

TRANSPORT FOR LONDON

AGENDA

BOARD MEETING

TO BE HELD ON THURSDAY 19 SEPTEMBER 2002 @ 12.00, IN THE CHAMBER, CITY HALL, THE QUEEN'S WALK, LONDON SE1 2AA, COMMENCING AT NOON

A meeting of the Board will be held to deal with the following business. The public are welcome to attend this meeting, which has disabled access.

1. Apologies for absence
2. Minutes of the previous meeting held on 30 July 2002.
3. Matters arising, not covered elsewhere
4. Commissioner's Report.
5. Finance and Performance Report
6. TfL's Group Statement of Accounts for the Year Ended 31st March 2002.
7. Underground Fare Proposals for 2003
8. Disposal Policy for Surplus TfL Properties
9. Equalities and Diversity Team – Progress Report
10. Safety, Health and Environment Committee Report.
11. Any Other Business

Transport *for* London

Minutes of a meeting of the Board
held on Tuesday 30 July 2002, commencing at 10 a.m.
in The Chamber, City Hall, The Queen's Walk, London SE1 2AA

Present: Ken Livingstone (Chair)

Board Members: David Begg
Bob Crow
Kirsten Hearn
Mike Hodgkinson
Susan Kramer
Paul Moore
Murziline Parchment
David Quarmby
Tony West
Dave Wetzel (Vice Chair)

**Special Advisors
in attendance:** Bryan Heiser
Lynn Sloman

**Others
in attendance:** Robert Kiley
Ian Brown
Valerie Chapman
Stephen Critchley
Peter Hendy
Derek Turner
Jay Walder
Jeroen Weimar
Maggie Boepple
Tom Cassels (Baker and McKenzie)
Isabel Dedring
Betty Morgan

Secretary: Maureen Nolan

47/02 INTRODUCTIONS

The Chair welcomed Bob Crow (who had been appointed to the Board with effect from 1 June 2002) to his first Board meeting.

48/02 APOLOGIES FOR ABSENCE

Apologies for absence had been received from Stephen Glaister, Noël Harwerth and Oli Jackson.

49/02 **DECLARATION OF INTERESTS**

The Chair reminded Board Members of the requirement to declare any interests in matters under discussion. No interests were declared.

50/02 **MINUTES OF PREVIOUS MEETINGS**

The minutes of the meeting held on 11 June 2002 were **agreed** as a true record.

51/02 **MATTERS ARISING**

There were no matters arising, not covered elsewhere.

52/02 **COMMISSIONER'S REPORT**

The Commissioner presented his report for July 2002 and updated the Board on the fact that, following advice from Counsel, TfL had withdrawn its application for Judicial Review in relation to PPP. This was on 26 July 2002. It was noted that a private Board meeting would be held immediately following the public Board meeting at which PPP would be discussed.

Tony West affirmed his support for the Commissioner in relation to the legal action on the PPP and considered that the outcome had been unhelpful to Londoners. The Chair noted the fact that the expected funding gap of £1.5 billion between the cost of the PPP contracts and the funding committed by Treasury would result in the potential prospect of an increase in fares, or in council tax.

It was noted that the judgement on the Congestion Charging Judicial Review was expected on 31 July. TfL anticipated a favourable outcome.

Kirsten Hearn thanked Alice Maynard for her work on producing TfL's Social Inclusion Action Plan, which provided a good basis for the work that Pip Hesketh would take forward.

It was noted that a credit approval of £83m, to permit TfL to authorise signature of the London City Airport Extension contract this financial year, had been received from Government. Government has written to confirm they would provide additional grant of up to £103m in 2003/4 to recognise the balance of the contract not covered by the credit approval. It was noted that grant in future years could be adjusted to compensate for this additional sum.

Some Board Members expressed concern at the lack of effective communication about the disruption to traffic due to the extensive roadworks currently being undertaken. It was **agreed** that a meeting with key stakeholders would be arranged in the near future at which the Chair and Derek Turner would provide a detailed briefing. The suggestion was made that consideration be given to placing newspaper advertisements.

The Chair reminded Board Members that the immediate short term problem of traffic lights phasing to adjust the traffic flow into Trafalgar Square whilst work was in progress was expected to be completed by the end of 2002. Major roadworks at Vauxhall Cross, Shoreditch and Tower Bridge should end by early 2003. David Begg stated that he considered TfL's primary aim should be to reduce carnage on the roads and TfL should be publicising the reasons behind any unpopular measures taken to effect this aim. Board Members suggested they should be provided with briefings from TfL to assist in handling questions from the media.

The suggestion was made that the workplan of the utility companies could be co-ordinated and it was **agreed** that TfL would organise a meeting with all major utilities to suggest this approach. It was **noted** that TfL would have to ensure that the capacity to effect this was in place, should the suggestion be acted upon.

The report was **noted**.

53/02 TfL's GROUP STATEMENT OF ACCOUNTS

Jay Walder introduced TfL's draft Group Statement of Accounts for the year ended 31 March 2002, which had been discussed in detail at the Audit Committee and the Finance Committee on 11 July. It was noted that the draft Statement of Accounts had been made available for inspection from 8 July 2002 for a period of three weeks. Following the inspection period, any questions or objections to the accounts received by the auditors would be reported to the Finance Committee and the Board in September. It was anticipated that the final Statement of Accounts would be submitted to the Board in September for approval.

At the request of Susan Kramer, it was **agreed** that a TfL officer would be nominated to explain questions that it was anticipated might arise due to the legislative reporting requirements.

The Board **noted**:

- (i) the draft Statement of Accounts;
- (ii) that the Chief Finance Officer will make adjustments arising from the ongoing audit work, prior to submission of the final Statement of Accounts to the September meeting of the board for approval; and
- (iii) that any material adjustments will be reported to the Finance Committee and the Board in September.

54/02 TFL'S ANNUAL REPORT 2001/02

Jay Walder introduced a paper outlining the approach to the Annual Report for 2001/02. It was noted that the intention was to publish a low key report, similar to the previous Annual Report.

David Quarmby requested that a section on safety management should be included in the Annual Report. David Begg requested that the opening remarks from the Chair should include a statement on pedestrian safety and this was **agreed**.

Following discussion, the Board:

- (i) **agreed** the proposed approach for the Annual Report;
- (ii) **agreed** to comment on a full version of the Annual Report, which would be circulated to Board Members; and
- (iii) **delegated** to the Director of Media and Public Affairs and the Managing Director, Finance and Planning the authority to finalise the Annual Report (in consultation with the Chair), having taken into consideration any comments received from Board Members.

55/02 DISPOSAL POLICY FOR SURPLUS TFL PROPERTIES

Jay Walder introduced a paper seeking approval for a disposal policy in respect of the TfL Group's properties that were no longer needed for the discharge of its functions.

It was noted that LT property was now handling properties for TfL and had recommended that TfL followed a revised process following Critchel Down rules as laid out in the Board paper. It was noted that the disposal of properties, especially Street Management properties, was assumed in the TfL Business Plan

Some Board Members agreed that the policy recommended in paragraph 3.4 of the Board Paper and the Critchel Down rules should be followed, but suggested that consideration could be given to the option of offering properties at below market value if the Secretary of State's approval was obtained. The Chair suggested that properties could be given to those on Council waiting lists on condition that the properties were improved. However, it was noted that TfL did not have the power to dispose of properties at less than market value. The specific provision allowing local authorities to dispose of land at less than market value with the Secretary of State's consent did not apply to TfL.

Some Board Members considered that the ancillary aim of making housing available to local authorities or making affordable housing available should be pursued if that were TfL's policy.

It was noted that many of the properties in question were in very poor condition. It was anticipated that the bulk of the properties should be disposed of by the fiscal year 2005/6. It was **agreed** that more detailed information on the schedule of properties would be provided to the September Board meeting.

The Board **noted** the various aspects influencing a disposal policy for TfL properties which are no longer needed for the discharge of its functions. The recommendation in paragraph 3.4 of Agenda Item 7 was agreed. The Managing Director, Finance & Planning undertook to provide clarification on options for working with housing associations in respect of the disposal of properties.

56/02 SAFETY, HEALTH AND ENVIRONMENT COMMITTEE REPORT

David Quarmby introduced a report of the meeting of the Committee held on 12 July 2002, which focused on quarterly safety performance reports.

The main points David Quarmby drew to the Board's attention were:

- The issue of motorbike safety. It was noted that the risks faced by motorbike users were significantly higher than that of any other road or street user. It was noted that an analysis of root causes was essential and to that end, Street Management were carrying out work that will produce a report for SHEC and the Board in September;
- It was noted that driving standards had improved on buses and the issue of TfL's rules regarding the use of mobile phones by bus drivers employed by the contractors had been discussed at the Committee meeting. Peter Hendy reported that he had written to all Managing Directors of the bus companies to draw their attention to the issues of driving standards, including the use of mobile phones and TfL was requiring bus companies to deal with the matter seriously;
- Jenny Jones, AM, made a welcome visit and the Committee had a useful discussion on the work of SHEC. It was noted that Jenny Jones was concerned with vulnerable street users, including pedestrians and children, especially in deprived areas of London.

Bob Crow noted that assaults on staff had increased at a dramatic rate and that the British Transport Police were not providing an adequate response. A meeting was requested with the BTP to discuss their responses to incidents and the issue of whether safety representatives within the unions had been consulted. It was **agreed** that Bob Crow would receive a copy of the previous SHEC report to the Board which covered staff assaults. It was **noted** that whilst SHEC provided an oversight and scrutiny on behalf of the Board of safety issues, it was a matter for line managers within the organisation to ensure that health and safety requirements were met and give attention to assaults. It was also noted that although LUL was not yet part of TfL, they had attended SHEC meetings from the start and had been very open about safety reporting, including the issue of assaults.

The Commissioner **noted** that TfL was examining the role of the British Transport Police (BTP) and its relationship with LUL leading up to the point of transfer. Specialists in rapid transit policing will be deployed to assist with this process and Board Members would be consulted at this time. It was anticipated that this would commence in the Autumn in consultation with the BTP Commander, and conclude by the end of 2002. At or before the time of transfer, it was anticipated that a report on an alternative way forward would be made to the Board.

Lynn Sloman asked for details of the pilot schemes which allow motorcyclists to use bus lanes and whether there were any plans to monitor these lanes to ensure this measure did not make them more dangerous. Derek Turner **agreed** to inform Board Members of the start date of the pilot scheme and noted that there would be regular monitoring of the schemes, probably on a monthly basis.

The report was **noted**.

57/02 **ITEM FOR ENDORSEMENT**

On 11 June 2002, the Board delegated the power to make appointments of members and officers to the subordinate bodies to the Chair in consultation with the Commissioner, such appointments to be endorsed by the Board at the next meeting following the appointment. Following discussions with the Chair and the Commissioner, Bob Crow was appointed to the Rail Transport Advisory Panel, with effect from 15 July 2002.

The Board **endorsed** the appointment.

58/02 **ANY OTHER BUSINESS**

There was no other business

There being no further business, the meeting closed at 11.10 a.m.

Chair

Date

COMMISSIONER'S REPORT FOR SEPTEMBER 2002

1. PURPOSE

This is the Commissioner's written report for September 2002. This report:

- Provides an overview of issues and developments since the July Board meeting;
- Informs the Board of major projects and initiatives being undertaken by TfL; and
- Updates the Board on actions that the management team is taking.

2. INTRODUCTION

The 2003/4 business planning process is continuing to proceed in line with our timetable. Businesses will submit their final Budget and Business Plan proposals internally on September 26. Chief Officers will meet in October and present draft 2003/4 Budget and Business Plan proposals to the November cycle of Panels, Committees and the Board.

Since my last report, Government Office for London has advised TfL that our Transport grant for 2003/4 will be £1,219m, of which £17m is ringfenced for TfL's share of the costs of Crossrail. The Government also agreed to provide up to £103m of additional grant to provide credit cover to allow the City Airport extension project to proceed. The additional grant will, however, be clawed back in future years.

3. TfL OPERATIONS

A separate finance and performance report is attached. However, there are some particular issues to draw to your attention.

3.1 *Current bus performance*

Bus passenger growth continues at 7.5-8% year on year, with staff lost mileage at one-quarter the level of 2 years ago, and reliability has been improving. The service is now, however, being affected by an unusually large number of roadworks, largely due to major gas and water pipe replacements and other utility works. London Buses is coordinating with the Metropolitan Police Service to deliver bus service reliability despite these roadworks.

The latest customer research demonstrates that, for the first time, actual service provision exceeds passengers' expectations in most key quality areas. Whilst much more needs to be done, this is a welcome result of the bus service improvements that TfL has put in place.

3.2 *Easylink*

Two bus routes run by "Easylink," Durham Travel Services Ltd, were affected when the receivers appointed to the company withdrew the services on 21 August. This was done with no notice to TfL. Services resumed within 3-4 hours and are now virtually back to normal on temporary

contracts with other operators. It is reported that the Durham Police Fraud Squad have been involved in enquiries, and Peter Hendy is satisfied that the withdrawal of services could not have been foreseen.

3.3 *Notting Hill Carnival*

The Notting Hill Carnival, Europe's largest street festival, was held on 25-26 August. Additional buses and crews were provided on most routes serving the Carnival area. The operation was very successful, with over 4,000 departures from the Carnival area over the 2 days. I would like to join Peter Hendy in thanking the bus staff who helped make the operation a success.

3.4 *DLR operations*

A good level of service was provided in the last period, with all operational targets met despite an ongoing increase in passenger numbers. A new timetable was introduced on 24 August to deliver more frequent peak hour services and a "turn up and go" (minimum 10-minute frequency) service all day, every day including weekends and late evenings.

The delivery of 24 new railcars is continuing with 19 delivered to date. The Commissioner launched the new vehicles at a ceremony on 12 September at Canary Wharf.

4. TFL PRIORITIES

I would like to draw your attention to the following.

4.1 *Congestion charging*

Implementation of Congestion Charging continues according to schedule. Call-centre enquiry services began on 12 August using a dedicated phone number (0845 900 1234). The next major milestone is the go-live of discount and fleet registration on 23 October. The pre-Christmas Public Information Campaign will also commence on 23 October. Charges can be paid from 17 November using post, web, or call centre. Full retail sales are due to commence on 12 January 2003, prior to the start of charging programmed for 17 February 2003.

On 2 September TfL provided the Mayor with a Report on the Readiness of Public Transport for Congestion Charging, which showed that enough bus capacity is expected to be available to cope with the expected increase in public transport usage once charging begins. On behalf of the Mayor, TfL sent the report to the London Boroughs, the Assembly and LTUC on 3 September in order to provide an opportunity for comment. The deadline for responses to the Mayor is 1 October.

The Mayor and TfL have reached an agreement with Westminster City Council that will ensure no appeal will be lodged against the recent High Court judgement in favour of Congestion Charging. In addition, the legal agreement includes agreements on a number of issues, including implementation of bus priority and complementary traffic management measures, congestion charging signage and deployment of monitoring equipment. We will continue to monitor this arrangement to ensure that progress is made.

4.2 *Trafalgar Square traffic changes*

On Sunday 1 September 2002 the North Terrace was permanently closed to vehicles, and traffic was diverted to use the new roundabout configuration at the south side of the Square. To date, traffic has been moving well and in certain aspects better than before 1 September. Certain traffic arrangements are temporary whilst construction works in Pall Mall East and the western side of the Square are completed, including the completion of bus priority measures.

Planning approval (subject to legal agreement) was granted by Westminster City Council on 22 August 2002 for the toilets, lifts, café and management facilities under the North Terrace of the Square. Preliminary works for the construction of the new central staircase commenced on 2 September 2002.

4.3 *Changes in traffic light timings*

Street Management is engaging regarding changes in traffic light timings. So far, London First and CBI have had briefings; Addison Lee and the Central London Partnerships will also be briefed. Two options for a wider stakeholder meeting are currently being discussed with the Mayor's office.

4.4 *East London Line Extension*

TfL has agreed on a service specification with the SRA on the basis of Metro services running on to the national network (both north and south of the existing East London Line). The business case is being discussed between the SRA and Government, and TfL is working with the SRA on a communications strategy for the project and a mechanism for successful project delivery. This work is in anticipation of a successful outcome to the Government review.

4.5 *Crossrail*

The Crossrail team is evaluating route options following the public consultation on this phase. The final route recommendation will be discussed by the Crossrail Board on 9 October, prior to a High-Level Group meeting with the Minister, the Mayor and the Chair of the SRA.

4.6 *Thameslink 2000*

The Deputy Prime Minister has released the Inspector's report into the TWA application for Thameslink 2000. He has upheld the Inspector's recommendation that the scheme should not be approved as tabled and has invited comments on the scheme. The DPM's concerns were primarily on environmental grounds and related to Railtrack's proposals, particularly at London Bridge. Railtrack have been asked to develop an alternative masterplan for this station, although this is yet to be funded.

There are two likely outcomes. Firstly, the DPM may decide to hold a further Inquiry, which would result in further delays to the project. Alternatively, he may decide to overrule the Inspector's concerns and approve the project.

4.7 *DLR City Airport Extension*

A preferred bidder has been selected for the City Airport Extension, and arrangements are being made to reach financial close by mid-December. It is intended that final approval will be sought

from the TfL Board on 19 November. Construction would then start in January 2003 with an opening scheduled for Autumn 2005.

Consultation on the proposed extension to Woolwich Arsenal continues. An application has been made for powers to build the extension under the Transport & Works Act 1992. A public inquiry will be held in January/February 2003.

4.8 *Review of arrangements for Board papers*

Following Board members' requests, we have reduced the volume of printed information made available to Board members and have made supporting performance indicators available on the Web. However, to facilitate easy reference we will also be making paper versions of supporting materials available on demand.

We will also be returning to a 5-day period for reading preparatory materials.

5. STRATEGIC ISSUES

5.1 *Integration of LUL*

As you know, on advice of counsel we withdrew from the judicial review. The various clearances in Brussels have yet to be given; our understanding is that a decision can be expected from the European Commission sometime in October.

We are working with LUL on a programme control project for renewals and maintenance under the PPP. TfL continues to work with the Government and LUL on the mechanisms for formal transfer. At this time, there are still issues outstanding on funding, both of the PPP and of the various PFI projects we will inherit.

The integration project continues to move ahead.

5.2 *Senior appointments*

Maggie Bellis, Director of Corporate Services, started on 2 September and Gareth Davies, General Counsel, started on 16 September.

Derek and I have appointed Dean Fell Interim Director of Communications for Street Management. This will ensure proper leadership and attention on streets-related communications issues. It will also facilitate our ability to coordinate press activities across TfL. Following this appointment, TfL Corporate, Street Management and Congestion Charging press office functions and personnel will be integrated in one location (13th Floor, Windsor House) from 23 September 2002.

5.3 *Social inclusion*

The Business Planning Guidance on Social Inclusion has now been issued to the business units. This will enable the business units to analyse planned projects to focus on the impact for people who are vulnerable to social exclusion. In addition, it provides a tool to look at the relationship of projects across business units, the risks of failure, and the implications of success.

TfL held a high-level meeting this month with disabled people to herald the launch of open dialogue and engagement. Peter Hendy, Derek Turner, Ian Brown and I were all speakers at this event, which was attended by national and London-based disability organisations.

Pip Hesketh is focusing on reviewing TfL's work on social inclusion. A framework strategy on Equality and Social Inclusion is planned for discussion with the Board by early 2003. Recruitment of the Social Inclusion Team is also underway.

Robert R. Kiley
Commissioner for Transport
September 2002

TRANSPORT FOR LONDON

TfL BOARD

SUBJECT : 1st QUARTER FINANCE REPORT

MEETING DATE : 19 SEPTEMBER 2002

1. PURPOSE

- 1.1 To inform the TfL Board of progress on financial and operational performance against budget and target for the first quarter of 2002/03 ending 30 June 2002.

2. KEY HIGHLIGHTS

- 2.1 The principal issues arising from the first quarter and our current forecast for the year are as follows :-

- Bus patronage continues to grow with the latest quarter recording 9% higher passenger journeys than for the same period last year. However, higher tender costs than expected and an increasing switch from cash fares to discounted tickets has resulted in a £22m higher forecast subsidy than included in the 2002/03 budget.
- Despite significant delays caused by essential roadworks during the quarter, excess waiting time on high frequency bus routes and overall customer satisfaction remained above target.
- Bus infrastructure project work continued to suffer from serious delays, with Bus Priority now focusing on schemes essential to Congestion Charging recognising the limited time before 'go-live', reducing forecast spend this year by £11m. The delay in Bus Priority schemes has also contributed to a fall in the number of Countdown signs to be installed this year from 2400 to 2100.
- Service changes planned on DLR for April 2002 have been deferred until August and this has reduced the train kilometres operated during the first quarter of the year by 29%, However, the level and reliability of the service remain above target.
- Delay in obtaining the TWA Order for the City Airport extension, and our current preference for increased future availability payments rather than milestone payments, has resulted in a reduction of £25m in the forecast spend on the project in 2002/03. Although problems persist in the commissioning of the new DLR railcars, it is expected that this will be completed by November 2002.
- Passenger journeys on the Underground ended the quarter 1% below budget and this represented a fall of 1.4% compared with the same period last year. There was however, an improving trend for both the percentage of schedule operated by the Underground (95.0%) and excess waiting time, which fell to 3.0 minutes compared to budget of 3.4 minutes.

- Slippage in a number of project areas resulted in a 27% underspend in Street Management in the first quarter. The latest forecast indicates that the majority of this slippage will be recovered by year-end, however some work on the Blackwall Tunnel refurbishment, Trafalgar Square pedestrianisation and Congestion Charging complementary measures is likely to be carried forward into 2003/04.

3. ECONOMIC BACKGROUND

3.1 In July, both headline and underlying inflation rose following two consecutive monthly falls. Headline inflation rose to 1.5% year on year from 1.0% in the previous month, while underlying inflation (inflation excluding mortgage interest payments) rose to 2.0% from 1.5% in June caused mainly by the upward movement in food, clothing and household good prices.

3.2 The volume of retail sales growth moderated further with an increase of 4.5% in July compared with a year ago, down from April's 6.9%. Tourist visitor nights in London continue to display volatility rising by 4.7% year on year in June, some of which is expected to have been caused by the Queen's Golden Jubilee celebrations. On an annual rolling average basis, year on year change has as a result continued to improve, falling by 4.1% in June compared with a drop of 6.7% in March.

	Headline Inflation <i>Monthly</i>	Retail Sales Volume <i>% Year on Year</i>	London Visitor Nights <i>% Year on Year*‡</i>	Central London FT Employment <i>Quarterly*</i>
July	1.5	4.5	-4.1	
June	1.0	4.8	-4.4	-1.8
May	1.1	5.4	-5.2	
April	1.5	6.9	-6.7	-1.0

* month / quarter in arrears ‡ 12 month rolling average

3.3 Finally, central London full-time employment fell by 1.8% year on year in the three months to March, which is a further decrease on the 1% fall in the previous three month period. This was somewhat offset by an increase in part time employment.

4. OPERATIONAL PERFORMANCE

4.1 A system-wide performance indicator framework to be used in monitoring progress of the business plan was approved by the TfL Board on 19 March 2002. This provided for a series of key performance indicators for each of TfL's major business units primarily designed to reflect desired transport outcomes. For those able to be reported, monitoring has been carried out against targets for 2002/03 set as part of the business plan. A full scorecard reporting all key indicators can be found attached to this report as **Annex 1**. A number of these indicators along with high-level cross-modal indicators continue to require further development and do not form part of this report.

STREET MANAGEMENT

4.2 The congestion index for the TLRN increased from 94.0 to 99.6 over the quarter. This is against a budget of 94.0. Current initiatives impacting the congestion index include the introduction of national standards at pedestrian crossing sites, and changes to signal timings to restrict traffic entering Trafalgar Square. The pedestrian crossing changes result in several seconds less green time for vehicles at signal junctions. The construction of the

pedestrianisation of the North Terrace of Trafalgar Square requires much less traffic flowing through Trafalgar Square.

- 4.3 There were 90 days of controls/closure on traffic sensitive TLRN roads, 75 in excess of the target. A major factor has been the closure since 7 April of the A2 at Blackheath, as a result of subsidence. This contributes to a forecast of 255 days, 195 more than target.
- 4.4 The percentage of street lights working on TLRN has fallen from 97.8 in March 2002 to 95.0 in June, and this is below the year end target of 97.5. The number of people killed or seriously injured Londonwide was 19% below the figure for quarter 1 2001/02.

LONDON BUSES

- 4.5 Bus passenger journeys continued to grow, with 374.6m journeys in the latest quarter (365.6m in quarter 4 2001/02) compared with 345.0m for the same period in 2001/02, a year on year increase of 9%. The level of bus kilometres operated in the first quarter of the year remained in-line with both target and quarter 4 2001/02 at 96.3m. Customer satisfaction ratings for crowding were 77.6% against a target of 77%.
- 4.6 Against a background of significant delays experienced at Shoreditch, Vauxhall, Trafalgar Square, Kings Cross, New Cross, Barking (A13) and Blackheath Hill excess waiting time on high frequency routes at 1.8 minutes, was lower than the target of 1.9 minutes and down from 2.0 minutes in the previous quarter.
- 4.7 Ratings for overall satisfaction of bus services were 1 percentage point above target at 77%, an increase of 3 percentage points from the previous quarter. Customer satisfaction with information fell 2 percentage points from quarter 4 2001/02, to 75.4 but remains 3.4 percentage points higher than target.

DOCKLANDS LIGHT RAILWAY

- 4.8 A planned increase in the am peak service scheduled for April 2002 was deferred until August 2002. This resulted in the train kilometres operated in the first quarter of 2002/03 being 29% below target at 707k, in line with the previous quarter. DLR passenger journeys over the same period were 9.9m, 7% below target but in line with the quarter 4 2001/02 figure.
- 4.9 Base service departure was slightly above target at 98.6%. Similarly On Time Performance (adherence to schedule) was marginally above target at 96.9%. Customer satisfaction ratings will be available from quarter 2 2002/03.

LONDON UNDERGROUND

- 4.10 Passenger journeys for the quarter (3 periods ending 22 June 2002) were 2.6m (1%) behind target at 215.4m, and representing a decrease of 1.4% from the same quarter in 2001/02. This period includes the 2 day holiday for the Golden Jubilee and covers the beginning of the World Cup Finals. Train kilometres operated for this quarter were 314k (2%) ahead of target and 600k (4%) ahead of the equivalent quarter last year. Customer satisfaction rating for crowding at 71% was 2 percentage points ahead of target and an improvement from last year of 4 percentage points.
- 4.11 Other customer satisfaction ratings did not fare as well in the first quarter, with the rating for security 1 percentage point lower than target at 78% and the rating for information 1 percentage point below target at 75%.

OTHER BUSINESS UNITS

- 4.12 **Croydon Tramlink** – Service performance has been consistently ahead of target over the first quarter of the year. Passenger journeys increased by 3 percentage points from quarter 4 2001/02 to 4.53m, while kilometres operated were 1.5 percentage points above target at 99.5%. Overall satisfaction for Tramlink services was 88%, an increase of 1 percentage point from quarter 1 2001/02.
- 4.13 **London River Services** - For the first quarter of the year, journeys were 10% below target at 548k and 6% lower than the same period last year. Service levels remain high with the percentage service operated above target at 97.6% for the latest quarter. Overall satisfaction for the service in the first quarter was 87%.
- 4.14 **Victoria Coach Station** -The number of coach departures over the first quarter of 45k was 2% below target, but 4% up from the previous quarter's result. Overall customer satisfaction was 3 percentage points above target at 75%.

5. PROJECT PERFORMANCE

- 5.1 This section summarises the monitoring of major projects spanning more than one year that are being progressed by TfL. The monitoring identifies the key achievements on each project to the end of June 2002, the concerns identified by project managers along with actions taken to address those concerns, the progress against the projects milestones, and levels of expenditure against budget and authority. In order to obtain most benefit from this reporting, this report addresses activities where variations exist in either physical or financial progress from plan. The criterion chosen to identify variations include :-

- * milestones that have slipped by more than two months (and where this slippage is not shown to be recovered)
- * where 2002/03 current or forecast expenditure is materially at variance from budget, and
- * where an activity does not form part of TfL's approved budget.

- 5.2 At present there are approximately 50 project areas throughout the TfL Group being reported and monitored in this way. The majority of these projects are being progressed in line with planned milestones or cost, however in 13 areas, project managers have expressed concerns over progress as outlined below. A fuller description of the progress of projects where variations from plan exist can be found attached to this report as **Annex 2**.

STREET MANAGEMENT

- 5.3 Within Street Management, slippage in completing service level agreements with Boroughs and with the installation of CCTV cameras has caused delay in completing the traffic enforcement project. A risk has been identified that some of the complementary traffic management measures for Congestion Charging, will slip into 2003/04, but this underspend is offset by higher Judicial Review and consultancy costs this year. In addition, delays are expected in replacement of the Traffic Control system due to disruption caused by its relocation to new offices.

DOCKLANDS LIGHT RAILWAY

- 5.4 Difficulties with the TWA Order and funding arrangements for the DLR London City Airport extension noted in previous reports have now been resolved and the project has moved to the Best and Final Offer stage, with the expectation of financial close in December 2002. Commissioning of the additional DLR rail cars has slipped from approximately 6 months behind plan, however the final car is now expected in service by November 2002. Best and Final offers have been agreed for the rail car refurbishment, which has been similarly affected by the delay in delivery of new cars.

LONDON BUSES

- 5.5 The number of schemes planned for 2002/03 as part of Bus Priority - LBI 2, and their associated cost, are now significantly less than planned due to a clearer picture developing as to the priority of schemes. The rollout of Fleetwide AVL and Countdown signs continues to suffer from serious delays caused by growth in the bus fleet, infrastructure problems and supplier delays. This has led to a reduction in the installation target for Countdown this year from 2400 to 2100. In addition, an opportunity arose to purchase land to extend the existing bus station at Hammersmith, and although not included in the budget was approved by Chief Officers Group in May 2002. The project to upgrade engines of Routemaster buses to reduce emissions and deliver environmental benefits has been reduced to 100 conversions from 180 due to a lack of spare parts.

6. FINANCIAL PERFORMANCE

2002/03 BUDGET

- 6.1 The budget has been updated for a number of reallocations of funding resulting from organisational changes that occurred after the budget was approved by the TfL Board on 19 March 2002. In addition, budget numbers have been updated to reflect the balance sheet shown in the statutory accounts at 31 March 2002.
- 6.2 The budget approved by the TfL Board contained £50m of work identified by January 2002 as needing to be carried forward into the new-year. Further slippage, primarily in Street Management programmes, occurred during the last two months of 2001/02 and the budget has also been amended to carry forward this work. In order to maintain the same level of overall expenditure as included in the 19 March budget, £10m of the Group's contingency (which now stands at £15m) has been allocated to offset this carry forward. Full details of all the changes to the 2002/03 budget are given in **Annex 3**.

FIRST QUARTER'S EXPENDITURE TO JUNE 2002

- 6.3 TfL's value of work completed over the first quarter of the year totalled some £188m, and this was £29m (15%) lower than assumed in the budget. As shown in **Annex 4**, this variance comprises significant underspends within Street Management (£21m), Finance & Planning (£10m) and DLR (£4m), but a budget overspend in London Buses of £8m.
- 6.4 The Street Management underspend represents a 27% shortfall compared to budget. Activities showing slippage include the implementation of schemes for Congestion Charging traffic management (£8.9m) due to the re-profiling into later months, walking & cycling (£2.9m) and road safety (£2.8m) caused by delays to the design and scoping of this work. Slippage has also

occurred in the progress on traffic signal maintenance (£2.1m), on the Trafalgar Square pedestrianisation (£1.1m), and phasing of spend in accommodation and other support functions (£3.3m). The only significant area of additional spend in excess of budget is on TLRN road maintenance (£2.7m), which results from a rephasing of this spend in the year.

- 6.5 Spend in DLR to the end of June was affected by a slower delivery of its new rail cars from Bombardier's Bruges facility than assumed in the budget, resulting in a change to the phasing of contract payments (£2.5m), but which is expected to be completed by year-end. The underspend in Finance & Planning comprises lower settlement of property claims (£5.4m) lower departmental spending in Group Finance and IT departments (£2.7m) and delays in a number of intermediate mode schemes, interchange initiatives and Thames River crossings (£1.5m in total).
- 6.6 Surface Transport's overspend of £8.1m is centred on the purchase of land in Hammersmith for development of a new bus station (£11.2m) and higher subsidy costs on the bus network (£2.7m) due to continuing strong growth in usage, allied to a switch from cash fares to bus passes. Offsetting underspends in Buses' spend include slower progress on Bus Priority schemes than assumed at the time the budget was set (£3.7m) and lower Prestige PFI costs (£1.9m) due to an incorrect calculation of the budget.

LATEST FORECAST

- 6.7 July's forecast of TfL's total costs for the full year is now £1,111m compared with the final budget of £1,132m. London Buses are forecasting a £22.6m overspend at year-end. This includes additional items worth £13.8m agreed by CoG in May (Hammersmith Garage £11.4m, improvements at Tenison Way bus station £1.2m and roadside ticket machines £1.2m) and higher administration costs (£2.6m), plus £6m of unallocated savings that were budgeted but that London Buses no longer consider achievable.
- 6.8 These cost increases are offset by a reassessment of the Prestige costs charged to this years accounts (£5.6m – due to an incorrect calculation of the budget) and slippage to Bus Priority schemes (£11.0m – caused by a change in methodology in identifying and re-prioritising schemes in line with congestion charging priorities) and deferral of other bus infrastructure projects (£5.6m). The above adverse and favourable variances broadly net to zero, and so almost all of the £22.6m overspend arises from higher subsidy on the bus network due to the effects of tender prices and service enhancements and fares revenue being forecast at £700m (some £8m less than budget) and 3.7% higher than last year.
- 6.9 The forecast for passenger numbers over the same period is 0.5% above budget at 1,528m, a 6.9% rise year-on-year. As such the increase in ridership does not appear to be directly impacting revenue – this is due to passengers switching from cash fares to discounted products, such as the weekly bus pass, and then making more trips as there is no marginal cost to themselves. The overspend in the Bus forecast has the approval of the Managing Director, Finance & Planning.
- 6.10 Finance & Planning's forecast includes a reduction in all areas of Transport Planning of £10.6m. An increase in the estimated cost for PPP transition costs (£2.3m) is matched by lower Group Finance, Audit and Fares departmental spend. Public Carriage Office has worsened its forecast by £1.3m mainly as a result of continuing delays to the Private Hire licensing.
- 6.11 Due to the significant year-to-date variance, Street Management have taken the opportunity to fully revise their forecast for July and now expect to outturn at £413m, which is £11m under budget. Underspends include :-

- Red Routes (£3.0m – work commissioned to TTS is being delayed as they are concentrating on congestion charging work. Replacement projects not involving TTS are being prepared).
- Trafalgar Square (£3.2m – of which £1m is efficiencies and £2m is slippage into 2003/04).
- Borough work (£7.9m – the forecast only includes projects authorised by Partnerships to date).
- Road Safety (£5.6m – forecast assumes £2.8m reduction in Borough BSP work based on prior performance, and a further £3.1m due to contractors' schedules already being full for this year).
- Congestion Charging traffic management (£5.2m – due to reductions in Real Time Traffic Management system and associated costs).
- Major Route Schemes (£5.6m – largely slippage into 2003/04 for Blackwall Tunnel and various other infrastructure works).

- 6.12 Traffic Enforcement is expected to outturn £10.0m over budget mainly due to reduced income from penalty notices as compliance with bus lane regulations has improved. Congestion Charging set up costs are forecast at £9.1m over budget due to the costs of the judicial review, higher consultancy costs and the incorporation of the PASS outlets into the schemes retail network.
- 6.13 DLR's removal of milestone payments for the City Airport Extension (£24.5m) due to their currently favouring a financing option which does not include these payments, allied to slippage on Railcar refurbishment has brought their forecast down £28m to £44m.

CASH SPEND

- 6.14 For the three months to the end of June, cash payments totalled £201m and this was £27m (12%) less than budget. This variance is mainly caused by the slippage in first quarter expenditure as noted previously in this report. A small adverse revenue working capital position included the impact of payment of invoices for 2001/02 Borough work received after 1 April 2002.
- 6.15 The July cash forecast contains two significant changes to budget. An improvement in the working capital position is driven by Street Management's assumption of £30m of receipts in advance for Congestion Charging charges by year-end. Allied to this is a decrease in the Group's cash spend as a consequence of the lower work being carried out this year as noted above. As a result external borrowings are now forecast at £41m, £14m lower than budget.

7. STAFF NUMBERS



- 7.1 TfL staff numbers (defined as the full time equivalent number of permanent and temporary agency staff) increased by 38 in June, but remained 167 below budget. Vacancies in Streets and PCO are due to delays in recruitment for Congestion Charging, Enforcement and Private Hire Licensing respectively. A number of vacancies also exist across departments within Finance and Planning and Corporate Services.
- 7.2 As shown in the **Annex 5**, the July forecast assumes further net recruitment of 418 before March 2003, increasing staff numbers for the Group to 3,900, some 66 over budget. Areas expecting an increase over the budget include Streets (91) and in Rail Services (15) due to the recruitment of staff being seconded to CrossRail. Corporate directorates are expected to outturn with 38 less staff than budgeted. Increases in headcount continue to require the Commissioner's approval before being carried out.

OPERATIONAL SCORECARD

Performance Indicators	STREET MANAGEMENT			LONDON BUSES			DOCKLANDS LIGHT RAILWAY			LONDON UNDERGROUND					
	Actual	Target	Trend	Actual	Target	Trend	Actual	Target	Trend	Actual	Target	Trend			
		Variance			Variance			Variance			Variance				
SAFETY															
No. of Major Injuries / Fatalities on TfL services	#	373	∩	n/a			326	n/a			1	n/a		23	11
No. of Major Injuries / Fatalities (Londonwide)	#	1,349	∩	n/a											
CSS : Safety and Security	Score				83.6	3.6			∩				78.0	(1)	
SERVICE VOLUMES															
Passenger Journeys	m				374.6	13.6			9.9	(0.7)			215.4	(2.6)	
Bus/Train Kilometres Operated	m				96.3	(0.7)			0.7	(0.3)			15,419	319	
CSS : Crowding	Score				77.6	0.6			∩				71.0	2.0	
Congestion Index TLRN	#	99.6		(5.6)											
Cycling on TLRN (index April 2000=100)	#	116.0		1.0											
RELIABILITY AND SERVICE QUALITY															
Journey Time Reliability TLRN	%	30.0		n/a											
Adherence to schedule	%								96.9	0.9					
Schedule Operated/Base Service departure(DLR)	%				96.8				98.6	0.6			95.0	1.6	
Excess Waiting/Journey Time	Mins				1.8	0.1							3.0	0.4	
Low Frequency Routes Departing on Time	%				71.1										
Night Buses Departing on Time	%				76.1	2.1									
Street Lights Working	%	95.0		(2.5)											
Traffic Signals Working (London Wide)	%	96.8		(0.2)											
Traffic Signals with Pedestrian Phase*	%	75.0		(2.0)											
Days of Controls/Closure on Sensitive Roads	Days	90.0		(75.0)											
CSS : Overall Satisfaction	Score				77.0	1.0			∩				75.0		
CSS : Reliability – Journey/Wait Time	Score				81.6	3.6			∩				79.0	1.0	
CSS : Information	Score				75.4	3.4			∩				75.0	(1.0)	
Peak Hour trains Cancelled	%												3.0	0.9	
ACCESS															
Pedestrian Crossings for Disabled*	%	57.0		(5.0)											
'Low Floor' Buses/Bus Stops*	%	4.0		(2.0)			72.0	3.0							
Stations with 'step-free' access*	%												11.4		
Stations with wheelchair access*	%												3.5		

OPERATIONAL SCORECARD

Performance Indicators	PUBLIC CARRIAGE OFFICE			CROYDON TRAMLINK			LONDON RIVER SERVICES			DIAL-A-RIDE			VICTORIA COACH STATION		
	Actual	Target	Trend	Actual	Target	Trend	Actual	Target	Trend	Actual	Target	Trend	Actual	Target	Trend
SERVICE VOLUMES															
Passenger Journeys	m			4.53	n/a		0.55	(0.06)							
Taxi Driver licences/Coach Departures	000	24.6	0.3										45.4	(1.1)	
RELIABILITY AND SERVICE QUALITY															
Schedule Operated/Base Service departure(DLR)	%			99.5	1.5		97.6	1.1							
CSS : Overall Satisfaction	Score	93.0		88.0	3.0		87.0	n/a		93.0			75.0	3.0	

 Positive / improving trend
 Neutral trend
 Negative / worsening trend

Notes/Key:

Negative variances are adverse.

The trend analysis is a comparison with performance indicators from Q4 2001/02.

The performance indicators are shown as red, orange or green for positive, neutral or adverse variances and trends

* Performance indicator is reported annually, actual shown is for March 2002.

❖ CSS will be reported on a new basis. Figures available from Quarter 2 2002/03.

∩ Only annual targets have been set.

PROJECT PERFORMANCE

Project	Variance from Plan/Budget	Comment
STREET MANAGEMENT		
CCS Traffic Management	£8m	Implementation of Real Time Traffic Management measures are in progress. Detailed designs of each scheme are currently being prepared. Following the slippage of 2001-02 spend, Street Management revised expectations of the planned total cost of the project (£99m) to be incurred as follows £16m in 2001/02 (originally £27m), £54m in 2002/03 and £29m in 2003/04.
CCS Procurement & Systems Set-Up	(£13m)	The programme is now forecast overspend budget by £13m. This results mainly from, additional public information campaign costs, higher consultancy costs due to delays in recruitment and the costs of the Judicial Review. All milestones remain on target
Traffic Enforcement	3-9 months	The Boroughs have been slower than anticipated to sign up to Service Level Agreements but 23 are now in place with the remainder expected by year-end. The installation of bus mounted cameras is running 6 months behind schedule due to problems accessing buses and the approval process with the Home Office. There is also a 6-9 month delay on installing CCTV cameras to monitor bus lanes as Street Management has encountered resourcing difficulties.
Road Maintenance	Borough - £8m	No significant delays to milestones are anticipated. For the TLRN, projects are now forecast to be in line with budget by year-end. However, the current forecast for Borough principal roads is for a £8m budget underspend for the year at £35.2m.
Traffic Control Systems Replacement	3-7 months	Delays are expected to the Fault Management Package of 3 months as a result of a new requirement introduced by the users. The London Traffic Control Centre system has an expected delay of 6 months resulting from the disruption caused by the relocation of the main users to new offices. There is an expected 6 month delay for diversifying the Traffic Control and Monitoring supply. All other milestones remain on target. Spend for this activity is forecast at £13.4m for the year, £1.5m over budget.

RAIL SERVICES

London City Airport	3-8 months	The TWA Order was granted on 19 March 2002, the process has now moved to the Best and Final Offer stage with documents issued to bidders on 26 April. However, final funding arrangements for the Extension as a credit arrangement under Local Authority regulations which has subsequently been resolved, has meant that the financial close and concession award is now expected in December 2002 from December 2001. This has meant that £24.6m of the £27.0m budget will not be spent this year.
New Rail Cars	6 months	Of the 12 additional vehicles, four have been delivered to the Beckton depot with the remaining eight completed and in storage at the factory in Bruges. The commissioning date for the twelfth vehicle is now September 2002. Expenditure in 2002/03 is expected to be close to budget at £1.0m, with total project costs outturning on budget at £22.5m. Delivery of the 12 optional vehicles is subject to the knock-on impact of the delays to the first tranche detailed above. Thus the final milestone for the commissioning of the twelfth vehicle is now set at November 2002 against a planned date of May 2002.
Rail Car Refurbishment	6-7 months	Best and Final offers and agreement on contractual terms were achieved with both bidders in July 2002. A preferred bidder has now been appointed and approval has been received from TfL to proceed to contractual close. This is around 6 months later than originally anticipated.

PROJECT PERFORMANCE

Project	Variance from Plan/Budget	Comment
SURFACE TRANSPORT		
Bus Priority LBI2	£13m	The number of schemes planned for 2002/03, and their associated cost, are now significantly less than that calculated from the Whole Route Implementation Plans earlier this year. This is due to having a clearer view on scheme identification, which focuses on schemes supporting Congestion Charging, the time remaining before 'go-live' of the scheme and delays in commencement of work due to the need for wide consultation. This has resulted in the 2002/03 spend being reduced from the budget of £23.2m to £9.8m.
Delivery of Fleetwide AVL	10-17 months	The ongoing growth in the size of the bus fleet continues to impact on the vehicle fitment milestone, which has now slipped from its original completion date of September 2001 to the end of July 2002. The project is now expected to be completed by February 2003. Spend forecast for the year at £940k is some £640k over budget for 2002/03.
Countdown Stage 3 & 4	6-9 months	The rollout of Countdown signs on stage 3 & 4 continues to suffer from serious delays. A detailed planning exercise in May 2002 and June 2002 led to a reduction in the installation target for the year from 2400 down to 2100. Uncertainty over the location of signs caused by changes in Bus Priority, other infrastructure related problems (e.g. power faults) have both led to delays which are compounded by a lead-in time of over 10 months from some suppliers for re-installation. Forecast completion date is now March 2003 compared with plan of June 2002, and spend this year is now forecast at £250k against plan of £750k.
Hammersmith Land Acquisition	(£11m)	This resulted from an opportunity to purchase land to extend the existing bus station at Hammersmith, and was not included in the budget for the year but was approved as an additional spend item at the Chief Officers Group on 20 May 2002. The acquisition of the land was also completed in May.
Routemaster Re-engineering	4 months	This project aims to upgrade engines, transmissions and auxiliary equipment of Routemaster buses to reduce emissions and deliver environmental benefits. Funding has been provided for 180 conversions in 2002/03, however due to lack of spare vehicles this has been reduced to 100 conversions by February 2003. Spend is forecast at £1.4m against plan of £2.5m.

CHANGES MADE IN BUDGET AFTER THE TFL BOARD MEETING HELD ON 19 MARCH 2002

	Board Paper 19 March	Re-alloc	Change	Final Budget June
	£m	£m	£m	£m
Surface Transport				
London Buses	339.8	15.0		354.8
Bus Priority	69.8	0.9	0.3	71.0
East Thames Buses	(0.5)			(0.5)
Victoria Coach Station	(0.9)			(0.9)
Dial-a-Ride	15.0	(15.0)		0.0
London River Services	1.6			1.6
Public Carriage Office	2.7			2.7
	427.5	0.9	0.3	428.7
Street Management	429.9	(20.8)	14.8	423.9
Rail Services				
Rail Services	6.1	0.3		6.4
CrossRail	14.5			14.5
Docklands Light Railway	72.6		0.2	72.8
	93.2	0.3	0.2	93.7
Corporate Directorates				
Communications	8.7	(1.3)		7.4
Museum	4.1			4.1
Corporate Services	40.8	(21.6)		19.2
Finance & Planning	79.7	42.5	(5.3)	116.9
	133.3	19.6	(5.3)	147.6
LT Insurance (Guernsey)	(1.6)			(1.6)
Contingency & Reserves	50.0		(10.0)	40.0
TfL Net Revenue Costs	1,132.3			1,132.3

Programmes that have been reallocated in the budget include the integration of Dial-a-Ride operations into TfL, Street Management property services, IS/IT, and Borough principal road surveys.

Explanation for other changes: -

- Surface - carry forward of expenditure on CCTV cameras from 2001/02 (£0.3m)
- Street Management - carry forward of work on Congestion Charging and completed schemes from 2001/02 (£14.8m)
- DLR – carry forward of work on refurbishment and west route re-railing projects (£0.2m)
- Finance & Planning – reassessment of property claims budget (£2.4m) and increase in estimate of bank interest (£2.3m) and other minor changes (£0.6m).

NET EXPENDITURE SUMMARY

	June 2002			Full Year		
	Quarter to 30 June	Budget	Variance to Budget	Latest Forecast	Budget	Variance to Budget
	£m	£m	£m	£m	£m	£m
Surface Transport						
London Buses	87	75	(12)	388	355	(33)
Bus Priority	11	15	4	60	71	11
East Thames Buses				(1)	(1)	(1)
Victoria Coach Station				(1)	(1)	
London River Services				2	2	
Public Carriage Office	1	1		4	3	(1)
	99	91	(8)	453	429	(24)
Street Management	58	79	21	413	424	11
Rail Services						
Rail Services				6	6	
CrossRail	3	3		15	15	
Docklands Light Railway	10	14	4	44	72	28
	13	17	4	65	93	28
Corporate Directorates						
Communications	1	2	1	9	9	
Museum	1	1		4	3	(1)
Corporate Services	3	4	1	22	19	(3)
Finance & Planning	13	23	10	106	117	11
	18	30	12	141	148	7
LT Insurance (Guernsey)				(1)	(2)	(1)
Contingency & Reserves				40	40	
Total TfL Activity Net Costs	188	217	29	1,111	1,132	21

HEADCOUNT SUMMARY

31 March 2002		30 June 2002			31 March 2003		
		Actual	Budget	Variance to Budget	Latest Forecast	Budget	Variance to Budget
	Surface Transport						
774	London Buses	808	799	(9)	834	834	
237	East Thames Buses	237	239	2	237	239	2
5	Dial-a-Ride	522	554	32	559	559	
126	Victoria Coach Station	124	123	(1)	124	124	
18	London River Services	18	18		18	18	
152	Public Carriage Office	157	179	22	207	207	
1,312		1,866	1,912	46	1,979	1,981	2
794	Street Management	784	850	66	1,039	948	(91)
	Rail Services						
14	Rail Services	16	23	7	22	25	3
30	CrossRail	39	24	(15)	42	24	(18)
31	Docklands Light Railway	29	32	3	32	32	
75		84	79	(5)	96	81	(15)
	Corporate Directorates						
91	Communications	91	94	3	94	96	2
92	Museum	86	94	8	94	94	
176	Finance & Planning	201	232	31	220	246	20
385	Corporate Services	370	388	18	378	388	16
2,925	Total Staff Employed	3,482	3,649	167	3,900	3,834	(66)
2,468	Permanent	3,041	3,366	325	3,523	3,676	153
457	Agency / Consultancy	441	283	(158)	377	158	(219)
2,925		3,482	3,649	167	3,900	3,834	(66)

TfL Workforce Composition Commentary

June - July 2002

The attached paper details the current workforce of the constituent parts of TfL broken down by ethnic group, gender and employees declaring disability.

Summary of Information

The tables show that female employees remain under-represented in East Thames Buses (4%), LBSL (23%), Street Management (27%), Public Carriage Office (28%) and DLR (36%). The male/female ratio is more representative in TfL (45%) and TTL (43%) mainly because of the relatively high percentage of female employees in Corporate Services and in Communications and Public Affairs.

Employees from ethnic minority groups are under-represented across all the divisions in Transport for London when comparison is made with the economically active ethnic minority community in London. Street Management and LBSL (24%) and ETB (22%) have the most representative workforce.

The percentage of staff declaring a disability ranges from 4.98% in TTL and 4.51% in TfL Corporate to none in DLR and East Thames Buses.

Equality and Diversity Actions

A separate paper on Equality and Diversity is included in this month's Board papers.

Transport *for* London
Human Resource - Board Papers
July Information

Transport for London
Workforce Composition Breakdown

As at 31st July 2002

Employee Numbers - by Ethnicity									
Division	Tj/L - Corporate	TTL	Surface Transport			Street Management	CrossRail - Secondments	DLR	Total
			LBSL	East Thames Buses	PCO				
White	234	353	770	199	129	389	37	20	2131
Mixed Race	3	17	13	2	2	0	1	0	38
Asian or Asian British	9	28	44	20	9	41	1	1	153
Black or Black British	34	29	178	29	15	64	1	1	351
Chinese or other ethnic group	3	5	11	2	2	15	0	0	38
Totals	283	432	1016	252	157	509	40	22	2711

Employee Numbers - by Gender									
Division	Tj/L - Corporate	TTL	Surface Transport			Street Management	CrossRail - Secondments	DLR	Total
			LBSL	East Thames Buses	PCO				
Male	157	248	786	241	113	371	31	14	1961
Female	126	184	230	11	44	138	9	8	750
Totals	283	432	1016	252	157	509	40	22	2711

Employee Numbers - by Disability									
Division	Tj/L - Corporate	TTL	Surface Transport			Street Management	CrossRail - Secondments	DLR	Total
			LBSL	East Thames Buses	PCO				
No. of employees declaring a disability	12	22	23	0	3	9	1	0	70

Employee Percentage Figures - by Ethnicity									
Division	Tj/L - Corporate	TTL	Surface Transport			Street Management	CrossRail - Secondments	DLR	Total
			LBSL	East Thames Buses	PCO				
White	83%	81%	76%	78%	82%	76%	91%	90%	79%
Mixed Race	1%	4%	1%	1%	1%	0%	3%	0%	1%
Asian or Asian British	3%	7%	4%	8%	6%	8%	3%	5%	6%
Black or Black British	12%	7%	18%	12%	10%	13%	3%	5%	13%
Chinese or other ethnic group	1%	1%	1%	1%	1%	3%	0%	0%	1%
Totals	100%	99%	100%	100%	100%	100%	100%	100%	100%

Employee Percentage Figures - by Gender									
Division	Tj/L - Corporate	TTL	Surface Transport			Street Management	CrossRail - Secondments	DLR	Total
			LBSL	East Thames Buses	PCO				
Male	55%	57%	77%	96%	72%	73%	77%	64%	72%
Female	45%	43%	23%	4%	28%	27%	23%	36%	28%
Totals	100%	100%	100%	100%	100%	100%	100%	100%	100%

Employee Percentage Figures - by Disability									
Division	Tj/L - Corporate	TTL	Surface Transport			Street Management	CrossRail - Secondments	DLR	Total
			LBSL	East Thames Buses	PCO				
% of employees declaring a disability	4.51%	4.98%	2.27%	0.00%	1.95%	1.76%	2.86%	0.00%	2.58%

TfL - Corporate - Directorate Employee Numbers - by Ethnicity				
	Finance & Planning	Communication & Public Affairs	Corporate Services	Rail Services
White	108	32	83	10
Mixed Race	2	1	0	0
Asian or Asian British	6	1	1	1
Black or Black British	13	3	15	3
Chinese or other ethnic group	2	0	1	0
Totals	131	37	100	14

TfL - Directorate Employee Numbers - by Ethnicity		
Finance & Planning	Communication & Public Affairs	Corporate Services
19	108	226
1	3	13
0	2	26
2	5	22
0	2	3
22	120	290

TfL - Corporate - Directorate Employee Numbers - by Gender				
	Finance & Planning	Communication & Public Affairs	Corporate Services	Rail Services
Male	90	22	38	6
Female	41	15	62	8

TfL - Directorate Employee Numbers - by Gender		
Finance & Planning	Communication & Public Affairs	Corporate Services
18	67	163
4	53	127

TfL - Corporate - Directorate Employee Percentage Figures - by Ethnicity				
	Finance & Planning	Communication & Public Affairs	Corporate Services	Rail Services
White	82%	86%	83%	71%
Mixed Race	1%	3%	0%	0%
Asian or Asian British	5%	3%	1%	7%
Black or Black British	10%	8%	15%	22%
Chinese or other ethnic group	2%	0%	1%	0%
Totals	99%	100%	100%	100%

TfL - Directorate Employee Percentage Figures - by Ethnicity		
Finance & Planning	Communication & Public Affairs	Corporate Services
86%	89%	78%
5%	3%	4%
0%	2%	9%
9%	4%	8%
0%	2%	1%
100%	100%	100%

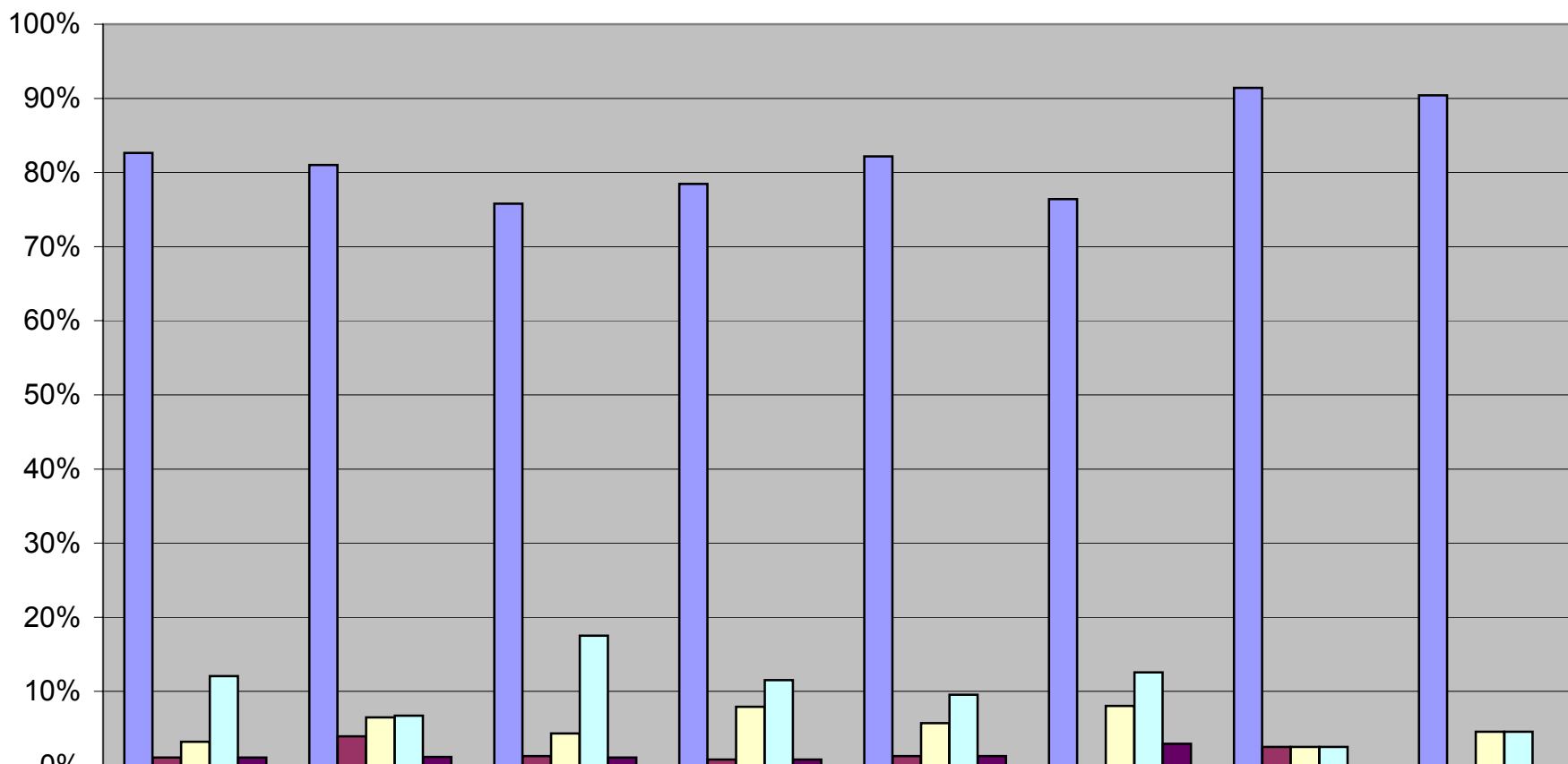
Directorate Employee Percentage Figures - by Gender				
	Finance & Planning	Communication & Public Affairs	Corporate Services	Rail Services
Male	69%	59%	38%	43%
Female	31%	41%	62%	57%

Directorate Employee Percentage Figures - By Gender		
Finance & Planning	Communication & Public Affairs	Corporate Services
82%	56%	56%
18%	44%	44%

Transport for London - Workforce Composition - by Ethnicity

Percentage

Workforce Composition

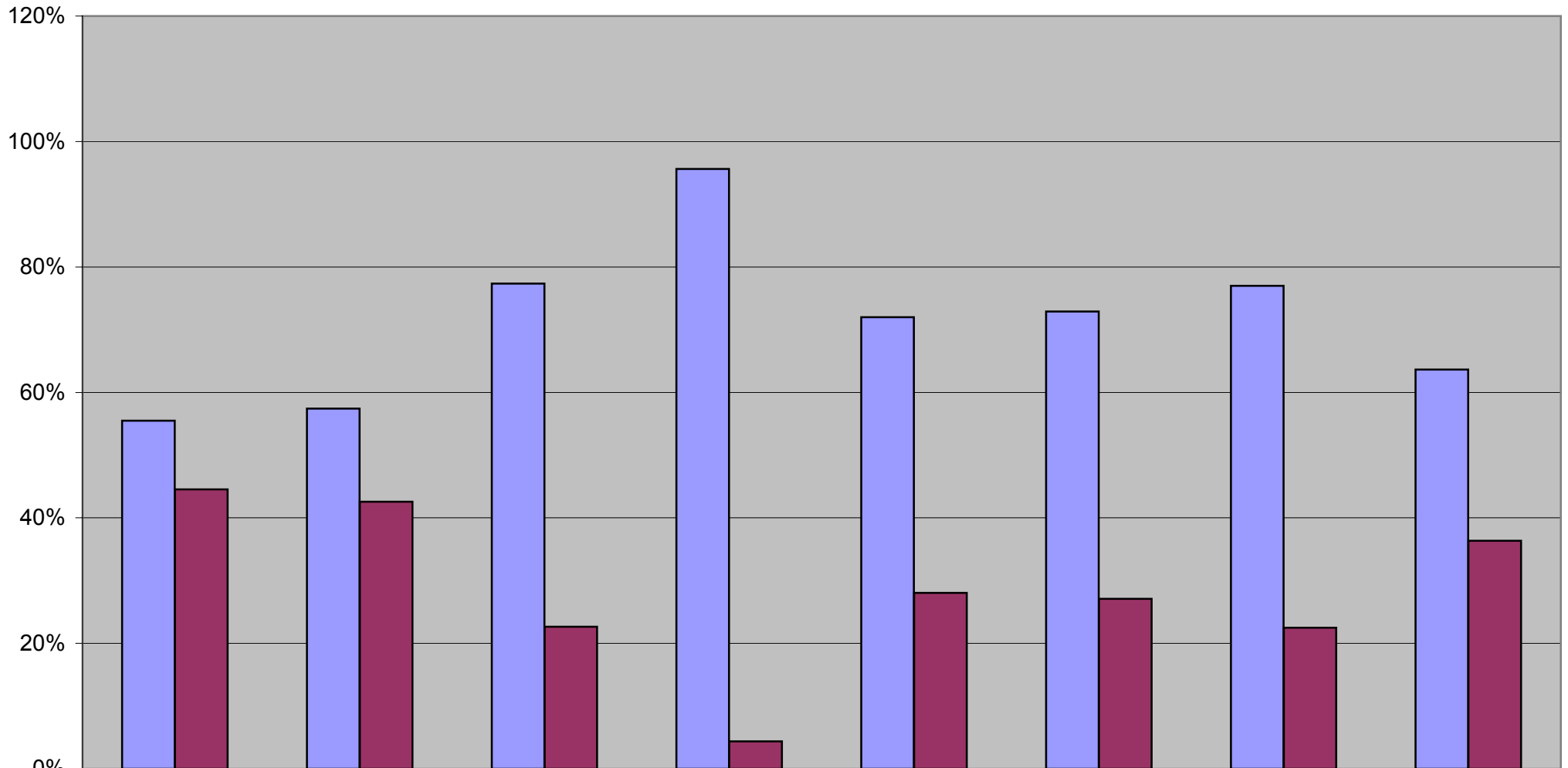


	TfL - Corporate	TTL	LBSL	East Thames Buses	PCO	Street Management	CrossRail - Secondments	DLR
White	83%	81%	76%	78%	82%	76%	91%	90%
Mixed Race	1%	4%	1%	1%	1%	0%	3%	0%
Asian or Asian British	3%	7%	4%	8%	6%	8%	3%	5%
Black or Black British	12%	7%	18%	12%	10%	13%	3%	5%
Chinese or other ethnic group	1%	1%	1%	1%	1%	3%	0%	0%

Transport for London - Workforce Composition Breakdown - by Gender

Percentage

Gender Breakdown



	TfL - Corporate	TTL	LBSL	East Thames Buses	PCO	Street Management	CrossRail - Secondments	DLR
Male	55%	57%	77%	96%	72%	73%	77%	64%
Female	45%	43%	23%	4%	28%	27%	23%	36%

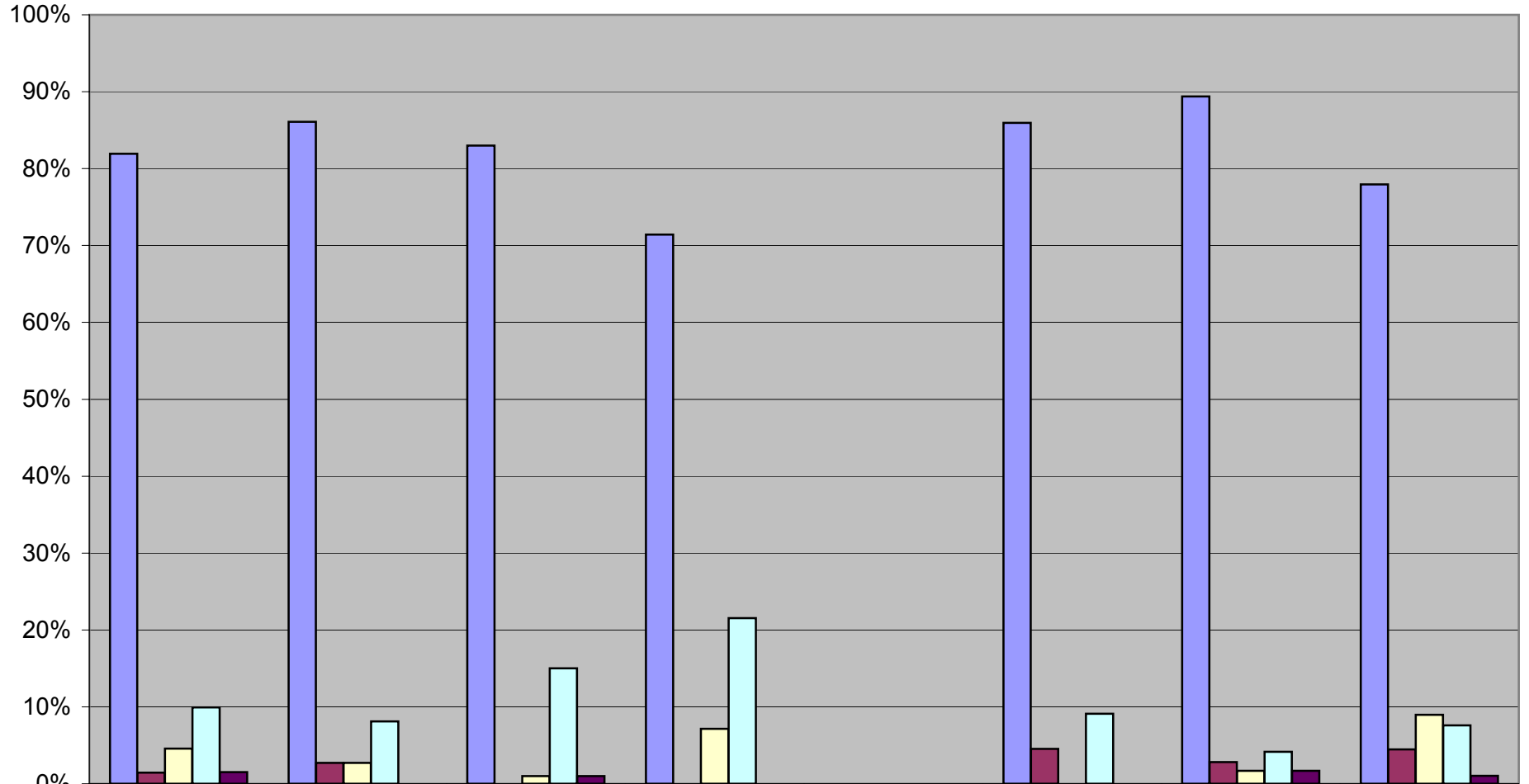
Transport for London - Directorate Information

Ethnicity Breakdown

Percentage

Transport for London

Transport Trading Limited



	Finance & Planning	Communication & Public Affairs	Corporate Services	Rail Services		Finance & Planning	Communication & Public Affairs	Corporate Services
White	82%	86%	83%	71%		86%	89%	78%
Mixed Race	1%	3%	0%	0%		5%	3%	4%
Asian or Asian British	5%	3%	1%	7%		0%	2%	9%
Black or Black British	10%	8%	15%	22%		9%	4%	8%
Chinese or other ethnic group	2%	0%	1%	0%		0%	2%	1%

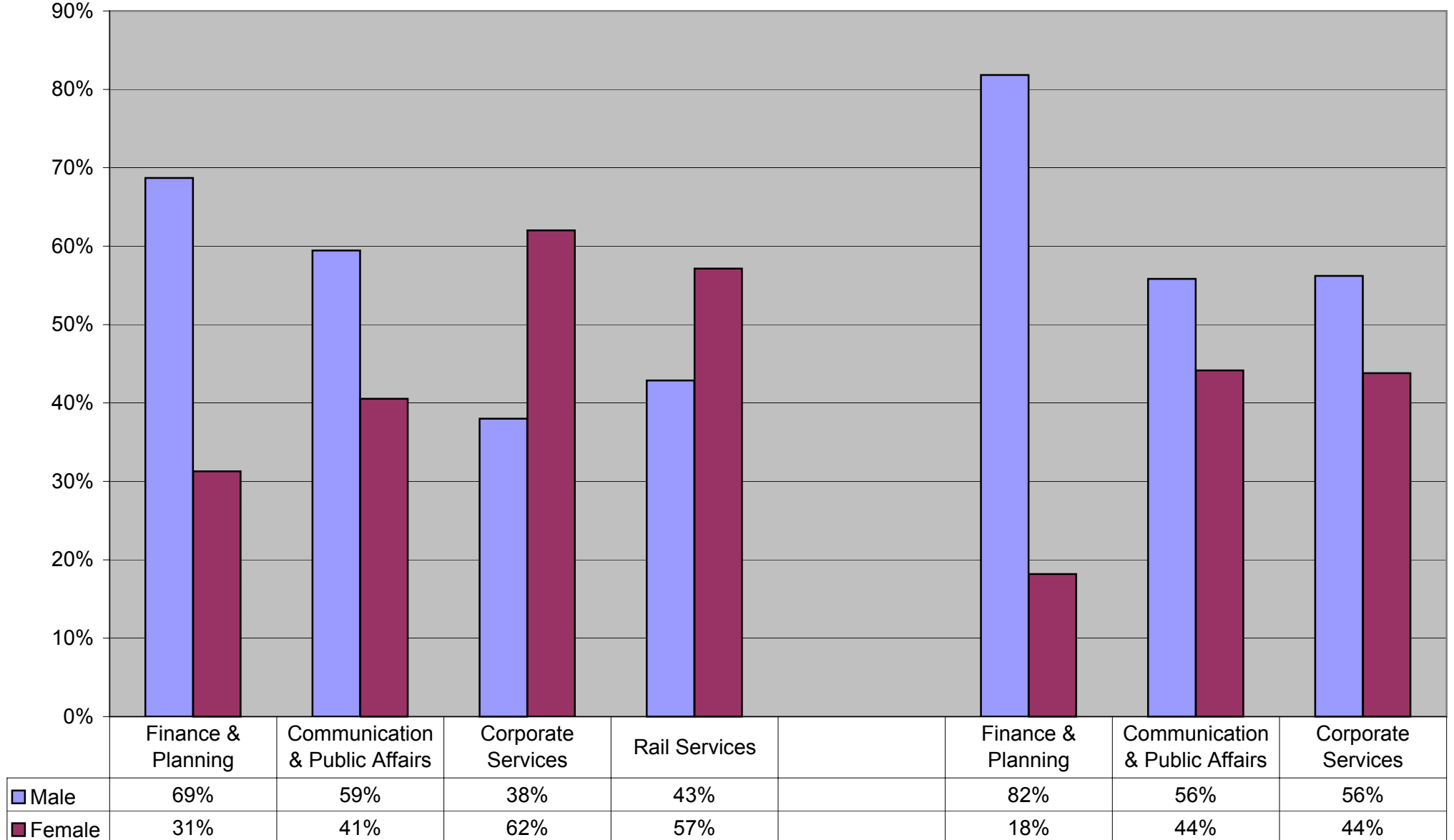
Transport for London - Directorate Information

Gender Breakdown

Percentage

Transport for London

Transport Trading Limited



TRANSPORT *for* LONDON

BOARD

SUBJECT: Statement of Accounts

MEETING DATE: 19 September 2002

1. INTRODUCTION

To present the Group Statement of Accounts for the year ended 31 March 2002 for approval.

2. BACKGROUND

The draft Group Statement of Accounts was presented to the Board at its 30 July 2002 meeting. At that time the following matters remained open.

- (a) the public inspection period for the accounts commenced on 8 July 2002 for a period of 3 weeks. At the end of this period, local government electors in London were able to ask questions about or make objections to the accounts to the auditors.
- (b) £40 million of expenditure on infrastructure (principally roads and bridges) has been re-allocated for capital to revenue expenditure as compared to the management accounts as, due to the lack of detail in inherited fixed assets records, we could not identify the cost/value of the assets we have replaced. We were reviewing the treatment of this expenditure with the external auditors to see if we can estimate more accurate figures in the absence of detailed records.
- (c) There remained the possibility that further adjustments to the draft Statement of Accounts might arise from the ongoing audit work.

We committed to submit the final Statement of Accounts to the September meeting of the Board for approval.

3. UPDATE ON OUTSTANDING MATTERS

Questions and objections to the accounts

No questions or objections relating to the 2001/2 have been raised with the auditors to date. As long as no questions or objections relating to material matters are raised before the auditors sign their opinion on the accounts, they will be able to conclude their audit shortly after the Board's approval is given.

Capital expenditure classified as revenue expenditure

Work undertaken by Street Management has confirmed that at least £32.6 million of the £40 million expenditure classified as capital in the management accounts could be fairly described as amounts which could have been capitalised.

Following consideration by Street Management and Group Finance and Planning, we have concluded that, in the absence of the inherited historical records it would not be practical to endeavour to create the support required to record this expenditure as fixed asset additions. Accordingly, this amount continues to be treated as revenue expenditure in the updated draft Statement of Accounts. Disclosure of the nature of this expenditure has, however, been included in Note 9(c).

Street Management are currently considering the nature of the fixed asset records they need to maintain in future which will enable all material capital expenditure to be classified as fixed assets in the statutory accounts. They are working closely with LUL and DLR who have similar issues relating to expenditure on infrastructure to ensure that a consistent approach can be adopted across the TfL Group following the transfer of LUL.

Matters arising from ongoing audit work

No such matters have arisen to date.

4. RECOMMENDATION

The Board is asked to approve the Statement of Accounts and to agree that the Chief Finance Officer will make any minor adjustments arising from the ongoing audit work prior to the auditors signing their opinion.

**PLEASE CONTACT THE COMPANY SECRETARIAT FOR COPIES
OF THE GROUP STATEMENT OF ACCOUNTS**

Transport *for* London

Board Paper

SUBJECT: UNDERGROUND FARE PROPOSALS FOR 2003

MEETING DATES: 19 September 2002

1. PURPOSE

This paper presents proposals for revisions to fares on the Underground and DLR in January 2003. These proposals were submitted to the Rail Advisory Panel and the Finance Committee earlier this month.

The Board's review will be considered by the Mayor prior to making his directions under sections 155 and 174 of the GLA Act.

2. THE FARE POLICY REVIEW

A comprehensive review, soon to begin, will seek to define a longer term vision and strategy for fares and ticketing policy, covering all transport services in London but focussing on the major public transport modes.

This vision is of a simple, affordable fares and ticketing system that is easy to use and understand, covering all forms of public transport in Greater London, and enabling easy movement between all modes and services. The smartcard ticketing system, to be launched over the next 12 months, is seen as a key enabler of this vision.

3. FARE POLICY AND THE MAYOR'S TRANSPORT STRATEGY

The overall aim of the fare policy review is to ensure that fare policy fully supports the objectives and policy criteria set out in the **Mayor's Transport Strategy**, while meeting the available financial resources, as set out in the **Business Plan**.

The Mayor's criteria include:

- 1) encouraging a **shift from car** to public transport, and complementing congestion charging;
- 2) promoting the **more effective use of public transport's capacity** by encouraging travel when demand is slack or where additional service capacity can be provided at reasonable cost;
- 3) promoting **social inclusion**, by making access to public transport more affordable for less well off groups;
- 4) improving **transport integration**, by making complex public transport trips easier and less expensive;
- 5) making **public transport more efficient**, for example by simplifying fares to speed up boarding times on buses.

These five tests have been used consistently in this first phase of the policy review to assess alternative options and to develop the proposals set out below.

TfL is now starting to engage with the Strategic Rail Authority and Train Operators with a view to including rail services in London in such a structure. In the meantime, the proposals in this paper focus on the near term Underground fare issues that are directly under the Mayor's or TfL's control.

4 UNDERGROUND FARE PROPOSALS FOR JANUARY 2003

For the Underground, the financial guideline embodied in this year's business planning cycle remains that fares overall should increase in line with the prevailing rate of inflation. The proposals in the paper meet this guideline.

While London Underground fares are set by the Mayor, the GLA Act requires that London Regional Transport is consulted and that the Mayor, while having regard to TfL's interests, should act in a way which he considers will not prejudice LRT's financial or other interests. Consultation with LRT is underway and the proposals for Underground fares in 2003 have been drafted bearing LRT's interests in mind. Further consultation will occur once the Mayor has prepared a draft direction.

It is proposed to increase Underground fares by an average 1.5% to maintain the level constant in real terms¹ after allowing for the expected launch of **Tube Pre Pay**² later in 2003. Tube Pre Pay will provide typical discounts of around 10% against the cash Underground fare and will be available also on the Docklands Light Railway. The attached Tables 1A and 1B provide further details.

¹ As measured by the year-on-year increase in the headline RPI index for July 2002. The July figure is the benchmark used by the rail industry as a whole in relation to fares revisions the following January.

² The new "stored value" product to be introduced as part of the roll-out of Smartcard ticketing.

It is proposed to increase all Tube single fares to Zone One (but not the Zone One single fare) by 10p in January 2003. All other single fares, and the price of the LU carnet, would be frozen.

London Underground have indicated that they would prefer a further increase to the Zone One price but, on balance, this option has been rejected, bearing mind that the Zone One fare was increased by 10p in January 2002.

Proposals for Travelcard prices have now been agreed with the Train Operating Companies. Table 2 gives details. Overall, prices rise broadly in line with inflation. Within this picture:

- shorter distance One Day ticket prices for Zone One and Two are frozen or slightly reduced;
- season tickets to Zone One increase by a flat amount (30p in the case of a weekly ticket) giving percentage increases of under 1% for Zone One to Six travel.

Table 3 sets out proposals for fares for the Metropolitan Line outside Greater London.

Overall, the package should increase Tube revenues by nearly £20m during 2003. This yield is in line with the Underground's 2002 Business Plan. With the level of fares held constant in real terms, no significant impacts are anticipated on Tube travel volumes or operating costs in 2003.

5 CONCLUSION

The Board is asked to review and note the proposals set out above and detailed in the attached tables.

As in previous years, it is intended to seek views on the proposals from the London Transport Users' Committee, the Strategic Rail Authority, the London Business Board, the relevant trade unions and the London Boroughs through the ALG.

The Mayor will also formally consult with London Regional Transport on his draft directions. Once finalised, the directions will be reported to the Board.

Table 1A: Adult Underground Fares (pence)

	January 2002 fares	January 2003 proposals		Proposed Pre Pay fares	
Fares To Zone 1	Single	Single	increase	Pre Pay	discount
			%		%
Z1 single	160	160	-	140	12.5
Z1 Carnet	115	115	-		
Z2	190	200	+5.3	180	10.0
Z3	220	230	+4.5	210	8.7
Z4	270	280	+3.7	260	7.1
Z5	330	340	+3.0	310	8.8
Z6	360	370	+2.8	340	8.1
Not Zone 1					
1 zone	100	100	-	90	10.0
2 zones	130	130	-	120	7.7
3 zones	170	170	-	150	11.8
4 zones	210	210	-	190	9.5
5 zones	230	230	-	210	8.7

Table 1B: Child Underground Fares (pence)

	January 2002 fares	January 2003 proposals		Proposed Pre Pay fares	
Fares To Zone 1	Single	Single	increase	Pre Pay	discount
			%		%
Z1 single	60	60	-	50	16.7
Z1 Carnet	50	50	-		
Z2	80	80	-	75	6.3
Z3	100	100	-	95	5.0
Z4	120	120	-	115	4.2
Z5	140	140	-	135	3.6
Z6	150	150	-	145	3.3
Not Zone 1					
1 zone	40	40	-	35	12.5
2 zones	60	60	-	55	8.3
3 zones	80	80	-	75	6.3
4 zones	100	100	-	95	5.0
5 zones	110	110	-	105	4.5

Note: it is envisaged that Daily Pre Pay expenditure on the Tube and buses would be capped at daily Travelcard rates.

Travelcard season ticket holders would be able to use Pre Pay for “extended” trips beyond the validity of their season tickets at reduced rates.

Table 2: Principal Travelcard Price Proposals From 5 January 2003

	Adult price		Change (£)	Change (%)	Child price		Change (£)	Change (%)
	Current	Proposed			Current	Proposed		
7 Day Travelcard								
1	£16.20	£16.50	£0.30	1.9%	£6.70	£6.80	£0.10	1.5%
12	£19.30	£19.60	£0.30	1.6%	£7.90	£8.00	£0.10	1.3%
123	£22.80	£23.10	£0.30	1.3%	£10.50	£10.70	£0.20	1.9%
1234	£28.10	£28.40	£0.30	1.1%	£13.00	£13.20	£0.20	1.5%
12345	£33.80	£34.10	£0.30	0.9%	£14.40	£14.60	£0.20	1.4%
123456	£36.90	£37.20	£0.30	0.8%	£15.70	£15.90	£0.20	1.3%
2,3,4,5,6	£9.00	£9.10	£0.10	1.1%	£4.40	£4.50	£0.10	2.3%
23,34,45,56	£12.00	£12.20	£0.20	1.7%	£6.00	£6.10	£0.10	1.7%
234,345,456	£16.40	£16.60	£0.20	1.2%	£8.00	£8.10	£0.10	1.3%
2345,3456	£20.70	£20.90	£0.20	1.0%	£10.30	£10.40	£0.10	1.0%
23456	£23.00	£23.20	£0.20	0.9%	£11.50	£11.60	£0.10	0.9%
Visitor Travelcard (prices effective from 1 April 2003)								
12, 3 day	£12.80	£13.00	£0.20	1.6%	£5.50	£5.60	£0.10	1.8%
12, 4 day	£16.00	£16.20	£0.20	1.3%	£6.50	£6.60	£0.10	1.5%
12, 7 day	£19.50	£19.80	£0.30	1.5%	£7.90	£8.00	£0.10	1.3%
123456, 2 day	£13.20	£13.40	£0.20	1.5%	£5.60	£5.70	£0.10	1.8%
123456, 3 day	£18.90	£19.20	£0.30	1.6%	£8.40	£8.50	£0.10	1.2%
123456, 4 day	£25.20	£25.60	£0.40	1.6%	£10.10	£10.30	£0.20	2.0%
123456, 7 day	£37.80	£38.30	£0.50	1.3%	£15.70	£15.90	£0.20	1.3%
Day Travelcard (Peak)								
12	£5.30	£5.10	-£0.20	-3.8%	£2.60	£2.50	-£0.10	-3.8%
123	£6.20	£6.20	-	-	£3.10	£3.10	-	-
1234	£6.80	£7.00	£0.20	2.9%	£3.40	£3.50	£0.10	2.9%
12345	£8.70	£8.80	£0.10	1.1%	£4.30	£4.40	£0.10	2.3%
123456	£10.50	£10.70	£0.20	1.9%	£5.20	£5.30	£0.10	1.9%
23456	n/a	£6.00	n/a	n/a	n/a	£3.00	n/a	n/a
Day Travelcard (Off-Peak)								
12	£4.10	£4.10	-	-	n/a	n/a	n/a	n/a
1234	£4.40	£4.50	£0.10	2.3%	n/a	n/a	n/a	n/a
123456	£5.00	£5.10	£0.10	2.0%	£2.00	£2.00	-	-
23456	£3.50	£3.60	£0.10	2.9%	n/a	n/a	n/a	n/a
One Day LT Card								
123456	£7.90	£8.00	£0.10	1.3%	£3.40	£3.50	£0.10	2.9%

Table 3: Principal Metropolitan Line Fares Beyond Moor Park - Proposals From 5 January 2003

	Adult price		Change (£)	Change (%)	Child price		Change (£)	Change (%)
	Current	Proposed			Current	Proposed		
7 Day Travelcard								
1-6+Rick'wth/Croxley	£39.30	£39.70	£0.40	1.0%	£16.30	£16.60	£0.30	1.8%
1-6+Chor'wd/Watford	£42.50	£43.00	£0.50	1.2%	£17.30	£17.60	£0.30	1.7%
1-6+Chalfont	£45.60	£46.20	£0.60	1.3%	£18.40	£18.70	£0.30	1.6%
1-6+Am'shm/Chesham	£54.50	£55.30	£0.80	1.5%	£19.60	£19.90	£0.30	1.5%
Day Travelcard (Peak)								
1-6+Rick'wth/Croxley	£11.00	£11.20	£0.20	1.8%	£5.50	£5.60	£0.10	1.8%
1-6+Chor'wd/Watford	£11.30	£11.50	£0.20	1.8%	£5.60	£5.70	£0.10	1.8%
1-6+Chalfont	£11.60	£11.80	£0.20	1.7%	£5.80	£5.90	£0.10	1.7%
1-6+Am'shm/Chesham	£12.00	£12.20	£0.20	1.7%	£6.00	£6.10	£0.10	1.7%
2-6+Am'shm/Chesham	n/a	£7.90	n/a	n/a	n/a	£3.90	n/a	n/a
One Day LT Card								
1-6+Rick'wth/Croxley	£9.00	£9.20	£0.20	2.2%	£3.70	£3.80	£0.10	2.7%
1-6+Chor'wd/Watford	£9.50	£9.70	£0.20	2.1%	£4.00	£4.10	£0.10	2.5%
1-6+Chalfont	£10.00	£10.20	£0.20	2.0%	£4.20	£4.30	£0.10	2.4%
1-6+Am'shm/Chesham	£11.50	£11.70	£0.20	1.7%	£4.50	£4.60	£0.10	2.2%
Day Travelcard (Off-Peak)								
1-6+Rick'wth/Croxley	£5.30	£5.40	£0.10	1.9%	£2.10	£2.10	-	-
1-6+Chor'wd/Watford	£5.60	£5.70	£0.10	1.8%	£2.20	£2.20	-	-
1-6+Chalfont	£5.90	£6.00	£0.10	1.7%	£2.40	£2.40	-	-
1-6+Am'shm/Chesham	£6.60	£6.70	£0.10	1.5%	£2.60	£2.60	-	-
2-6+Am'shm/Chesham	£3.90	£4.00	£0.10	2.6%	£2.00	£2.00	-	-
Single								
1-6+Rick'wth/Croxley	£3.80	£3.90	£0.10	2.6%	£1.60	£1.60	-	-
1-6+Chor'wd/Watford	£4.20	£4.30	£0.10	2.4%	£1.70	£1.70	-	-
1-6+Chalfont	£4.60	£4.70	£0.10	2.2%	£1.80	£1.80	-	-
1-6+Am'shm/Chesham	£5.40	£5.50	£0.10	1.9%	£2.00	£2.00	-	-

TRANSPORT FOR LONDON

TfL BOARD

**SUBJECT: DISPOSAL POLICY FOR SURPLUS TfL
PROPERTIES**

MEETING DATE: 11 SEPTEMBER 2002

1.0 PURPOSE

- 1.1 To provide the additional information requested by the Board at its meeting on 30 July 2002 in relation to Transport for London's surplus properties.

2.0 BACKGROUND

- 2.1 At its last meeting, the Board considered a report which recommended a policy for the disposal of properties belonging to the Transport for London group ("TfL") which are no longer needed for the discharge of TfL's functions. The Board agreed the policy recommended in that report but asked for clarification on certain options for disposals and further information on the properties considered surplus.
- 2.2 Whilst this report sets out that clarification and additional information, it is noted that some members have a particular interest in the process of declaring properties surplus and the progress made to dispose of certain properties held by Street Management, quite apart from the policy adopted by the Board for the disposal of surplus property.
- 2.3 In order to address these particular interests it has been considered that a separate meeting should be arranged, for any member to attend, where a more detailed discussion can take place of how and when individual properties will be declared surplus and sold. Further details of this meeting will be sent to Board members as soon as the meeting has been arranged.
- 2.4 It should be noted that the regular reporting on the progress of disposals of surplus property has now been arranged to future meetings of both the Street Management Advisory Panel and Finance Committee.

3.0 SELLING LAND AT AN UNDERVALUE

- 3.1 Under statute, local authorities are prohibited from selling their land at less than the best consideration reasonably obtainable. However, there is an exception which expressly allows them to do so if the Secretary of State gives consent. Although TfL is a local authority for some purposes, this particular

statutory provision does not apply to it. TfL has limited powers to give financial assistance (which selling land at an undervalue would amount to), but those powers are only to be used to further TfL's principal function of facilitating the provision of safe, integrated, efficient and economic transport. As a statutory body TfL is obliged to use its assets for the purpose of its statutory functions only.

4.0 SALES TO HOUSING ASSOCIATIONS

- 4.1 At its meeting in July, the Board asked whether there was any way in which TfL could help housing associations and other registered social landlords ("RSLs") to purchase properties.
- 4.2 From experience, it is clear that some RSLs (especially the larger housing associations) are able to compete keenly in the property market and do not rely on additional assistance in the form of gifts of land. It is also clear from discussions with RSLs that there is no one single method of structuring a sale that would assist them to buy a property from TfL as the financial circumstances of each RSL differ and the best way to structure a sale would also vary from property to property.
- 4.3 One suggestion put forward at the last Board meeting was that TfL could consider selling properties on an instalment basis. TfL could, in appropriate circumstances, consider structuring sales with phased payments for up to one year but TfL would almost certainly need to charge interest on the outstanding purchase price and ensure that the balance was paid within a definite timescale to avoid the sale being at an undervalue and to give TfL certainty in financial planning.

5.0 CHANGE OF USE

- 5.1 Another suggestion put forward at the last Board meeting was that TfL should seek to get commercial property uses changed to residential. As planning permission is usually needed for this, the ultimate decision would rest with the local planning authority rather than TfL. However applications of this kind are something that TfL will consider as part of determining how best to maximize sale proceeds.
- 5.2 If residential use is likely to be more valuable than commercial use, TfL will apply for any necessary planning permission to change the use of a property from commercial to residential. However, the Board should be aware that many local authorities are also keen to encourage employment and change of use to residential could in some instances be opposed on employment grounds.

6.0 PROCESS FOR DECLARING PROPERTIES SURPLUS TO TfL'S REQUIREMENTS

- 6.1 In the first instance, individual Chief Officers have to decide whether property under their control is surplus to their operational requirements and can be released. Part of this process is the removal of any designations on properties

which mark them as potentially being required for operational purposes (in the context of properties held for road schemes this issue is set out in detail in paragraph 7).

- 6.2 TfL can only dispose of a property if the Mayor is of the opinion that it is not required for the discharge of TfL's functions. Therefore, when any part of TfL wishes to dispose of property it considers surplus to its requirements, it is usually necessary to consult throughout TfL. The aim of this consultation is to check whether there are any other transport uses for the property (such as for bus garage purposes) before the Mayor's opinion is sought.
- 6.3 A procedure for this internal TfL consultation is in place. This is now co-ordinated by the TfL Property Consultant (a property professional who is nominated from time to time by the Managing Director, Finance and Planning).
- 6.4 A procedure for applying for the Mayor's opinion is also in place. Efforts are continuing to ensure that the process for seeking the opinion continues to be as streamlined as possible so that a more vigorous disposals programme does not run into any bottlenecks. The Mayor is also considering a scheme of delegation to officers of TfL in order to facilitate this process.

7.0 PROPERTIES HELD FOR INHERITED ROAD SCHEMES & ISSUES POTENTIALLY AFFECTING THEIR DISPOSAL

- 7.1 TfL inherited a number of road scheme proposals from the Highways Agency, ("the inherited schemes"). TfL inherited 685 properties (comprised of individual parcels of land, commercial and residential properties, including houses and flats, capable of independent sale) ("the inherited properties") in relation to the inherited schemes.
- 7.2 The Mayor's Transport Strategy ("the Strategy") noted that, following assessment of the inherited schemes against Strategy objectives, smaller scale schemes were to be developed to replace some of them, in particular those for the A40, at Bounds Green, Golders Green and Regents Park Roads, and for the Catford Gyratory ("Catford").
- 7.3 In 2001, the then Street Management Board asked for options for smaller scale schemes ("revised schemes") to be investigated and for further reports to be submitted on those options. At that time the possibility of surplus property being identified was discussed and the indication was that just over 400 of the inherited properties could potentially be surplus to the requirements of the revised schemes.
- 7.4 Although properties held for the inherited schemes might be found to be surplus to the requirements of the revised schemes, the disposal value of some of them could be adversely affected by:

- (a) in the case of the inherited schemes at Golders Green and Regents Park Roads, the existence of statutory orders made by the Secretary of State in connection with these schemes; and
- (b) in the case of properties held for the inherited schemes at Golders Green and Regents Park Roads, Bounds Green and Catford the presence of route safeguarding.¹

7.5 TfL is currently in discussions with the Government Office for London (“GOL”) about how the statutory road orders made in relation to the inherited schemes at Golders Green and Regents Park Roads can be revoked technically or, if they are required for any revised scheme, varied. It is arguable that the question of dealing with these orders is of relatively little concern in terms of the disposal of surplus property because TfL owns relatively few properties in connection with these schemes (35 – see table at paragraph 8). However, from a disposal perspective the continued existence of the orders has a depressing effect on value.

7.6 It is considered that the simplest means of dealing with this is to have a clear statement made in the currently proposed amendment order to the Greater London Authority Act 1999 that the Mayor can revoke the orders. TfL has made a submission to this effect and will continue to lobby both GOL and the GLA to see that this matter is addressed.

7.7 TfL inherited the vast majority of the properties it holds for the Bounds Green for which route safeguarding only is in place. Amending route safeguarding for a road scheme requires a resolution to be made by the relevant highway authority and for this to be sent to the relevant local authority together with a request for them to remove or vary the safeguarding.² Decisions on route safeguarding are not specifically reserved to the TfL Board under TfL’s standing orders it is therefore arguable that a resolution by the Managing Director, Street Management would be sufficient for this purpose. However, for the avoidance of any doubt, it would be prudent for the Board to confirm that the Managing Director, Street Management has the delegated authority to make such resolutions.

8.0 CURRENT ASSESSMENT OF THE STATUS OF THE INHERITED PROPERTIES

8.1 It is clear that properties held for the inherited schemes should not be released if there is any risk that they may be required for any of the options being considered for the revised schemes. Advancing design of the revised schemes involves undertaking public consultation and care needs to be taken to ensure that the outcome of this consultation is not pre-empted by prematurely releasing properties.

¹ Route safeguarding protects land which is earmarked for a road scheme. It requires the local authority to refer any planning applications within a certain area to the promoter of the scheme and to notify any purchasers of properties within that area that there is a proposed road scheme.

² The requirement for this resolution comes from schedule 13 of the Town and Country Planning Act 1990.

- 8.2 An initial public exhibition of TfL's proposal for a two-lane scheme in the Bounds Green area was held in June this year and this attracted a significant number of submissions opposing TfL's proposal and requesting consideration of a three-lane scheme. An initial public exhibition of TfL's proposal for a combined scheme at Golders Green and Regents Park Roads is due to commence later this month. Proposals for Catford have yet to be worked up and consultation is some way off.
- 8.3 Taking into account the fact that consultation on the revised schemes is incomplete, Street Management has reassessed the inherited properties with a view to establishing how many can reasonably be declared surplus to its requirements now and estimating how many are likely to be declared surplus in the future. The current position is set out in the table below:

Summary of Properties Held For Inherited Schemes

1. Properties held for inherited schemes which have been completed or abandoned with no alternative proposals and declared surplus to Street Management requirements (see paragraph 8.4 below)	70
2. Properties able to be declared surplus at Catford pending lifting of route safeguarding (see paragraph 8.5 below)	25
3. Properties able to be declared surplus to the revised scheme requirements at Golders Green and Regents Park Roads and Street Management requirements generally pending revocation of orders and lifting of route safeguarding (see paragraph 8.6 below)	35
4. Properties able to be declared surplus to the revised scheme requirements at Bounds Green pending the outcome of consultation and lifting of route safeguarding irrespective of whether a two-lane or three lane scheme is confirmed. (see paragraph 8.7 below)	218
5. Properties to be retained at present pending the outcome of consultation on the Bounds Green scheme but believed likely to be surplus to the requirements of the scheme and Street Management generally provided a two-lane scheme is confirmed (see paragraph 8.8. below)	247
6. Properties that must be retained at present pending confirmation of future scheme requirements	90
Total	685

- 8.4 In respect of the properties at 1 above, all have been designated as surplus to Street Management requirements and are in the process of being confirmed as surplus to TfL's requirements. These will be disposed of as soon as possible.
- 8.5 In respect of the properties at 2 above, the intention is to amend route safeguarding as soon as possible so that the disposal process³ can be initiated.
- 8.6 In respect of the properties at 3 above, until the orders are revoked, and the safeguarding removed, the properties remain blighted. Efforts are continuing to get a mechanism in place to revoke the orders (as described in paragraph 7.6) at which point route safeguarding can be amended so the disposal process can be initiated.
- 8.7 In respect of the properties at 4 above, the disposal process can commence on the completion of the Bounds Green consultation, confirmation of the revised scheme and associated amendment of the route safeguarding. This is expected to take place by the end of December 2002. To lift safeguarding any earlier could be viewed as pre-empting the outcome of the current consultation process.

³ This process begins with the procedure set out in paragraph 6.

- 8.8 In respect of the properties at 5 above, if the proposal for a two-lane scheme is agreed, Street Management foresees the disposal process could be commenced for 103 of the properties by the end of December 2002. The commencement of the disposal process for the remaining 144 must await the completion of preliminary works associated with the revised scheme which are expected to be completed by September 2004.

9.0 IMPLEMENTING THE AGREED DISPOSAL POLICY

- 9.1 The Board agreed the disposal policy recommended to it at its meeting on 30 July 2002. In addition to that agreed policy it is recommended that, if the TjL Property Consultant considers it appropriate, TjL should consider alternative ways of structuring sales when offering properties to registered social landlords. However, in all cases, this would be subject to TjL being satisfied that it was not selling property at an undervalue and would be conditional on the buyer progressing the sale within a reasonable timescale set by TjL.
- 9.2 The TjL Property Consultant also intends to:
- (a) implement a vigorous disposal programme in accordance with the disposal policy agreed by the Board; and
 - (c) report progress on the disposal of properties to the Committee on a quarterly basis, commencing in February 2003.

10.0 RECOMMENDATION

That the Committee note this report and recommend that the Board:

- (a) endorse the recommendation and intentions set out in paragraph 9; and
- (b) confirm that the Managing Director, Street Management has delegated authority to resolve on TjL's behalf to lift or vary the route safeguarding in place for the inherited road schemes.

Jay Walder
Managing Director, Finance & Planning

TRANSPORT FOR LONDON

**STAFF SUMMARY
TFL BOARD MEETING**

**SUBJECT: EQUALITIES & DIVERSITY TEAM – PROGRESS
REPORT**

MEETING DATE: 19TH SEPTEMBER 2002

1. PURPOSE

This paper sets out the work of the Equalities Team and updates the Board on progress in implementing TfL's strategic equality priorities. The specific functions of the Social Inclusion team and Equalities and Diversity team are currently being rationalised. A full paper will be presented to the board in November.

2. BACKGROUND

The Equalities and Diversity Team comprises five staff – the Head of Equalities, three equality co-ordinators covering the issues of race, faith, age, disability, gender and sexual orientation, and one administrator. Various initiatives have been/are being implemented and are detailed below.

3. INITIATIVES AND TRAINING

Employment Initiatives

Ethnic Media Exhibition – TfL are one of the sponsors of the Jobs, Careers and Prospects Exhibition, which is one of the UK's largest ethnic recruitment shows. We will have three stands at the exhibition; information on job vacancies will be available and the stands will be staffed by Human Resources representatives from across the modes.

Choice FM – we have commissioned a radio campaign targeting ethnic minorities in and around London. Advertising with Choice FM will raise TfL's corporate profile and target people who may not otherwise have considered working for the organisation.

Windsor Fellowship – The Windsor Fellowship is an educational charity which provides personal and professional development programmes to Black and Asian undergraduates. The organisation's aim is to prepare high potential and performing young people from minority ethnic communities to become leaders within the workplace and their communities. TfL are committed to this worthwhile programme and are involved again for the year 2003 by sponsoring two undergraduates.

General – in addition to the above, all job vacancies are now placed in ethnic minority press, with specialist head hunters (Mann Weaver Drew) being used for senior positions. Monitoring of ethnic background is undertaken for all advertised posts.

Disability Organisations – we have established links with Jobcentreplus Way into Work team, to increase awareness of TfL's commitment to employing people with disabilities. Current vacancies are posted on the Jobcentreplus disability web site. Links have also been established with the Leonard Cheshire Resource Service, who work specifically with the deaf and hard of hearing.

Two Ticks Symbol - an application has been submitted to display the Disability Symbol. Displaying same will make it clear to disabled job applicants that TfL welcome applications from them and are positive about their abilities.

Race Equality Scheme – TfL have met its statutory obligations to produce a Race Equality Scheme and is preparing the ground for the smooth implementation of the Scheme.

Procurement – the Equality and Diversity Procurement Steering Group has been established to evaluate procurement procedures and to ensure that we do not disadvantage any group.

Training

All employees will be provided with appropriate training, regardless of gender, race, marital status, age, disability, sexual orientation or religion.

Fairness for All Equalities Training Programme – has been commissioned and piloted with key managers. The programme will commence in September 2002 and is expected to run for approximately one year. The aim is for all TfL staff to receive equality and diversity training.

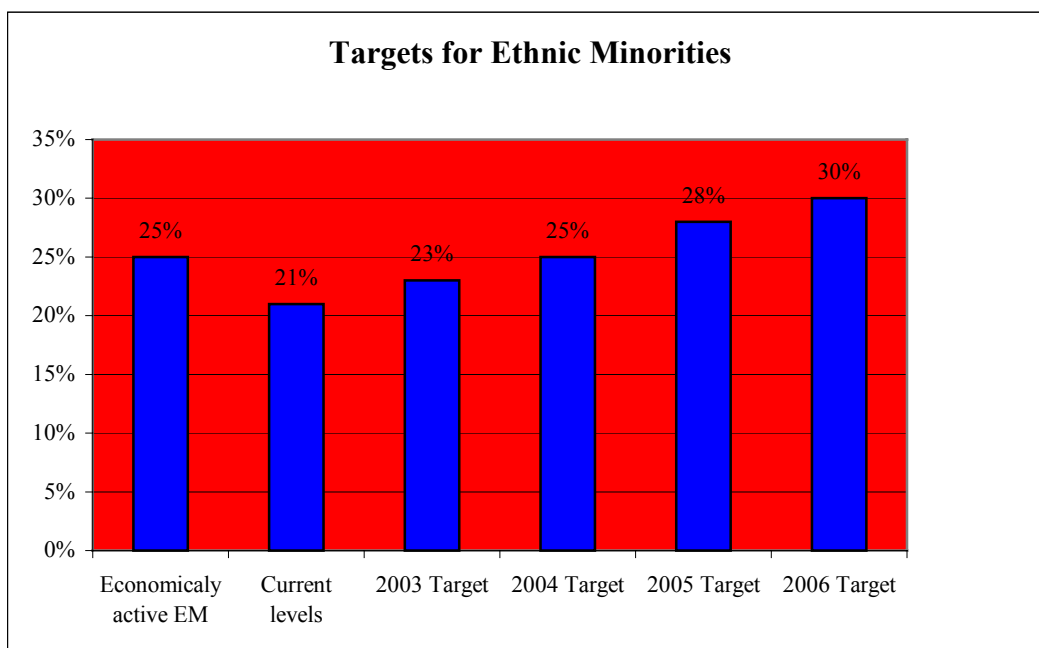
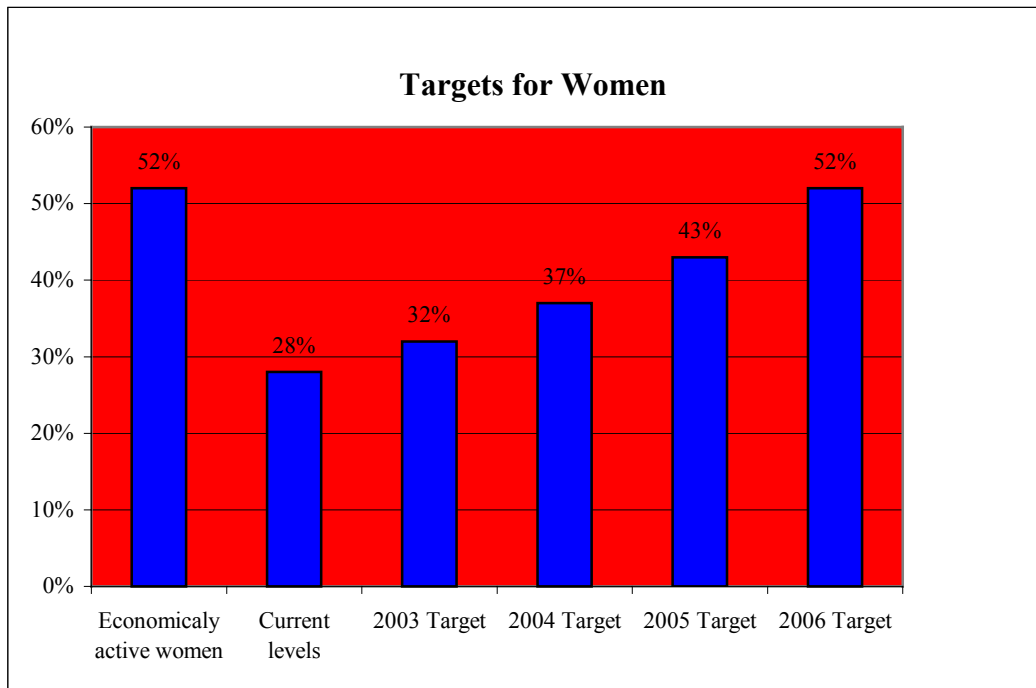
Guidelines for Harassment Advisors and Accredited Managers – training commenced in May 2002 and to date, twenty four staff have taken part. The existence of trained advisors and managers will send a clear message that harassment, bullying and discriminatory behaviour has no place within TfL. Further courses are to be scheduled.

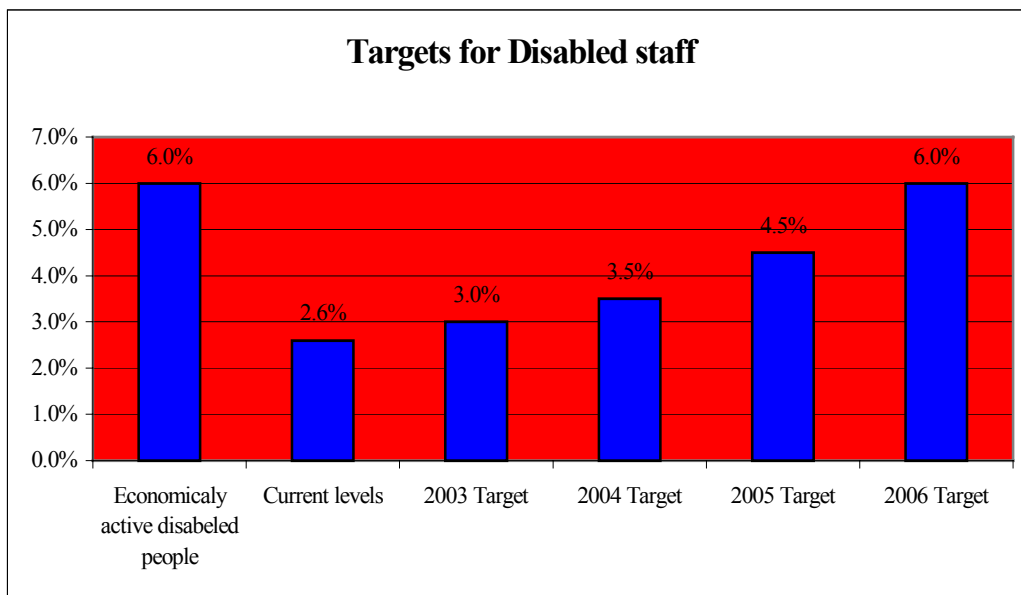
Disability Equality Training – to be arranged.

Positive Action – ‘Equal Chance’ is an initiative set up to identify and fast track women and minority groups up the career ladder by providing training, coaching and mentoring.

4. TARGETS

The figures shown below portray TfL as a whole. There are some areas that are performing well in recruiting minority groups and have already surpassed the targets – which can be seen clearly from the graphs. The aim is for all areas within TfL to reach the set target levels by 2006.





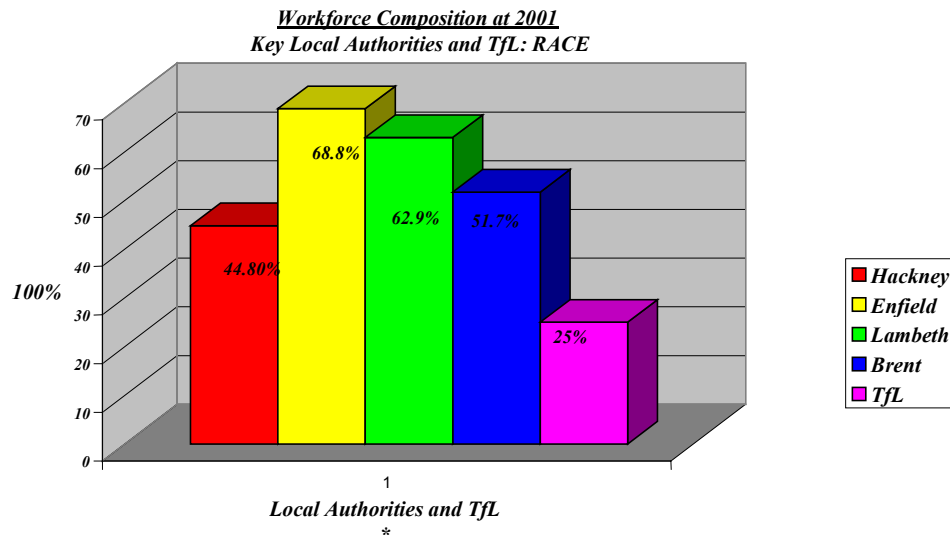
Performance indicators, showing the workforce composition for TfL and key Local Authorities is attached as Appendix 1. This is broken down by race, gender and disability. Disabled

5. RECOMMENDATIONS

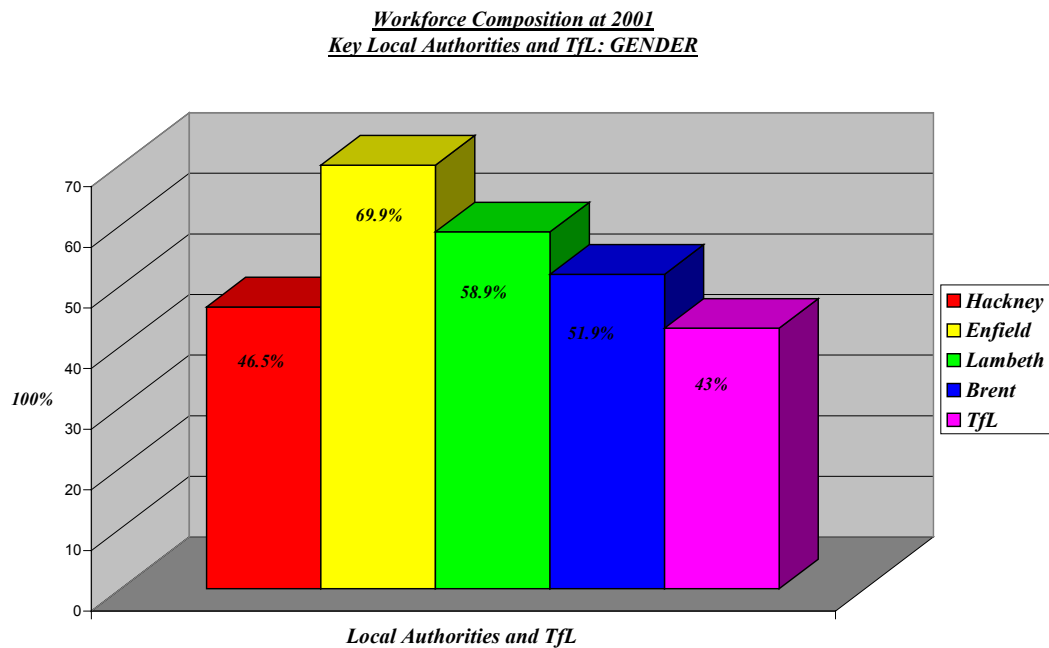
The Board is asked to note this report.

APPENDIX 1

PERFORMANCE INDICATORS FOR KEY LOCAL AUTHORITIES and TfL: 2001 FIGURES.

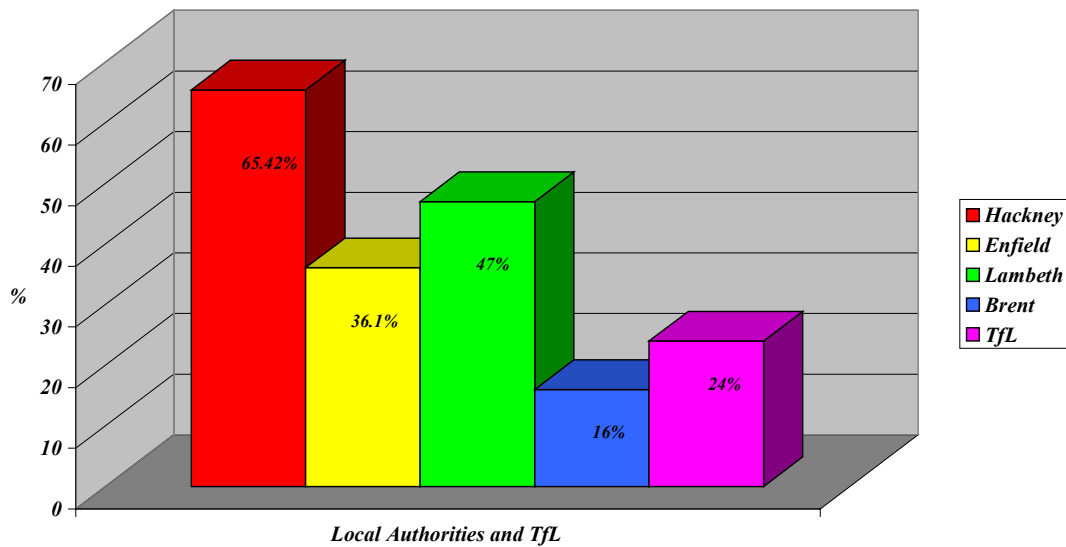


- Employment figures for minorities in the London Borough of Hackney appears to be the poorest from this graphical representation.
- TfL's 25% may seem a mere figure, however, taking the issue of proportionality into account i.e. the volume of the population from which to survey, the organisation is not doing as badly.



- Women make up 52% of London's economically active population.
- TfL are on track to achieve this target by 2005.

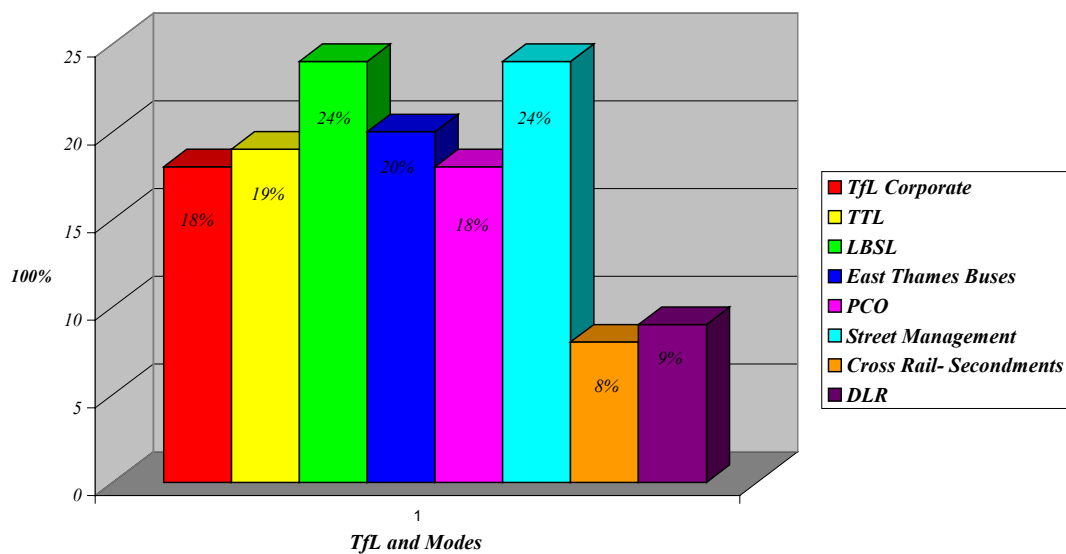
Workforce Composition at 2001
Key Local Authorities and TfL: Women in Senior Management



- Looking at the second graph on 'gender', one could assume that the workforce composition for women in London shines in a positive light. This may be the case, but only to a degree, as further information demonstrates that women are still grossly under-represented in senior management.
- As illustrated by use of the London Borough of Enfield, where the number of employed women soared above the others; yet fell between Hackney and Lambeth in the above graph regarding senior management.
- The question should be asked whether the 'job' is done just at the level of female employment or whether this level needs to be raised?

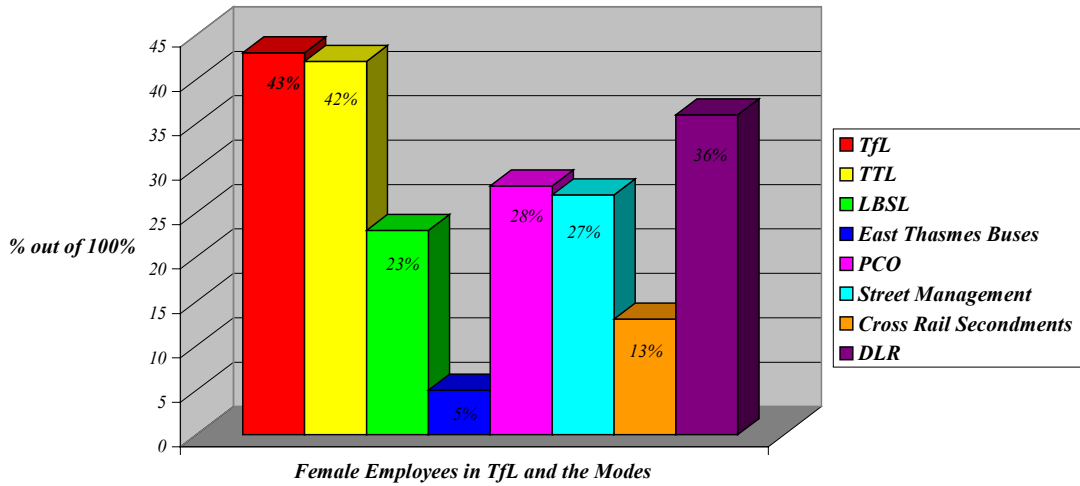
COMPARATIVE PI FOR TfL and MODES: 2001 FIGURES.

Workforce Composition at 2001
Comparative Figures: RACE



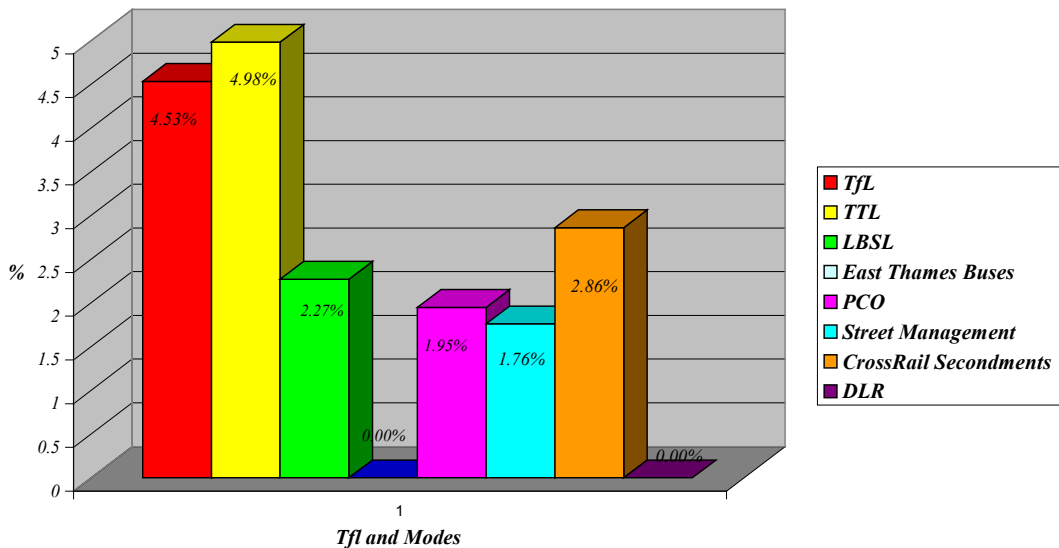
- The GLA target for race with regards to employment is 25%
- Future analysis will be needed to determine areas which can be aided in increasing their levels.

Workforce Composition at 2001
Comparative Figures: GENDER



- Tfl are the strongest in this section closely followed by TTL.
- Nevertheless, this is a poor advertisement for East Thames Buses and Cross Rail.
- There arguably needs to be more scope for training women in these areas.

Workforce Composition at 2001
Comparative Figures: Disability



- It is immediately evident that East Thames Buses and Docklands Light Railway are in desperate need of addressing their arguably non-existent stance on disabled employees.
- Whether it is a matter of training or awareness, it is an area which cannot be overlooked.

TRANSPORT *for* LONDON**TfL BOARD**

SUBJECT: SAFETY, HEALTH AND ENVIRONMENT COMMITTEE REPORT

MEETING DATE: 19 SEPTEMBER 2002

1. PURPOSE

This report provides a summary of the Safety Health and Environment Committee (SHEC) meeting held on 4 September 2002.

2. BACKGROUND

The Committee (which meets not less than six times a year) is required under its terms of reference to report to the TfL Board.

3. REPORT ON SEPTEMBER 4 2002 MEETING

The agenda for the September meeting called for Safety Performance Reports for Quarter 1 as well as reports from within the business that focused on specific issues. In particular, the Committee discussed the following items:

3.1 Safety Performance Reports (Quarter 1)

3.1.1 Docklands Light Railway

Noted that no cause evident for rise in reported assaults – being monitored

3.1.2 London Underground Ltd

The process of securing improvement where required was discussed. Good work carried out to (better) analyse health of employees and associated measures introduced to address problem areas were noted. The report identified ‘mental ill health’ as a key determinant of absence from work. The need to benchmark with other companies was agreed.

3.1.3 Street Management

The Quarter 1 report confirms the importance of the work being carried out to develop initiatives and campaigns aimed at vulnerable road users, particularly users of Powered Two-Wheelers and cycles. Increasing usage is reflected in an increase in casualties and I will be reviewing the draft paper being submitted to the November meeting with the senior team later this month. The role of MPS Traffic Police in enforcing road safety was discussed and the benefits of the recently introduced MPS/LBSL ‘bus units’ were identified in terms of addressing concerns about the gradual reduction of Traffic Police experienced in recent years. The requirement for ‘bus unit’ police to have a high profile at the roadside was part of the process in securing greater safety of vulnerable road users.

3.1.4 Surface Transport

Driving standards performance remains a key focus of management attention. It was noted that driver turnover was showing signs of slowing down and this would enable operators to schedule additional training, including 'BTEC' training, which had been readily accepted as a part of securing the necessary improvement.

3.1.5 Corporate Services

The Internal Audit report on Safety Management in both Corporate Departments and across the TfL Group has now been issued for review and action. Progress against the 2002/3 Safety Plan was also noted.

3.1.6 Future reporting process

Following review of the Quarter 1 reports, the Committee discussed the opportunity to improve reporting formats, to focus more readily on key performance indicators. I am chairing a sub-group drawn from Committee members, with the aim of defining requirements by late October 2002.

3.2 Golden Jubilee Weekend

The Committee heard that the success of the multi-agency Event Liaison Team, first utilised at the Golden Jubilee weekend had led to a similar team being established for the Notting Hill Carnival. Carnival had passed without major incident, with an estimated 900,000 people being transported over the two days.

3.3 Safety Climate Tool – Pilot Scheme

It was confirmed that following a review with the management team at the Public Carriage Office, the pilot scheme would be introduced to employees at the unit at their October team briefing meetings. Care was being taken to secure the level of support necessary to optimise employee involvement across the unit.

3.4 Pedestrian Crossing Initiatives

The paper was discussed and it was agreed that the paper would be withdrawn and re-issued to enable the successful meeting of Government requirements to be stressed. The work would continue and a paper analysing the effectiveness of the improvements to pedestrian safety resulting from the work would be submitted to the Committee in six months time.

3.5 Wearing of lifejackets – boat operators staff

Noted that this issue was being progressed by Surface Transport at a meeting to be held with the Maritime Coastguard Agency.

3.6 London Underground risk assessment methodology

The earlier discussion on improvements to the Quarterly Reporting structure led to this item being held over until the November meeting.

4. RECOMMENDATION

The Board is asked to **NOTE** the report from the Committee.

The next meeting will be held on November 4, 2002