

Transport *for* London

Minutes of a meeting of the Board
held on Monday 27th July 2000, starting at 1430 hrs
in Room AG16, Romney House, Marsham Street, London SW1P 3PY

Present: Ken Livingstone (Chair)
Dave Wetzel (Vice-Chair)
Stephen Glaister
Kirsten Hearn
Mike Hodgkinson
Oli Jackson
Susan Kramer
Robert Lane
Joyce Mamode
Steve Norris

In attendance: Bryan Heiser
Lynn Sloman
Anthony Mayer
Betty Morgan
Maureen Nolan
Michael Swiggs

15/00 APOLOGIES FOR ABSENCE

Apologies for absence had been received from Jimmy Knapp, Paul Moore, David Quarmby and Tony West.

16/00 MINUTES OF PREVIOUS MEETINGS

The minutes of the previous two Board meetings held on 3rd July (private and public) were **agreed** as a true record.

17/00 MATTERS ARISING

All matters arising were covered elsewhere on the agenda.

18/00 **STANDING ORDERS**

18.1/00 Amendments to Standing Orders

The Board **approved** the Standing Orders that were submitted to the meeting. The key amendments to Standing Order No 1 were:

- references to Chairman and Deputy Chairman be changed to Chair and Vice-Chair respectively;
- property transactions associated with constructing or improving a highway for which TfL is the highway authority and the value of the property is less than £1 million are no longer reserved to the Board;
- arrangements for delegation of financial authority be revised to permit a scheme of delegation to be introduced for the Chief Executive's authority of £25 million and the authority of the Director of Performance and Finance in respect of traffic related agreements (Revenue Agreements). Both schemes require the approval of the Chair of the Executive Management Committee.

It was noted that the £25 million referred to above related to individual transactions, not aggregate transactions.

The key amendments to Standing Order No 2 were:

- the merging of the previously entitled section "Control of Cost Centre Budgets" into the TfL Budget: Monitoring and Control" section;
- the elimination of two paragraphs on detailed budgetary control procedures and the inclusion of the principles of these in a minor extension of paragraph 5.5 to provide greater clarity.

The Board **noted** the resignation of Clive Hodson as a director of Transport Trading Limited with effect from 21st July 2000. It was **agreed** that Dick Hallé be appointed as a director of Transport Trading Limited with effect from 27th July 2000.

18.2/00 Progress in relation to Committees and Management Boards

The Board **noted** that, legal advice having been received, it was not possible to constitute all of the Committees and Management Boards as originally envisaged. It was **noted** that it would be possible to establish the functional entities listed below, and that further advice on finance and tax implications was required before proceeding:

- the boards for the Integration, Corporate Services & Communications, and Street Management functions could be

established as bodies of members and officers (within the meaning of section 7(1)(e) of Schedule 10 of the GLA Act), with voting membership of these bodies restricted to members of TfL and officers. Other advisors and external parties would be able to attend by invitation as non-voting Special Advisors.

- a limited company could be established to provide direction to the bus and river subsidiaries. The Public Carriage Office (PCO), a regulatory function, could not however be included within this structure and thus the PCO would be better situated within the entity established for the Corporate Services function;
- the rail services function could also be established as a limited company. It was **noted** that a panel could be set up to deal with Docklands Light Railway Limited (which David Quarmby would Chair);

It was **noted** that advisors and other external parties would be able to serve as directors on the Boards of these subsidiary companies.

The Board **noted** that no amendments were required to the Standing Orders at this meeting to accommodate the changes in management structure outlined above. Proposed changes will be brought to the September meeting of the Board.

The Board **noted** that the designate 'boards' as outlined above would begin to convene on an informal and advisory basis.

It was **agreed** that an update on the proposed structure and membership of the committees and Management boards should be brought to the September Board meeting.

19/00 FINANCE

19.1/00 2000/01 budget inheritance – initial report

A review had been requested on whether there was a need to make spending adjustments ahead of the 2000/1 six month review. It was noted that the current assessment was that the inherited 2000/1 budget was very tight, but there was no need to make adjustments at this stage. An update would be submitted to the Board in September, i.e. at the six monthly review stage.

The Performance Review Report for June 2000 had been circulated prior to the meeting. The Board considered the report and performance indicators and the following suggestions were made for inclusion in future reports:

- the reports should include information on equality, harassment health indicators and safety aspects
- account should be taken of pedestrians and cyclists
- the main reasons for not achieving 100% performance should be included
- the underlying causes of service unreliability should be provided where there are problem issues
- safety performance indicators, such as accidents or incidents to staff, should be included
- there should be a long-term polling contract (with, for example, MORI or GALLUP) to feed the results of regular surveys of customer satisfaction into the reports

The following comments were also made to guide the production of the Performance report in general:

- the Performance reports should be written in plain English
- a summary report should be distributed with the Board papers
- a full report should be distributed to Board members each month
- the proposed management boards should receive detailed statistics on performance as required
- any agendas or papers considered by the proposed subsidiary company boards, Management boards or committees should be available on request to any Board member or Special Advisor.

Members and Special Advisors were requested to send any comments on the proposed performance indicators contained in the report, or other indicators they considered should be included, to Anthony Mayer.

It was further agreed that when all comments had been received, consideration should be given to disseminating the reports more widely to the public (for example to libraries, colleges and community groups).

19.2/00 Spending Review 2000

A paper had been circulated prior to the meeting on the government's Spending Review 2000.

The Mayor updated the Board on recent developments. The initial bid of £3.91 billion GLA grant in 2001/2 had been reduced in discussions to £3.4 billion. The government had finally granted £3.2 billion, out of which the final costs of £104 million for the Jubilee Line extension would have to be funded.

The Mayor outlined his approach as to how to divide the available budget between revenue and capital. His view was that there was a

need to improve the capacity of the system and this would mean placing a priority on public transport capital projects. A detailed report, outlining the projects to be progressed, would be presented to the September Board meeting.

Some concerns were expressed that there could be a danger in concentrating on large capital schemes at the expense of smaller short-term projects. Concern was also expressed regarding the balance between large projects and “quick wins”.

It was **noted** that more details on the progressing of major projects would be available at the September Board meeting.

19.3/00 Approval of auditors recommended by the Audit Commission

It was **noted** that the requirement upon the Audit Commission to consult TfL regarding the appointment of TfL’s auditors had been met; the Audit Commission now intended appointing KPMG for this purpose for the period to 31 October 2003.

20/00 **FARES REVISION**

A paper suggesting an Underground fare increase in line with inflation from January 2001 and with bus fares frozen in ways that took account of the Mayor’s policy objectives had been circulated prior to the meeting.

The proposals for a real term freeze on the Underground and cash term freeze on buses met with general approval.

The desirability of future bus fare changes to encourage more off bus ticketing and raising the age for free child travel was recognised by all Board members. Members were keen for any measures adopted to be available for all, including in particular those on low incomes or with special needs.

The consultation process (with London Underground and other operators) would continue and it was also **noted** that the final decision on fares would be taken by the Mayor. A further report on the Mayor’s final decision would be made to the next Board meeting.

21/00 **LONDON BUS NETWORK**

It was **noted** that the GLA Act 1999 required a formal definition of the London Bus Network. It was **agreed** that the bus services operated under contract with London Bus Services Limited and those operated by London Buses Limited and rail and river replacement bus services provided from time to time together constitute the London Bus Network until and unless the TfL Board determined otherwise.

22/00 COMPANY CARS

A paper had been circulated to the Board, recommending the withdrawal of company cars from senior employees. The Board **endorsed** the recommendation to withdraw company cars from the employment packages of TfL senior staff with effect from 27th July 2000. The Director of Corporate Services would implement the new arrangements, with appropriate compensation (to be agreed with the Vice-Chair), in negotiation with the individuals affected.

It was also **noted** that full discussions had taken place with London Underground Limited, on the matter of the withdrawal of their company cars.

23/00 CHAIR'S ACTIONS FOR ENDORSEMENT

The following Chair's actions, which had been taken by the Vice-Chair since the previous Board meeting, were **endorsed**:

Date	Action
6 July	To complete the sale of property in Plumstead and purchase of property on the A13, agreed prior to 3 rd July 2000.
12 July	To complete the sale of property in Norman Road, Leytonstone, agreed prior to 3 rd July 2000
17 July	Authorisation to execute an Assignment and Licence to Assign in relation to a lease of 15 Dacre Street
17 July	Provision of Letter of Comfort to the Directors of Docklands Light Railway Limited.

24/00 ANY OTHER BUSINESS

It was **noted** that the dates of the meetings scheduled for the remainder of 2000 would remain unchanged, but that there would be 8 meetings in 2001 instead of 10. The dates of these meetings would be circulated to the Board shortly.

There being no further business, the meeting closed at 1605 hours.