year.
- 2.3 A copy of the proposed structure of the 2005/06 TfL Annual Report is attached. This comprises a detailed outline of the proposed contents of the 2005/2006 Annual Report indicating the themes and particular topics to be included. It has been updated to reflect the comments of the Audit Committee on 15 June 2006. The report is being presented in this form so as to allow the Board to have an opportunity to comment on the document at an early stage and to inform the detailed drafting.
- 2.4 The full text of the Annual Report will be circulated for comment to both Audit Committee and Board Members later in the summer and a Board meeting by telephone will be arranged to discuss the draft. At that meeting it is proposed that the Board approve the Annual Report and

delegate final changes of the text to Ben Plowden, Managing Director of Group Communications.

### **3. RECOMMENDATIONS**

3.1 The Board is recommended to:

- (1) AGREE the proposed outline of the 2005/06 Annual Report subject to any comments they might have;
- (2) NOTE that the Board will be asked to approve the 2005/06 Annual Report by telephone; and
- (3) NOTE that the Board will be asked to DELEGATE authority to Ben Plowden, Managing Director, Group Communications for final changes to the Annual Report.

## Appendix 1

### Transport for London annual report 2005/06

#### **Purpose**

In addition to fulfilling any legal obligations, the purpose of TfL's 2005/06 annual report is to reinforce its credibility as an organisation capable of:

- Delivering performance improvements
- Delivering its investment programme
- Delivering through partnerships with key stakeholders (internal/external)

#### **Structure and outline content**

##### ***TfL positioning statement***

A concise statement (maximum 30 words) explaining TfL principal roles

##### ***Modal overview***

A brief description of what each mode does. This section could appear after the Mayor and Commissioner statements

##### ***Mayor's statement***

Key messages to be discussed

##### ***Commissioner's statement***

Key messages to be discussed

#### **Key highlights and external awards**

The highlights and awards listed below will either be incorporated within the main body of the report, or highlighted in the introduction – depending on the final design.

##### *April 2006*

London Underground records an overall customer satisfaction score of 78/100, up from 76 in 2003/4 – and, with last year, its highest annual score since recording began in 1990/1. Use of the Tube is the second-highest level ever recorded at 971 million passenger journeys, and would have been higher but for the impact of the 7/7 bombings.

London Underground's Managing Diversity Competency Programme (MDCP) is named overall winner in the public sector category of the prestigious Opportunity Now awards in London.



*March 2006*

A report by the London Assembly's Transport Committee concludes that intensive investment in London's buses has created a reliable network that offers passengers value for money.

*February 2006*

London Underground is named Train Operator of the Year at the HSBC Rail Business awards in London. It also wins the Judge's Special Award in recognition of its rapid recovery from the July 7 bombings.

Government agrees to transfer responsibility for the North London Railway to TfL from November 2007. This is the first time that London will have direct responsibility for national railway services within the capital.

*January 2006*

Seven TfL staff members are included in the 2006 New Year Honours list in recognition of their courageous and professional response to the July 7 bombings. Commissioner Peter Hendy, then managing director of Surface Transport, and Tim O'Toole, managing director of London Underground, receive CBEs. David Boyce, John Boyle, Alan Dell, Peter Sanders and Timothy Wade received MBEs.

Yahoo! names [www.tfl.gov.uk](http://www.tfl.gov.uk) the best travel web site in its Finds of the Year awards.

*December 2005*

At a reception in London hosted by Mayor Ken Livingstone and outgoing TfL Commissioner Bob Kiley, the Prime Minister, Tony Blair, praises TfL staff for their response to the events of July 7.

A joint report by the National Audit Office and the Audit Commission on the delivery of bus services in England praises London's record

The GLA's 2005 London survey reveals that 33 per cent of residents rate the city's transport system as one of the best things about living in the capital.

*April-November 2005*

Highlights to be identified and agreed.

Surface won a large number of awards. A full list is attached to the end of this document and we need to discuss which awards to include in the annual report.

## ***Section 1 Delivering performance improvements***

### ***Overview***

A concise opening statement (maximum 50 words) summarising the year's most notable operational achievements.

The front of this section will show KPI graphs illustrating three-year trends in passenger journeys, safety performance, kilometres operated, percentage of services operated, excess journey time, customer satisfaction scores, modal shifts etc.

This section will also show graphs illustrating the benefits of congestion charging. These include a reduction in congestion, fall in car journeys, fall in traffic levels, fall in disruption to buses, and a fall in CO<sub>2</sub> emissions.

The graphics will be supported by text highlighting the year's outstanding operational achievements. Reference to the events of 7/7 will be woven into the main copy, emphasising their impact on revenues and performance while acknowledging TfL's speedy recovery.

## ***Accessibility & Inclusion***

### ***Surface***

#### **Buses**

All London buses are now 100% accessible  
Routemasters withdrawn in line with the emphasis on accessibility and environmental efficiency  
Performance of the network continues to improve  
Passenger journeys and bus kilometres rise  
iBus system launched, an investment of £120 million  
Since April 2005, four bus lane schemes have been completed and a further 19 schemes are being developed (Surface is checking this fact)  
Campaign to recruit women bus drivers launched

#### **Dial-a-Ride**

33 new Dial-a-Ride vehicles commissioned and in operation  
Dial-a-Ride Travel Assistance scheme launched

#### **PCO**

Campaign underway to recruit drivers from a wider diversity of backgrounds recruiting  
Moves towards licensing minicabs welcomed

## **Surface miscellaneous**

Out and About initiative launched

Marina Ainsworth (Surface) is sourcing additional information, including updates on LRS, VCS and ETB

## ***LU***

Station upgrade programme, incorporating extensive access improvements, well underway

Longer opening hours at Temple/Cannon Street/Chancery Lane meet passenger demand for extended access

LU commits to making 25% of Tube stations step-free by 2010, with a third step-free by 2013

## ***Rail***

East London Line rolls out E&I programme

TfL provides input to the DfT's Transport for All Strategy, announced March 2006

Service improvements completed on the Silverlink Metro between Barking and Gospel Oak

## ***Accessibility & Inclusion case study***

Travel Assistance Scheme successfully rolled out

## ***Environment***

### ***TfL***

Good Going benefits from TfL support

Travel Plans developed with schools and businesses

TfL's Environment Report 2005 published

TfL-Boroughs Joined-up Working Group (TBJG) inaugurated

TfL urban design framework published with guidelines; work on urban design policy and training programme underway

## ***Surface***

### **Buses**

Three fuel cell buses trialled between Oxford Circus and Ilford

Six hybrid buses trialled

NOx equipment installed

Solar powered bus stops launched

100% buses fitted with particulate filters

Marina Ainsworth (Surface) is sourcing additional information, including updates on LRS, VCS and ETB

## ***LU***

24 per cent cut in energy consumption at stations

Increase in energy from renewable sources  
Waste recycling figures above industry average  
Regenerative braking on tube trains

***Environmental case study***

Fuel cell buses successfully piloted on London's roads

***Safety and Risk Management***

***Risk Management***

An update on developments and new initiatives

***Personal safety***

**TfL**

COMPSTAT resource management system rolled out

**Surface**

***Road safety***

Deaths/KSI figures down by 40%; new reduction target of 50% set  
Various awareness campaigns undertaken (speed awareness, boy racer, off your head, don't die before you've lived)  
Safe cycling campaign launched in partnership with Sainsbury's  
*A-Z Traffic Tales* published for schools  
MCN London Motorcycle show stand unveiled  
Bus simulator training introduced  
BTEC training continues

***Road safety case study***

*A-Z of Traffic Tales* proves a big success among primary school children

***Safety (other)***

Know what you're getting into campaign run over Christmas  
Marshalled taxi ranks successfully introduced or extended  
Text message service for finding a licensed minicabs launched  
DNA spit kits distributed  
CCTV systems introduced on buses  
Crack down on graffiti continues

Marina Ainsworth (Surface) is sourcing additional information, including updates on LRS, VCS and ETB and any TPED initiatives

**LU**

Post-7/7 initiatives win back public confidence  
Reassurance policing continues successfully

30 BTP officers recruited in addition to the 200 already recruited over the last two years

New Help Points and CCTV systems fitted across network

Crack down on graffiti continues

Crime and Disorder Partnership Unit (CDPU) delivers

30 ASBOs imposed

Operation Rhino helps to cut crime figures

## **Rail**

BTP/TfL Silverlink Metro partnership established

New BTP base opened at Highbury and Islington

£2.7m investment in train and station security at London Fields, Bethnal Green and Cambridge Heath Stations

Increase in CCTV at stations – both LU and TfL funding for mainline stations

Other safety and security enhancements delivered on Thameslink, First Great Western Link, South Eastern Trains, Southern and WAGN

Operation Shield introduced to deter knife crime at stations

### ***Safety case study***

A day-in-the-life interview with a BTP officer

## ***Cycling and Walking (Surface)***

### ***Cycling***

More cyclists mean a bigger cycling budget

London Cycle Design Standards (LCDS) launched

4,500 new cycle parking spaces provided (including Highbury & Islington)

London Cycle Network+ extended

New cycling green routes introduced

800,000 cycle route maps distributed

Cycling access and training schemes offered

Cycle London Promotional Partnership (CLPP) reinforced

Bike Doctor clinics organised

Three major marketing campaigns rolled out (stand out in the dark, protect against the weather, light the way ahead)

BikeFest and Bike Week held

Mayor makes commitment to supporting the Mass Participation Bike Ride in September 2006

Tour of Britain in 2006 hosted

Tour de France 2007 announced

### ***Cycling case study***

Tour de France 2007 comes to London

or

Cycle London Promotional Partnerships scheme helps to raise cycling's profile

### ***Walking***

Improving Walkability launched  
Capital Ring completed  
New accessible walking links to stations and public spaces at six locations  
Security, lighting and signage upgraded at 20 locations  
Walk to School Week supported

### ***Congestion charging***

Consultation completed and announcement made on westward extension  
Charge increased to £8 per day  
Christmas/New Year suspension welcomed  
Tie up with BP PayPoints announced

### ***Fares and ticketing***

Oyster goes from strength to strength; by the year end 3 million people have one  
January fare changes accelerate the shift from cash to Oyster pre-pay  
Free bus and tram travel introduced for all U16s in the capital and U18s in full-time education; free tube travel introduced for under-11s accompanied by an adult  
Cashless bus zone extended  
Everyone's London campaign launched post-7/7  
Penalty for fare dodging raised  
Taxi fares increased

### ***Surface - Traffic management***

#### **Road Network Management**

Highway Asset Management Plan launched  
TLRN Step Change project rolled out  
White Hart roundabout security measures cut crime

#### **Traffic Manager's Office**

London HUAC Expo 2005 hosted  
[www.londonstreetworks](http://www.londonstreetworks) upgraded  
NMD Action Plan published

### ***Other issues***

#### ***Surface***

Battersea Bridge repaired before schedule  
Limehouse Link repaired before schedule  
Tower Bridge reopened on schedule

#### ***LU***

Northern Line suspended in October  
RMT strikes at the end of 2005 (background)

***Performance issue case study***

An interview with an engineer involved in the Battersea Bridge repair

## ***Section 2 Delivering in London's future growth***

### ***Overview***

A concise opening statement (maximum 50 words) summarising the year's most notable investment milestones.

### ***Investment programme case study***

DLR City Airport extension completed on schedule

### ***Surface***

A23 Coulsdon by-pass on course for completion.

### ***LU***

Station upgrade programme continues

Wembley Park upgrade completed

Seventh carriage introduced on Jubilee Line

Refurbished D stock trains introduced on District Line

Track replacement work continues

### ***LU investment case study***

£53 million upgrade of Wembley Park station completed

### ***Rail***

DLR City Airport extension completed on time and budget

DLR upgrades continue alongside Woolwich Arsenal extension

Serco contract renewed

North London Railway to come under TfL management

Crossrail project progresses

East London Line Project on track, with particular emphasis on best practice in urban design

Stratford extension takes shape

Safety and security enhancements delivered at 50% of stations in London

### ***Rail investment case study***

Investment in fitting additional CCTV and Help Points

### ***Olympic update***

London chosen to host 2012 Olympic Games

Transport strategy drawn up

Links with ODA established

DLR/Tube expansion projects on track

Progress made on North London Railway and East London Line extension

### ***Oversight group***

Key roles and responsibilities



### ***Technology & Innovation***

A focus on key developments including iBus, journey planner, traffic news, TrackerNet etc. There will be an overlap between this section and Accessibility & Inclusion.

## ***Section 3 Delivering through partnership (internal/external)***

### ***Overview***

A concise opening statement (maximum 50 words) summarising TfL's commitment to working in partnership with its internal and external stakeholders.

### ***TfL***

Borough Spending Plan (announced in December 2005) includes several high-profile schemes, such as Exhibition Road  
Borough partnerships/LIPS make positive progress  
Sustainable procurement policy published  
Pan-TfL contracts achieve procurement efficiencies  
Consultation team continues its work with involvement in several issues including the westward congestion zone extension, late-night tube running, West London Tram scheme etc.  
Work on the 100 Public Spaces initiative gathers momentum  
Urban Environment team forges strong links with the London boroughs, Urban Design London, GLA family and professional bodies

Graphics showing **staff** figures broken down according to gender, ethnic background etc. alongside a statement emphasising TfL's commitment to the well-being and developing of its staff

### ***Surface***

TfL-Boroughs Joined-up Working Group (TBJG) launched  
Campaign launched in partnership with community groups to recruit taxi drivers from more diverse backgrounds

### ***Buses***

Bus services successfully delivered in partnership with bus operators  
Joint initiatives undertaken with bus operators include BTEC/disability training  
Campaign launched in partnership with bus operators and community/women's groups to recruit more women bus drivers

Marina Ainsworth (Surface) is sourcing additional information

### ***LU***

PPP report published  
Multi-year pay deal discussed  
Time to Talk launches new approach to employee engagement  
7/7 demonstrates strength of partnership with BTP

Managing Diversity Competency Programme wins award

***Rail***

ELLP launches accessibility and inclusion programme

Horizon study undertaken

NORP established

DLR rolls out Your Railway campaign

***Working in partnership case study***

How the Kingston LIPS was launched

or

An interview with a black female licensed taxi driver or DLR's joint initiatives with local Asian communities

***Section 4 Summary of TfL's progress towards the Mayor's Transport Strategy***

Information produced by Transport Planning and Policy

***Section 5 Financial review***

The final 2005/06 accounts are currently at draft stage. Once they are fully approved and the key stories have emerged, the annual report editor (Patrick McKenna) will work with Steven Critchley's team to incorporate them into a cohesive financial review.

***Membership of Boards/Panels/Committees/Chief Officers***

Information in hand

***Financial data***

Information is currently at draft stage. Once approved, it will be passed to the design team for formatting and layout.



**TfL's Quality of Service Awards (Surface Transport)**

Activity	Award / Certification	Awarded by	Date awarded	Comments on usefulness and benefits arising from the application / award
Congestion Charging: Enforcement	British Parking Association – Judges Special Award 2005	British Parking Association	April 2005	Recognition of the Innovation implemented in the enforcement of CC and the improvements made to the enforcement process
Congestion Charging: mobile text message campaign	Silver and commendation for intelligent use of data	Marketing Direct intelligent Awards	October 2005	Public recognition of the effectiveness of a direct marketing campaign
Customer Services: London Buses Complaints Management System	CMSAS 86:2000	British Standards Institution (BSI)	May 2005	Demonstrates to customers and stakeholders that robust procedures are in place to manage customer feedback
Cycling	National Cycle Network - 10,000 miles award for Promotion	Sustrans (Sustainable Transport Charity)	September 2005	London Cycle Guides - Helped promote product at a national level
London Buses	Public Finance Awards	Improvement & Development Agency (IDeA)	April 2005	Public Servant of the Year Award
London Buses: My Other	Gold & Special	Creative	October	APG Creative Planning Awards

Activity	Award / Certification	Awarded by	Date awarded	Comments on usefulness and benefits arising from the application / award
Car is a bus Campaign'	Award for the best use of research	Circle	er 2005	
Road Safety	Beacon Status	Improvement & Development Agency (IDeA)	April 2006 Being assessed	National recognition as Beacon status. Currently being assessed. – SHORT LISTED BUT NOT SUCCESSFUL
Road Safety: Teens Advertising - 'Don't Die Before you've Lived'	Campaign Poster Awards	Creative Circle	October 2005	Best Financial or Corporate Poster
Road Safety: Teens Advertising 'Don't Die Before you've lived'	Bronze: Best Public Service - "Sarah Rivers"	British Television Advertising Awards	2005	British Advertising Awards
Road Safety: Teens Advertising 'Don't Die Before you've lived'	Silver: Best Commercial Shown in Cinema & TV - "Sarah Rivers"	British Television Advertising Awards	2005	British Advertising Awards
Road Safety: Teens Advertising 'Don't Die Before you've lived'	Bronze Radio Lion - Public Health & Safety, Public Awareness Messages ('Nightfighters',	Cannes	2005	Cannes – 2005

Activity	Award / Certification	Awarded by	Date awarded	Comments on usefulness and benefits arising from the application / award
	'BRITS', 'Football')			
Road Safety: Teens Advertising 'Don't Die Before you've lived'	Bronze for Best Film Art Direction	Creative Circle	2005	Creative Circle
Road Safety: Teens Advertising 'Don't Die Before you've lived'	Bronze for Best Multimedia Campaign	Creative Circle	2005	Creative Circle
Road Safety: Teens Advertising 'Don't Die Before you've lived'	Silver for Best Public Service Announcement (no gold issued)	Creative Circle	2005	Creative Circle
Road Safety: Teens Advertising 'Don't Die Before you've lived'	Silver for Best Radio Campaign	Creative Circle	2005	Creative Circle
Road Safety: Teens Advertising 'Don't Die Before you've Lived'	Silver	Creative Circle	October 2005	APG Creative Planning Awards
Safer Travel at Night – 'Know what you are getting in to'	Commendation	Creative Circle	October 2005	APG Creative Planning Awards
Spearmint Project Management Office	Results Focus – London Excellence Award	London Excellence	25 July 2005	Helped reinforce value of the Spearmint Project.

Activity	Award / Certification	Awarded by	Date awarded	Comments on usefulness and benefits arising from the application / award
Traffic Enforcement Camera Operations (TECO): Notice Processing Service	Charter Mark		To be assessed December 2005	An award of recognition which provides positive publicity, a focussed approach to improving customer services and staff motivation
Traffic Management & Network Management (Streets)	Highway Authority of the Year award	UK Local Authorities, Utilities and Associations	May 05	National recognition for TfL by all UK Local Authorities, Utilities and Associations
Vauxhall Cross Interchange (Streets)	"Winner" Highways Category in the Street Design Awards 2005	Local Government News (LGN)	July 2005	Recognises the importance of integrated transport. The scheme has provided a new landmark in the capital and aided urban regeneration
Victoria Coach Station	Charter Mark for Customer Service Excellence	East Midlands Quality Centre on behalf of Cabinet Office (EMQC)	August 05	Demonstrates to public and trade customers that the coach station consistently delivers high standards of services within a commercial environment. Assists with marketing and therefore profitability. Provides clear objectives benchmarks for the company and staff to maintain and better as well as providing a focus for critical review of performance





# **TRANSPORT FOR LONDON**

## **OPEN SESSION - TfL Board**

**SUBJECT: Best Value Performance Plan (BVPP)**

**MEETING DATE: 28 June 2006**

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### **1. INTRODUCTION**

- 1.1 TfL is required, in accordance with the Local Government Act 1999 to publish a Best Value Performance Plan (BVPP) by 30 June each year. Detailed guidance for the requirements of the BVPP is contained within government circulars published by the Office of the Deputy Prime Minister (ODPM), the current circular applicable is 05/2006 which sets out TfL's statutory obligations.
- 1.2 The required content of the BVPP is:
- A brief summary of TfL's strategic objectives and priorities for improvement,
  - Arrangements for addressing TfL's improvement priorities,
  - The out-turn Best Value Performance Indicators (BVPIs) for 2005/06 with associated commentary, and targets for the following year, and
  - A brief statement on contracts. TfL is required to certify either that there were no contracts awarded during the year which involved a transfer of staff, or that those let, where applicable, complied with the Code of Practice on Workforce Matters in Local Authority Service Contracts.
- 1.3 TfL produced a 'Summary BVPP' highlighting key achievements which was published on the TfL website by the required deadline of 31 March 2006. An abbreviated version will be published in the July edition of 'The Londoner' newspaper.

### **2. BACKGROUND – BVPP**

- 2.1 In common with previous years, and in accordance with best practice, TfL has integrated the production of the BVPP with its business and corporate planning process and resultant publications. The BVPP is published as an annex to the 2006/07 – 2009/10 business plan, published in November 2005.
- 2.2 The contents of this Annex are:
- The out-turn Best Value Performance Indicators (BVPIs) for 2005/06 with associated commentary,
  - A statement on contracts, and
  - A small amount of additional information relating to business improvement processes that is not contained in the main business plan text.

- 2.3 This Annex, together with the existing 2006/07 – 2009/10 business plan, constitute the 2005/06 BVPP.

### **3. BEST VALUE PERFORMANCE INDICATOR INFORMATION**

- 3.1 The Annex contains outturn performance information against the BVPIs. There are significant changes in some of the BVPI figures when comparing 2005/06 performance against target or prior year outturn. These variances are the result of:

- The move to common reporting systems (such as SAP), or
- Amendment made by the ODPM in the definitions, or
- Changes in the process for measuring performance.

An explanation for the outturn 2005/06 figure compared to target is given in the commentary for that indicator.

- 3.2 Final year outturn information has been provided for all but one of the performance indicators and has been signed-off by the responsible Director. The outstanding data is for BV165 has been delayed due to a recent revision in the definition for this indicator.
- 3.3 The full BVPP is required to be published by the end of June 2006, and will be audited by KPMG, TfL's appointed external auditors. As in previous years, the BVPP will be published on the TfL website as an annex to the Business Plan.
- 3.4 The content of the BVPP was reported to the Finance Committee meeting on 8 June where it was agreed to recommend that the Board approve the content of the BVPP and delegate authority to the Managing Director, Finance and Planning to make any changes prior to publication by 30 June 2006.

### **4. IMPACT ON CRIME AND DISORDER**

- 4.1 There is no direct impact on crime and disorder arising from the contents of this paper. However there is an indirect positive impact resulting from the monitoring of the average time taken to repair a street lighting fault indicator contained in this paper.

### **5. RECOMMENDATIONS**

- 4.1 The Board is asked to:
- APPROVE the contents of this Annex to the 2006/07 – 2009/10 business plan to form the overall 2005/06 BVPP
  - DELEGATE authority to the Managing Director, Finance and Planning to make any changes prior to publication by 30 June 2006

## **Annex to the 2006/07 – 2009/10 Business Plan (Best Value Performance Plan)**

### **Introduction**

TfL is required, as part of the Local Government Act 1999 and supplemented by ODPM circular 05/2006 to publish a Best Value Performance Plan (BVPP). TfL, in line with good practice, integrates its improvement planning with its business plan process. The 2006 BVPP is integrated into its 2006/07 - 2009/10 business plan, which was published in November 2005. This Annex to that plan contains supplementary outturn performance information and other statements that TfL is required to publish.

### **Strategic objectives and priorities for improvement**

TfL's strategic objectives and overall priorities for improvement are outlined in both the summary and main text of the business plan.

TfL and other functional bodies of the GLA group underwent an Initial Performance Assessment (IPA), carried out by the Audit Commission which concluded in November 2004. IPA is a version of Comprehensive Performance Assessment (CPA) which has been concluded for all top tier Local Authorities and district councils in England. The aim of the process was to assess the Authority's capability to deliver excellent outcomes for local people.

TfL was awarded the top rating of '**Excellent**', which placed it in the top 18%<sup>1</sup> of authorities who have achieved this result under CPA.

A copy of the Audit Commission inspection report can be found on their website at <http://www.audit-commission.gov.uk>

Whilst TfL is rated as 'excellent' overall, there were a number of areas for improvement identified in the report, which TfL recognises. As an 'excellent' organisation, TfL is not required to develop a formal improvement plan. TfL has however, considered the areas for improvement and has developed a work programme which pulls together the various initiatives being undertaken to address these issues. The 'areas for improvement' are grouped around five broad themes:

- Partnership working and shared priorities, such as developing our relationship with stakeholders and having greater clarity in respect of the decision making process.
- Achieving the benefits of 'one TfL', for example implementing shared services for corporate activities and realising associated benefits.
- Service quality improvements, such as improving the capacity of transport systems and infrastructure.
- Challenge through scrutiny, transparency and learning, such as developing greater opportunities for shared learning across the GLA Group.

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<sup>1</sup> Results of initial CPA published January 2005

- Reducing travel demand and PPP issues, an example being that our plans give comparatively less weight to reducing the need to travel.

Progress against the action plan is regularly reported to the Audit Committee of the TfL Board.

### **Arrangement for addressing TfL's improvement priorities**

TfL has a number of arrangements in place for addressing improvement priorities.

TfL's Business Planning Guidelines are distributed throughout the organisation in April each year. Each business unit is required to identify improvement opportunities and efficiencies not only for the coming year, but for the life of the Plan. This bottom up approach ensures that improvement planning is fully integrated into the overall business planning process. The business units are also required to review their programme of improvements and reviews, to ensure it is the most relevant and appropriate at that time. This approach allows flexibility to meet the business units' needs.

A Business Improvement Working Group (BIWG) has been established to ensure delivery of the business improvement agenda. Meeting regularly, it has representatives from across the organisation. In addition, regular progress reports on efficiency activities are provided regularly to the Finance Committee of the TfL Board.

A database system is used to record all improvement actions arising from best value reviews and inspections, as well as internal / external audit activity and those arising from IPA. This database provides a central source of information not only of the actions themselves, but also of their progress and completion. It is further utilised to provide high level statistics on outstanding and overdue actions, in order to concentrate management action, and progress towards completing these actions is monitored and recorded. Where appropriate, the BIWG and TfL senior management will be informed of any actions that have or may exceed their expected completion dates. In addition, reports on overdue actions are given to the Audit Committee of the TfL Board on an exception basis.

Internal Audit has an established programme of reviews which is agreed by the Audit Committee, but additional reviews can be added by the Director of Internal Audit if necessary.

TfL's future programme of Best Value reviews has been influenced by the:

- Outcomes of the IPA review in response to the 'areas for improvement',
- Need to support the business plan in relation to key decisions which need to be made in respect of existing arrangements for service delivery, and
- Ongoing identification and realisation of efficiency gains.

The anticipated outcomes of this process will be a scheme of improvements, the adoption of best practice throughout the business, and continued attention to maximise efficiencies at all levels.

## **Statement on contracts**

TfL confirms that during 2005/06, one contract was awarded which involved a staff transfer and certifies that it complied with the requirements in the Code of Practice on Workforce matters in Local Authority Service Contracts.

## **Best Value Performance Indicators**

This section sets out the Best Value Performance Indicators (BVPIs) that have been prescribed by ODPM for TfL in 2005/06. Also included are the performance out-turn figures for 2004/05 (where applicable), the target and outturn figures for 2005/06, and targets for 2006/07.

The comparisons against other authorities have been made against the most recent data available, which relates to 2004/05.

<b>BV No.</b>	<b>Title</b>	<b>Page No.</b>
BV 100	Temporary road closures	5
BV 102	Passenger journeys on buses	6
BV 165	The percentage of pedestrian crossings with facilities for disabled people, as a proportion of all crossings in the authority area	6
BV187	Percentage of the category 1, 1a and 2 footway network (on TLRN) where structural maintenance should be considered.	7
BV215a	The average number of days taken to repair a street lighting fault, which is under the control of the authority.	7
BV215b	The average number of days taken to repair a street lighting fault, where the response time is under the control of a DNO.	8
BV223	Percentage of the authority principal road network where structural maintenance should be considered.	8
BV99	Road Safety – number of road accident casualties	9-10
BV 2a	Equality standard for local government	11
BV 2b	Duty to promote race equality	11
BV 8	Percentage of invoices paid on time	12
BV 11a	Top 5% of earners : women	12
BV 11b	Top 5% of earners : ethnic minorities	13
BV 11c	Top 5% of earners : with a disability	13
BV 12	Working days lost due to sickness absence	14
BV14	Percentage of early retirements	15
BV15	Percentage of ill-health retirements	15
BV16	Percentage of employees with a disability	16
BV17	Ethnic minority representation in the workforce	16
BV156	Buildings accessibility to people with a disability	17
BV157	E-government : E-enabled interactions	18

## Transport Best Value Performance Indicators

BV100 Temporary road closures	2004/05 Actual	2005/06		2006/07 Target
		Target	Actual	
Number of days of temporary traffic controls or road closure on traffic sensitive roads caused by local authority road works per km of traffic sensitive roads	0.0017	0.017	0.088	0.088
<p><b>Comment on performance</b></p> <p>This indicator is measured for traffic sensitive roads controlled by TfL. For TfL this is the Transport for London Road Network (TLRN), of which all 580 km are treated as traffic sensitive.</p> <p>The 2005/06 figure of 0.088 represents 51 days of traffic control, of which only 1 day was a full closure. This excludes Battersea Bridge which closed for 118 days for structural repair after being hit by a barge.</p> <p>TfL's policy is to programme works to avoid road closure on the TLRN during daytime hours. However, the increased level of traffic control compared to target and last year is due to a balance between keeping the network open and the need to renew London's road network as part of the TfL Investment Programme. There are occasions when a longer period of closure or traffic control (e.g. at weekends) is more effective than frequent short closures (e.g. overnight).</p> <p>The target for 2006/07 has been set at 0.088 days per km, which is the same as the actual value for 2005/06, in line with the anticipated level of work required as part of the on-going Investment Programme. Given the level of anticipated work, achievement of this target will still demand careful management.</p> <p>TfL's performance is within the top quartile of all authorities.</p>				

<b>BV 102</b> <b>Passenger journeys on buses</b>	<b>2004/05</b> <b>Actual</b>	<b>2005/06</b>		<b>2006/07</b> <b>Target</b>
		<b>Target</b>	<b>Actual</b>	
Number of local bus passenger journeys originating in the authority area undertaken each year (millions)	1,793	1,824	1,816	1,844
<p><b>Comment on performance</b></p> <p>The 2005/06 bus passenger journey figure shows a 1.3% growth compared to last year, and follows a period of significant growth of 40% between 1999/2000 and 2004/05. Growth is expected to continue, but at a reduced rate. Patronage was slightly below target for 2005/6. This was due in part to lower than forecast travel made by under 16s when their travel became free.</p> <p>Further growth of 1.5% is predicted for 2006/07. The increase in bus passenger journeys will result from:</p> <ul style="list-style-type: none"> <li>• The extension of free travel to passengers 16/17 year olds in full time education from September 2006</li> <li>• The additional journeys made by passengers switching from cash fares to other ticket types.</li> </ul> <p>The original target of 1,876m passenger journeys for 2006/07 published in the Business Plan and Budget paper has been revised to 1,844m reflecting both the 2005/06 actual result, and revised modelling assumptions following new surveys of Under 16 patronage.</p> <p>The effects of the 2006 fares revision and the Under 16s free travel initiative will continue to be monitored.</p>				

<b>BV165</b> <b>Pedestrian crossings with facilities for disabled people</b>	<b>2004/05</b> <b>Actual</b>	<b>2005/06</b>		<b>2006/07</b> <b>Target</b>
		<b>Target</b>	<b>Actual</b>	
The percentage of pedestrian crossings with facilities for disabled people, as a proportion of all crossings in the local authority area	62.7%	75%	TBC	
			TBC	TBC
<p><b>Comment on Performance</b></p> <p>The Audit Commission has recently revised the definition for this indicator in relation to the categorisation of junctions with more than one crossing. This has required a recalculation of this indicator's value, which is approaching conclusion. If available, the results of this indicator will be reported verbally to the Board meeting.</p>				



BV187 Condition of surface footway	2004/05 Actual	2005/06		2006/07 Target
		Target	Actual	
Percentage of category 1, 1a and 2 footway network (TLRN) where structural maintenance should be considered.	29%	26%	18%	17%
<p><b>Comment on performance</b></p> <p>As part of the TfL Investment Programme, TfL has focused on improving the condition of footways on the TLRN. This is reflected in a substantial reduction in footways reported as defective and a corresponding improvement in this indicator.</p> <p>The achievement above target was in part attributed to additional investment, and also to the more effective deployment of that investment as part of a series of 'Step Change' initiatives in TfL's Street Management unit.</p> <p>Further areas of footway resurfacing are planned during 2006/07, therefore the projected 17% target for 2006/07 is considered demanding and realistic.</p> <p>TfL's performance is better than the average of 25% for all authorities.</p>				

BV215a Rectification of street lighting faults – Non DNO	2004/05 Actual	2005/06		2006/07 Target
		Target	Actual	
The average number of days taken to repair a street lighting fault, which is under the control of the local authority	n/a	n/a	12.5	12.5
<p><b>Comment on performance</b></p> <p>BV215 was new for 2005/06 and therefore a target was not required for that year. BV215a measures lighting faults that are the responsibility of TfL, whereas BV215b (see next page) requires the same information for those failures which are the responsibility of the distribution network operator (DNO) i.e. the utility company.</p> <p>The total BV 215a value includes all street lighting on the TLRN. However, TfL has adopted a risk-based approach to maintenance of street lights and focuses on lighting failures on those parts of the TLRN with relatively high pedestrian usage where lighting is (or is perceived to be) a safety issue for pedestrians and other road users (Category A-C faults). This is separated out from lighting failures in those areas where the loss of lighting represents less of a hazard such as high-masted lights and those on higher speed roads where individual lamp repairs are too disruptive to traffic (Category D faults).</p> <p>The actual value of 12.5 days achieved in 2005/06 comprised:</p> <p>Category A – C            9 days                      Category D                      70.5 days</p> <p>It is apparent that there have been delays in recording completion of defect repairs during 2005/06. Discussions are therefore being held with TfL's contractors to improve the recording systems for 2006/07, which may result in a reduction in the recorded indicator.</p> <p>A target of 12.5 days, equivalent to this year's actual value, has been set for 2006/07. This is because, as a new indicator, there are no comparable results available from other highway authorities nor any trend data on which to base the target.</p>				

BV215b Rectification of street lighting faults – DNO	2004/05 Actual	2005/06		2006/07 Target
		Target	Actual	
The average number of days taken to repair a street lighting fault, where response time is under the control of a DNO.	n/a	n/a	42.4	42.4
<p><b>Comment on performance</b></p> <p>BV215 was new for 2005/06 and therefore a target for 2005/06 was not required. BV 215b includes all street lighting faults where responsibility for time to repair is under the control of the distribution network operator (DNO).</p> <p>The average number of days taken to repair a streetlight fault undertaken by a DNO was 42.4 days.</p> <p>A target of 42.4 days has been set for 2006/07. This is the same as the actual for 2005/06 and has been used as TfL has little influence over the DNO to affect the duration. In addition, as it is a new indicator for this year, there is no previous data to report on trends.</p>				

BV223 Condition of principal roads	2004/05 Actual	2005/06		2006/07 Target
		Target	Actual	
Percentage of the local authority principal road network (TLRN) where structural maintenance should be considered.	45%	n/a	9.29%	9%
<p><b>Comment on performance</b></p> <p>This was a new indicator for 2004/05 which changed the methodology used for assessing the condition of the TLRN. Previously, the percentage of the TLRN in need of repair based on visual inspection was reported (BV96), whereas BV223 relies on assessment by survey vehicle driving along the road (TTS or SCANNER survey).</p> <p>The TTS (or SCANNER) surveys in 2004/05 showed 45% of the road network in need of further investigation. For 2005/06 the surveys showed 9.29% of the network where structural maintenance should be considered. The values for the two years are not directly comparable because of the change in definition from “need for further investigation” to “structural maintenance should be considered”. Because of the change a target was not required for 2005/06.</p> <p>Experience of using TTS so far is that the results cannot be compared against the former DVI (detailed visual inspection) results, particularly on the TLRN. This is due to a high proportion of the network being affected by vehicle parking/loading activity along the near side lane and the survey vehicles being affected by traffic flow with regular braking and accelerating.</p> <p>TfL is continuing to monitor using both DVI and TTS in parallel as DVI enables the network to be monitored to a much higher standard than the new TTS indicator and because the new indicator requires further testing. The DVI results show an improvement from 7% in 2004/05 to 6.7% in 2005/06.</p> <p>A target for 2006/07 based on TTS has been set at 9.0% because, with the unknown factors associated with the new indicator, it would be difficult to estimate how maintenance work will affect the indicator.</p>				

## BV 99 Road Safety – Number of road accident casualties London-wide

Killed and Seriously Injured Road User Type	Jan-Dec 2005/06 (Based on 2004 data)		Percentage change from Jan-Dec 2004/05 (2003) to Jan-Dec 2005/06 (2004)	Percentage change from 1994-98 average to 2005/06	2006/07 Target (For the 2005 data) See note
	Target	Actual			
Pedestrians	1,502	1,334	-11.0%	-37.6%	
Pedal Cyclists	434	340	-22.7%	-40.0%	
Powered two wheeler riders or Passengers	1,077	895	-22.3%	-4.1%	
Car Drivers or Passengers	See note*	1,292	-24.4%	-49.7%	
Other Vehicle Drivers or Passengers	See note*	308	-15.2%	-35.8%	
<b>Total</b>	<b>5,102</b>	<b>4,169</b>	<b>-19.3%</b>	<b>-37.6%</b>	<b>4,031</b>

Killed and Seriously Injured Road User Type	Jan-Dec 2005/06 (Based on 2004 data)		Percentage change from Jan-Dec 2004/05 (2003) to Jan-Dec 2005/06 (2004)	Percentage change from 1994-98 average to 2005/06	2006/07 Target (For the 2005 data)
	Target	Actual			
Child Pedestrians	See note*	304	-6.2%	-48.6%	
Child Pedal Cyclists	See note*	47	-24.2%	-57.5%	
Child Car Passengers	See note*	89	-18.3%	-54.4%	
Other Child Casualties	See note*	47	-2.1%	23.0%	
<b>Total</b>	<b>543</b>	<b>487</b>	<b>-10.3%</b>	<b>-47.9%</b>	<b>468</b>

Slightly Injured Road User Type	Jan-Dec 2005/06 (Based on 2004 data)		Percentage change from Jan-Dec 2004/05 (2003) to Jan-Dec 2005/06 (2004)	Percentage change from 1994-98 average to 2005/06	2006/07 Target (For the 2005 data)
	Target	Actual			
Pedestrians	See note*	5,042	-10.4%	-29.5%	
Pedal Cyclists	See note*	2,620	0.2%	-31.9%	
Powered two wheeler Riders or Passengers	See note*	4,663	-12.3%	-9.3%	
Car Drivers or Passengers	See note*	14,871	-8.9%	-23.0%	
Other Vehicle Drivers or Passengers	See note*	3,190	-5.6%	-10.0%	
<b>Total</b>	<b>See note*</b>	<b>30,386</b>	<b>-8.7%</b>	<b>-22.1%</b>	<b>30,196</b>

## **BV 99 Road Safety – Number of road accident casualties London-wide**

### **Comment on performance**

The full year results for 2005/06 show that TfL's road safety performance in London has continued to significantly reduce the number of road accident casualties.

The government's national targets are to achieve by 2010, compared with the average for 1994-98:

- 40% reduction in total killed and seriously injured (KSI) casualties,
- 50% reduction in child KSI casualties, and
- 10% reduction in the total slight casualty rate (expressed as number of people slightly injured per 100 million vehicle kilometres).

In addition, the Mayor of London extended the 40% reduction in KSIs to cover the vulnerable user groups of pedestrians, cyclists and powered two wheelers (PTW).

Performance to date shows a 38% reduction in KSI casualties, 48% reduction in child KSI casualties and a 22% reduction in slight casualties. This means that the national targets for KSI casualties for 2010 have almost been met six years early and the slight casualty target has already been surpassed.

Because progress has been so positive the Mayor has set new targets of:

- 50% reduction KSI casualties,
- 60% reduction in child KSI casualties, and
- 25% reduction in the total slight casualty rate.

In the past, one area of concern has been PTW KSI casualties and the Mayor has kept the target for this group at a 40% reduction. However, although the reduction compared to the 1994-98 base is only 4%, the reduction in the last year was 22% indicating a positive step forward. This has been achieved despite a 14.5% increase in the PTW traffic in London (measured in vehicle-kilometres). To address this issue TfL has introduced two high-impact advertising campaigns on television and cinema screens. In addition, the Bike Safe London initiative offers motorcyclists expert guidance from police officers, remains popular and is consistently over-subscribed.

#### **Notes :**

The 10% reduction target for slight casualties applies only to the total since there are no national targets for individual categories. However, TfL retains this information for internal guidance.

The 2006/07 targets actually apply to the calendar year 2005 as casualty figures are reported 15 months in arrears for BV 99.

## Corporate Health Best Value Performance Indicators

BV 2a Equality standard for local government	2004/05 Actual	2005/06		2006/07 Target
		Target	Actual	
The level of the Equality Standard for local government to which the authority conforms in respect of gender, race and disability	Level 3	Level 4	Level 4	Level 5
<p><b>Comment on performance</b></p> <p>TfL has demonstrated, through self and informal independent assessment of key modal and group functions, attainment of level four of the Equality Standards for Local Government. Formal confirmation of reaching level four by an independent assessor will be determined by June 2006. TfL is aiming to achieve level five of the standard by March 2007.</p>				

BV 2b Duty to promote race equality	2004/05 Actual	2005/06		2006/07 Target
		Target	Actual	
The quality of an Authority's Race Equality Scheme (RES) and improvements resulting from its application	47.5%	57.5%	55%	62.5%
<p><b>Comment on performance</b></p> <p>TfL has achieved a measured improvement upon performance in this area through targeted activities to impact upon equality targets groups e.g. the marketing of Oyster Card to enhance take up by minority ethnic groups, with the local fares pricing, derived through consultation, for people using local DLR services.</p> <p>Further improvements are required to ensure a consistent approach to measuring the perception of parity of all transport services for black, Asian and minority ethnic communities. This was the key reason for not meeting the 2005/06 target and action is being taken to address this area. Ensuring a consistent approach to determining customer perception and satisfaction will further support TfL in meeting the 2006/07 target.</p> <p>Although TfL's performance was below target it is in line with the average of 55% for all authorities.</p>				

BV 8 Percentage of invoices paid on time	2004/05 Actual	2005/06		2006/07 Target
		Target	Actual	
Percentage of invoices for commercial goods and services paid by the Authority within 30 days of receipt or within agreed payment terms.	80%	84%	85%	86%
<b>Comment on performance</b>				
<p>TfL Group has achieved the cumulative result of 85% of undisputed invoices paid within agreed terms for financial year 2005/06. Following the implementation of a Shared Service Centre for TfL in September 2004, there has been steady progress across all modes which has led to a significant improvement on last year and exceeded this year's target. Invoice workflow, a process that enables electronic authorisation, was implemented for certain groups of invoices in 2004/05. This has now bedded in and much improved the efficiency in processes. The delivery of further process improvements in February 2006 included the implementation of electronic resolution processes for the remaining invoice groups which enables TfL to look forward to further improvements in invoice processing efficiency. However, it should be noted that the implementation of new processes is expected to have a slight detrimental effect in the short term as historical data is cleared.</p> <p>TfL's performance is below the average of 90.1% for all authorities, but above the average for London Boroughs at 82.3%, a more appropriate comparator reflecting the size of TfL.</p>				

BV 11a Top 5% of earners : women	2004/05 Actual	2005/06		2006/07 Target
		Target	Actual	
Percentage of top paid 5% of authority staff who are women	15.16%	15.5%	16.72%	18.3%
<b>Comment on performance</b>				
<p>Following a second year on year improvement, in 2005/06 TfL has exceeded its target for first time.</p> <p>This improvement has been achieved despite TfL's low turnover at this level, and in an industry with historically small representation. This has been due to improving both attraction and recruitment.</p> <p>Currently 25% of applicants are women, although they are more successful than men, resulting in 32% of all recruits. Added to this women recruits outweigh women leavers by 2 to 1. However it is predicted that in 2006/07 TfL will have a turnover of only 90 positions within its top 5% earners and therefore a target increase of only 1.6% can be expected. Achieving this will rely on continued efforts to attract women with existing campaigns, and two new initiatives: research into reasons why women leave the industry and by actively searching out and targeting suitable candidates.</p> <p>TfL's performance is below the average of 39.4% when compared to London boroughs, but is only slightly below an average of 18.1% for the more comparable Passenger Transport Authorities.</p>				

<b>BV 11b Top 5% of earners : ethnic minorities</b>	<b>2004/05 Actual</b>	<b>2005/06</b>		<b>2006/07 Target</b>
		<b>Target</b>	<b>Actual</b>	
Percentage of top paid 5% of authority staff who are from an ethnic minority.	7.88%	8.20%	9.92%	10.9%

**Comment on performance**

Following a second year on year improvement, in 2005/06 TfL has exceeded its target for the first time.

Recruitment attraction has improved markedly, with 40% of shortlisted applicants being from BAME groups, however the recruitment rate is 22%, which although an improvement is still disappointing and is subject to review of process. As with BVPI11a the low expected turnover of 90 roles means that realistically the target for next year is limited to a 1% improvement. Among the activities that will be carried out to achieve this will be a process of actively searching out and targeting suitable candidates.

TfL's performance is slightly below the average of 11.7% for London boroughs.

<b>BV 11c Top 5% of earners : with a disability</b>	<b>2004/05 Actual</b>	<b>2005/06</b>		<b>2006/07 Target</b>
		<b>Target</b>	<b>Actual</b>	
Percentage of top paid 5% of authority staff who have a disability.	n/a	n/a	4.73%	5.0%

**Comment on performance**

TfL acknowledges that historically there has been real reluctance by employees to declare a disability, but following a survey of staff in 2005 and with targeting and monitoring, levels of trust have improved resulting in 4.7% of the top 5% of earners declaring a disability. The continued review and strengthening of HR policies and procedures, along with new training for all managers, balanced with the low expected turnover amongst staff at this level means that a target of 5% is set for next year.

This is the first time this indicator has been reported and therefore no comparison information from other local authorities is available.

BV 12 Working days lost due to sickness absence	2004/05 Actual	2005/06		2006/07 Target
		Target	Actual	
The number of working days/shifts lost to the Authority due to sick absence <b>All Staff</b>	12.48	11.90	13.05	11.6
<b>Operational Staff</b>	15.04	13.80	15.82	13.8
<b>Non-Operational Staff</b>	8.48 (note)	7.50	7.82	7.5

### Comment on performance

TfL's overall sickness performance was heavily affected by the terrorist attacks on the transport network in July 2005. In the immediate aftermath of the attacks there was a noticeable increase in the level of sickness within London Underground, to be expected following the stress and trauma of such a major event. The remainder of the year has seen a recovery in reported London Underground sickness levels, such that by the end of the year sickness levels were reduced to pre-July levels. Improvements in sickness levels have also been achieved across non-operational areas and within the operational areas in Surface Transport (during the last two-thirds of the year)

### Non-Operational Analysis

Improvements have been made to the accessibility and rigour of the sickness reporting process, with e-mailable forms and automated reminders, which initially lead to (expected) higher reported sickness levels in the first 3 periods of the year. Later in the year sickness reduced to levels lower than in the previous years. A Health and Wellbeing initiative is being piloted in a number of areas and will be tracked for its impact on sickness.

### Operational Analysis

As noted above, levels of sickness within London Underground worsened significantly following the terrorist incidents in July 2005, reducing the overall performance despite the improvement within the operational aspects of Surface Transport, which improved by 12% year on year due to changes in policy, procedure, and profile within London Buses. A strong, focussed, management led Attendance Improvement Programme in London Underground has successfully returned sickness levels there back to the previous year's level by period 13.

TfL's overall performance is slightly worse than the average of 11.5 days for Metropolitan authorities. It is not possible to make comparisons for operational and non-operational results, as these are unique to TfL and are not published by other authorities.

(note) This number has been restated following the 2005 audit, previously reported as 7.79.



<b>BV 14</b> <b>Percentage of early retirements</b>	<b>2004/05</b> <b>Actual</b>	<b>2005/06</b>		<b>2006/07</b> <b>Target</b>
		<b>Target</b>	<b>Actual</b>	
Percentage of employees retiring early (excluding ill-health retirements) as a percentage of the total workforce	0.34% (note)	0.80%	0.36%	0.50%
<b>Comment on performance</b>				
<p>TfL's performance was better than target, and consistent with that for 2004/05 despite levels of restructuring in the business that can drive early retirement. As a result of organisational change, the percentage is higher for non-operational staff (0.44%) compared with that for Operational staff (0.32%). The 2006/07 target has been set at 0.5% in recognition of sustained performance but also reflecting the level of organisational change.</p> <p>TfL's performance is better than average for all authorities (0.6%)</p> <p>(note) This number has been restated following the 2005 audit, previously reported as 0.78%.</p>				

<b>BV 15</b> <b>Percentage of ill health retirements</b>	<b>2004/05</b> <b>Actual</b>	<b>2005/06</b>		<b>2006/07</b> <b>Target</b>
		<b>Target</b>	<b>Actual</b>	
Percentage of employees retiring on the grounds of ill-health as a percentage of the total workforce <b>All Staff</b>	0.60% (Note)	0.60%	0.57%	0.6%
<b>Operational Staff</b>	0.64% (Note)	0.60%	0.67%	0.7%
<b>Non-Operational Staff</b>	0.53% (Note)	0.60%	0.38%	0.4%
<b>Comment on performance</b>				
<p>TfL's performance has improved overall, and builds on sustained improvements since 2003/04.</p> <p>TfL works pro-actively provides support to employees with ill-health whilst recognising the essential safety requirements for operational areas, especially in London Underground. Greater use has been made of the reasonable adjustment process and the redeployment process which attempts to find suitable alternative work for those employees not able to perform their existing duties.</p> <p>TfL's overall performance is worse than the average of 0.32% for all authorities; however it is difficult to make a true comparison due to the predominance of operational staff and safety critical roles within TfL, which does not apply to other authorities.</p> <p>(Note) This number has been restated following the 2005 audit. Previously reported as 0.52% (overall), 0.51% (operational), 0.52% (non operational).</p>				

<b>BV 16</b> <b>Percentage of employees with a disability</b>	<b>2004/05</b> <b>Actual</b>	<b>2005/06</b>		<b>2006/07</b> <b>Target</b>
		<b>Target</b>	<b>Actual</b>	
The percentage of authority employees with a disability	0.44%	0.59%	7.66%	8.5%
Compared with the percentage of the economically active population in the authorities area who have a disability.	10.7%	-	12.7%	-
<b>Comment on performance</b>				
<p>TfL's performance in 2005/06 is well above target, which is largely due to increased levels of declaration made during the staff survey carried out in 2005. This is in no small part due to a much greater willingness and trust by staff to answer this question and to register their disability. TfL will continue to review and strengthen its HR policies and procedures, and will provide new training for all managers, in order to continually improve performance in this area of representation.</p> <p>TfL's performance is above the average of 2.6% for London boroughs.</p>				

<b>BV 17</b> <b>Ethnic minority representation in the workforce</b>	<b>2004/05</b> <b>Actual</b>	<b>2005/06</b>		<b>2006/07</b> <b>Target</b>
		<b>Target</b>	<b>Actual</b>	
The percentage of authority employees from ethnic minority communities	31.88%	27% or above	32.87%	28% or above
Compared with the percentage of the economically active population in the authorities area who are from ethnic minority communities	27%	-	27.7%	-
<b>Comment on performance</b>				
<p>TfL continues to maintain a workforce well above the percentage of economically active minority communities in the authority area, which currently stands at 27.7%, and above the average of 24.6% for London Boroughs. Recruitment performance has been particularly strong in this area during the year.</p>				

<b>BV 156</b> <b>Buildings accessibility to people with a disability</b>	<b>2004/05</b> <b>Actual</b>	<b>2005/06</b>		<b>2006/07</b> <b>Target</b>
		<b>Target</b>	<b>Actual</b>	
The percentage of authority buildings open to the public in which all public areas are suitable for, and accessible to, disabled people. (note)	31%	33%	32.5%	33.6%

### **Comment on performance**

This indicator includes TfL's portfolio of buildings within its control, all London Underground stations, Bus stations, Docklands Light Railway (DLR), TfL Group Head offices, London's Transport Museum, Museum Archive and Victoria Coach station.

London Underground serves 275 stations. In 2005/06 1 additional station, Wembley Park, has been made step-free from street to platform which brings the total of step free underground stations to 46. It is planned to make 2 stations (Brixton and Morden) step-free from street to platform in 2006/07.

TfL currently use 45 bus stations in the Greater London area. Since last year there have been no changes at bus stations. Works at Hammersmith Bus Station were delayed due to circumstances outside of TfL's control, and this prevented TfL from reaching its target for 2005/06. It is hoped that the work on an interim bus station can be completed by the end of 2006. In addition, works at Edmonton Green will be completed by the end of 2006 thereby adding two more bus stations which are 'accessible and suitable for disabled people' to the network.

There are currently a total of 38 stations on Docklands Light Railway, all of which are 'accessible and suitable for disabled people'.

TfL also manages eight other properties which are open to the public. This group includes head office buildings, London's Transport Museum, Museum Archive and Victoria Coach station. Of these four are accessible.

TfL is preparing a long term accommodation strategy which will lead to positive improvements to the portfolio of accessible buildings.

TfL's performance is below the average of 75.7% for Passenger Transport Authorities, but even this comparator is not representative since other authorities do not have operational buildings, and TfL is unique in its challenge to improve the accessibility of the London Underground system.

(note – The assessment was carried out using Building Regulations Approved Document M, 2004 version)

<b>BV 157</b> <b>E-government : E-enabled interactions</b>	<b>2004/05</b> <b>Actual</b>	<b>2005/06</b>		<b>2006/07</b> <b>Target</b>
		<b>Target</b>	<b>Actual</b>	
The number of types of interactions that are enabled for electronic delivery as a percentage of the types of that are legally permissible for electronic delivery.	90.0%	100%	100%	N/A
<p><b>Comment on performance</b></p> <p>TfL is pleased to report achieving 100% for this indicator together with full compliance of relevant priority outcomes. These have been achieved by accurately informing and interacting with the travelling public at the time and place when information is needed. TfL plans to continue to run and plan innovative programmes within the 'T-gov' and 'e-gov' ethos for the foreseeable future.</p> <p>TfL's performance is better than the average of 75.5% for all authorities and is in the top 25% of authorities, who achieved an average of 87.5%.</p> <p>From 2006/07 there is no longer a requirement to report against this indicator.</p>				

**TRANSPORT FOR LONDON  
TfL BOARD**

**SUBJECT: MODAL SHARE TRENDS**

**MEETING DATE: 28 June 2006**

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**1. PURPOSE**

The purpose of this paper is to report to the Board on how mode shares have changed in London since 1999, updating the 2005 Board Paper with the most recent figures between 2004 and 2005.

**2. RECENT TRENDS: MODE SHARES FROM 1999 TO 2005**

**2.1 OVERVIEW**

It is estimated that between 1999 and 2005 (calendar year) in London:

- London's population increased by 5%
- Total trips increased by 9%
- Public transport trips increased by 23%

Of this increase in public transport:

- Bus travel increased by 40%
- Train travel increased by 14%
- Tube (including DLR) travel increased by 7%.

While transport trips by other modes changed as follows:

- Walking increased by 10%
- Cycling increased by 52%
- Taxi trips increased by 5%
- Car trips decreased by 1%

As a result, the share of travel by public transport increased from around 32% to 36% between 1999 and 2005. Despite increased cycle trips, the modal share of walking and cycling combined remained constant. Car's share fell from 46% to 42% over the six years. Table 1 and Graph 1 in the appendix show the changes in daily trips and modal shares in more detail.

More recently between 2004 and 2005:

- Public transport trips rose slightly (by 1%).
- Car travel remained approximately constant
- Cycling trips increased by 18%
- Public transport mode share increased marginally by about 0.1%.

While the change between 2004 and 2005 was marginal, the underlying mode shift trend remains strong because public transport demand during 2005 was adversely affected by the July bombings. This sustained mode shift is confirmed by the most recent year on year data (from March 06) showing<sup>1</sup>:

- Bus journeys up by 2%
- Tube journeys up by 1%
- Rail journeys up by 5%

## 2.2 REVIEW

The increase in total journeys of 9% over the six years (1999-2005) is significantly larger than the estimated 4.6%<sup>2</sup> increase in London's population, therefore the increase in trips is due to more than the population growth. (Change in population and employment growth since 1999 are shown in graphs 2 and 3) The increase in trip making is consistent with a longer term trend, with the number of trips made per person per day in London increasing from 2.71 in 1993 to 2.85 in 2005 (Graph 4).

The 10% increase in National Rail and Tube trips from 1999 to 2005 mainly reflects the growth of employment and other activity in central London and Docklands. The 40% increase in travel by bus can be attributed in part to the underlying population growth but mostly reflects gains in market share from car. This results from the fares and service improvements (network expansion, frequencies, vehicle investment, and bus priority) plus the introduction of the Congestion Charging scheme. This increase, together with growth on the DLR and trams, already exceeds the DfT's national target of a 12% change between 2000 and 2010 for light rail and bus usage<sup>3</sup>.

The number of journeys per day on the Tube is now (March 2006) 1% up on last year. However, due to the impact of the London Bombing in July 2005 passenger journeys in 2005/06 were reduced by around 20 million from what they otherwise would have been<sup>4</sup>.

Targets for cycling, as set out in the TfL Cycling Action Plan (80% increase between 2000 and 2010), appear to be on track with cycle counters on the TLRN indicating an increase in cycle flows of 46% since 2000, and an increase of 18% between 2004 and 2005.

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<sup>1</sup> Period 13 2005/06 Revenue Report, Finance & Planning, TfL

<sup>2</sup> GLA Mid-year population estimates, revised edition 2005

<sup>3</sup> Spending Review 2004 Public Service Agreement Target for Department for Transport

<sup>4</sup> Project Note: London bombings 7 July 2005, LU Strategy & Service Development, 24<sup>th</sup> April 2006.

The stabilisation in car journeys in London is in line with the trend over recent years – in marked contrast to the national trend, although data for 2005 for the whole country is not currently available.

### 2.3 CURRENT TRENDS: 2004 AND 2005

Current trends suggest that the underlying shift to public transport modes is likely to continue in 2006, with car share continuing to decline. The bombings in summer 2005 impacted on Tube and bus passenger numbers – both in terms of service suspensions and the resultant dip in tourist numbers. However, the stability in car travel demand indicates that these events have not resulted in a detectable shift to private transport.

### 3. RECOMMENDATIONS

The Board is asked to NOTE the sustained mode shift to public transport in London.

## Appendix: Statistical evidence

**Table 1**  
**Indicative London Travel Trends 1999 to 2005**

	<b>Bus</b>	<b>Tube /DLR</b>	<b>Train</b>	<b>Total public</b>	<b>Car / taxi</b>	<b>Walk</b>	<b>Cycle</b>	<b>Total</b>
	<b>Journeys per day (m)</b>							
1999	3.5	2.6	1.8	7.9	11.5	5.4	0.3	25.1
2004	4.9	2.8	1.9	9.7	11.4	5.6	0.4	27.1
2005	4.9	2.8	2.0	9.8	11.4	5.7	0.4	27.2
<i>% change 1999-2005</i>	40	7	14	23	-1	6	52	9
	<b>Percent Mode Shares</b>							
1999	14	10	7	31.6	46	22	1	100
2004	18	10	7	35.7	42	21	1	100
2005	18	10	7	35.8	42	21	2	100

**Notes:**

1. Some rows do not sum to 100% due to rounding.
2. The changes in public transport use shown in Table 1 reflect detailed operator passenger statistics.
3. The walk figures for all years are indicative, with growth assumed in line with population.
4. The 2004 car traffic figure is consistent with data found in Table 3.
5. Except for walks, all figures are for single mode stages (parts of trips), not for complete trips from origin to destination.
6. River journeys are not included as they are not significant.

**Table 2**  
**Trends in road traffic (annual vehicle kilometres)**  
**(24 hr counts – all vehicles)\***

	<b>All Roads</b>	<b>Major Roads</b>
	index	index
1999	100	100
2000	99.8	99.7
2001	100.0	99.3
2002	100.3	97.8
2003	100.4	97.2
2004	99.9	96.5
<i>% change 1999-2004</i>	0	-3

\* Data from DfT regional traffic statistics – 2005 data not yet available



**Table 3**

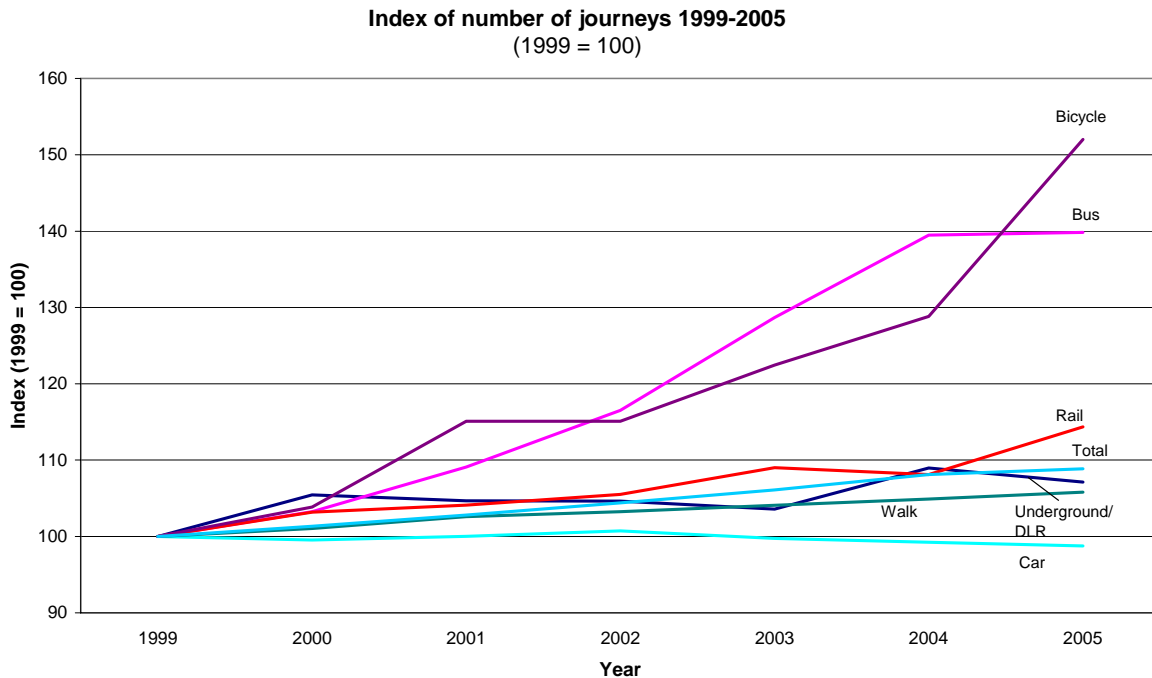
**Trends in road traffic crossing cordons  
(24 hour counts – all vehicles, combined directions)**

	<b>London Boundary</b>	<b>Inner Cordon</b>	<b>Central Cordon</b>
	Index	Index	Index
1999	100.0	100.0	100.0
2000	100.2	99.4	98.4
2001	100.3	98.8	97.0
2002	100.3	98.2	92.5
2003	100.3	97.0	87.2
2004	100.3	95.8	84.0
2005	..	91.7	83.4
<i>% change 1999-2005</i>	+0.3	-8.3	-16.6

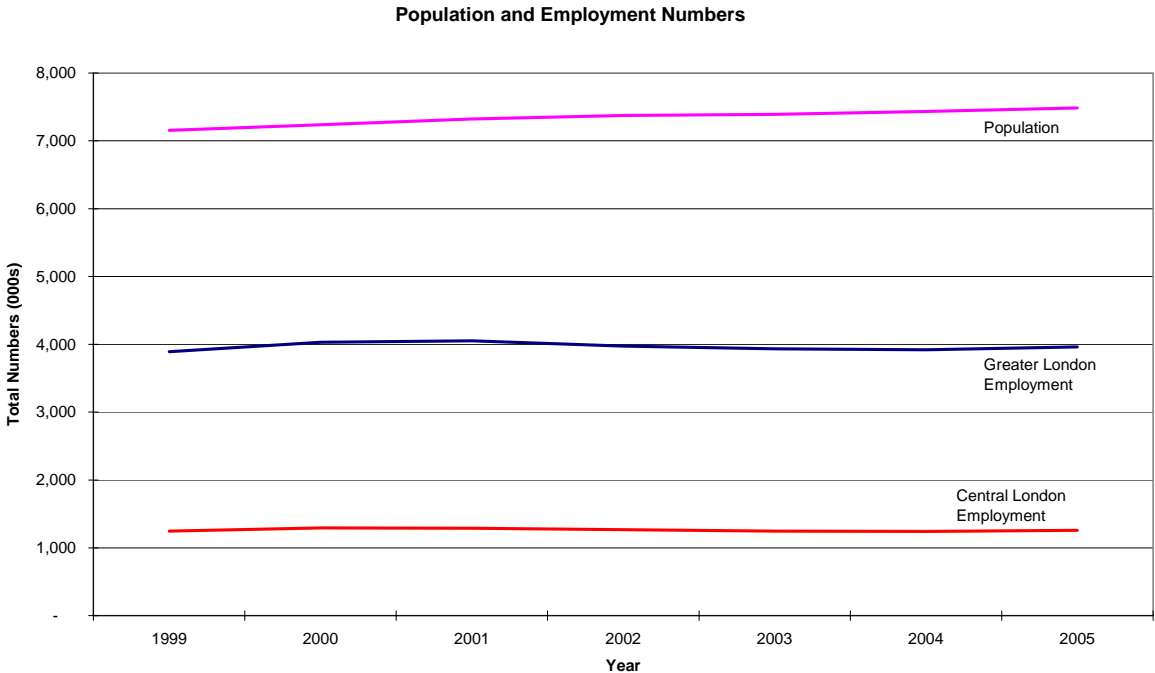
**Notes:**

1. The London boundary cordon is counted every 3 years (last counted in 2004) and interpolated in other years
2. For the London Boundary +0.3 is the percentage change between 1999 and 2004 as 2005 figures are not available.

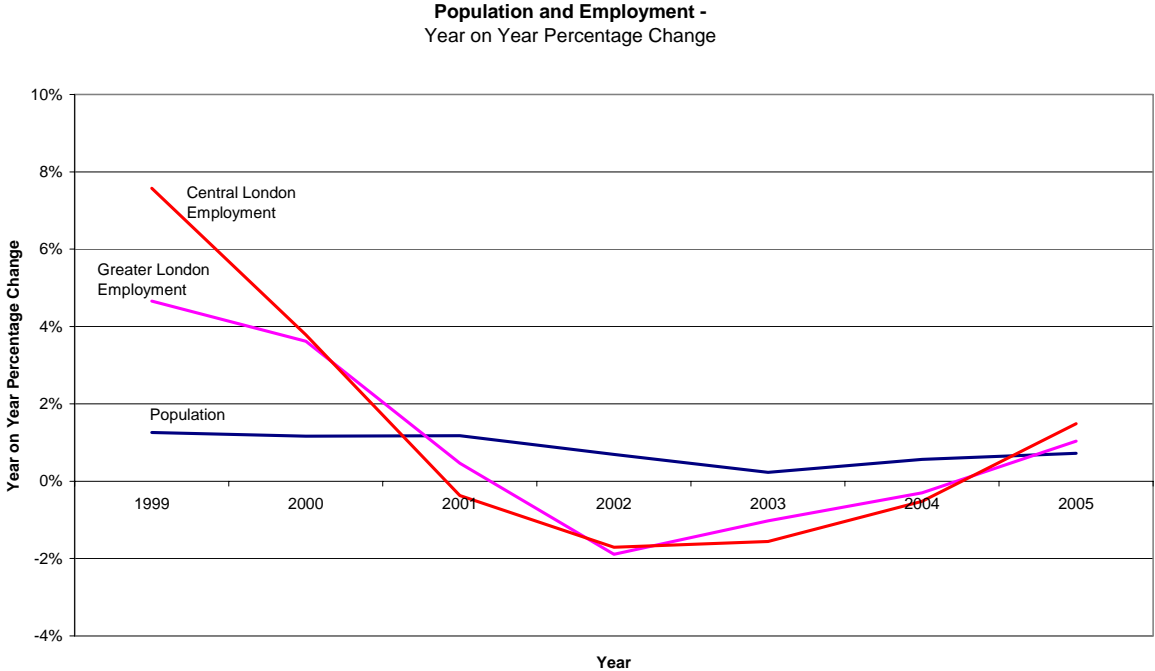
**Graph 1: Index of number of journeys 1999-2005**



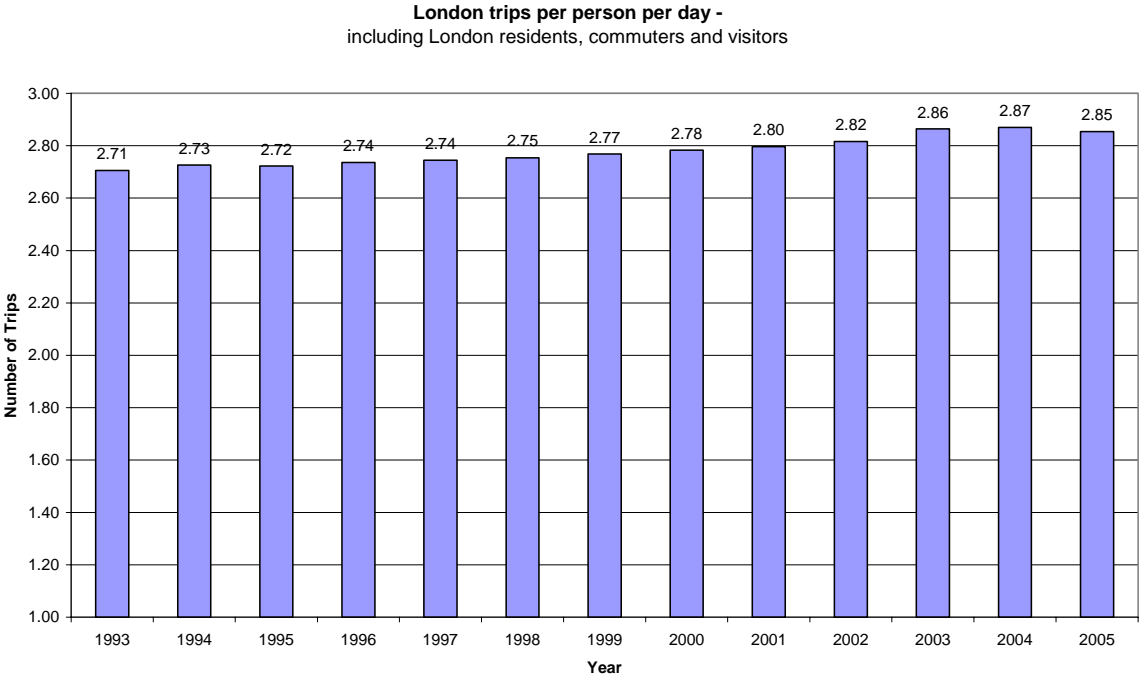
**Graph 2: Population and Employment Numbers 1999 – 2005**



**Graph 3: Percentage Change in Population and Employment 1999 – 2005**



### Graph 4: London trips per person per day



**Notes:**

Number of trips undertaken per person per day in London rose from 2.71 in 1993 to 2.85 in 2005. The number of trips taken per person per day decreased slightly between 2005 and 2004 from 2.87 to 2.85. This is not a significant decrease.

TRANSPORT FOR LONDON

TFL BOARD

**SUBJECT: APPROVAL TO AWARD BULK SUPPLY POINT  
ELECTRICITY CONTRACT FOR LONDON UNDERGROUND**

**MEETING DATE: 28 JUNE 2006**

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**1. SUMMARY**

- 1.1 This paper reviews the background to the procurement of electricity for London Underground's Bulk Supply Points and describes the strategy proposed by the Electricity Contract Management Team (ECMT) for managing this procurement in the future.
- 1.2 LUL has an annual aggregated requirement for the supply of approximately one Terrawatt-hour (TWh) of electricity, supplied through a network of six Bulk Supply Points (BSPs). This demand is generated by traction current requirements (90% of volume) and depots, offices, stations and ancillary supplies (10% of volume). LUL is London's largest single electricity consumer and among the top 10 users in the UK. The annual value of this requirement is approximately £71.8million, based on the current electricity market price of £55/MWh, and the new supply contract will be for an initial duration of two years.
- 1.3 This purpose of this paper is to ask the TfL Board to approve the procurement of electricity to supply London Underground's BSPs under a new flexible purchasing strategy.

**2. BACKGROUND**

- 2.1 The existing electricity contract for BSP supply is with EdF Energy Ltd and expires on the 30th September 2006. This agreement was placed in July 2004 (for supply from 1 October 2004) and extended for one year in August 2005 (for supply from 1 October 2005), securing market prices of £27.8/MWh and £47.7/MWh respectively, an increase of 71%.
- 2.2 During the last year power prices have remained bullish, reaching a peak in April of £58/MWh, and demonstrating an increase of 22% since August 2005 (see graph Appendix A attached). It is not necessary to award this contract until the end of August 2006, but it is advisable to go out to tender now in order to obtain the largest window of opportunity to agree prices ahead of the 1 October delivery date (see the flexible purchasing strategy below).
- 2.3 In previous years, this contract has been awarded on the basis of a fixed price, secured on a single day, covering the entirety of the agreement period. This exposes LUL to several risks, including the risk of fixing the price at the top of the market, the risk of moving the market with such a large purchase,

and the risk of extreme price volatility for purchases close to the delivery date. It should be noted that every £1/MWh upward movement in the market increases the annual contract value by approximately £1million.

- 2.4 LUL recognises that the existing purchasing strategy is not ideal and has extensively investigated emerging and maturing flexible products and their associated risks in relation to this BSP contract. LUL has also carried out a benchmark study with similar customers to ourselves that are currently operating flexible supply agreements, such as BAA and Network Rail. Following numerous discussions with internal stakeholders and a competitive tender process, Bergen Energi UK was appointed as LUL's Energy Risk Manager (ERM) to devise and assist in the management of the flexible purchasing strategy described here.

### **3. ELECTRICITY CONTRACT AWARD**

- 3.1 In order to achieve the flexible purchasing strategy described below, LUL will need to enter into an electricity supply contract that permits LUL to fix electricity prices on a flexible basis.
- 3.2 It is intended that the duration of this contract will be 2 years from 1st October 2006 to 30th September 2008 with the option to extend (without obligation) for periods of up to 12 months. This duration was set to match the proposed Rolling Procurement Profile (see below) by which it is planned always to have fixed the price of a proportion of electricity up to two years ahead. Whilst LUL could have entered into a longer supply contract, the proposed duration of the contract reflects the flexible purchasing strategy. It is possible that as the purchasing strategy changes that additional or different terms will be required in the supply contract in order to implement the change in strategy, hence linking the duration of the supply contract with that of the purchasing strategy.
- 3.3 The total volume of electricity to be purchased can be split into two portions. The peak load represents the portion of electricity required that varies from day to day and hour to hour, and accounts for approximately 29% of LUL's supply requirements. The market for this variable load is not liquid and the whole amount must be purchased one year at a time at a fixed price, which would be done on a rolling basis on the advice of the ERM. The peak load will not be subject to the flexible purchasing strategy.
- 3.4 The remainder of electricity required, up to the minimum amount that is variable, is known as the base load and accounts for approximately 71% (c.100MW) of LUL's supply requirements. Base load electricity is a traded commodity available in blocks of 10MW for periods of a month, a quarter, a season<sup>1</sup>, or a year. Although the award of the BSP contract guarantees LUL the total amount of base load electricity required over the duration of the contract, the price of the electricity is only determined when LUL fixes the price of (locks) individual blocks. In value terms therefore, transactions involving 10MW blocks could vary from £365k for a month to £4.4m for a year, assuming a price in both instances of £50/MWh.

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<sup>1</sup> There are two seasons in electricity supply: winter is October-March, summer is April-September.

**4. FLEXIBLE PURCHASING STRATEGY**

- 4.1 The new flexible purchasing strategy has two potential elements. The first is the ability over time to fix the price of (lock) small, standard 10MW blocks, so avoiding the risks associated with a one-shot full year purchase. The second is the ability to unlock previously locked volumes in order to benefit from falling prices and so optimise over time the price paid for electricity. The first element is not dependent on the second.
- 4.2 Under the first element of the strategy, LUL proposes adopting a Rolling Procurement Profile whereby the price of blocks of base load requirement for the next two years would be fixed (locked) according to a defined rolling schedule. This mitigates the risk of sudden price movements having a dramatic effect on the price of the overall portfolio since a minimum amount of base load requirement (76% of the forthcoming year and 50% of the second year ahead) would have been fixed already. Further blocks of base load requirement would subsequently be fixed (locked) to complete LUL's requirement up to one month prior to the date of delivery, when it is thought advantageous to do so. It is recommended that the following Rolling Procurement Profile be adopted from the date the BSP contract is awarded:

Minimum proportion of base load requirement fixed on a rolling basis

First whole traded month ahead:	100%
First whole traded quarter ahead:	90%
First whole traded season ahead:	70%
Second whole traded season ahead:	70%
Third whole traded season ahead:	50%
Fourth whole traded season ahead:	50%

- 4.3 The proposed Rolling Procurement Profile has been recommended by the ERM based on LUL's desired risk profile at this time, electricity prices, and market liquidity for electricity. The ERM has recommended a two-year rolling strategy as two years should provide LUL with maximum opportunity to review prices available in the market, whilst transacting within the liquid portion of the electricity market. Beyond two years, the market is highly illiquid and it would be unlikely that LUL could achieve prices without a significant premium for risk being added to the price. Based on LUL's current risk profile at this time, the ERM has recommended that the price of the above proportion of electricity requirement be fixed upon commencement of the strategy, based on continually rising prices and LUL's desire to have a degree of price certainty.
- 4.4 Under the second element of the strategy LUL could, on the advice of the ERM, unlock previously locked volumes in order to benefit from a downward trend in market prices. This would mitigate the risk of fixing the price at the top of the market and would give LUL the potential to achieve better pricing than with a lock-only strategy. Unlocking would be restricted to volumes that had not already been locked in accordance with the Rolling Procurement Profile so that the minimum percentages above always applied. Unlocked volumes would be relocked when, in the opinion of the ERM, the downward trend had run its course, or in accordance with the Rolling Procurement Profile above. While it is not recommended that LUL adopts this element of the strategy at this time, it will be kept under review and a virtual portfolio will be run to simulate the potential cost savings that might be achievable.

- 4.5 In order to manage the risk of increasing prices, LUL would define a strategic, upper limit based on its agreed budget and plan for each year. If market prices were to rise to a point where the total portfolio value was about to exceed this upper limit, then the price of any unlocked volumes would be locked (fixed) and LUL would not be exposed to any further upward price movements.
- 4.6 Under the flexible purchasing strategy, lock and unlock transactions would be executed, on the advice of the ERM, at various times so as to (i) satisfy the Rolling Procurement Profile up to two years ahead, and (ii) to fill in the remaining volumes ahead of actual delivery. The ERM has the market knowledge and expertise necessary to make informed recommendations to its clients and subsequently to execute its clients' instructions with the chosen electricity supplier. The ERM would only execute such instructions if approved by authorised delegates from LUL (see below). All transactions would be confirmed to the LUL Energy Contracts Manager, by LUL's supplier and the ERM, within one hour and he/she would then circulate this confirmation to all authorised delegates for information. Transaction reports would also be available on request.

## 5. GOVERNANCE

### Strategy

- 5.1 The LUL Executive Committee will be responsible for the execution of the initial flexible purchasing strategy within the parameters agreed by the TfL Finance Committee and Board. In addition, the LUL Executive Committee will be responsible for determining if changes to the flexible purchasing strategy are necessary. An annual update will be presented to the TfL Finance Committee to cover, among other things:
- developments in, and the outlook for, the electricity market;
  - the value of LUL's electricity portfolio against budget;
  - the exposure of LUL's portfolio to sudden price rises;
  - the price and volume of transactions already agreed;
  - the potential savings that might have been possible if the unlock capability had been adopted; and
  - the Rolling Procurement Profile for the forthcoming years, as agreed by the LUL Executive Committee.

Should the LUL Executive Committee determine that changes to the purchasing strategy are required more often than on an annual basis, these parameters would be reported to the TfL Finance Committee at its next meeting.

### Financial authority

- 5.2 Financial authority for purchase of BSP electricity is provided each year as part of the operating costs of the business. This sets the budget for the forthcoming year and the plan for the next year. Under the flexible purchasing strategy, budget planning should be improved because there would be a market view available for up to two years ahead, and LUL would have already fixed the price of at least 50% of its base load requirement for the next plan

year. The upper (budget) limit would be set by reference to current market prices with an allowance for expected volatility.

Reporting

- 5.3 Regular (weekly) reports from the ERM will provide information on how the portfolio is performing against budget, and it is proposed that these would be circulated and discussed on a quarterly basis at the LUL Executive Committee in order that the Committee can review and endorse the purchasing strategy and individual transactions made to date.

Procurement authority

- 5.4 In previous years procurement authority for the annual electricity purchase has been delegated to the Managing Director LUL. Under the proposed flexible purchasing strategy, many individual transactions would be required throughout the year, all adding up to the total electricity requirement, and made according to the procedures and parameters described above. However, due to the volatile nature of prices in the electricity market procurement approval for each transaction will need to be given in a relatively short timescale in order that the offered prices can be secured (i.e. within 5-10 minutes of the ERM's recommendation).
- 5.5 It is therefore requested that procurement authority for these transactions is delegated to three tiers of personnel depending on the transaction value. In the rare instance that a transaction is of value between £100 and £25 million it is recommended that authority is delegated to the Managing Director LUL alone, while authority for transactions of value up to £25 million is delegated to any one of six nominated LUL Executive Committee members (shown below), so that there is a high probability of one of them being available at short notice. Finally, for transactions with value up to £5 million (which are expected to represent the majority), it is recommended that in addition to the six nominated LUL Executive Committee members, authority is also delegated to the LUL Energy Contracts Manager, and the LUL Head of Commercial Finance.

Transaction value	Authorised LUL Delegates
Up to £100 million	Managing Director LUL
Up to £25 million	<u>Nominated members of LUL Executive Committee</u> Managing Director Chief Operating Officer Chief Programme Officer Director of Safety Director of Finance Director of Engineering
Up to £5 million	as above, plus LUL Energy Contracts Manager LUL Head of Commercial Finance



**6. OPTIONS**

- 6.1 LUL could enter into a similar procurement arrangement as in previous years, buying the whole electricity requirement for the next year (or longer) at a fixed price at one point in time (i.e. just before the start of that year).

THIS IS NOT RECOMMENDED

- 6.2 LUL could adopt the new flexible purchasing strategy described in section 4 above, utilising only the lock mechanism in order to diversify over time the price paid for electricity up to two years ahead, but whenever possible within agreed budget limits.

THIS IS THE RECOMMENDED OPTION

- 6.3 LUL could adopt the new flexible purchasing strategy, utilising both the lock and the unlock mechanisms in order to benefit from falling prices and so optimise over time the price paid for electricity.

THIS OPTION WILL KEPT UNDER REVIEW FOR POTENTIAL FUTURE RECOMMENDATION

**7. IMPACT ON FUNDING**

- 7.1 The value of the current contract for the year ending 30 September 2006 is £64.5m, of which £33.3m had been expensed at 31 March 2006. At current market prices the total expected value for the financial year 2006/07 is £71.8m against the approved budget of £73.6m. The budget for successive plan years is £71.4m and £73.2m.

**8. ENVIRONMENT**

- 8.1 LUL currently has a volume of renewable energy which amounts to 10% of the total requirement for the contract and costs more than energy from non-renewable sources. The bulk of the contract (90%) is for traction which is Climate Change Levy (CCL) exempt. Should LUL increase the content of renewable energy from 10% then the additional cost incurred would not be offset by the CCL exemption. It is proposed to leave the volume of renewable energy at 10%.

**9. RECOMMENDATION**

The TfL Board is asked to:

- a) NOTE that following a tendering exercise which is being undertaken in accordance with EU and UK procurement rules, it is proposed to award a BSP electricity contract for two years (with one-year renewal option) to whichever of the interested electricity suppliers offers the best financial and contractual terms (the Contract);
- b) NOTE that the amount budgeted for BSP electricity for the next two financial years is £145m;

## AGENDA ITEM 8

- c) NOTE that the overall price achieved under the new flexible purchasing strategy will be determined only when the price of all electricity requirements has been fixed, but that controls will be in place to limit whenever possible the total purchase cost to the approved budget levels;
- d) NOTE that in accordance with TfL Standing Order 2, Appendix 2 (Procurement and Disposal transactions) the approval of the TfL Board is required to award the LUL contract;
- e) NOTE the flexible purchasing strategy which will be implemented upon approval of this proposal, as described in paragraph 4 above;
- f) NOTE that the LUL Executive Committee will be responsible for determining the future purchasing strategy;
- g) DELEGATE to the Managing Director LUL the authority to agree the final terms of, and award, the Contract, and sign, execute (if necessary by the affixing of the LUL seal) and deliver on behalf of LUL the Contract and any other related ancillary agreements, deeds or other documents in connection with the Contract;
- h) DELEGATE to the Managing Director LUL (transaction value up to £100 million), any one of the six nominated members of the LUL Executive Committee set out in paragraph 5.5 above (transaction value up to £25 million), and to any one of the six nominated members of the LUL Executive Committee set out in paragraph 5.5 above, the LUL Energy Contracts Manager and the LUL Head of Commercial Finance (transaction value up to £5 million) the authority to approve lock transactions upon recommendation from the ERM, subject to and in accordance with the transaction value limits and governance procedure set out in this document;
- i) APPROVE the proposal referred to in paragraph 6.2 above; and
- j) NOTE that the same proposal referred to in paragraph 6.2 above was approved by the TfL Finance Committee on 8th June 2006 for onward transmission to the TfL Board for approval.

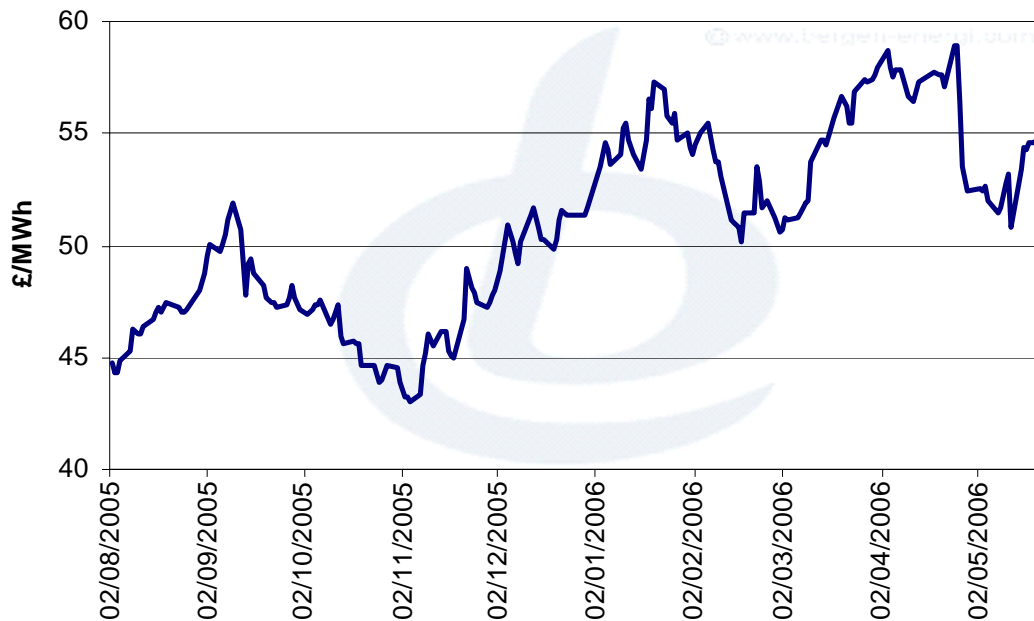
### Contacts

The following may be contacted for further information in advance of the meeting:

Richard Jones – LUL Energy Contracts Manager – 020 7918 2685

Beth West – LUL Head of Commercial Finance – 020 7918 3604

## APPENDIX A



The above graph tracks the wholesale market price for base load energy since August 2005 when the current contract was struck. During this period the market has increased by 22%. This rise has been driven by the following factors:

- Exceptional weather variances (hot summer), leading to unprecedented levels of consumption when generation plant is traditionally taken offline for maintenance. This was exacerbated by exports to France, through the interconnector, during the summer period when French supply was short.
- Capacity concerns over the winter period following predictions of a severe winter. As temperatures remain mild the upward pressure on the market will soften.
- High gas prices, driven by the oil market, and forecasts of the UK becoming a net importer of gas. Gas being a major primary energy source of UK electricity generation and as such, gas prices directly affect electricity prices.
- The price of carbon under the EU Emissions Trading scheme and low market liquidity pushing price increases, though these have retreated sharply due to recent announcements. Energy costs are directly influenced by the cost of carbon.

**TRANSPORT for LONDON**

**TfL BOARD**

**SUBJECT: FINANCE COMMITTEE REPORT**

**MEETING DATE: 28 JUNE 2006**

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**1. PURPOSE**

To report to the Board on matters discussed at the Finance Committee meeting on 8 June 2006.

**2. BACKGROUND**

The Finance Committee reviewed the draft Best Value Performance Plan for 2006/7 which is prepared as an annex to the Business Plan published in November 2005. A number of suggestions were made for improving the commentary on the Best Value Performance Indicators which are included in the Annex and an updated version is included as a separate item on this agenda for consideration by the Board.

The Committee also considered a paper setting out a proposed new flexible purchasing strategy for the procurement of electricity to supply London Underground's Bulk Supply Points and contract arrangements for the delivery of this strategy. The Committee asked that the paper be amended to make clear why the contract period that was proposed was considered most advantageous. Proposals for the governance of the new contract arrangements were tabled at the meeting and the Committee made some suggestions as to how these might be strengthened. A revised paper which has been amended to take account of these suggestions is included elsewhere in the agenda.

Two papers were considered which reported back on issues which had been discussed at previous meetings of the Committee. The first set out some of the lessons that have been learned by TfL in seeking to obtain planning and other statutory consents for major pieces of capital expenditure. It also described the actions that are specifically being taken to improve performance in this area. The second paper provided an update to the Committee on the publicity (both in the media and at the sites where work is or has taken place) that has supported the Investment Programme to date and the plans for future such activities. The Committee was generally satisfied with the progress that was reported but made a number of suggestions to management to enhance their plans.

The next regular meeting of the Finance Committee will take place on 14 September 2006.

**3. RECOMMENDATION**

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

**TRANSPORT FOR LONDON**

**TfL BOARD**

**SUBJECT:                   AUDIT COMMITTEE REPORT**

**MEETING DATE:         28 June 2006**

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**1.    PURPOSE**

To update the Board on the meeting of the Audit Committee held on 15 June 2006.

**2.    BACKGROUND**

The principal purpose of the meeting was to review the background work done in connection with the Annual Report and Statement of Accounts which are on today's agenda for the Board.

The Audit Committee reviewed:

- a paper from the Chief Finance Officer enclosing a draft of the Statement of Accounts. This described the basis of the preparation of the accounts, changes from last year's accounts, the disclosure of the Pension Fund deficit and the treatment of earmarked reserves. The paper also covered PPP and PFI transactions and any new commitments of this type during the year;
- the results of KPMG's annual audit of the Transport for London Group based on their fieldwork to date which was substantially complete and an oral update on completion of the outstanding items will be provided at the Board meeting. Detailed discussions on financial judgements and provisions were taken under the private session of the Committee for reasons of commercial confidentiality;
- the Corporate Governance disclosures included in the Accounts together with the General Counsel's report on Corporate Governance and the Internal Audit Opinion on the Statement of Assurance. The report and opinion provide assurance to the Mayor and the Commissioner in signing the statement which is included in the Statement of Accounts. The reservation in last year's statement regarding the Governance arrangements for project and programme delivery have been deleted as the Oversight function is now well established and operating with the engagement of Chief Officers and the Commissioner. There are no items of concern or non-compliance that require reporting in the statement in this year.

The following key features of note arose in the Committee's consideration of the Statement of Accounts:

- The Group balance sheet includes provisions of £260.2 million (2005 - £217.5 million). The balance reflects management's best estimates of claims for compensation from contractors, unfunded pensions and claims respect of capital investment activities. The increase during the year is substantially due to a few specific claims and disputes in the ordinary course of business which, due to their commercial confidentiality, are not discussed in this report.
- The Group balance sheet also includes a provision of £769.9 million (2005 £960.7 million) for pension and other post-retirement liabilities principally arising from the deficit on the public sector section of the TfL Pension Fund (£752.2 million; 2005 £945.8 million). This deficit is calculated by the scheme Actuaries in a manner prescribed by accounting standards. TfL management are required to make certain key assumptions over inflation, future wage and pension increases and future bond and equity yields. The Committee noted that the basis of valuation is different to that used by the Actuaries in the triennial valuations which determine the level of contributions that the TfL Group is required to make. The last such valuation of the TfL Pension Fund was at 31 March 2003 and revealed a deficit of £421 million in the public sector section which is being made good by additional employer contributions for a period of 10 years. The next valuation is being undertaken as at 31 March 2006, and the results will be available later in the year. The Committee noted that the mortality tables applied in calculating the TfL Pension Fund deficit for the purposes of the accounts were not the most recently published tables. The Committee was informed that the tables used were those from the 2003 triennial valuation, adjusted to reflect mortality experience of the Fund's pensioners at that date, and that an allowance had been made for future expected mortality improvements. Subsequent to the meeting of the Audit Committee, KPMG have now confirmed that they are satisfied with the mortality assumptions.
- The Committee noted that, in accordance with the provisions of the SORP, the surplus or deficit for the year reported in the Revenue Account is struck after transfers to earmarked reserves. The balance of earmarked reserves at 31 March 2006 is consistent with the assumptions in the published Business Plan 2006/07 to 2009/10, where surpluses arising in the earlier years have been earmarked against projects later in the plan. This balance has been adjusted to set aside additional earmarked reserves for capital projects which have already been committed to by the Board and which it is considered should be funded out of reserves. The balance of earmarked reserves is inherently judgemental as it is based on projections of the amount and timing of future expenditures over a relatively long future period.
- Minor changes have been made to disclosures in the Statement of Accounts compared with previous years, with the intention of improving the clarity of the Accounts

The highlights memoranda from KPMG detailed areas where significant accounting judgement has been required in preparing the accounts, which principally related to the provisions referred to above and some instances where the split of expenditure between capital and revenue was not straightforward. KPMG reported that they were satisfied that

management have made appropriate estimates, provisions and disclosures within the constraints of the commercial sensitivities around these claims. The highlights memoranda also reported that there were no unadjusted differences which had arisen from the audit. KPMG are additionally required to report on use of resources and value for money. KPMG presented a draft of their value for money conclusion, together with their draft opinion on the 2005/06 Best Value Performance Plan, to the Audit Committee. KPMG's draft conclusion is that the Corporation has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year.

In line with previous years and auditing standards, KPMG will be seeking management representations from the directors of subsidiary companies in respect of the relevant subsidiary's accounts and a representation letter from the Chief Finance Officer in respect of the Statement of Accounts. The Audit Committee requested management to ensure that there is a process in place to provide assurance that all representations made are supported by appropriate evidence.

The Committee thanked the Chief Finance Officer and his team, and the auditors for their work in responding to what the Committee accepted are complex reporting requirements. However, the Committee also noted that, as reported above, KPMG's work was not yet complete, more information was needed on the process for finalising and approving the Annual Report and the Letter of Representation needed some redrafting. It was agreed, therefore, that a further Audit Committee meeting would be held prior to the Board meeting to clear these items and that this report would be supplemented by an oral update to the Board on these matters.

In addition to the above, the Committee also considered a progress report on Strategic Risk Management, Internal Audit's final audit reports issued in Quarter 4 2005/06, the Independence and Objectivity and non-audit fees reports from the external auditors and received an update on whistle-blowing procedures and on Audit Commission matters.

The Chair reported that the review of corporate governance previously initiated under Audit Committee oversight had been curtailed.

### **3. RECOMMENDATION**

The Board is asked to NOTE the content of this report and, subject to the outcome of the additional Audit Committee meeting referred to above, the Committee anticipates it will be asking the Board to accept the recommendation of the Audit Committee that the Statement of Assurance on Corporate Governance should be signed by the Mayor and the Commissioner and to NOTE that the Committee endorses the recommendation of the Chief Finance Officer regarding the approval of the Statement of Accounts.

Cross Ref:	Secretariat Record Number
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<p><b>Transport for London</b></p> <p><b>Record Sheet</b></p>
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<b>Subject: Report from the Audit Committee</b>
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	Name	Signature
Sponsor	John Ormerod <i>Chair of the Audit Committee</i>	
Author(s)	Mary Hardy <i>Director of Internal Audit</i>	

Routing	Signature	Date
Gareth John, <i>Director of Legal and Compliance</i>		
Ben Plowden, <i>MD Group Communications</i>		

Destination	Tick or sign as appropriate	Date
Managing Director, Finance & Planning		
Committee:		
Panel:		
Commissioner		
TfL Board:	✓	28/06/06

For Secretariat use:

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**TRANSPORT FOR LONDON  
OPEN SESSION - TFL BOARD**

**SUBJECT: DESIGN FOR LONDON**

**MEETING DATE: 28 JUNE 2006**

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**1. PURPOSE**

- 1.1. To inform the Board of a Direction to TfL from the Mayor in relation to the creation and operation of a unit within the London Development Agency known as Design for London.

**2. BACKGROUND**

- 2.1. The Mayor is firmly committed to promoting excellent architecture, urban design and sustainable development in London's built environment. This commitment to securing London's urban renaissance is reflected in the London Plan, various other statutory and non-statutory strategies, the work of TfL and the LDA and the services of the GLA's Architecture and Urbanism Unit (A&UU) under the leadership of Richard Rogers, the Mayor's Chief Advisor on Architecture and Urbanism.
- 2.2. In June 2005, the GLA commissioned a review of current arrangements for securing and promoting design excellence across the GLA family, and in particular, the arrangements between the LDA, TfL and GLA's A&UU.
- 2.3. As a result it is proposed to form a unit within the LDA to be known as Design for London. Its principal objectives will be to:
  - work to deliver excellent urban change within London;
  - review the quality of the design component of major development schemes in London;
  - lead the GLA Group's urban design input in preparing Opportunity Area Planning Frameworks in London's Thames Gateway;
  - establish an effective and united corporate design effort across the GLA group;

- establish a portfolio of major projects with exemplar design and use these to influence and promote more substantial change within London;
  - influence all relevant bodies in the design and development sectors in London to improve the quality of urban design, architecture and sustainable development;
  - raise awareness and appreciation of the value of good design more widely among Londoners;
  - unite TfL's design resources and remit with that of Design for London; and
  - lever in resources from external sources to take forward the above objectives.
- 2.4. A new post within the LDA of Director of Design will be created which will report through the LDA's existing management structure. The Director will, however, consult with the Design for London Advisory Group and the Design for London Management Group.
- 2.5. The Advisory Group will be a non-executive group. Its function will be to advise on the high level strategic direction and work programme of Design for London, and it will be systematically active in promoting Design for London's central objective of ensuring good design in all major projects across the GLA group and more widely in London. TfL will be represented on the Advisory group by the Commissioner.
- 2.6. The policy and operational direction for Design for London's work will be provided by the Management Group through regular meetings with the Director of Design for London. TfL will be represented on the management group by a senior TfL officer.
- 2.7. In order to establish Design for London the Mayor on 20 June 2006 has delegated some of his broader powers to the LDA and directed it to establish and operate Design for London.
- 2.8. In addition on 20 June 2006, the Mayor directed TfL under section 155 of the Greater London Authority Act 1999 ("the Act") to:
- (a) appoint TfL officers to the Management Group and the Transport Commissioner to the Advisory Group of Design for London;
  - (b) contribute to the Design for London budget - £100,000 for establishment and £100,000 per annum for future years; and
  - (c) develop joint working with Design for London over the year commencing April 2007, including collaboration, liaison and

alignment of TfL's Urban Environment Team's work programmes by approximately half way through 2007/8.

- 2.9. The Direction is subject to the following conditions:
- (a) TfL shall give the GLA such information and assistance as the GLA may reasonably require in respect of the establishment and operation of Design for London,
  - (b) TfL shall comply with any instructions issued by the Mayor from time to time in relation to this Direction and with any instructions issued by an officer authorised by the Mayor for that purpose (and duly notified to TfL that such person acts as an officer of the Mayor in that regard); and
  - (c) all expenditure incurred by the TfL pursuant to this Direction, including TfL's contributions to the Design for London budget generally and specifically shall be in accordance with TfL's internal corporate governance arrangements, existing contractual obligations, statutory functions and all relevant legislation and rules of law.
- 2.10. Under TfL's Standing Order No.1 paragraph 5, TfL is required to report any Directions from the Mayor at the next Board Meeting.

### **3. RECOMMENDATION**

- 3.1. The Board is requested to NOTE the receipt of the Direction from the Mayor.

**TRANSPORT FOR LONDON**

**TFL BOARD**

**SUBJECT: TFL'S REPRESENTATIVE ON THE ASSOCIATION OF LONDON GOVERNMENT TRANSPORT AND ENVIRONMENT COMMITTEE**

**MEETING DATE: 28 JUNE 2006**

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**1. PURPOSE**

- 1.1 The purpose of this paper is to confirm arrangements in relation to TfL's representative on the Association of London Government Transport and Environment Committee.

**2. BACKGROUND**

- 2.1 TfL is required to belong to a joint committee with the London Boroughs and the Corporation of London for the purposes of fulfilling certain statutory functions (for example, the appointment of parking and traffic adjudicators). The Joint Committee that fulfils this role is the Association of London Government Transport and Environment Committee ("ALGTEC").

- 2.2 Appointment to the Committee is reserved to the TfL Board under TfL's Standing Orders. Paragraph 11 of Standing Order No. 2 provides that the Board shall approve:

- (ix) arrangements with one or more local authorities for the joint discharge of functions, including approval of the appointment and terms of reference of any joint committee.

- 2.3 In 2000 Paul Moore was TfL's representative; subsequently Ben Plowden, currently TfL's Managing Director Group Communications (with responsibility for Borough Partnerships) has represented TfL. Now that there has been a fundamental change to the composition of the ALGTEC following May's local government elections it is proposed to confirm the appointment of Ben Plowden as TfL's representative on the ALGTEC.

- 2.4 In addition to confirming the appointment of Ben Plowden, it is also proposed to appoint Pat Hayes, Director of Borough Partnerships, as TfL's substitute representative on the ALGTEC.

2.5 The matters for consideration at the ALGTEC are wide ranging. The TfL Representative will consult with the Chair of TfL where appropriate in relation to items under consideration.

### 3. RECOMMENDATION

3.1 The Board is recommended to:

1. **CONFIRM** the appointment of Ben Plowden, Managing Director, Group Communications as TfL's representative on the ALGTEC;
2. **APPOINT** Pat Hayes, Director of Borough Partnerships as TfL's substitute representative on the ALGTEC; and
3. **NOTE** that TfL's representative will consult where necessary the Chair of TfL in relation to TfL's vote on the ALGTEC.

<b>Cross Ref:</b>	<b>Secretariat Record Number</b>
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<b>Transport for London</b>		
<b>Record Sheet</b>		
<b>Subject: TfL's Representative on the Association of London Government Transport and Environment Committee</b>		
	<i>Name</i>	<i>Signature</i>
<b>Sponsor</b>	Peter McGuirk	
<b>Author(s)</b>	Ellen Howard	

<b>Routing</b>	<b>Signature</b>	<b>Date</b>
Gareth John, Director of Legal & Compliance		
Ben Plowden Managing Director Group Communications		
Jay Walder Managing Director Finance & Planning		

<b>Destination</b>	<b>Tick or sign as appropriate</b>	<b>Date</b>
Managing Director, Finance & Planning		
Committee:		
Panel:		
Commissioner		
TfL Board:	X	28 June 2006

**For Secretariat use:**

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**TRANSPORT FOR LONDON**  
**OPEN SESSION - TFL BOARD**

**SUBJECT: DOCUMENTS SEALED ON BEHALF OF TRANSPORT FOR LONDON BETWEEN 18 MAY 2006 and 13 JUNE 2006**

**MEETING DATE: 28 JUNE 2006**

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

- 2 TENANCY AGREEMENT FOR SECOND FLOOR FLAT 2 AT 1 PALACE GREEN, LONDON W8 4QA
- 1 LAND REGISTRY TR1 TRANSFER OF WHOLE OF REGISTERED TITLE 276 BOWES ROAD, SOUTHGATE, ENFIELD, MIDDX N11 1AT
- 2 DEED OF AGREEMENT AND SUPPLEMENTAL AGREEMENT PURSUANT TO SECTION 106 OF THE TOWN AND COUNTRY PLANNING ACT 1990 AND ALL OTHER ENABLING POWERS IN RELATION TO THE EXTENSION AND ALTERATION OF THE EXISTING TESCO STORE AT OLDFIELDS ROAD, SUTTON
- 1 ADMINISTRATION AGREEMENT RELATING TO THE TFL PENSION FUND
- 1 FURTHER DEED OF VARIATION TO AN AGREEMENT FOR THE PROVISION, INSTALLATION, COMMISSIONING, AND MAINTENANCE OF ROADSIDE MOUNTED TRAFFIC ENFORCEMENT CAMERA SYSTEMS FOR BUS LANE ENFORCEMENT IN GREATER LONDON
- 1 FURTHER DEED OF VARIATION TO AN AGREEMENT FOR THE PROVISION, INSTALLATION, COMMISSIONING, AND MAINTENANCE OF MOBILE BUS LANE TRAFFIC ENFORCEMENT CAMERA SYSTEMS FITTED TO IN-SERVICE BUSES OPERATING IN LONDON
- 1 CONTRACT FOR SERVICES AS CONSULTANT TFL/01439 CROSS RIVER TRAM DEVELOPMENT SERVICES CONSULTANCY
- 1 DEED POLL RELATING TO LAND SITUATE IN THE LONDON BOROUGH OF TOWER HAMLETS

- 2 NOVATION AGREEMENT SUPPLEMENTAL TO CONTRACT  
TFL/CO/01135 TASK 139
- 2 NOVATION AGREEMENT SUPPLEMENTAL TO CONTRACT  
TFL/CO/01135/TASK95
- 4 DEED OF RETIREMENT AND APPOINTMENT OF TRUSTEES IN  
RELATION TO THE TFL SUPPLEMENTARY PENSION SCHEME
- 1 AGREEMENT PURSUANT TO SECTION 278 OF THE HIGHWAYS  
ACT 1980 RELATING TO A3200 SOUTHWARK STREET,  
SOUTHWARK