

Agenda

Meeting: Board

Date: Wednesday 18 March 2020

Time: 10.00am

Place: Chamber - City Hall, 110 The Queen's Walk, London, SE1 2AA

Members

Sadiq Khan (Chair)

Heidi Alexander (Deputy Chair)

Cllr Julian Bell

Kay Carberry CBE

Prof Greg Clark CBE

Bronwen Handyside

Ron Kalifa OBE

Dr Alice Maynard CBE

Anne McMeel

Dr Mee Ling Ng OBE

Dr Nelson Ogunshakin OBE

Mark Phillips

Dr Nina Skorupska CBE

Dr Lynn Sloman

Ben Story

Copies of the papers and any attachments are available on [tfl.gov.uk How We Are Governed](https://tfl.gov.uk/How-We-Are-Governed).

This meeting will be open to the public, except for where exempt information is being discussed as noted on the agenda. There is access for disabled people and induction loops are available. A guide for the press and public on attending and reporting meetings of local government bodies, including the use of film, photography, social media and other means is available on www.london.gov.uk/sites/default/files/Openness-in-Meetings.pdf.

Further Information

If you have questions, would like further information about the meeting or require special facilities please contact: Shamus Kenny, Head of Secretariat; telephone: 020 7983 4913; email: ShamusKenny@tfl.gov.uk.

For media enquiries please contact the TfL Press Office; telephone: 0343 222 4141; email: PressOffice@tfl.gov.uk

Howard Carter, General Counsel
Tuesday 10 March 2020

**Agenda
Board
Wednesday 18 March 2020**

1 Apologies for Absence and Chair's Announcements

2 Declarations of Interests

General Counsel

Members are reminded that any interests in a matter under discussion must be declared at the start of the meeting, or at the commencement of the item of business.

Members must not take part in any discussion or decision on such a matter and, depending on the nature of the interest, may be asked to leave the room during the discussion.

**3 Minutes of the Meeting of the Board held on 22 January 2020
(Pages 1 - 14)**

General Counsel

The Board is asked to approve the minutes of the meeting of the Board held on 22 January 2020 and authorise the Chair to sign them.

**4 Matters Arising, Actions List and Use of Delegated Authority
(Pages 15 - 24)**

General Counsel

The Board is asked to note the use of authority delegated by the Board, a Mayoral Direction and the updated actions list and to approve a delegation of authority to the Finance Committee.

5 Commissioner's Report (Pages 25 - 110)

Commissioner

The Board is asked to note the Commissioner's Report, which provides an overview of major issues and developments since the report to the meeting on 22 January 2020 and updates Members on significant projects and initiatives.

6 Elizabeth Line Operational Readiness and Crossrail Update
(Pages 111 - 116)

Managing Director London Underground and TfL Engineering

The Board is asked to note the paper.

7 Finance Report (Pages 117 - 136)

Chief Finance Officer

The Board is asked to note the Finance Report.

8 TfL Budget 2020/21 (Pages 137 - 248)

Chief Finance Officer

The Board is asked to approve the TfL Budget for 2020/21.

9 TfL Prudential Indicators 2021/22 to 2022/23 (Pages 249 - 262)

Chief Finance Officer

The Board is asked to approve: the TfL Prudential Indicators for 2020/21 and the following two years; the Treasury Management Indicators for 2020/21 and the following two years; and the Annual TfL Policy Statement on Minimum Revenue Provision.

10 2020/21 TfL Scorecard (Pages 263 - 272)

Commissioner

The Board is asked to approve the 2020/21 TfL Scorecard.

11 HGV Safety Permit Scheme - Approval of Joint Arrangements for administration and enforcement (Pages 273 - 282)

Managing Director, Surface Transport

Subject to the decision of the London Councils Transport and Environment Committee, the Board is asked to approve TfL undertaking all aspects of the Direct Vision Standard HGV Safety Permit Scheme.

12 Appointment of the Commissioner of Transport for London
(Pages 283 - 284)

General Counsel

The Board is asked to delegate to the Chair of TfL the appointment of the Commissioner and, should it prove necessary, the appointment of an interim Commissioner, pending a permanent appointment to the role.

13 Report of the meeting of the Safety, Sustainability and Human Resources Panel held on 12 February 2020 (Pages 285 - 288)

Panel Chair, Kay Carberry CBE

The Board is asked to note the summary report.

14 Report of the meeting of the Customer Service and Operational Performance Panel held on 27 February 2020 (Pages 289 - 292)

Panel Chair, Mee Ling Ng OBE

The Board is asked to note the summary report.

15 Report of the meeting of the Programmes and Investment Committee held on 5 March 2020 (Pages 293 - 298)

Committee Chair, Prof. Greg Clark CBE

The Board is asked to note the summary report.

16 Report of the meeting of the Finance Committee held on 11 March 2020 (Pages 299 - 302)

Committee Chair, Ron Kalifa OBE

The Board is asked to note the summary report.

17 Report of the meetings of the Remuneration Committee held on 5 February and 11 March 2020 (Pages 303 - 306)

Committee Chair, Ben Story

The Board is asked to note the summary report.

18 Report of the meeting of the Audit and Assurance Committee held on 16 March 2020 (Pages 307 - 310)

Committee Chair, Anne McMeel

The Board is asked to note the summary report.

19 Any Other Business the Chair Considers Urgent

The Chair will state the reason for urgency of any item taken.

20 Date of Next Meeting

Tuesday 2 June 2020 at 10am.

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Transport for London

Minutes of the Meeting

**City Hall, The Queen's Walk, London, SE1 2AA
10.00am-12.44pm, Wednesday 22 January 2020**

Members

Sadiq Khan (Chair)
Heidi Alexander (Deputy Chair)
Kay Carberry CBE
Prof Greg Clark CBE
Bronwen Handyside
Ron Kalifa OBE
Dr Alice Maynard CBE
Anne McMeel
Dr Mee Ling Ng OBE
Dr Nelson Ogunshakin OBE
Mark Phillips
Dr Nina Skorupska CBE
Dr Lynn Sloman
Ben Story

Executive Committee

Mike Brown MVO	Commissioner
Howard Carter	General Counsel
Vernon Everitt	Managing Director, Customers, Communication and Technology
Stuart Harvey	Director of Major Projects
Simon Kilonback	Chief Finance Officer
Tony King	Interim Group Finance Director and Statutory Chief Finance Officer
Andy Lord	Managing Director, London Underground and TfL Engineering
Lilli Matson	Chief Safety, Health and Environment Officer
Gareth Powell	Managing Director, Surface Transport
Alex Williams	Director of City Planning
Tricia Wright	Chief People Officer

Also in attendance

Tony Meggs	Chair, Crossrail Limited
Mark Wild	CEO, Crossrail Limited

Staff

Tanya Coff	Finance Director, London Underground
Sarah Gasson	Chief of Staff to the Commissioner
Jackie Gavigan	Secretariat Manager
Shamus Kenny	Head of Secretariat
Clive Walker	Director of Risk and Assurance

01/01/20 Apologies for Absence and Chair's Announcements

No apologies for absence had been received from Members.

The Chair welcomed everyone to the meeting, including the press and the public. Michèle Dix CBE, Managing Director of Crossrail 2, was unable to attend the meeting and the Chair wished her a speedy recovery on behalf of the Board.

The Chair invited Members to raise any issue of safety or security at the Board meeting, either under a specific agenda item or with the appropriate member of the Executive Committee after the meeting.

02/01/20 Declarations of Interests

Howard Carter reminded the Board that Members' individual register of interests were published on the website at www.tfl.gov.uk.

Since the last meeting, Dr Nelson Ogunshakin OBE had been appointed as Chairman and Director of FIDIC Credentialing SA (Limited), Geneva, Switzerland and of FIDIC Consulting Services (Beijing) Limited, Beijing, China. These were newly created subsidiaries of his current employer, FIDIC based in Switzerland, of which he had already declared his role as Chief Executive. He also declared that a family member now worked for Equitix with effect from January 2020. These appointments would be added to Dr Nelson Ogunshakin OBE's register of interests and published on the website.

There were no other interests to declare that related specifically to items on the agenda.

03/01/20 Minutes of the Meeting of the Board held on 20 November 2019

The minutes of the meeting of the Board held on 20 November 2019 were approved as a correct record and the Chair was authorised to sign them, subject to an amendment to Minute 92/11/19, 3rd paragraph, last line to read "...an uplift to the floor target from 48 per cent to 50 per cent."

04/01/20 Matters Arising, Actions List and Use of Delegated Authority

Howard Carter introduced the paper. There had been three uses of delegated authority by the Finance Committee since the last meeting. On 18 December 2019, the Finance Committee exercised authority delegated by the Board on 20 November 2019 to approve the TfL Business Plan 2019, TfL Capital Strategy and Treasury Management Policies – Liquidity Policy Update.

There had been one Mayoral Direction to TfL since the last meeting. On 17 December 2019, under Mayoral Decision MD2554, the Mayor directed TfL to incur expenditure (securing third party funding where possible) for the purpose of a series of activities to disseminate a message promoting the goals of Pride, and other related activities on the TfL estate to promote the goals of Pride.

All of the actions in the action list were either completed or being addressed, with progress against actions agreed at previous meetings of the Board set out in the appendix to the report.

The Board noted the use of delegated authority, the Mayoral Direction and the updated actions list.

05/01/20 Commissioner's Report

Mike Brown introduced the report, which provided an overview of major issues and developments since the meeting of the Board held on 20 November 2019 and updated the Board on significant projects and initiatives.

The key issues arising from the overview and discussion were:

- 1 **TfL Scorecard 2019/20, Period 9 (10 November to 7 December 2019):** TfL had met its four week safety target for reducing the number of people killed and seriously injured on London's roads and incidents involving buses, but had just missed its target for deaths and serious injuries to customers and workforce on its transport network. TfL remained committed to ensuring these numbers fell further in the remaining periods, in line with the Mayor's Vision Zero target.
- 2 Reliability on London Underground continued to be behind target for this period, as safety work needed to be carried out on the Jubilee line fleet of trains which had now returned to delivery of a full service. Issues on the Metropolitan, Circle and Hammersmith & City lines following the introduction of new signalling had also been significantly reduced.
- 3 TfL was ahead of its customer care metric, having delivered all of its key investment milestones so far this year.
- 4 As planned, a significant milestone had been reached on the Elizabeth line with the commencement of TfL services from Paddington to Reading on 15 December 2019. The number of public transport trips also remained on target with more than 2.8 billion journeys made since 1 April 2019.
- 5 TfL had made good progress on overall workforce diversity. The results of the 2019 Viewpoint employee engagement survey showed it had met its total engagement target at 57 per cent. Further details were provided elsewhere on the agenda.
- 6 TfL continued to be ahead of its end of year target for net operating surplus, but was just below the new floor target for its investment programme which had been introduced at the last meeting.
- 7 **Safety and security:** The report provided an update on the latest work in response to the tram overturning at Sandilands, Croydon in 2016 and the pre-inquest hearing which was held on 11 December 2019.
- 8 TfL remained on track to implement all of the recommendations contained in the Rail Accident Investigation Branch's independent report and was in the final stages of introducing a new automatic braking system on all 35 of its trams.
- 9 The report also provided an update on the bus crash in Orpington on 31 October 2019, where bus driver Kenneth Matcham died in a traffic collision involving a car and two buses, when the driver of the car failed to stop at a junction. TfL continued to work with the Metropolitan Police to assist with its investigation. TfL was

considering if any infrastructure changes at the location could prevent similar incidents in the future and was undertaking a study into bus cabs under crash conditions, to see what design improvements could be made to improve safety.

- 10 Following the terror attack on London Bridge on 29 November 2019, TfL had published new guidance for its staff, which included advice on options on safely evacuating stations if a threat was nearby. Although the attack did not take place on its network, TfL continued to work closely with the police and relevant agencies to help keep London safe.
- 11 While TfL's network remained a low crime environment, there was an increase in the number of reported criminal incidents in 2019, driven primarily by reports of theft and pickpocketing. Between 9 and 13 December 2019, partners at the British Transport Police and the Metropolitan Police held a large joint-operation with hundreds of officers working with TfL teams at busy stations to advise passengers on how to prevent their belongings being stolen.
- 12 At the end of November and early December 2019, TfL's Roads and Transport Policing Command team and the British Transport Police undertook 45 engagement events at mosques and Islamic centres across London to raise awareness of Islamophobia and how to report it.
- 13 On 23 December 2019, a boy was sentenced to an eight-month youth referral order following the homophobic attack that took place on a night bus on 30 May 2019. This followed two other teenagers involved in the incident being fined and served with youth rehabilitation orders.
- 14 Since the last meeting, TfL's Roads and Transport Policing Command team and the British Transport Police held several joint-operations that targeted anti-social behaviour and speeding drivers across the city.
- 15 TfL relaunched its Safer Travel at Night campaign, aimed at identifying, disrupting and deterring illegal minicab operators, to help keep customers safe over the Christmas and New Year period. Working with its policing partners, TfL carried out patrols and checked vehicles and drivers through the night across all 32 boroughs and the City of London.
- 16 Before the Christmas period, TfL also ran a campaign to advise passengers about the safety risks of travelling on the Tube if drunk and made it clear that it would not tolerate any abusive behaviour towards staff or other members of the public.
- 17 TfL held its third joint work-related violence steering group meeting with trade union partners on 13 November 2019. A range of proposals were discussed to strengthen frontline staff support, including ways to combat common triggers of aggression, such as antisocial behaviour and fare evasion.
- 18 An additional 150 Transport Support and Enforcement Officers were being hired and funding provided for an additional 50 British Transport Police officers, who were expected to be deployed on the network in the spring to help keep staff and customers safe. TfL was also continuing with plans to double its workplace-violence team and the roll-out of body-worn video cameras to frontline staff from May 2020.

- 19 Members would be offered a briefing on the work that had been done into the link between workplace safety enhancements and implications for TfL's revenue protection. **[Action: Siwan Hayward/Gareth Powell]**
- 20 In December 2019, TfL announced plans to trial a new acoustic bus sound on the route 100 to ensure all road users, particularly those who were blind or partially sighted, could hear the quiet electric and hybrid buses when they were moving at slow speeds. It planned to begin the six-month trial from the end of January 2020. TfL worked closely with a range of organisations, including Guide Dogs for the Blind, London TravelWatch and bus drivers to develop the sound, and all feedback received would be used to develop and improve the system for all road users.
- 21 Forty-five buses in TfL's fleet now met the new Bus Safety Standard, which meant they were fitted with a range of safety measures including improved mirrors, anti-slip floors and the new acoustic bus sound. These measures were expected to significantly contribute to reaching Vision Zero on injuries caused on or by buses. Members would be offered a visit to see a bus that met the new Bus Safety Standard. **[Action: Gareth Powell]**
- 22 Members agreed that marked progress had been made on tackling bus driver fatigue with activities such as the recent Bus Safety Summit, actions taken from the Loughborough University driver fatigue report and investment in technology by bus operators. These initiatives needed to translate into the statistics and the Safety, Sustainability and Human Resources Panel would follow its progress with detailed reports. **[Action: Gareth Powell]**
- 23 **Healthy streets:** Good progress continued towards delivering a range of cycling schemes across London. TfL had constructed more than 140 kilometres of cycle routes since 2016 and had a further five kilometres under construction. TfL recently awarded £3.5m to 30 London boroughs to build 7,800 new cycle parking spaces, which would enable thousands more cycle journeys to be made across the capital.
- 24 An enormous amount of work was underway to improve cycling infrastructure, including Cycleways, mini-Hollands, Quietways and the central London grid. Construction work on the Greenwich end of Cycleway 4 between Tower Bridge and Greenwich started on 20 November 2019 and would be completed during summer 2020.
- 25 It was confirmed that monitoring of outcomes took place on the effects of Mini Hollands on disabled people and older people. Gareth Powell would brief Dr Alice Maynard CBE on the post impact assessment undertaken following these changes. **[Action: Gareth Powell]**
- 26 Detailed design work for the Kew Bridge section of Cycleway 9 was completed in November 2019. Main construction work commenced on 22 December 2019, to allow the most disruptive work to take place over the quieter Christmas period. Advanced works had also started for the new Cycleway between Hackney and Westferry, and the Cycleway between Camden and Tottenham Hale was progressing through its design and modelling stage, ahead of a public consultation on proposals later in 2020.

- 27 Santander Cycles had installed 105 new docking points around Network Rail stations by the end of 2019, which helped people arriving by train into central London to more easily pick up a cycle. To promote active travel during the festive season, TfL offered everyone a free 30-minute journey on Santander Cycles every day between Christmas Day and New Year's Day, which was a great success with more than 7,000 journeys made using the promotional code.
- 28 Detailed work to prepare for the expansion of the Ultra Low Emission Zone in October 2021 was well underway. TfL continued to regularly engage with affected boroughs and was developing a largescale marketing and communications plan to raise awareness of the scheme well in advance of the expansion.
- 29 On London Underground, routine monitoring continued to be undertaken to ensure air quality was safe and within legal limits, and work continued to help improve the quality of air further. This included deep cleaning the dustiest stations and investigating innovative solutions, such as air purification and filtration systems, and capturing grinding dust at source.
- 30 TfL was also purchasing a Local Exhaust Ventilation plant to capture welding fumes at source, which would be in use by the end of January 2020, with the next round of air quality monitoring taking place in February 2020 across a wider section of the network.
- 31 Good progress continued in building rapid charging points for electric vehicles across London, with 232 rapid charging points now in place. TfL was on track to deliver its target of 300 points by December 2020.
- 32 An update would be sent to Members on the work being done on the electric vehicle infrastructure taskforce, a key component of which was to increase delivery of charging infrastructure on borough roads and to set up a coordination body with London councils over the next few months. **[Action: Alex Williams]**
- 33 As part of the programme to retrofit and replace buses, 87 per cent of TfL's fleet was now ultra-clean with all remaining vehicles expected to be this standard or better by autumn 2020.
- 34 A briefing on the internal Corporate Environmental Plan would be provided to Members in summer 2020 to set out the work being done to meet objectives to reduce carbon emissions as well as air pollution. **[Action: Lilli Matson]**
- 35 TfL continued to work closely with the Borough on proposals for Hammersmith Bridge and to agree final costs for plans for a temporary foot and cycle bridge to allow pedestrian and cyclists to be moved off the main structure when repair work started. TfL continued to keep a close eye on traffic in the local area and would continue to adjust traffic light timings and bus services as necessary.
- 36 On 29 November 2019, TfL reached a significant milestone when it awarded the Riverlinx consortium contract to design, build, finance and maintain the Silvertown Tunnel. All the necessary work ahead of construction was now well underway.
- 37 The report set out the decision to not renew Uber London Limited's private hire vehicle operator's licence, with TfL concluding that it was not fit and proper to hold

one at this time. While the company had made a number of improvements, TfL identified a pattern of failures that put passenger safety at risk, including a change to Uber's systems that allowed unauthorised drivers to upload their photo to other driver accounts, which led to at least 14,000 unauthorised and uninsured trips.

- 38 The scale of regulatory breaches led TfL to commission an independent assessment of Uber's ability to prevent similar incidents from happening again and concluded that it did not have confidence that the company's systems to protect passenger safety were robust enough.
- 39 Uber had appealed the decision and would continue to operate in London until the appeals process was concluded. TfL would continue to closely monitor Uber's activities.
- 40 TfL had conducted an investigation into topographical tests for private hire vehicle drivers and claims that fraudulent qualifications could be purchased at Vista Training Solutions without candidates passing an assessment themselves. It had revoked licenses from private hire drivers who obtained qualifications from Vista Training Solutions, and all new applications received with a certificate issued by the college had been refused.
- 41 There was no evidence to suggest other colleges had been providing similar services, but TfL was working closely with Pearson, the examination board, and the qualifications regulator Ofqual, to monitor the situation and take appropriate action should similar activity be brought to its attention. In addition, from 1 February 2020, TfL was removing this vocational qualification concession and all new applicants would need to take the robust topographical skills assessment at TfL's premises at Baker Street.
- 42 **A good public transport experience:** The Crossrail Limited Board met two weeks ago and confirmed that it planned to open the central section of the Elizabeth line between Paddington and Abbey Wood in summer 2021, with the entire line opened by mid-2022. As part of its own prudent financial planning, TfL had deliberately been cautious about revenue projections in its Business Plan and for budget purposes. A more detailed update on the Elizabeth line was provided elsewhere on the agenda.
- 43 Service had increased on the North London line of the London Overground, with four to five trains per hour now running in peak periods, and 10 trains per hour in the core section. Two additional early morning London Overground services had also been introduced on the Gospel Oak to Barking route.
- 44 An enormous amount of work was currently underway to complete the Northern Line Extension by autumn 2021. Over Christmas Day and Boxing Day 2019, the points connecting the extension to the existing Northern line had successfully been commissioned.
- 45 At Nine Elms station, the entrance glazing was now complete with work continuing on the canopy frame above the station. Construction of the over-station development at Battersea Power Station would shortly be underway. A major milestone was reached towards the railway becoming operational when the UK Power Networks transformer rooms were energised for the first time at Kennington

Green and Kennington Park. Members would be offered a visit to view the Northern Line Extension work. **[Action: Stuart Harvey]**

- 46 As part of the ongoing programme of activity and investment across the London Underground, the Four Lines Modernisation project continued to make progress. Issues had been experienced with software reliability on the Metropolitan line, which had caused disruption and delays to some journeys. TfL was urgently working with the signalling supplier to fix the issue and had undertaken a number of actions to help improve reliability.
- 47 Significant progress was being made as part of the upgrade of Bank station, with the new entrance on Cannon Street progressing ahead of schedule and excavation of the last two new connection passages completed.
- 48 On 17 December 2019, a new, larger step-free entrance was opened to Finsbury Park station. This provided lifts to both the Victoria and Piccadilly lines and more ticket gates to help ease congestion.
- 49 Preparations to run the first pilot of 4G services on the Jubilee line between Westminster and Canning Town from March 2020 continued with relevant infrastructure being installed and with close collaboration with mobile operators.
- 50 Construction work to reconfigure the road network at Highbury Corner was substantially complete. Advanced work for a number of cycling and pedestrian improvements in the King's Cross and Euston Road area had also been completed, ahead of main construction work beginning in February 2020.
- 51 In August and October 2019, a small number of customers had their Oyster online accounts accessed after login details were compromised when using non-TfL websites. While no payment data was accessed, customers were asked to reset their passwords as a precautionary measure and a number of measures had been introduced to help keep their accounts secure. The Information Commissioner's Office had also been made aware.
- 52 Pay as you go for contactless customers had been extended to the Go-Ahead Thameslink route to Welwyn Garden City and on TfL Rail and Great Western Railway services between West Drayton and Reading.
- 53 TfL was also celebrating the 20th anniversary of Art on the Underground, with an exciting programme of major commissions lined up for the year ahead.
- 54 **New homes and jobs:** On Crossrail 2, the Department for Transport's Board Investment and Commercial Committee had reviewed the Strategic Outline Business Case in late October, following its submission to Government in June 2019. The business case was found to be technically robust, with no further work required, so would be used to support a decision on the future of the project at the next Spending Review.
- 55 At Kidbrooke, planning permission had been received to build 619 well-designed new homes, of which 50 per cent would be affordable. TfL hoped to begin construction during 2020.

- 56 At Wood Lane, the first business opened in one of the arches of the Hammersmith & City line railway viaduct, with planning permission to convert a total of 31 arches into commercial units.
- 57 TfL had invited development bids for its site at Hounslow West and was now in the process of selecting a partner, which would transform the site into more than 350 affordable homes and 10,000 square feet of retail and commercial space.
- 58 TfL and its joint venture partner Barratt London continued to engage with borough and local community stakeholders at Wembley Park ahead of plans to submit a planning application later in 2020 to build around 400 homes, half of which would be affordable.
- 59 At Earl's Court, one of London's most important development opportunities, TfL continued to work with Delancey on a new masterplan that was community-focussed and delivered higher levels of affordable homes than the previous plan.
- 60 It was confirmed that plans on several sites identified for the next wave of 10,000 affordable homes would be brought to a meeting of the Finance Committee.
[Action: Simon Kilonback]
- 61 It was also confirmed that the Sustainability Strategy report that was due to be brought to the meeting of the Safety, Sustainability and Human Resources Panel in February 2020 would address sustainability in the homes building programme, including construction, affordability and carbon reduction. **[Action: Graeme Craig]**
- 62 It was confirmed that more data would be captured on TfL's contribution to job creation arising from its role in network infrastructure renewals, asset renewals and building new homes. Details of these achievements over the last four years would be reported in the next Commissioner's Report to the Board in March 2020.
[Action: Mike Brown]
- 63 **Our people:** Helen Woolston from the Safety, Health and Environment team had been awarded the Director's Individual Award from Civil Engineering Environment and Quality (CEEQUAL) for her work to embed sustainable design and delivery across TfL's major projects.
- 64 On 5 December 2019, the Skills and Employability Early Years team won best Diversity & Inclusion Strategy at the In-house Recruitment awards, which recognised the excellent work of the team to ensure a diverse pipeline of talent was coming through the organisation.
- 65 On 21 November 2019, Environmental Manager Quinten Babcock and his team won the Public Building Energy Project of the Year award, following the successful completion of a major energy efficiency programme with E.ON that led to carbon and cost savings within TfL's head office building in Southwark.
- 66 Natalie Gordon was recognised with a MBE in the New Year Honours list, for her work to support those affected by the Grenfell Tower fire in 2017. She had provided travel support and passes to allow travel between work, school, hospital or temporary accommodation, and led a team of other TfL volunteers who provided a seamless link between TfL and the many other organisations providing support at the time.

- 67 A number of events and activities were held across TfL to mark International Day of Persons with Disabilities on 3 December 2019, including the flag raising ceremony at 55 Broadway, led by the chair of the Disability Staff Network Group. A photography exhibition showcased diversity in the workplace, and staff gave presentations throughout the week as part of the 'Living With' series. A Step-Free Tube Challenge was also arranged with Transport for All, which provided an excellent learning experience for how TfL could further improve its services for customers with disabilities.
- 68 A report would be brought to a meeting of the Customer Service and Operational Performance Panel on lessons learnt from feedback from the accessibility challenge process and other accessibility feedback. **[Action: Vernon Everitt]**
- 69 The 2019 Ethnicity Pay Gap Report, published on 20 December 2019, showed that TfL's median ethnicity gap had reduced slightly from 9.3 per cent in 2018 to 9.2 per cent in 2019. While encouraging, there was still much more work needed and TfL was actively taking steps to address this. It remained committed to being an organisation that welcomed people from diverse backgrounds and supported their professional development.
- 70 **Securing value:** TfL's Transformation programme continued with consultation with trade unions progressing in a further four business areas.
- 71 On 21 November 2019, TfL replaced the 20-year private finance initiative that operated the Connect radio system with a new contract with Thales for an initial period of four years, making savings of more than £40m a year.
- 72 The Revenue Protection Programme remained on track to achieve its target of reducing revenue loss across the network by £10m in 2019/20 with an estimated £5.6m benefit in revenue gains and further loss avoidance by the end of Period 7. TfL continued to explore innovative ways to tackle fare evasion, such as the Irregular Travel Analysis Platform which used data to identify suspicious journeys and locate hot-spots, which it was preparing for full operational roll out across London Underground.
- 73 On 10 January 2020, as part of the drive to reduce fare evasion, TfL announced the middle and rear doors on all New Routemasters would become exit only to tackle fare evasion, although wheelchairs and pushchairs would still be able to board through the middle door.

The Board noted the Commissioner's Report.

06/01/20 Crossrail Update

Mike Brown introduced the item, which reported on the latest information provided by Crossrail Limited (CRL) and the subsequent announcement on its progress to complete the Elizabeth line, including an overview of the independent cost review. An update on the status of the Crossrail project was provided, including readiness for the operation and maintenance of the railway after handover from the project.

CRL's latest update on progress to complete the Elizabeth line confirmed that it planned to open the central section between Paddington and Abbey Wood in summer 2021. This forecast was based on the current progress with completing software development for the signalling and train systems along with safety assurance for the railway to enable trial running to begin in 2020. A major milestone was achieved with the operation of the stopping services from Paddington mainline station to Reading starting on 15 December 2019, which brought a number of valuable customer benefits. Following the opening of the central services, CRL forecast that full services across the Elizabeth line route from Reading and Heathrow to Abbey Wood and Shenfield would commence by mid-2022.

CRL's detailed cost forecasts continued to show that the project would be delivered within the additional funding range of between £400m to £650m more than the revised funding previously agreed. Discussions were progressing well with the Department for Transport and the Greater London Authority regarding how funding these additional costs would be resolved.

Tony Meggs and Mark Wild provided further information on progress with the project. Safety remained the highest priority with no incidents reported over the last six weeks. Incidents generally occurred in areas such as snagging and defect correction so a right first-time approach was taken, and was the shortest route to trial running and an operational railway.

2020 would be a pivotal year for the project, with a focus on testing, commissioning, assurance and handover work. Fit-out was nearing completion at many stations with all physical works nearly completed in the tunnels, shafts and portals. Testing of the train and signalling software was ongoing with the next software version approved and loaded, ready for the next round of tests. Trial running would start later in 2020, followed by trial operations to test real-time service scenarios.

Bugs had to be identified and cleared and the systems needed to work together which required the assurance process to be carried out in a staged and careful way. The transfer and transition into operations would be a crucial joint enterprise and would require a culture of collaboration. Many challenges remained ahead and the scale and complexity of the task to deliver a safe and reliable railway could not be underestimated.

As the emphasis shifted over the coming year towards TfL taking over and operating the Elizabeth line, Members requested that Elizabeth line operationalisation should be a standing item at meetings of the Board and the Programmes and Investment Committee. It was also suggested that a sub-set of the Board could operate to provide confidence and assurance without the need for additional meetings. A further suggestion was inclusion of a performance section in the Commissioner's Report on the outer working parts of the line and reliability of the trains. Andy Lord confirmed that governance proposals would shortly be taken to the Commissioner and agreed the importance of the right level of challenge and involvement of Members. **[Action: Andy Lord/Mike Brown]**

The Board thanked Tony Meggs and Mark Wild for the update and welcomed their collegiate and transparent approach.

The Board noted the paper.

06/01/20 Quarterly Performance Report – Quarter 3, 2019/20

Simon Kilonback introduced the report, which set out TfL's financial results for Quarter 3, 2019/20, the period ending 7 December 2019. The report presented year-to-date performance against budget, as well as year-on-year and four-year trend analysis.

The presentation slides at Appendix 2 provided a summary and additional analysis of the financial information contained in the report, against the revised set of financial targets for 2019/20 that reflected improved financial performance. The revised targets were more demanding and stretched TfL to outperform to an even greater degree, to help offset the impact of the further delays to the introduction of the Elizabeth line.

Passenger income growth had slowed significantly compared to the previous year and stood at two per cent year-to-date, compared to three per cent at the end of Quarter 2. Underlying operating costs were in line with revised targets, which reflected the work carried out over the summer to achieve a realistic cost budget. The adverse movement in passenger income had been offset through the release of contingency cover held for these purposes, which explained most of the variation in operating costs. The Net Operating Surplus was £6m better than the revised target. Capital spend continued to lag behind revised expectations.

TfL was currently working on its Budget for 2020/21. As part of this, it would revise its assumptions on passenger income as well as the way it forecasted capital spend. Establishing robust financial plans for 2020/21, with the right balance of risks and opportunities continued to be a priority.

The Board noted the report.

08/01/20 TfL Viewpoint Survey Results 2019

Tricia Wright introduced the paper, which provided an update on the key findings from TfL's annual staff Viewpoint survey in 2019 and its proposed next steps. Members had previously had the opportunity for an informal briefing session and those unable to attend would be offered an opportunity to attend a further session. **[Action: Tricia Wright]**

The response rate was 64 per cent, which was the second highest response in the last five years. The survey had been promoted with staff, including via competitions, coffee mornings and sessions to explain the security and anonymity of responses.

The Total Engagement score was 57 per cent, an increase of one per cent from last year and which met the Scorecard target for 2019/20. The Inclusion index score was 47 per cent, an increase of four per cent which was ahead of target for this year, although it was recognised that more work needed to be done on inclusive leadership. The Wellbeing at work index had also increased by one per cent over the year.

Key themes had emerged from the survey results around pay, a clearer vision and direction and how this was communicated by senior leaders.

Further updates on the Viewpoint survey would be brought to meetings of the Safety, Sustainability and Human Resources Panel on an ongoing basis. This would include an update on the work being done to track Total Engagement scores in correlation with areas that had undergone change programmes to identify what lessons could be learnt

from this. Members also asked that information on organisational changes be included in future reports on the survey results. **[Action: Tricia Wright]**

Members asked if the Remuneration Committee could look at underlying issues of why pay dominated the open feedback. It was confirmed that a Talent attraction and Retention paper would be taken to a future meeting. **[Action: Tricia Wright]**

Improving scores and addressing the challenges raised by the results was a continuous process and it was recognised that more work needed to be done. Improvements were expected as a result of the implementation of the leadership foundation, provision of better tools to carry out roles and serve customers better.

The Board noted the paper.

09/01/20 Report of the meeting of the Customer Service and Operational Performance Panel held on 27 November 2019

The Chair of the Panel, Mee Ling Ng OBE, introduced the item. The Panel had explored the increased level of violence on TfL Rail and had concluded that the reasons were due to a combination of the way violence was classified and an increase in better reporting.

The Panel commended the excellent presentation it had received from the British Transport Police on tackling theft on the Underground, and that the level of investment and resources in this area were a priority, which needed to be continued and sustained.

The Panel had recommended looking at the need for a better integrated service for assisted transport, particularly for hospitals and patient transfer services, for a more comprehensive approach.

The Board noted the report.

10/01/20 Report of the meeting of the Audit and Assurance Committee held on 3 December 2019

The Chair of the Committee, Anne McMeel, introduced the item. The Committee had agreed that second and third line assurance teams at TfL and Network Rail should work more closely together to ensure an aligned understanding of the Crossrail delivery programme and its risks.

The Committee had discussed in detail Internal Audit reports IA 17 780: Management of Fatigue in Tram Operations Limited (TOL) and IA 13 744: Competence and Fitness of Tram Operations Limited (TOL) Tram Operators and issues raised by the London Assembly concerning these two audits.

The Committee recognised the significant work done to develop TfL's Strategic Risk Framework and had welcomed the proposal for a report on lessons learnt around Strategic Risks and improving reporting across all committees going forward which would be brought to the next meeting of the Committee. **[Action: Howard Carter]**

The Board noted the report.

11/01/20 Report of the meeting of the Finance Committee held on 18 December 2019

The Chair of the Committee, Ron Kalifa OBE, introduced the item. The Committee had approved the five-year Business Plan which addressed a number of internal and external challenges that continued to impact on TfL's financial position.

The Committee approved the 20-year Capital Strategy which identified future anticipated funding and the shortfall against investment requirements needed to support a growing London.

The Committee noted that, despite the recent Crossrail announcements, the rating agencies had affirmed TfL's credit rating which was underpinned by the commitment to deliver a surplus by 2022/23.

The Board noted the report.

12/01/20 Report of the meeting of the Programmes and Investment Committee held on 18 December 2019

The Chair of the Committee, Prof Greg Clark CBE, introduced the item. The Committee had a productive and detailed discussion on the status of the Crossrail project and the opening of the Elizabeth line.

The Committee commended the Air Quality Programme and the impact and expansion of the Ultra Low Emission Zone, which had been well implemented ahead of targets.

The Committee was pleased to note the approach taken to the Emergency Services Network Project, the Telecommunications Commercialisation Project and the Public Cellular Network Pilot, and related enabling works.

It also commended the steady progress made with the London Underground Four Lines Modernisation Programme, despite various challenges.

The Board noted the report.

13/01/20 Any Other Business the Chair Considers Urgent

There was no urgent business.

14/01/20 Date of Next Meeting

The date of the next meeting was scheduled for Wednesday 18 March 2020 at 10.00am.

The meeting closed at 12.44pm.

Chair: _____

Date: _____

Board



Date: 18 March 2020

Item: Matters Arising, Actions List and Use of Delegated Authority

This paper will be considered in public

1 Summary

- 1.1 This paper informs the Board of any use of delegated authority, issuance of Mayoral Directions to TfL and progress against actions agreed at previous meetings, since the last meeting of the Board on 22 January 2020.
- 1.2 This paper also proposes that the Board delegate to the Finance Committee the approval of the Treasury Management Strategy (TMS), the Treasury Management Policies and the TfL Group Policy Relating to the Use of Derivative Investments for 2020/21 and future years.
- 1.3 Each year, the Finance Committee considers the TMS and the related policies in detail, using its expertise and knowledge, before making a recommendation to the Board. The Board currently delegates authority to the Committee to make any changes to the TMS in-year. In line with the delegation of other matters to Committees to take decisions within their area of expertise, it is proposed that these matters now be delegated to the Finance Committee.
- 1.4 There has been one Mayoral Direction to TfL in relation to implementing a bus driver retention scheme. There has been no use of Chair's Action exercising authority delegated by the Board since the last meeting.
- 1.5 Appendix 1 provides an update on the actions, all of which are completed or being addressed.

2 Recommendations

- 2.1 **The Board is asked to note the Mayoral Direction to TfL and the updated Actions List.**
- 2.2 **The Board is also asked to delegate to the Finance Committee approval of the following strategies and policies for 2020/21 and for future years:**
 - (a) the Treasury Management Strategy (TMS) including the Investment Strategy, the Borrowing Strategy, the Liquidity Strategy, the Risk Management Strategy and the Counterparty Exposure Limits;**
 - (b) any changes to the TMS during any year;**

(c) the Treasury Management Policies; and

(d) the TfL Group Policy Relating to the Use of Derivative Investments

noting that the 2020/21 approvals will be taken by Chair's Action, as the Finance Committee will consider the detailed papers at its meeting on 11 March 2020.

3 Proposed Delegation of Authority to the Finance Committee

3.1 Part 2 of Standing Orders, which sets out the scheme of delegation, lists matters reserved to the Board for decision. The matters reserved include:

SO 99 Approval of:

(m) annually, the Treasury Management Strategy; and

(n) annually, any borrowing and investment (including derivatives) strategies.

Specific policy matters

SO 105: Establishment and review of the following policies for TfL:

(a) a Treasury Management Policy Statement (covering both borrowing and cash investment);

(b) policies regarding the exercise of power to issue guarantees and indemnities associated with guarantees;

(c) policies regarding the exercise of power to give financial assistance; and

(d) policies regarding the exercise of power to enter into derivative investments.

3.2 The policies are covered in the TMS (including the Investment Strategy, the Borrowing Strategy, the Liquidity Strategy, the Risk Management Strategy and the Counterparty Exposure Limits) and the Treasury Management Policies and the TfL Group Policy Relating to the Use of Derivative Investments.

3.3 Each year, the Finance Committee considers these strategies and policies in detail, using the knowledge and expertise of its Members. It then recommends their approval to the Board.

3.4 In line with the authority delegated to the Programmes and Investment Committee on major projects, it is suggested that the decisions on the strategies and policies should be taken by the Committee with the required knowledge and expertise, as it provides the challenge and scrutiny to the proposals. This is in line with the approach taken to by the annual delegation by the Board to the Committee to approve any in-year changes to the TMS.

3.5 The Finance Committee will consider the strategies and policies for 2020/21 at its meeting on 11 March 2020, the day after this paper is published. Subject to the views of the Committee, it is recommended that the Board delegate approval of the TMS and related policies to the Committee for 2020/21 and for future years.

- 3.6 Subject to the Board approving the delegation, the TMS and related policies for 2020/21 will be approved by Chair's Action as the Committee will have considered them in detail at its meeting on 11 March 2020.

4 Mayoral Directions to TfL

- 4.1 The Greater London Authority Act 1999 (as amended), permits the Mayor to issue to TfL general directions as to the manner in which TfL is to exercise its functions or specific directions as to the exercise of its functions (or not to exercise a power specified in the direction). Directions are also often made in relation to the implementation of matters in respect of which the Mayor delegates statutory powers to TfL.
- 4.2 The Mayor makes Mayoral Directions through Mayoral Decisions. Papers for Mayoral Directions set out the financial and other implications. If those implications change over time, that will be reported to the GLA.
- 4.3 All Mayoral Decisions are issued in writing, with the information that is not exempt from publication included on the GLA's Decisions Database on its website: <https://www.london.gov.uk/about-us/governance-and-spending/good-governance/decisions?order=DESC>.
- 4.4 Mayoral Directions fall into three broad categories: those addressing technical issues relating to statutory powers; those related to commercial development activities; and those related to projects and programmes. Mayoral Directions relating to TfL are reported to the Board's Committees for discussion as soon as possible after they are received by TfL or published. Regular reports will list the relevant Directions for as long as they are applicable.
- 4.5 Annually the Audit and Assurance Committee considers the list as part of its consideration of the annual audit plan to ensure that appropriate audit resource is applied to assurance on TfL's work in implementing Mayoral Directions. This will also be kept under review at each quarterly meeting of that Committee.
- 4.6 A summary of current Mayoral Directions to TfL is now maintained on the "How we are governed" page on our website, with links to the relevant Mayoral Decisions: <https://tfl.gov.uk/corporate/about-tfl/how-we-work/how-we-are-governed>. That page will be updated as and when further Directions are made.
- 4.7 Since the last meeting of the Board on 22 January 2020, there has been one direction to TfL, on bus driver retention scheme (MD2592 on 2 March 2020). The Direction requires TfL to prepare, finance and implement the bus driver retention payment scheme. The Mayor has also approved the GLA making a revenue grant to TfL of £34m to cover the initial costs of the retention payments.
- 4.8 The Direction was reported to the meeting of the Finance Committee on 11 March 2020.

List of appendices to this report:

Appendix 1: Board Actions List

List of Background Papers:

Minutes of previous meetings

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Board Actions List (to be reported to the meeting on 18 March 2020)

Actions from the meeting held on 22 January 2020

Minute No.	Item/Description	Action By	Target Date	Status/Note
05/01/20 (1)	<p>Commissioner's Report – Workplace Safety Enhancements and Revenue Protection Briefing</p> <p>Members would be offered a briefing on the work that had been done into the link between workplace safety enhancements and implications for TfL's revenue protection.</p>	Siwan Hayward/ Gareth Powell	February 2020	Completed. A briefing was provided.
05/01/20 (2)	<p>Commissioner's Report – Bus Safety Standard Visit</p> <p>Members would be offered a visit to see a bus that met the new Bus Safety Standard.</p>	Gareth Powell	June 2020	Members have been offered a briefing and dates will be proposed.
05/01/20 (3)	<p>Commissioner's Report – Bus Driver Fatigue</p> <p>The Safety, Sustainability and Human Resources (SSHR) Panel would follow the progress of the initiatives to address fatigue via detailed reports.</p>	Gareth Powell	February 2020	<p>On the forward plan for SSHR Panel.</p> <p>A Bus Safety Update was provided to the Panel on 12 February, with a further update scheduled for 9 September 2020.</p>
05/01/20 (4)	<p>Commissioner's Report – Mini Hollands Post Impact Assessment</p> <p>It was confirmed that monitoring of outcomes took place on the effects of Mini Hollands on disabled people and older people. Gareth Powell would brief Dr Alice Maynard CBE on the post impact assessment undertaken following these changes.</p>	Gareth Powell	June 2020	<p>A briefing will be scheduled shortly.</p> <p>The current focus of our analysis is on the impact of shared use bus boarders, looking at whether different design features and layouts affect the way people walking and cycling use the bus stop area.</p>

05/01/20 (5)	Commissioner's Report – Electric Charging Infrastructure An update would be sent to Members on the work being done on the electric vehicle infrastructure taskforce, a key component of which was to increase delivery of charging infrastructure on borough roads and to set up a coordination body with London councils over the next few months.	Alex Williams	June 2020	The Safety, Sustainability and HR Panel, will receive an annual update on progress against the completion of the EV Infrastructure Taskforce report (June 2019).
05/01/20 (6)	Commissioner's Report – Corporate Environmental Plan A briefing on the internal Corporate Environmental Plan would be provided to Members in summer 2020 to set out the work being done to meet objectives to reduce carbon emissions as well as air pollution.	Lilli Matson	Summer 2020	On Forward Plan.
05/01/20 (7)	Commissioner's Report – Northern Line Extension Visit Members would be offered a visit to view the Northern Line Extension work.	Stuart Harvey	April 2020	Members have been offered a briefing and dates will be proposed.
05/01/20 (8)	Commissioner's Report – Future Affordable Homes It was confirmed that plans on a number of sites identified for the next wave of 10,000 affordable homes would be brought to a meeting of the Finance Committee.	Simon Kilonback / Graeme Craig	July 2020	On the forward plan for Finance Committee.
05/01/20 (9)	Commissioner's Report – Sustainability Alignment It was also confirmed that the Sustainability Strategy report that was due to be brought to the meeting of the Safety, Sustainability and Human Resources Panel in February 2020 would address sustainability and the homes building programme, including construction, affordability and carbon reduction.	Graeme Craig	February 2020	Complete. Addressed in the Sustainability in TfL Property Development report on the SSHRP agenda for the 13 February 2020 meeting.
05/01/20 (10)	Commissioner's Report – Job Creation It was confirmed that more data would be captured on TfL's contribution to job creation arising from its role in network infrastructure renewals, asset renewals and building new homes. Details of these achievements over the last four years would be reported in the next Commissioner's Report to the Board in March 2020.	Mike Brown	March 2020	Completed. Information provided in the report on the agenda.

05/01/20 (11)	Commissioner's Report – Accessibility Feedback Lessons Learnt A report would be brought to a meeting of the Customer Service and Operational Performance Panel on lessons learnt from feedback from the accessibility challenge process and other accessibility feedback.	Vernon Everitt	June 2020	On the forward plan for CSOPP.
06/01/20	Crossrail Update – Operationalisation Reporting As the emphasis shifted over the coming year towards TfL taking over and operating the Elizabeth line, Members requested that Elizabeth line operationalisation should be a standing item at meetings of the Board and the Programmes and Investment Committee. It was also suggested that a subset of the Board could operate to provide confidence and assurance without the need for additional meetings. A further suggestion was inclusion of a performance section in the Commissioner's Report on the outer working parts of the line and reliability of the trains. Andy Lord confirmed that governance proposals would shortly be taken to the Commissioner and agreed the importance of the right level of challenge and involvement of Members.	Andy Lord/ Mike Brown	From March 2020	Ongoing. The standing Crossrail Update item to the Programmes and Investment Committee and Board now includes Elizabeth Line operational readiness.
08/01/20 (1)	TfL Viewpoint Survey Results 2019 – Member Briefing Members had previously had the opportunity for an informal briefing session and those unable to attend would be offered an opportunity to attend a further session.	Tricia Wright	January 2020	Completed. Members unable to attend the original briefing were offered a further briefing.
08/01/20 (2)	TfL Viewpoint Survey Results 2019 – Transformation Changes Further updates on the Viewpoint survey would be brought to meetings of the Safety, Sustainability and Human Resources Panel on an ongoing basis. This would include an update on the work being done to track Total Engagement scores in correlation with areas that had undergone change programmes to identify what lessons could be learnt from this. Members also asked that information on organisational changes be included in future reports on the survey results.	Tricia Wright	June 2020	On the forward plan for SSHRP.

08/01/20 (3)	TfL Viewpoint Survey Results 2019 – Pay Feedback Members asked if the Remuneration Committee could look at underlying issues of why pay dominated the open feedback. It was confirmed that a Talent attraction and Retention paper would be taken to a future meeting.	Tricia Wright	June 2020	This issue has been discussed informally by the Committee. A paper will be submitted to the June 2020 meeting. On the forward plan for Remuneration Committee.
10/01/20	Report of the meeting of the Audit and Assurance Committee held on 3 December 2019 – Strategic Risks Lessons Learnt The Committee recognised the significant work done to develop TfL’s Strategic Risk Framework and had welcomed the proposal for a report on lessons learnt around Strategic Risks and improving reporting across all committees going forward which would be brought to the next meeting of the Committee.	Howard Carter	March 2020	Completed.

Actions from previous meetings:

Minute No.	Item/Description	Action By	Target Date	Status/Note
07/01/19 (1)	HSE Annual Report – Reducing Road Injuries Members suggested that the Safety, Sustainability and Human Resources (SSHR) Panel look at how local borough strategies were performing against the Mayor’s Transport Strategy.	Gareth Powell	June 2020	On the forward plan for the SSHR Panel.
07/01/19 (2)	HSE Annual Report – Waste Strategy Members recommended that TfL consider developing a waste strategy so that it was a leader in reducing green house emissions in its operations and also in the work it was doing to support housing. TfL would look at how it captured that information and report back to the Safety, Sustainability and Human Resources (SSHR) Panel.	Lilli Matson	June 2020	The waste strategy is being developed as part of the Corporate Environment Strategy which will be presented to the SSHR Panel.
57/07/19 (6)	Commissioner’s Report – High Speed 2 An update on High Speed 2 would be provided for members at a future Programmes and Investment Committee meeting.	Alex Williams	February 2020	Completed. A briefing was provided 2020 (see 88/11/19 (3))

61/07/19 (2)	HSE Annual Report – Carbon Reduction Initiatives Future reports would contain information on carbon reduction initiatives, including work with TfL’s contractors.	Marian Kelly	June 2020	To be addressed in the 2020 report.
79/09/19 (1)	Tram Overturning at Sandilands, Croydon on 9 November 2016 - Update – pan-TfL Lessons Learnt Members also agreed that a report would be considered by the Safety, Sustainability and Human Resources (SSHR) Panel on pan-TfL lessons learnt and changes to processes arising from the information from the Bus Fatigue study, which brought together the relevant parts of the operating business.	Lilli Matson	June 2020	On the forward plan for the SSHR Panel.
88/11/19 (3)	Matters Arising – Minute 57/07/19(6) High Speed 2: Updates for Members on High Speed 2 would be brought forward.	Alex Williams	February 2020	Completed. A briefing was provided.

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Board



Date: 18 March 2020

Item: Commissioner's Report

This paper will be considered in public

1 Summary

- 1.1 The Commissioner's Report provides an overview of major issues and developments since the meeting of the Board held on 22 January 2020 and updates the Board on significant projects and initiatives.

2 Recommendation

- 2.1 **The Board is asked to note the report.**

List of appendices to this report:

Commissioner's Report – March 2020

List of Background Papers:

None

**Mike Brown MVO
Commissioner
Transport for London
March 2020**

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Commissioner's Report

18 March 2020

About Transport for London (TfL)

Part of the Greater London Authority (GLA) family led by Mayor of London Sadiq Khan, we are the integrated transport authority responsible for delivering the Mayor's aims for transport.

We have a key role in shaping what life is like in London, helping to realise the Mayor's vision for a 'City for All Londoners'. We are committed to creating a fairer, greener, healthier and more prosperous city. The Mayor's Transport Strategy sets a target for 80 per cent of all journeys to be made on foot, by cycle or using public transport by 2041. To make this a reality, we prioritise health and the quality of people's experience in everything we do.

We manage the city's red route strategic roads and, through collaboration with the London boroughs, can help shape the character of all London's streets. These are the places where Londoners travel, work, shop and socialise. Making them places for people to walk, cycle and spend time will reduce car dependency and improve air quality, revitalise town centres, boost businesses and connect communities.

We run most of London's public transport services, including the London Underground, London Buses, the DLR, London Overground, TfL Rail, London Trams, London River Services, London Dial-a-Ride, Victoria Coach Station, Santander Cycles and the Emirates Air Line. The quality and accessibility of these services is fundamental to Londoners' quality of life. By improving and expanding public transport, we can make people's lives easier and increase the appeal of sustainable travel over private car use.

We are moving ahead with many of London's most significant infrastructure projects, using transport to unlock growth. We are working with partners on major projects like Crossrail 2 and the Bakerloo Line Extension that will deliver the new homes and jobs London and the UK need. We are in the final phases of completing the Elizabeth line which, when open, will add 10 per cent to central London's rail capacity.

Supporting the delivery of high-density, mixed-use developments that are planned around active and sustainable travel will ensure that London's growth is good growth. We also use our own land to provide thousands of new affordable homes and our own supply chain creates tens of thousands of jobs and apprenticeships across the country.

We are committed to being an employer that is fully representative of the community we serve, where everyone can realise their potential. Our aim is to be a fully inclusive employer, valuing and celebrating the diversity of our workforce to improve services for all Londoners.

We are constantly working to improve the city for everyone. This means freezing TfL fares so everyone can afford to use public transport, using data and technology to make services intuitive and easy to use, and doing all we can to make streets and transport services accessible to all. We reinvest every penny of our income

None of this would be possible without the support of boroughs, communities and other partners who we work with to improve our services. We all need to pull together to deliver the Mayor's Transport Strategy; by doing so we can create a better city as London grows.

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I Introduction

This report provides a review of the last four years and of major issues and developments since the Board meeting of 22 January 2020.

With the Mayor we are committed to creating a fairer, greener, healthier and more prosperous city. This supports the Mayor's transport Strategy and means providing an affordable and modern transport network that works for all Londoners.

The Mayor's Transport Strategy sets out an ambitious programme to improve transport and the wider quality of life for Londoners up to 2041 and prioritises healthy streets and healthy people; a good public transport experience; and supporting new homes and jobs.

From our safety commitment to eliminate all deaths and serious injuries on our network, to launching the Night Tube, and implementing the world's first Ultra Low Emission Zone, we have helped transform travel in London for the better and have made significant progress towards ensuring our transport system is fit for the 21st century.

Our record programme of investment over the last four years has successfully delivered major improvements and revitalised the transport network despite ongoing difficult financial conditions, including the loss of government grant and a subdued economy.

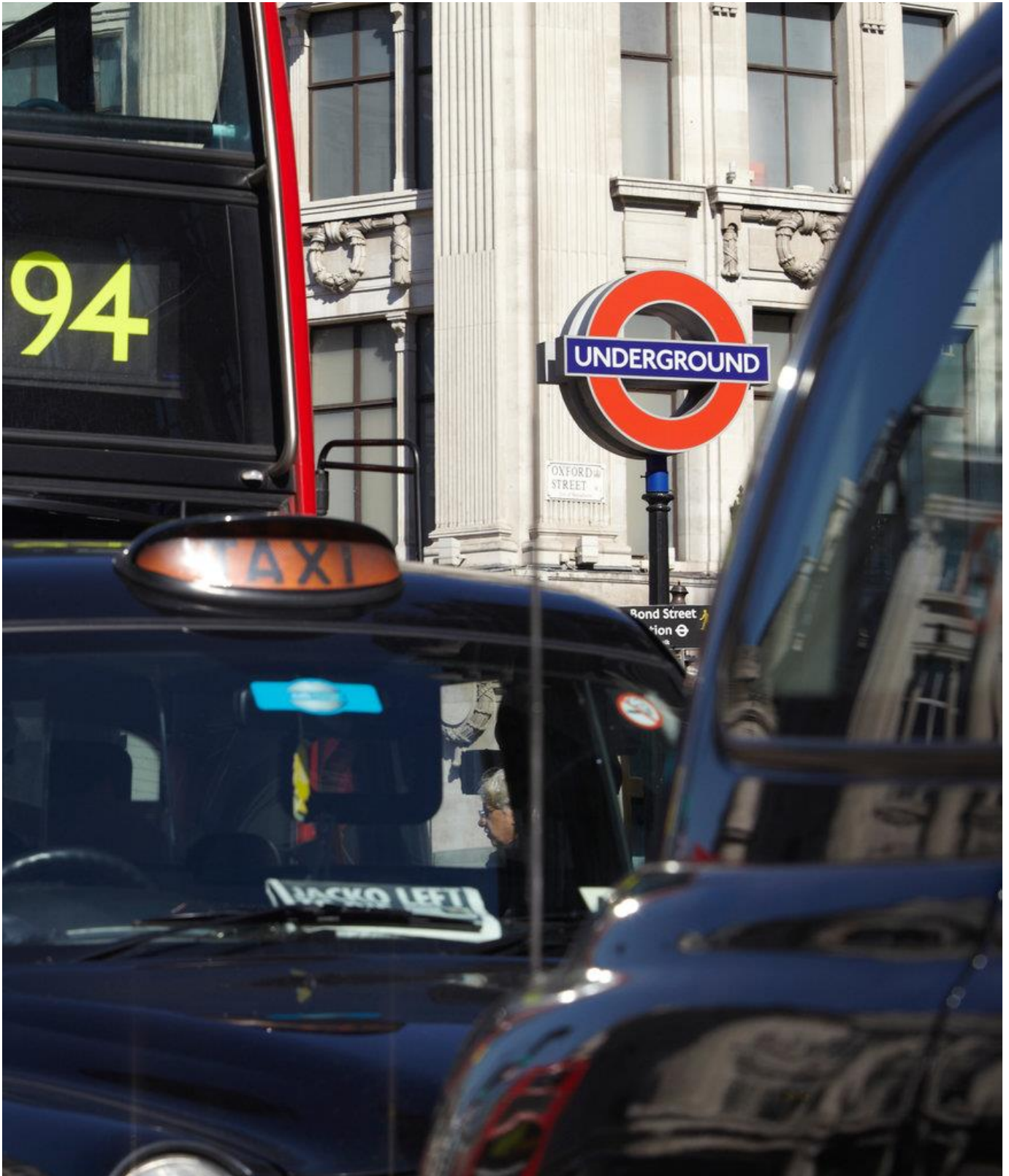
We also successfully responded to the Mayor's challenge to modernise and save money without sacrificing our investment

programme. Over the last four years we have made unprecedented progress in reducing our year-on-year, like-for-like operating costs through a wide-ranging savings programme to create a leaner, more modern organisation.

This transformation has also seen us diversify our income base and generate long-term revenue to reinvest back into our network. Since 2016, we have developed an extensive pipeline of sites which will deliver 10,000 new homes across our estate and are on-track to become one of London's leading operators of rental housing. We have also taken advantage of our exciting retail spaces to improve our customer experience by securing a diverse mix of pop-ups and global brands across our network and maximise our commercial return.

We have also advanced our global consultancy operation and revolutionised our advertising estate, one of the most valuable in the world, by investing in new digital screens and capitalising on commercial opportunities for advertisers.

Of course, none of this would be possible without the hardworking people across the organisation who serve the capital, help us to modernise the network, maintain it and keep London moving day and night.



2 TfL Scorecard

Period II

Breakdown of scorecard measures categories:

Safety and Operations: **25%** Customer: **25%** People: **25%** Financial: **25%**

■ Achieved
 ■ Partially achieved
 ■ Not achieved

Long-term objectives	2019/20 scorecard	Period II		Year to date	
Outcome	Measure	Actual	Target	Actual	Target
Healthy Streets and healthy people (12.5%)					
London's transport system will be safe and secure	Reduction in people killed or seriously injured on the roads from 2005-09 baseline ¹	n/a	n/a	39.4% (186 fewer people than in 2018)	42.3% (371 fewer people than in 2018)
	Reduction in people killed or seriously injured involving buses from 2005-09 baseline ¹	n/a	n/a	61.8% (15 fewer people than in 2018)	58.7% (no more people than in 2018)
London's streets will be clean and green	Number of London buses that are Euro VI compliant ²	100 ■	n/a	8,200 ■	8,200
London's streets will be used more efficiently and have less traffic	Traffic signal changes to support healthy streets (person hours per day)	2,060 ■	875	15,775 ■	15,000
More people will travel actively in London	Health Streets check for designers ³ (average % uplift)	n/a	n/a	13 ■	10

Safety and operations (25%)

1. Measured in calendar years and a month in arrears. Calendar year 2019 runs to period 10, therefore, no results are reported for period II. YTD is Jan - Dec 2019. These are provisional estimates and may be subject to change. Between January to December 2019, provisional estimates indicate 3,879 people were killed or seriously injured on roads compared to 4,065 between January to December 2018. Between January to December 2019, provisional estimates indicate 224 people were killed or seriously injured in collisions involving buses compared to 239 between January to December 2018.

2. The full year target for this measure is 8,350 buses. There are no periodic targets due to the unpredictability of when operators will offer new buses. The retrofitting programme is on track

3. This is a cumulative measure, so period targets are not set

Long-term objectives	2019/20 scorecard	Period II		Year to date		
Outcome	Measure	Actual	Target	Actual	Target	
A good public transport experience (30%)						
Public transport will be accessible to all	Reduction in customer and workforce killed or seriously injured ¹ (compared to 2018/19) ⁴	22 fewer people ■	7 fewer people (2.5% reduction)	42 more people ■	85 fewer people (2.4% reduction)	Safety and operations (continued)
	Additional time to make step-free journeys (minutes)	n/a	n/a	9.0 ■	8.5	
Journeys by public transport will be fast and reliable	Tube excess journey time (minutes)	4.78 ■	4.47	4.94 ■	4.47	
	Weighted bus customer journey time (minutes)	32.1 ■	32.8	32.2 ■	33.5	
	Customer satisfaction (percentage of Londoners who agree we care about our customers ⁵)	n/a	n/a	53 ■	53	
The public transport network will meet the needs of a growing London	Deliver key investment milestones (%)	100 ■	90	94 ■	90	Customer (25%)
	Key Elizabeth line delivery milestone: start of TfL Rail/ Elizabeth line service between Paddington and Reading	n/a	n/a	Dec-19 ■	Dec-19 ■	

4. In period II, 167 customers and workforce were killed or seriously injured, compared to 189 in period II, 2018. Between period I and period II 2019, 1,992 customer and workforce were killed or seriously injured compared to 1,950 between period I and period II 2018.

Long-term objectives	2019/20 scorecard	Period II		Year to date		
Outcome	Measure	Actual	Target	Actual	Target	
New homes and jobs (2.5%)						
Transport investment will unlock the delivery of new homes and jobs	The cumulative percentage of affordable homes on TfL land with planning applications submitted – post May 2016 (%)	n/a	n/a	55 ■	50	Customers (continued)
Mode share (15%)						
80% of journeys will be made by sustainable modes in 2041	Public transport tips (millions)	309 ■	305	3,353 ■	3,309	
	Average kilometres cycled per day ⁵ (thousands)	n/a	n/a	546 ■	549	
People (25%)						
A capable and engaged workforce representative of London	Workforce representativeness – all staff (%)	n/a	n/a	70.8 ■	70.7	People (25%)
	– director/band 5 (%)	n/a	n/a	38.3 ■	38.2	
	Inclusion index (%) ⁶	n/a	n/a	47 ■	46	
	Total engagement (%) ⁶	n/a	n/a	57 ■	57	
Financial (25%)						
We cover our costs and we are prudent	Net operating surplus (£m)	56 ■	5	560 ■	494	Financial (25%)
	Investment programme (£m)	157 ■	151	1,220 ■	1,291	

5. Measured in calendar quarters, and reported one quarter in arrears. YTD is Jan – September 2019.

6. Final results

Our Period II scorecard covers 5 January to 1 February 2020.

Safety and Operations

Our year to date (YTD) figures show that we are just below our target of reducing the number of people killed and seriously injured on London's roads. Although we met our YTD target for people killed or seriously injured in incidents involving buses, we know there is a lot more work to do in this area.

Although our customer and workforce killed or seriously injured target for this period was 22 fewer people than the same period last year, we must remain focused on this along with our other safety targets to ensure we do everything we can to achieve these for the remaining two periods this year.

Reliability continues to be behind target on London Underground however, we have robust plans in place to continue to address this. Although we are unlikely to achieve the reliability target for this year, we will do everything we can to improve reliability on the network.

We do however remain on target so far this year for our other Safety and Operations measures.

Customer

All of the key investment milestones have been delivered, and we remain on track for more than half of the homes in the planning applications we bring forward to be affordable.

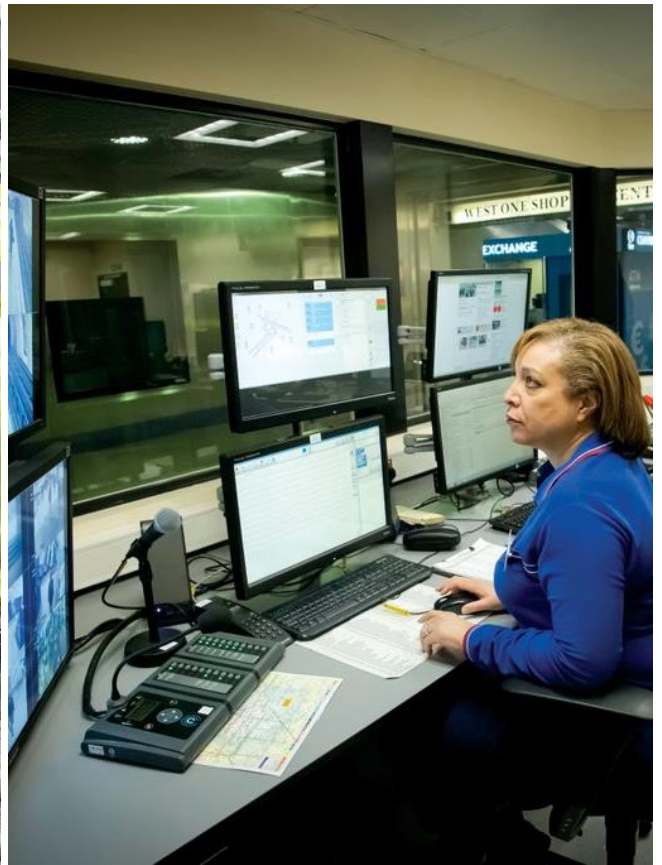
Public transport trips were above target for Period II with 3,353 million trips compared to a YTD target of 3,309.

People

Our latest YTD workforce diversity results show the good progress we have made on overall workforce diversity having very slightly exceeded both our 'all staff' and senior management representativeness.

Financial

Our strong financial performance has continued. However, we did not meet our investment target this period. We will continue to monitor this closely over the coming periods.



3 Safety and security

Overview

We have always maintained safety as our number one priority. In particular, road danger is the single largest safety issue on London's streets. Every death and injury on our roads has a devastating impact on those involved and we do not consider these to be inevitable.

This is why, working alongside the Metropolitan Police Service (MPS), we committed to Vision Zero and to eliminating all deaths and serious injuries across our network by 2041. This commitment is embedded throughout the organisation and has culminated in a range of measures including lowering speed limits; reducing danger through our Safer Junctions programme; and introducing the world-leading Bus Safety Standard, which includes ground-breaking speed-limiting technology and slip-reduction measures, across all new London buses.

Our jointly-funded Roads and Transport Policing Command is now the largest policing command in the UK, with more than 2,000 uniformed officers. It works around the clock to reduce road danger and has an intensified focus on the most dangerous drivers. We are implementing a huge range of junction improvement work across the city and have also just launched our world-leading Direct Vision Standard which will take the most

dangerous Heavy Goods Vehicles off our roads.

We continue to remember those who lost their lives or were injured in the devastating Croydon tram overturning in November 2016. Since the incident, we have continued to introduce additional safety measures on our tram network and those across the UK to ensure that such a tragedy never happens again.

A key focus for us in recent years has been the safeguarding of all customers who use our services. Two years ago, London Underground experienced the highest number of suicides for almost 20 years. We formed the Suicide Prevention Team in response to this extremely concerning trend and gave it a wide remit to identify what we could do to reduce the number of tragic incidents.

Using a detailed data-driven approach, and working closely with colleagues in Network Rail, the British Transport Police and academia, we formulated a series of initiatives and deployed them across the network. The central focus was on training front-line colleagues to identify and respond to vulnerable people in a safe and empathetic way. This training began in August 2018 and over 3,400 members of station staff have been trained since.

The positive impact of the programme has been evident. Suicides on the network have fallen by around 30 per cent in two years. On London Underground, we now successfully intervene with vulnerable people at least 10 times every week.

To recognise this good work, we introduced the Life Saver award scheme for those who made best-practice interventions, featuring a bespoke badge and signed letter from London Underground Managing Director Andy Lord. Over 600 staff have now received this recognition.

Together with the Mayor, we are also committed to ensuring every single customer, on any part of our network, receives the same high quality of service and can travel in London without fear of being abused. Our work has included implementing comprehensive diversity training for all staff, including bus drivers to ensure our network is open and available to everyone. Since 2016, we have continued to work closely with the police to tackle unwanted sexual behaviour on public transport through the Project Guardian partnership, which has led to a significant rise in reporting and more than 1,500 arrests.

We have also strengthened track-access safety for our staff who work in high-risk areas of our network. Following the fatal incident involving two members of the

Network Rail track team who were hit by a passenger train near Margam in South Wales on 3 July 2019, we took the opportunity to emphasise the importance of working safely. We briefed staff at our hubs at Acton, Beckton and Stratford Market on the incident, including lessons learned on what we can do as a community to protect ourselves and our colleagues at work and getting home safely.

In addition, we ensured 380 of our colleagues, who are certified to provide protection for workers on the track, attended a safety stand-down forum over two weeks. We repeated this over the winter to keep the insight fresh and sustain both motivation and dedication and will continue to hold refresher sessions. We also held one-to-one sessions safety and wellbeing. As a result, we introduced a monthly newsletter, now in its sixth edition, highlighting current affairs, commendations and statistics that help keep our colleagues, particularly those working at night, informed and up to date.

All 380 track protection colleagues have received connect radios and completed classroom-based training on improved operational communication, as well as radio training. This training was completed within seven weeks.

We are continuing to work toward a safer working environment and are encouraging colleagues to share lessons learned.

Croydon tram overturning

The Rail Accident Investigation Branch conducted an independent investigation and published its report in December 2017. It included 15 recommendations to address safety on London's tram network, as well as other networks across the country. We have made significant progress to implement these recommendations. The majority have been completed, with the remaining in the late stages of implementation. We have fitted, and are in the process of introducing into service a new system on all 35 trams that will automatically apply the brakes and bring a moving tram to a controlled stop if it exceeds the speed limit at designated locations. In February 2020, a demonstration of the system with Trade Unions present took place.

We continue to work closely with the Office of Rail and Road (ORR) to ensure it remains satisfied with our progress. We are implementing the recommendations by working closely with all parties concerned, including the Rail Accident Investigation Branch, Office of Rail and Road, Light Rail Safety and Standards Board, and the wider UK tram industry.

The Coroner has held two pre-inquest review hearings to agree the timetable

and scope for the inquests. Disclosure and evidence must be provided to the Coroner by the end of March 2020 and a third pre-inquest review hearing will take place on 1 June 2020. The inquests are expected to begin on 14 September 2020. The victims and all others affected by this incident remain in our thoughts. We continue to offer support to those people directly affected as well as the wider community.

Coronavirus (Covid-19)

We continue to follow the advice and guidance issued by Public Health England and are regularly reviewing operational and contingency plans to ensure the transport network is fully prepared for all scenarios.

Orpington bus crash

Following the tragic crash that took place on 31 October 2019 where our colleague, Kenneth Matcham, died at the scene after a car and two single-decker buses collided, we are commissioning an independent collision investigation to examine bus cab integrity under crash conditions. This study will begin in spring 2020, with a view to understanding whether bus manufacturers can improve the strength of the cab area to give more structural protection for the driver.

Vision Zero

From 22 January to 15 March 2020, the Roads and Transport Policing Command

Our “Watch your speed” campaign aims to show drivers the perspective of friends and family when they drive too fast



ran a series of week-long operations across London to tackle some of the key causes of road danger: speeding, driving without insurance, driving without seatbelts and unsafe vehicles. During one weekend operation on the A10 in Enfield, 21 drivers were reported for excess speed, including one driving at 90 miles per hour (mph) in a 40mph limit area. In Barnet, a white BMW was stopped for travelling at 58mph in a 30mph limit area. When stopped, the driver gave false personal details and claimed not to know details about the vehicle. Prolonged enquires revealed his true identity, which resulted in him being arrested for excess speed, no insurance and not driving in accordance with his licence. The vehicle was also seized.

The Roads and Transport Policing Command also ran a week of enforcement and engagement activity targeting speeding across London. This included Junior and Community Roadwatch sessions, mobile and static speed enforcement operations and public engagement activities.

As part of a focus on speed, from April 2020, with the MPS we plan to launch a

new Speed Enforcement team who will identify speeding drivers across the capital. This team will complement existing speed enforcement activity undertaken by the 2,000-strong team, as well as enforcement through our extensive safety camera network. The team, equipped with the latest laser video speed enforcement technology, will maximise coverage across London, responding to intelligence and local community concerns about speeding on residential roads.

The new speed enforcement team is part of our speed enforcement action plan which aims to significantly increase levels of speed enforcement through the effective and coordinated roadside and safety camera enforcement activity. It will support the rollout of lower speed limits with enforcement being an important measure for improving compliance on these roads.

Lowering speed limits

On 2 March 2020, we launched new 20mph limit on our road network in central London, which will play a key role in the Mayor's Vision Zero ambition to eliminate death and serious injury from

London's transport network. The new speed limits are being enforced across all of our roads within the Congestion Charging Zone, including Millbank, Victoria Embankment and Borough High Street, following strong public support for the proposals.

To support these speed reductions, we have recalibrated speed cameras in central London and are using mobile speed cameras to ensure that drivers are complying. A marketing and communications campaign was launched to announce the speed limit change and educate drivers on the purpose of the new limit. This is closely aligned with our current "Watch your speed" campaign.

Phase two is now underway and we are working with boroughs and the public to introduce lower speed limits on a further 140km of our road network in inner and outer London.

"Watch your speed" campaign

The "Watch your speed" campaign, which launched in 2019 across multiple channels, including TV, radio, outdoor advertising and video on demand, has seen an additional phase run in February and March 2020. This campaign is a key behaviour change contributor to further our aim of eliminating death and serious injury on London's roads.

We know that driving at an inappropriate speed has become too commonplace and the associated risks are underestimated.

We held our most recent "We Stand Together" campaign on 22 January 2020



This campaign aims to show the driver, through the perspective of their friends and family that they are driving too fast.

Travel safe areas

We have been trialling the effectiveness of local interventions using communications, engagement and visible policing to tackle locations where risks are highest. Two pilot areas were launched in Camden and Shoreditch in November 2019 and a further two in March 2020 in the London Boroughs of Enfield and Newham. In these latter pilot areas, community engagement is being led by the boroughs and we will also test the effectiveness of geographically targeted radio adverts and other communications designed to make the messages specific and locally relevant.

These initiatives are designed to be low-cost and relatively quick to introduce. If successful in reducing unsafe behaviour, they can form part of a Vision Zero toolkit and can be introduced rapidly in response to specific community concerns.

Hate crime

On 22 January 2020, the British Transport Police (BTP) and the MPS conducted our first “We Stand Together” hate crime engagement day this year, which focussed on tackling antisemitism. Our message is clear: everyone is welcome on London’s public transport network and we will not tolerate any hateful abuse towards any of

our passengers or staff. We stand together with all communities against intolerance and ignorance.

In total, 39 community engagement events were held, including visits to 17 synagogues across London and a stand at Paddington station in collaboration with the Jewish Police Association. A meeting with the Community Safety Trust was also held to raise awareness of hate crime reporting and encourage partnership working. As part of the engagement days, officers distributed our #WeStandTogether partnership leaflets, as well as materials from the Holocaust Educational Trust.

On 19 February, the MPS Safer Transport Teams and the BTP, ran a further hate crime engagement day focused this time on raising awareness of reporting hate crime among the lesbian, gay, bisexual and transgender (LGBT+) community.

Tackling knife crime and serious youth violence

Our partners in the BTP and MPS continue to prioritise tackling serious youth violence and knife crime on our network. As part of daily operations across London, the MPS proactively patrol at hotspots of robbery and violence. In the first two weeks of January, targeted weapon sweeps took place at all transport hubs in Barnet, Brent and Harrow. A total of six

arrests were made for various weapon and drug related offences.

In an eight-week period from January to March 2020 the BTP, in partnership with their Violent Crime Task Force, targeted five priority locations on the east end of the District line, providing support to our staff and protecting the travelling public. Our revenue compliance staff were involved in the operation. This operation sends a clear message to those intent on criminality on London Underground that they will be stopped, searched, and where necessary, arrested. A total of ten arrests were made, with a further eight offenders dealt with by other judicial disposals for offences such as public disorder, drug offences, and robbery. Revenue officers from London Underground and the train operator C2C issued 448 penalty fare notices, with 79 people reported to court for fare evasion.

Publication of taxi and private hire journey-related sexual offences

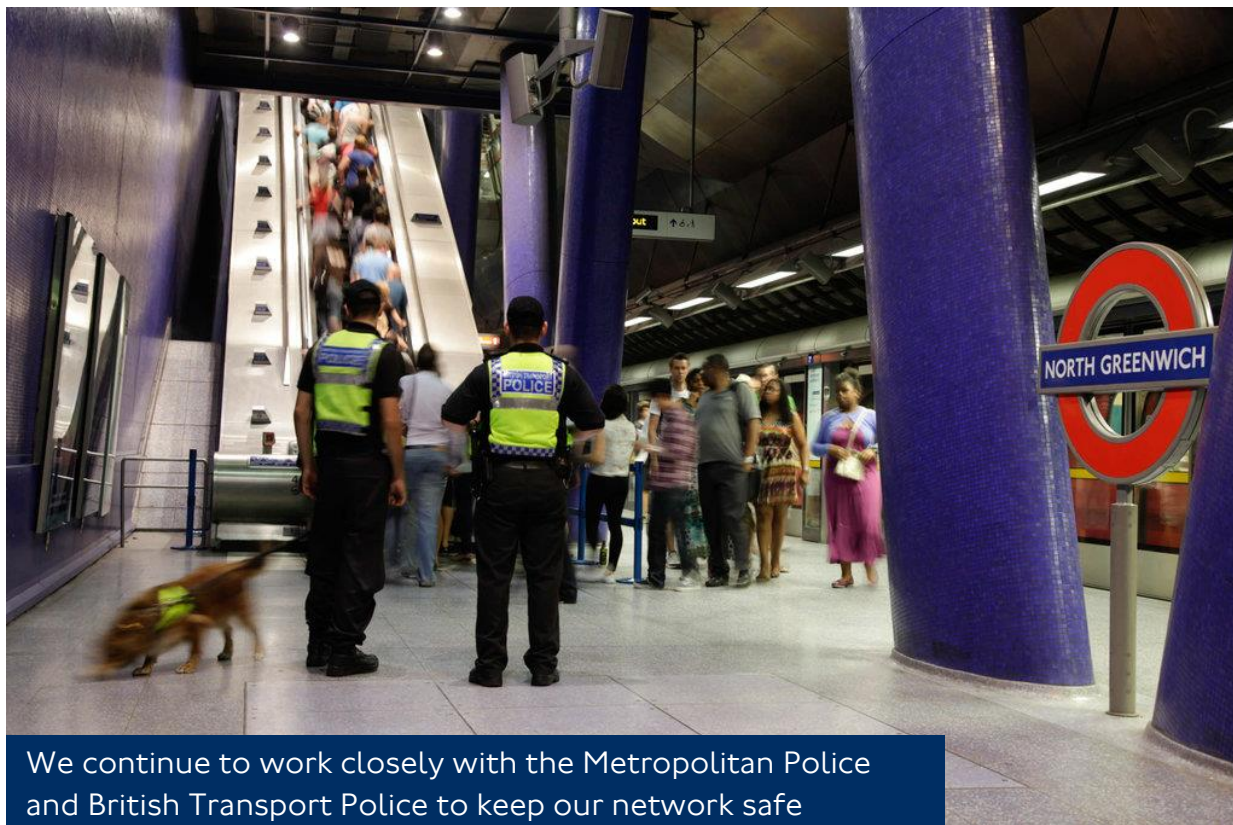
Tackling unwanted sexual behaviour in taxis and private hire vehicles, as well as on public transport, remains a priority for us and our policing partners.

With more than 109,000 licensed private hire drivers and around 22,000 licensed taxi drivers in London, millions of taxi and private hire journeys are made every year. The majority pass without incident. However, we are working with our

partners in the police to crack down on the tiny minority of drivers who offend and put passenger safety at risk. Key activities include:

- Taxi and private hire compliance officers undertaking regular checks of licensed operators, drivers and vehicles to identify non-compliant or illegal activity
- Targeted plain clothes and high-visibility operations to identify and deter offenders
- Encouraging anyone who experiences unwanted sexual behaviour to report it to us and the police
- Taking licensing action against licensees where appropriate
- Issuing joint TfL and police guidance to all private hire operators on how to report alleged or suspected criminal conduct to the police in an appropriate and timely way.

On 31 January 2020, we published the latest information about sexual offences committed by taxi and private hire drivers against passengers which were reported to the MPS and City of London Police in 2018. While the data shows an increase in reports, this was anticipated following our work with the police since 2017 to issue guidance to all private hire operators in late 2017. The guidance stressed the importance of reporting



We continue to work closely with the Metropolitan Police and British Transport Police to keep our network safe

criminal conduct to the police in an appropriate and timely way to ensure the incident is investigated. We know that sexual offences are underreported across society, with many victims choosing not to report incidents to the police.

Transport is no exception. Many of the allegations now being passed over to the police may have previously gone unreported. Every single report is taken seriously and investigated by both the police and us.

In 2018, there were 17 drivers charged for 21 offences. Two of those drivers were charged with more than one offence. Sixteen of the drivers were licensed taxi and private hire drivers at the time of the offence. None of them currently holds an active TfL licence.

Tackling unwanted sexual behaviour on London's public transport

Our important work with the BTP and MPS to tackle unwanted sexual behaviour on London's public transport system continues. As part of Project Guardian we

have been working to increase confidence in the reporting of sexual offences, reduce the risk of becoming a victim, challenge unwanted sexual behaviour and target offenders. An important focus of this work has been on enhancing police investigation and support for victims.

A recent example of our work to pursue offenders and bring them to justice includes Tawanda Zuva, 37, who was found guilty of sexual assault in January 2020. He approached a 30-year-old woman who was with a group of friends and sexually assaulted her on the platform at Victoria station. He was jailed for 10 weeks and given a seven-year Sexual Harm Prevention Order.

Coinciding with Sexual Abuse and Sexual Violence Awareness Week, we took part in the Rail Delivery Group's workshop, Tackling sexual harassment and sexual assault on the UK rail network, which explored ways in which the rail industry can tackle unwanted sexual behaviour and the harm and fear it can cause to both

customers and staff. The Rail Delivery Group is working with the rail industry to replicate the approach and successes of Project Guardian on a national level. We are pleased to be part of this important initiative.

Uber London Limited vs TfL

On 25 November 2019, we notified Uber London Limited (ULL) that it would not be issued with a private hire vehicles operator's licence at the expiry of its current licence. ULL submitted an appeal to Westminster Magistrates' Court on 13 December 2019.

At a procedural hearing on 27 February 2020, the Chief Magistrate considered whether the Licensed Taxi Drivers' Association (LTDA) and United Trade Action Group (UTAG) should be given permission to participate in the appeal. The Chief Magistrate decided that the LTDA would assist her in the fair and just resolution of the appeal and granted the LTDA but not UTAG permission to participate in the appeal.

The dates for the hearing have been set for 6, 7, 8 and 10 July 2020.

TfL-wide protective security programme

We have delivered several important measures as part of our protective security programme which looks to create a coherent, holistic, risk-based and proportionate security strategy.

We successfully implemented a new security pass system across our head office buildings and have rolled out security awareness training to staff across corporate and non-operational businesses. Tailored transport-sector security information has also been made available on Source, our internal intranet. A new procedure for managers and senior staff to help strengthen protection against internal threats to our security is being finalised. This ensures a single process is used, with robust case management and referral processes built into the guidelines.

Bus Safety Standard

We started our pilot of our Acoustic Vehicle Alerting Systems on electric buses on route 100 between St Paul's Cathedral and Shadwell DLR station on 18 January 2020. From 17 February 2020, we began extending the rollout to new double-deck battery-powered buses on route 94 from Acton Green to Piccadilly Circus, including Oxford Street.

This signature sound has been developed for new types of quiet-running buses in London, so they will be heard and will be universally recognisable from other road users.

This step was taken following detailed engagement with disability groups, bus drivers, operators, trade union representatives and other transport

stakeholders. The chosen sound aims be an effective warning to vulnerable road users of the approach and changing speed of a bus, particularly to visually-impaired people, pedestrians and cyclists. It is also designed not to be overly intrusive to neighbours. We also want this alert system to help us with our Vision Zero target of no one being killed on or by a bus by 2030.

It is one of a range of safety features appearing on new buses in London as part of a revised vehicle specification called the Bus Safety Standard. This includes better visibility side mirrors, more resistant anti-slip floors, dashboard warnings for drivers of potential unintended acceleration and Intelligent Speed Assistance which helps regulate the bus to a digital road speed map of London.

The number of buses in the fleet fitted to meet the new standard now stands at 129 vehicles. A bigger proportion of the fleet – 1,229 buses (13 per cent) – is fitted with Intelligent Speed Assistance which was already installed ahead of the standard.

The Bus Safety Standard will adopt more advanced safety technology and designs in 2021 and 2024. If technologies are ready in between the specifications being revised, we will bring them in early, such as camera monitoring systems, which are being trialled by several operators. One

advantage of cameras is that they are much smaller than mirrors and do not stick out from the side of vehicles. More importantly, they give drivers a much better digital view down the side of the vehicle, particularly in bright and low-light conditions or at night.

To make the most of safer vehicles, we also continue training our 24,700 bus drivers through a training course called Destination Zero. So far, around 7,868 drivers have completed the training. This supports the Bus Safety Standard as more risk-averse driving and better bus designs and technologies can help avoid and reduce the impact of injuries. The learning material and virtual-reality headsets give a drivers' eye view of potential highway risks and invite attendees to select the best course of action under the circumstances. The course runs until the end of the year due to the large volume of attendees.

Bus driver fatigue management

In January we began reviewing driver fatigue risk management systems put forward by four bus operators in London, as we look to develop safer ways of running services in the capital. These will be refined in summer 2020 into finalised systems for implementation, that respond to the recommendations of independent research by Loughborough

University and the Swedish National Road and Transport Institute.

We are also launching a £500,000 fund for bus driver fatigue innovation this month, so operators can look at other initiatives they might want to take up in this field and offset the costs.

In a related wellbeing initiative, we have been deploying a health-awareness bus at garages since 4 November 2019. Occupational health staff provide advice and conduct screenings to identify issues

or risk factors that could contribute to poor health and fatigue. This project fulfils the wider aims of Vision Zero and healthier working and is supported by us, the Unite the Union and bus operators.

Fire safety

We are undertaking a wide-ranging review of how we manage the risk of fire across the organisation. Our review has instigated several updates in our fire safety rules and several of our procedures. Our cross-functional team is working to remind local operations,

We continue to rollout our Bus Safety Standard including better visibility cameras



projects and maintenance teams of existing and updated procedures, and is managing a broader project to ensure that our overall approach is robust, effective and sustainable. The project will also ensure that accountabilities are clear across the organisation.

Supplier health and safety

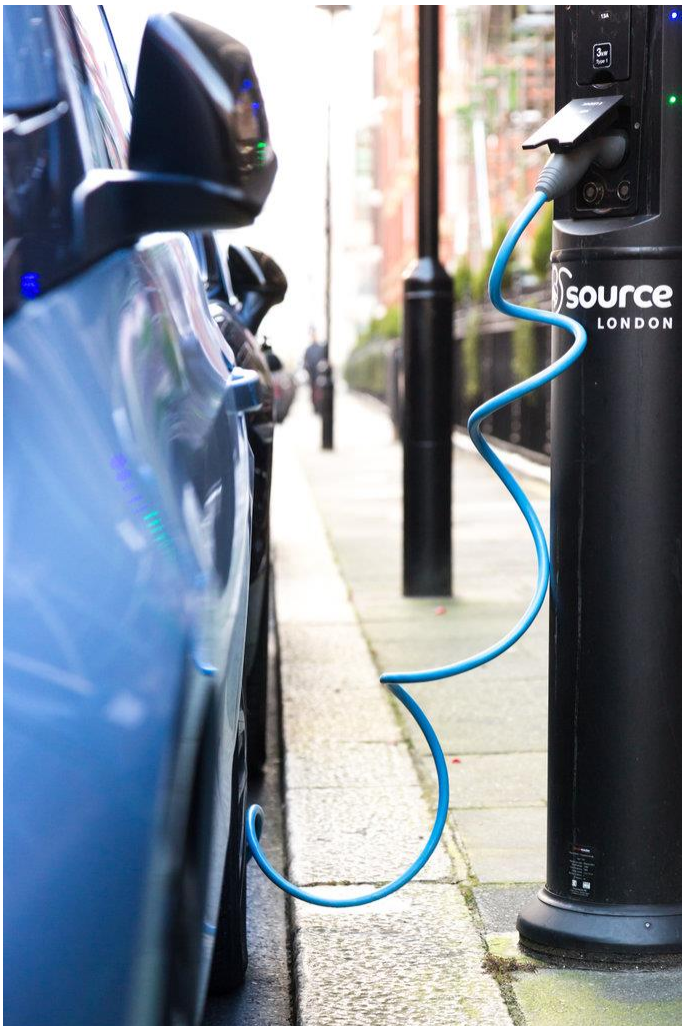
We continue to roll out our supplier assurance methodology across the capital delivery areas. This provides confidence that our suppliers can deliver safely and manage their employees and the environment in accordance with legislation and our expectations.

We share information from our engineering, construction, operations and maintenance teams to enable a risk-based approach to supplier management. We have seen a consistent increase in assurance activities. Our most recent findings show that:

- Our suppliers have increased their focus on improving leadership and culture
- Our suppliers are working together for continual improvements
- The vast majority (82 per cent) of our major project suppliers are fully compliant with the objectives in the Supplier Assessment.

Safety, Health and Environment Week

As part of our work to deliver Vision Zero, we will be holding three Safety, Health and Environment (SHE) weeks in March and June 2020. The first week will run from 30 March to 2 April 2020 and will focus on what it means to be an SHE leader, emphasising personal responsibility and considering safety, health and environmental factors in all our day-to-day decisions.



4 Healthy streets and healthy people

Overview

As outlined in the Mayor's Transport Strategy, since 2016 we have successfully completed work to reduce traffic dominance and encourage record numbers of people to walk, cycle and use public transport.

The overall share of journeys made by walking, cycling or public transport is now at 63 per cent, up from around 50 per cent in 2000. This is the equivalent to removing approximately 2.9 million private vehicle trips from London's roads every day.

Together with the Mayor, we are committed to helping all Londoners lead more active, healthy lives and to creating a city that works for everyone.

By accelerating investment since 2016 we have tripled the amount of protected space for cycling, with much planned for the future. There are now 162km of protected cycle lanes that are either complete or under construction, up from 50km in 2016. Laid out end to end, this would stretch from Leicester Square to Birmingham's New Street station. We have also focussed efforts on enabling more people to cycle through a range of actions, including delivering record investment in cycle parking across 30 London boroughs. This continuous commitment to making cycling safer, more secure and accessible has meant we

have seen the highest level of cycling since measurements began in 2014.

Our cycling schemes also help improve the environment to make it easier and safer for people who walk. Our work alongside partners such as Living Streets is also helping to improve and re-time London's 6,300 crossing signals. This financial year our work has helped tackle barriers to walking at 51 locations by delivering over 200 hours of journey time savings for those travelling by foot.

Getting more people to cycle and walk not only helps to improve overall health and quality of life but also supports the Mayor's targets to clean up London's dangerously polluted air. The Ultra Low Emission Zone (ULEZ), the world's toughest vehicle emissions standard, was launched in April 2019 and has seen a 36 per cent reduction in nitrogen dioxide (NO₂) levels within the zone and a four per cent reduction in carbon emissions.

The scheme, alongside significant work to reduce emissions from our buses by 85 per cent and remove the most polluting taxis from our roads, has helped achieve significant air quality improvements ahead of the ULEZ expansion in 2021. As a result, an estimated 300,000 Londoners will be saved from diseases attributable to air pollution, such as lung cancer, with a cost saving to London's NHS and social care system of around £5bn.

We are also making strides in reducing carbon emissions across all our operations, from delivering the UK's first bus routes to only use electric double-decker buses to installing energy efficient lightbulbs across our estate. White Hart Lane station, for example, includes solar panels on the roof and the mains supply is resourced from 100 per cent renewable energy.

In addition, our recent work installing regenerative braking on the Central line has seen 1,700 tonnes of carbon emissions reduced each year. We are also working

on the Mayor's commitment to increase tree cover, install sustainable drainage along highways and deliver biodiversity net-gain, helping protect and improve the natural environment, through our major projects.

Walking and cycling **Cycleways**

We continue to make good progress in developing the wider Cycleways network and have now constructed 162km since 2016.

We have tripled the amount of protected space for cycling across London since 2016



On 27 February 2020, it was confirmed that we have met the Mayor's target to triple the length of protected cycle network since 2016, with over 100km of protected space delivered in that time.

Cycleway 5

Baylis Road now has protected tracks installed in each direction and is the final section of Cycleway 5 between Clapham Common and Waterloo to be completed. The route will be launched during this summer. Construction has also started at the junction of Tanner Street and Druid Street to introduce safety improvements and a connection between Cycleway 4 (between Tower Bridge and Greenwich) and Cycleway 14 (between Blackfriars and Canada Water).

Lambeth has also launched engagement on improvements at Rosendale Road which include the implementation of over 3km of protected space for cycling, 11 new zebra crossings and the planting of over 30 new trees.

Proposed improvements between Wood Lane and Notting Hill Gate

We continue to work with the London Borough of Hammersmith and Fulham to finalise plans for this section of the route, while developing a series of improvements for the section in the Royal Borough of Kensington and Chelsea to address concerns raised during the consultation. We are engaging with the

Royal Borough of Kensington and Chelsea and key local stakeholder groups to discuss these changes.

Cycleway 4

Cycleway 4, a high-quality Cycleway route from Tower Bridge to Greenwich, is progressing well with the construction work. Good progress has been made along the A200 Jamaica Road and at Rotherhithe Roundabout, with 90 per cent of work now complete at the roundabout. Works for these sections are on track to be completed by May 2020.

The Greenwich section of the route along Creek Road is progressing as planned and is due to be completed in time for summer. We are still preparing plans and seeking road space with a view to start construction for the remaining section along Evelyn Street in May 2020. Southwark Council published the consultation report for the Lower Road Gyrotory section of the route in February 2020.

Cycleway between Kensington Olympia and Hounslow

On 12 December 2019, we began enabling works at Kew junction to construct a substantially segregated cycle track from Kensington Olympia to Hounslow. Main works started on 22 December 2019, including successfully removing all six islands at Kew Bridge junction.

Cycleway between Hackney and Westferry

Detailed design for the first section of Burdett Road has been completed and the detailed design for the remainder is progressing well. The advanced works, which started on 28 November with the relocation of a cycle hire station, CCTV cabinets and utility diversions, were completed on 10 January 2020.

Discussions are continuing with the London Borough of Tower Hamlets to agree the start date for main construction works, which were postponed from January to discuss some local access requirements and coordination with adjacent utility works.

We are continuing to work closely with the borough to coordinate plans for the Grove Road section of the route with their proposed Liveable Neighbourhood scheme in the same area. The northern section of the route is being delivered by the London Borough of Hackney and we are working with them to explore options with the hope of being able to start construction of this section in spring 2020.

Future Cycleway routes

Design work continues on several major new cycle routes identified in the 2017 Strategic Cycling Analysis. Public consultation concluded on 16 February for the first phase of the Cycleway between Greenwich and Woolwich, which is

proposed to extend Cycleway 4 from Tower Bridge to Woolwich. We plan to publish the consultation report in summer 2020.

On 10 February 2020 we published the consultation report for the first phase of the Cycleway between Dalston and Clapton, with the route eventually planned to extend to Lea Bridge. Construction for the first section is planned to begin in spring 2020.

Early public engagement has recently taken place on proposed Healthy Streets improvements between Wembley and Willesden Junction and the feedback is being used to help design future proposals, which we hope will be consulted on in late 2020 or early 2021.

Cycleway between Camden and Tottenham Hale

We are continuing to review designs and modelling to explore what may be technically feasible at several constrained locations along the route and are engaging with relevant local councils regarding proposals ahead of a potential public consultation later this year.

Mini Hollands

The Mini-Hollands programme involves 98 infrastructure schemes and five behaviour change schemes across three outer London boroughs – Waltham Forest, Enfield and Kingston. Thirty two of the 103

Mini-Holland schemes are now complete, including the A105 Green Lanes scheme, a five-kilometre protected cycle route linking Enfield Town to Palmers Green (Cycleway 20) and a five km protected Cycleway in Waltham Forest between Whipps Cross and Millfields Park (Cycleway 23). By summer 2020, Waltham Forest will complete their Mini Holland funded programme.

Schemes currently under construction include protected cycle routes on Wheatfield Way in Kingston, the A1010 in Enfield and an extension of the Waltham Forest's flagship Lea Bridge Road Cycleway from Whipps Cross to Waterworks roundabout. Further schemes are progressing through design and consultation, including several cycle links and Enfield's Quieter Neighbourhoods.

Supporting women into cycling

On 6 March 2020, we marked International Women's Day by launching a new campaign, titled "Cycle Your City" which will run throughout 2020 to encourage more women to take up cycling. A series of events and workshops will also be announced later this year in May as part of the campaign.

Women are underrepresented among Londoners who cycle, with only 13 per cent of women in London who know how to ride a bike currently cycling. The

campaign will allow us to work with a diverse group of women and organisations to build an in-depth picture of women's experiences of cycling across the capital.

We are also launching a search for ambassadors who can help inspire other women through cycling in 2020. We are seeking a range of voices – from complete novices keen to try cycling, to more experienced riders to share their personal stories about cycling in London.

Encouraging cycling in Kingston-upon-Thames

On 17 February 2020, we launched a new campaign to encourage cycling within the Royal Borough of Kingston-Upon-Thames. Go Cycle Kingston (Mini-Holland) is a major £32m infrastructure transformation project with a network of Cycleways running into the town centre from key locations across the borough. It is designed to upgrade Kingston's major highway routes to accommodate the latest cycling infrastructure, while improving the flow of road users and people walking and cycling and enhancing the environments through which they travel. The campaign provided customers with information about the network including features of each route. The campaign was promoted through posters, leaflets, face-to-face activity, emails and social media.

Santander Cycles

Celebrating 10 years of cycle hire in London

This year we are celebrating the 10th anniversary of Cycle Hire in the capital, Santander.

To mark this occasion, we are running a series of events, competitions and offers throughout 2020. On 4 February, we announced our first winner, Sakhr Al-Makhadhi – an enthusiastic cyclist from Harrow – who was among the first to take part in the scheme when it launched a decade ago. He has been rewarded with a free annual membership and a Santander Cycle named in his honour.

We are keen to hear from people who hired the cycles within the first year of the scheme, have completed the most journeys or who have a unique story to share.

The 10th anniversary comes as a record 709,000 Santander Cycles were hired in January 2020, which is the best start to a year in the history of our Cycle Hire scheme.

Safer Junctions

In April 2017, the Safer Junctions list highlighted the 73 most dangerous junctions on our road network (defined as those with the highest vulnerable road user collision rates between 2013 and 2015). Following completion of Highbury

Corner in September, we have now constructed 31 of these junctions and all of them have had mitigation measures introduced to reduce road danger. Construction of Camberwell town centre Safer Junction began in October 2019 and work at Rotherhithe roundabout as part of Cycleway 4 is now complete.

In addition, construction has recently started at the following sites:

- Kennington Park Road/Braganza Street
- East India Dock Road/Birchfield Street
- Edgware Road/Harrow Road
- Edgware Road/George Street
- Dalston Junction (Kingsland Road/Balls Pond Road)
- New Kent Road/Harper Road
- Clapham Road/Union Road
- Britannia Junction (Camden)

The programme is currently on target to complete 41 junctions by May 2020, in line with the Mayor's Vision Zero commitment – although there are challenges to be overcome in relation to concerns raised by stakeholders during consultation at Camden Road/Camden Street, and the complexity of traffic management and statutory undertakings at Holloway Road/Drayton Park.

Old Street roundabout

Construction is progressing at Old Street roundabout, where a new design will bring safety improvements for people walking and cycling by providing new and improved crossings, fully segregated cycle lanes, and a new public space with an accessible main entrance to the Underground station and the shopping arcade.

Following the temporary traffic switch in May 2019, which closed the southeast arm of the roundabout, the main works are

under way, with construction of the new station entrance to Old Street station near to Cowper Street set to be complete in summer 2020. Excavation is underway to enable construction of the base slab, side walls and roof. Other associated highways and drainage works in the southeast arm of the roundabout are also progressing.

This spring, a second temporary traffic switch is scheduled to take place to reopen the southeast arm of the roundabout and close the northeast arm.

We continue to reconfigure key parts of our road network to improve road user safety and make it easier for people to walk and cycle



This will enable completion of the station roof strengthening works. In summer a final traffic management switch will take place to reopen the northeast arm of the roundabout and permanently close the northwest arm facilitating the construction of the new public space, new customer and goods lifts and a new main station entrance to Old Street station in the peninsula area.

Completion is currently scheduled for autumn 2021.

Highbury Corner

Construction is substantially complete for the major reconfiguration of the road network and removal of the gyratory at Highbury Corner. Installation of new hostile vehicle measures outside Highbury & Islington station will later this year following approval from Network Rail. Snagging and defect works are scheduled to be completed by June 2020.

Vauxhall

The project has been delayed since the interfacing developer's planning application was called in by the Secretary of State for Housing, Communities and Local Government in May 2019. Following the Inspector's report, published in February 2020, the Secretary of State's decision is anticipated this summer. We will be going out to tender for the design and build contract if we have a positive outcome from the planning decision.

King's Cross and Euston Road

Safety, cycling and walking improvements are being delivered in phases in the King's Cross and Euston Road area.

Safety improvements for the Duke's Road and Churchway junction on Euston Road will be the first phase. Proposals include a 'green man' pedestrian crossing across both Churchway and Duke's Road and provision of safer north-south movements for people cycling. The sequencing and scope of other phases of work at Kings Cross is being reviewed, taking the outputs from recent design workshops. Advanced works for phase one started in 9 December 2019 and main works began on 10 February 2020.

Lambeth Bridge North and South

The scheme provides a significant upgrade for the safety and comfort of people walking and cycling, by removing the current roundabouts on both the North and South sides of Lambeth Bridge replacing them with new signal-controlled junctions. On the majority of approaches the proposal includes segregated facilities for cyclists with dedicated cycle phases at the junction and new signal-controlled pedestrian crossing facilities. Survey and design work are progressing to facilitate the detail and specification required for the new waterproofing, drainage and expansion joints on the bridge deck.

We have concluded our discussions with Westminster City Council about its response to the 2017 public consultation and having reduced the number of proposed banned traffic movements, have now received its support. The design amendments and proposed way forward was published on 5 March 2020 alongside the consultation report. Work will now progress to finalise the concept design, and subject to approvals, detailed design will start in November 2020.

Wandsworth gyratory

The purchase of properties from landowners on Putney Bridge Road is

progressing, with the purchase of the remaining three properties expected to complete by spring 2020. The revised scheme layout in Armoury Way has been completed with the design refinements requested by the London Borough of Wandsworth. The intention is to procure a detailed design and build contractor via the Civils Project Framework. Detailed design remains on track to run in parallel with the Compulsory Purchase Order process to follow this. Subject to approvals, we plan to start construction at the end of 2021.



Direct Vision Standard

The Direct Vision Standard was created to improve the safety of all road users, particularly the most vulnerable, such as people walking, cycling and riding motorcycles, by reducing vehicle blind spots.

The registration element, enabling operators to apply for a heavy goods vehicle (HGV) Safety Permit online, was successfully launched on 28 October 2019. This gives operators a full year to prepare and apply for a permit ahead of the October 2020 enforcement date. As of February 2020, we have issued more than 14,000 HGV Safety Permits. Operators

who fail to meet new minimum safety standards and obtain a permit will be issued a penalty charge of £550 a day for driving in the capital once enforcement begins on 26 October 2020.

Rotherhithe Tunnel

Concept design for the refurbishment of the Rotherhithe Tunnel is progressing to plan and is due to be completed this summer. A separate work stream to install additional protective measures at the tunnel entrances, to prevent over-height vehicles entering the tunnel has started and is planned to be operational by summer 2020.

An artist's impression of what the Rotherhithe to Canary Wharf ferry service could look like



Hammersmith Bridge

We have committed £25 million to progress the concept design for the bridge replacement, together with advanced works which are progressing to plan. While this activity continues, we will work with the borough to provide greater clarity on the likely final cost and where the balance of funding will come from. We are also progressing with plans to build a temporary foot and cycle bridge alongside the main bridge. The intention is that pedestrians and cyclists can be moved off the main bridge to speed up the repairs to the structure.

Rotherhithe to Canary Wharf Ferry

On 6 March 2020, we released the first artist impression of what a new proposed ferry between Rotherhithe and Canary Wharf could look like. The new service would provide a “turn up and go” service across the Thames and encourage more walking and cycling across London by linking directly into local walking and cycling routes such as the Rotherhithe Cycleway along Lower Road and Rotherhithe Street.

To support the next stage of work, we have appointed the consultants, Steer, to assess different operating models on how we could run the service, including whether sponsorship and subsidy of the service could be used to make it free to customers.

A second public consultation, seeking feedback on the final design options for the piers, ferries and how it will connect with the local area will be carried out later this summer.

Bus driver facilities

Providing bus driver facilities aligns with the Mayor’s Transport Strategy by ensuring that the bus network is operationally efficient and reliable. It ensures that our bus drivers have basic human facilities and helps improve the service to our customers by avoiding the need for unscheduled, mid-route stops, which can cause delays. In addition, it also removes the risk of potential distractions for bus drivers, helping to ensure that they can drive safely.

Most of these new facilities will be standalone permanent toilet units, adjacent to the bus stands where they are required. Where possible we are adapting existing infrastructure to ensure integration with the local environment.

Good progress has been made since the Mayor announced increased funding for bus driver facilities in February 2018. Over the last four years we have made significant progress in improving the conditions and attractiveness of the role for London’s bus drivers. Since March 2018, we have delivered new toilets on 48 priority bus routes meaning that drivers on all bus routes now have access to a

toilet. We are further developing our programme and will continue to provide new toilets where changes to provision creates a priority, as well as continuing our renewal programme of bus driver mess rooms.

Bus driver retention

On 14 February 2020, the Mayor announced plans which will see around 20,000 London bus drivers receive a retention payment of up to £1,600 as part of plans to ensure the capital's transport network continues to be served by a skilled and highly dedicated workforce and help tackle turnover rates in the first three years of a bus driver's career.

All drivers will also receive a minimum rate of pay from April 2020 drivers of £25,535 a year. We have also introduced the Licence for London and reviewed the process for Transfer of Undertakings (Protection of Employment) (TUPE) processes to make it easier for drivers when moving between companies in London.

Bus priority lanes

We have completed two schemes on our Road Network so far this year at A503 Seven Sisters Road, and the A10 Kingsland Road in Hackney.

Works at A21 Tweedy Road began in January. A23 Brixton town Centre, A2 Old Kent Road, A40 Greenford Roundabout

and phase two of the A406 Madeley Road projects will all start in February and be completed before the end of March.

We have also completed the delivery of 108 from 135 traffic signal technology projects throughout London including 'Call Cancel' and 'Bus Differential' efficiency improvements.

We continue to work with the boroughs to progress delivery of over 100 bus priority schemes on their road network this financial year.

Local Implementation Plan Major Schemes

Blackhorse Road and Forest Road

The London Borough of Waltham Forest began construction in June 2019. Works are currently progressing to programme and within budget and are expected to be onsite for 12 months.

West End Project

The London Borough of Camden has completed most of the works on Tottenham Court Road, which is now operating two-way (buses and cyclists only southbound). Works are currently onsite at Gower Stand Princess Circus and are scheduled to finish this summer.

Feltham town centre

The London Borough of Hounslow's works to the high street and Network Rail's station improvements are both progressing alongside our contribution

towards improving the town centre and high street, which are due to complete by the end of March 2020. Some elements of the overall scheme at the station, which are under the control of Network Rail, have been delayed and the date for overall completion has been revised from November 2019 to late 2020.

Camberwell town centre

Improvements on the A202 corridor through Camberwell are being progressed through the Local Implementation Plan Major Scheme programme but are being delivered by TfL. Works began on site in November 2019 and the entire scheme is planned to be complete by May 2020. This includes a Safer Junction at Camberwell Green.

Healthy High Streets funding

On 24 January 2020, we announced that we are working with borough council partners to enhance high streets in six locations across London. Together we are using creative low-cost ideas from local communities to improve busy high streets in Barnet, Croydon, Islington, Southwark, Tower Hamlets and Wandsworth to create better environments for local areas. The first six locations to receive Healthy High Streets funding are below.

Hendon Central, Barnet

New decorative 'Welcome to Hendon' signage will be installed along with additional cycling parking, new trees and

refreshed planters around Hendon Central station.

Thornton Heath, Croydon

New trees have been planted and street furniture painted and in addition TfL and Croydon Council are working together on local branding for the area.

Holloway Road, Islington

TfL and Islington Council will work together closely on ideas from residents and businesses to improve the area around Nags Head. TfL also plans to paint street furniture such as electrical cabinets to promote links with the local area.

Peckham High Street, Southwark

The high street will be cleared of clutter and new trees and planters will be added to help green the local area. These improvements are in addition to proposed measures to reduce road danger along Peckham High Street, which include wider pavements, improved pedestrian crossings and reduced speed limits. We will consult on these measures later this month.

Whitechapel High Street, Tower Hamlets

The market area will be improved with better lighting, new stall coverings, wayfinding signs, enhanced seating and TfL will investigate repairing the existing water fountain.

More than 79 per cent of vehicles entering the Ultra Low Emission Zone are compliant



Tooting High Street, Wandsworth

New wayfinding will be installed to help people find both local markets and street furniture such as electrical cabinets will be painted to promote links with the local area. Work on a scheme to introduce a 20mph speed limit to Tooting town centre is set to begin in May 2020, while improvements to pedestrian crossings in the area will start in the autumn.

London FreightLab

We have recently launched London FreightLab - a challenge which asks innovators to think creatively about how to make the best use of available land in Greater London to reduce the adverse impacts of freight and servicing activity, including increased congestion, the impact on vulnerable road users and reduced air quality.

We are working with 10 forward thinking industry partners involved in the freight and logistics sectors who together will

select up to six innovative ideas to test in London, providing land sites and subject matter expertise during the pilot stage.

Improving air quality

Rapid charging infrastructure

To support the growing number of zero emission capable taxis and the wider take-up of electric vehicles, we are spending £18 million and working with the boroughs and other organisations to build a network of rapid charge points across London. The total number of charge points installed is currently 247 and we are on track to achieve 250 by the end of March 2020, which will be a significant step towards our target of having installed or supported the installation of 300 rapid charge points by December 2020.

At present, there are more than 3,000 zero emission capable taxis licensed in London. Of the rapid charge points that have been installed under this scheme, 73

are dedicated to taxi use. We are working with the taxi trade to identify the most favourable locations and are focusing on the central London charging zone for taxi-dedicated sites following feedback from the taxi trade.

Following the first rapid charge point hub site supported by us and run by operator Engenie going live with six publicly accessible points on 28 December 2019 - at the Stratford International station car park - we are also developing designs for two further hub sites; one in Greenwich and another in the City of London, which we expect to complete later this summer. These hubs will consist of a cluster of rapid charge points to support both taxi and public electric vehicle users. We are also in discussion with third parties about the possibility of supporting further potential hub sites.

ULEZ

Compliance with the scheme continues to increase. In January 2020, it was 79.1 per cent, which is significantly higher than 39 per cent in February 2017 and 61 per cent in March 2019. This data shows that we are ahead of our expectations that 79.2 per cent of vehicles would be compliant with the scheme after one year of operation.

A report published on 26 February 2020 into the impact of the Mayor's bold action to tackle London's air quality crisis has shown that by 2050 the Mayor's air quality

policies – which include the ULEZ, Low Emission Bus Zones and no longer licensing new diesel taxis – are predicted to result in almost 300,000 Londoners being saved from diseases attributable to air pollution, such as coronary heart disease, lung cancer and dementia. This is a reduction of around one in every four air pollution-related diseases.

The policies deliver a cost saving to London's NHS and social care system of around £5bn and one million fewer new air pollution related hospital admissions in London. Research by King's College London found that, if the Mayor had not implemented a series of hard-hitting measures to tackle pollution, London's air would not come into compliance with legal limits for another 193 years. However, with the Mayor's tough air pollution measures, the analysis indicated that London's air is set to reach legal limits in 2025.

Van scrappage scheme launched

On 22 January 2020, the Mayor increased the support offered by the van scrappage scheme by opening it up to small businesses with 50 or fewer employees and doubling the payment available to £7,000 with £9,500 now available to those switching to electric vans.

The increased funding will enable more van owners to switch to cleaner vehicles, while helping businesses prepare for the

expansion of the ULEZ up to the north and south circular next year, and the tightening of the London-wide Low Emission Zone standards this October.

The announcement was supported by an integrated communications campaign, which included radio, digital, posters, local, London-wide and some national press, face-to-face engagement, leaflets, stakeholder engagement, and emails.

ULEZ Expansion 2021

The ULEZ Expansion project enlarges the central London ULEZ up to the North and South Circular roads. The Mayor announced the scheme on 8 June 2018 for delivery in October 2021. The project is now in a detailed design phase with work ongoing to define the system, infrastructure and operational requirements and progress the necessary supply chain commercial agreements that are required.

From 25 October 2021 the ULEZ boundary will be extended to create a single larger zone bounded by the North and South Circular Roads. Design is under way with the project team currently defining the system, infrastructure and operational changes required to enable a successful launch in October 2021.

On-street surveys have been undertaken to inform the development of on-street infrastructure design. Some new, non-

standard, signs will be required; the designs for these have been completed and submitted to the Department for Transport (DfT) for approval. Traffic modelling has been completed and a number of borough workshops have been held to share and discuss findings. We are working closely with the Information Commissioner's Office to ensure alignment with General Data Protection Regulations (GDPR) and have submitted our draft Data Protection Impact Assessment. In addition, to support a successful launch a comprehensive marketing and communications plan is being developed, which will also promote the ULEZ van scrappage, and car and motorcycle scrappage schemes.

The strategy and proof of concept phase for migrating existing systems from physical infrastructure to a cloud service to manage ULEZ Expansion volumes was completed in December 2019. Transaction volume forecasts for the expanded zone have been reviewed, revised and baselined. Cloud migration detailed design is under way and the first phase of work to configure the new cloud platform is due to complete this July.

Survey work for the camera and the signage infrastructure work streams is under way and the signage designs have been completed and approved by the DfT. Engagement with boroughs is in progress

and work continues to develop marketing and communications plans.

Low Emission Zone 2020

The existing Low Emission Zone (LEZ) standards will be made tighter from October 2020. The emission standards for lorries, vans and other specialist vehicles over 3.5 tonnes as well as for buses, minibuses and coaches over five tonnes will change from Euro IV to Euro VI. Owners of vehicles not meeting the tougher emissions standards will need to pay a daily charge to drive within the LEZ.

A joint marketing campaign for both LEZ 2020 and the HGV Safety Permit Scheme was launched in October 2019. This was supported by the successful launch of a joint Vehicle Registration checker, also in October 2019, targeted at HGV drivers for both LEZ 2020 and the HGV Safety Permit Scheme. Work is progressing on the development of the TfL website update and the business and enforcement operations system development and testing necessary to prepare for the launch of the scheme in October 2020. These activities are planned to complete by July 2020.

90 per cent of our bus fleet is now ultra-low emission



Cleaning our bus fleet

The ultra-low emission proportion of our bus fleet is now 90 per cent as our programme to retrofit mid-life buses and replace older vehicles with new, nears completion. We expect to raise all remaining vehicles to this standard or better by autumn this year.

Route 94 became west London's first all-electric double-deck route on 17 February, operating between Acton Green and Piccadilly Circus.

We now have 230 electric vehicles in our bus fleet and expect up to 200 additional zero-emission buses by the end of 2020. The next routes expected to go live over the following six months will be the 23, 106, 212, 230, 323, 357, 444, C10 and P5, making it one of the largest electric fleets

in Europe. The new buses are liked by many customers for being quieter, cleaner and having new features like USB charging points – helping us raise customer satisfaction too.

Reducing our energy consumption

We are working to reduce energy consumption across our network through energy efficiency. We are preparing to deliver an enhanced programme of LED lighting upgrades in 2020/21 across London Underground stations, depots and TfL's streetlights.

London Overground has installed LED lighting across all stations on the West Anglia lines resulting in a reduction in energy use of around 12 per cent for each station. In addition, three electric vehicle charging points have been installed at their New Cross Gate Depot.

Keolis Amey Docklands, which operates the DLR, has installed electric charging points at Poplar with four electric vans brought into use to help support DLR operations. More charging points will be installed throughout 2020.

The re-lamping of Greenwich Power Station's gas turbine hall has been completed. Ninety high pressure sodium lamps were replaced by LED lamps that are reducing lighting power demand by 60 per cent, equating to a saving of around £10,000 per year. Maintenance and

hazardous waste costs will reduce too as the sodium lamps require replacement every two years, whereas the new LED lamps have a minimum lamp life of five and half years.

The waste heat from London Underground's ventilation shafts has the potential to be used to heat nearby buildings. On 5 March 2020, in partnership with the London Borough of Islington, and together with the Mayor, we launched the Bunhill 2 Energy Centre which takes waste heat from Northern line tunnels to heat local homes, a school and two leisure centres. We have also undertaken a study on 56 vent shafts to assess the potential of each for waste heat export. We have completed detailed technical feasibility studies on the top six sites and are developing our strategy to bring feasibility studies of other potential sites forward. In addition, brand new trains which make use of regenerative braking have replaced old diesel rolling stock on TfL Rail and London Overground. These recycle energy back into the network which helps increase energy efficiency.

Our Network Management Control Centre operates 24 hours a day to help keep London's road network moving



On 3 February 2020, we also reached a major milestone in support of The Mayor's London Environment Strategy and Solar action plan, as the first solar panels were successfully installed on the roof of the Tunnelling and Underground Construction Academy in Ilford and will be operational later this year.

This milestone marks the beginning of the installation of solar photovoltaic panels across our estate, delivering solar-generated, zero-carbon electricity.

This installation is an example of TfL-wide collaboration as we build momentum for the wider solar programme.

Dial-a-Ride

The roll-out of 166 new ultra-clean Dial-a-Ride minibuses is underway with 61 of the latest specification vehicles now in service. These have been ordered to enable us to operate uninterrupted door-to-door services for passengers with the greatest accessibility needs in the enlarged ULEZ from 2021. This follows an earlier order for 90 vehicles to comply with ULEZ from April this year.

The most recent vehicles have enhancements like autonomous braking at low speed, better CCTV, improved heating and air conditioning to improve comfort and more tinted windows to reduce glare. These newest buses have also been modified to make them easier to access for passengers with new hand rails at the front door and saloon area, and an easier to deploy and stow away ramp at the front door. We are 50 per cent of the way to retrofitting the first 90 buses with these modifications.

Encouraging behaviour change Car Free Day 2019

The central London Car Free Day event, Reimagine, took place on 22 September 2019 with an estimated attendance of 70,000 people, and an in depth, evaluation report was commissioned to analyse the impact of the event.

Sixty-five per cent of Londoners surveyed immediately after last year's Car Free Day say the events inspired them to use the car less. The follow-up survey done three months later showed that 98% of

attendees support the event being held in London every year.

Activities were held across more than 27km of closed streets in central London including Tower Bridge (closed to all traffic), London Bridge (buses only) and much of the City of London. We also worked closely with boroughs to promote participation, and local events took place across 27 boroughs, with 385 Play Streets - almost double the target of 200. A free promotional code giving people across London free cycle hire for 24 hours resulted in a record 1,373 redemptions – the highest of any day code in the history of TfL’s Cycle Hire scheme.

The Reimagine event was recently awarded the ActTravelWise award for best campaign of 2019 and has also been shortlisted under the Excellence in Travel Information and Marketing award for the London Transport Awards.

This year the Mayor’s central London Reimagine event will take place on Sunday 20 September 2020.

What Matters campaign

We continue to encourage Londoners to travel using sustainable modes. On 31 January 2020, we launched a second round of activity as part of our ‘What Matters’ campaign. The campaign continues to communicate the benefits of

using public transport and active travel and features several new messages, including exploring our safer cycleways and night time service improvements. The campaign includes an advert that has run in cinemas and on video on demand as well as on posters across our network and other key sites in London. Customer research results from the initial September 2019 launch indicated strong campaign awareness as well as increases in the number of people who strongly agree that the advertising ‘makes me want to use public transport and active travel more’.

Heathrow Airport expansion

The Court of Appeal handed down its judgment in the Heathrow judicial review appeals on 27 February 2020. The Mayor was a claimant and TfL was an interested party alongside five boroughs and Greenpeace. Two other challenges brought by Friends of the Earth and Plan B on climate change grounds were heard at the same time.

The Court found that the Secretary of State acted unlawfully in failing to take into account the Paris Agreement on Climate Change when preparing and designating the Airports National Policy Statement (ANPS) which supports a third runway at Heathrow.

The Court ordered that the ANPS has no legal effect unless and until the

Government reviews it to take into account the Paris Agreement.

The Government has accepted the Court's decision and did not seek permission to appeal. Two interested parties, Heathrow Airport Limited and Arora (who own land and hotels in the perimeter of Heathrow Airport), have sought permission to appeal to the Supreme Court.

Liveable Neighbourhoods

The Liveable Neighbourhoods programme is a key part of the Mayor's Transport Strategy, which aims to create locally-led, attractive, healthy and safe neighbourhoods that encourage walking, cycling and public transport use and reduce car journeys.

Over the past six months, early works began on Essex Road in the London Borough of Waltham Forest and they have also progressed through stage gate three, meaning detailed design is now underway. Public consultation was launched on the West Ealing and Deptford Parks projects.

Nineteen bids were received as part of the third bidding round and so the assessment period is underway. Successful bids are expected to be announced on 20 March 2020.

Encouraging active travel

At an event on 16 March 2020 with the Mayor's Walking and Cycling

Commissioner, Will Norman, we published three tools: the Strategic Walking Analysis, the Planning for Walking Toolkit, and the Strategic Active People Analysis to enable better design for walking and physical activity and provide an evidence-based approach to inform investment for projects and programmes. These three tools will help encourage the behavioural shift required to meet the ambitious target of 80 per cent of journeys to be undertaken by active, efficient and sustainable modes by 2041.

Our Planning for Walking toolkit brings together a range of tools that we have developed over recent years that can be used to inform design briefs that shape the walking environment across urban streets. The toolkit is structured to provide planners and designers with a list of options for collecting and assessing data that can then be used to inform design decisions which impact on the walking environment.

Our Strategic Walking Analysis tool provides detailed insights on walking, building on our Travel in London reports. It also outlines how the datasets have been derived and how the data can be used. The data provides an evidence-base to inform and support decision making for walking projects and programmes by helping to identify where investment could unlock more walking.

The Strategic Active People Analysis makes the case for further investment to support Londoners to achieve the 20 minutes of active travel each day that is recommended for health. It references the Strategic Walking Analysis and Strategic Cycling Analysis as tools for identifying locations for investment and describes the 'near market' of Londoners who have the highest potential and propensity to switch to more active modes of travel in the short-term. It also summarises the findings from our recent qualitative research which prompted Londoners to try fitting 20 minutes of active travel into their daily lives and sets out recommendations for how the findings of the research can be used.

TfL and Bosch corporate innovation partnership – Brixton air quality and road safety trial

As part of our work to improve London's air quality we have recently installed air quality monitors around Brixton town centre in partnership with Bosch and Lambeth Council.

Data from these sensors alongside Bosch's emissions data modelling capabilities will allow us to evaluate more effectively how changing traffic signal timings could help reduce localised emissions and help make areas more pleasant for people walking and cycling.

As part of our efforts to reduce the number of road incidents in London, working with Lambeth Council and Bosch, we have installed two cameras to better understand road user behaviour at the pedestrian crossing outside Brixton station.

Footage from these cameras, which are set to ensure privacy of individuals recorded, will enable us to identify when incidents and near misses occur, and consider, trial and evaluate innovative solutions to improve road safety.

This innovative project, a world first, to explore the capabilities of using artificial intelligence and camera data to assess road safety is part of our Vision Zero approach and will run for approximately two months.

Surface technology

This programme is responsible for overseeing strategically important technology projects within our five-year business plan and to provide a structure for all future technology projects being delivered by the Surface transport directorate.

Surface intelligent transport systems

We are leading the way in delivering innovative new road traffic management systems to make journeys on foot, bike and bus, as well as essential emergency services and freight trips, as efficient as

possible. We are working with Siemens to develop the Real Time Optimiser system. This will manage the flow of people on London's road network by controlling the phasing of traffic signals using pre-planned timetables, manual interventions and optimisation techniques.

We have also recently finalised a procurement process and have appointed Sopra Steria as a new delivery partner, to work with us to design, develop and implement a new incident management system, which will help us to increase the speed at which we detect and respond to incidents on the road network.

Operational safety and compliance

We are developing a consolidated compliance and enforcement programme to support a more versatile Compliance, Policing and On-street Services operation. We are currently in the process of defining the project scope, with a view to confirming a delivery strategy next year.

This programme includes procuring more efficient systems and services to help TfL in licensing taxi and private hire vehicles, drivers and operators. We will ensure that business continuity is maintained and that our customers are protected and ensuring vehicles are safe, accessible and meet strict environmental standards. We issued a Supplier Questionnaire to the market in January 2020 and interested bidders have provided responses which we are in the

process of shortlisting. The second phase of this tender will be issued to the shortlisted bidders in April 2020 for them to submit their potential solutions.

Using data and artificial intelligence to assess demand on the network

The BBC filmed a news item in the Network Management Control Centre covering work we have been doing with Vivacity Labs. We have been working with Vivacity Labs to look at how we can make it much easier to assess demand for road space and improve how we operate the road network, both for investment planning and, more importantly, for real-time operations. Until now, we relied mainly on manual traffic counts which are carried out at limited locations on London's road network and are only able to give a snapshot of road use on the given day or time.

The sensors use artificial intelligence to evaluate video images to detect people walking and cycling and other types of traffic, including cars, HGVs, vans and buses. This will lead to a much better understanding of demand, where it occurs and how we can balance it. The data is gathered around the clock, which provides a significantly more detailed picture of how London's roads are being used by everyone 24/7. All video captured by the sensors is processed and discarded within seconds, meaning that no personal

data is ever stored. Forty-three Vivacity sensors are being installed at 20 central London locations for a two-year trial to understand the full range of capabilities the technology has to offer, as part of the wider Surface Intelligence Transport Systems programme.

ULEZ expansion traffic manager briefing

A strategic modelling exercise was undertaken to test the impact of ULEZ expansion on traffic behaviours and operational resilience of the North and South Circular routes, which will be the perimeter of the new expanded zone. Hosted by Alex Williams, the Director of City Planning, these technical briefing sessions were attended by the 15 boroughs to share the traffic modelling results for the boundary studies. General updates on camera and signage locations were also provided as part of the briefing. Borough stakeholders have responded positively to these sessions and have welcomed the opportunity to feed back to us. The next step is to share the detailed modelling report and offer one-to-one sessions with any borough which requests one.

Lane Rental, a revised scheme to support Healthy Streets

We have submitted our plan to revise London's Lane Rental scheme to the DfT. They will evaluate our proposals to extend the overall network from 56 per

cent to 72 per cent, incorporating charges on the 20 busiest footways, along with a range of suggested amendments to charging levels and increased opportunities for works promoters to avoid charges, or secure reductions through improved planning and high safety standards. Subject to approval from the DfT we will make the new scheme live this summer, following a three month notice period to works promoters.

Working together with London Cycling Campaign to improve traffic light timings

We will be asking London Cycling Campaign members to make suggestions for our annual traffic signal timing programme for 2020/21. Using our in-house GIS mapping system, we have devised an interactive web map where cyclists can enter their comments about traffic light junctions where a timing review could help improve journeys for cyclists. Every year, we review traffic light timings at more than 1,200 locations with the aim of improving their performance for people who walk, cycle and use buses and this new trial of a map-based system will significantly improve the way we receive feedback from road users.

Future-proofed roadworks collaboration on The Highway, Tower Hamlets

The Highway in Tower Hamlets is a key strategic link between Canary Wharf and

Westminster and so keeping disruption associated with roadworks to a minimum is important. Recently, Thames Water found a failed sewer under the eastbound carriageway and Cadent Gas also found multiple leaks along its westbound gas main – both of which needed urgent repair.

Working with the GLA's Infrastructure and Development Coordination Team, we have been able to use newly available data about utility companies medium- and long-term investment to identify there were also plans to provide new utility infrastructure here soon. This gave us a unique opportunity to deliver future investment at the same time as the urgent maintenance works (we carried out planned road resurfacing too) - future proofing the road against repeated roadworks.



5 A good public transport experience

Overview

To deliver the Mayor's Transport Strategy, over the last four years we have delivered investment to ensure public transport is an attractive option for all Londoners. Having the right services where needed and for these to be easily accessed, reducing crowding and keeping fares affordable, are all helping to minimise car dependency across London.

A key part of this has been our ambitious step-free-access programme to help improve accessibility for thousands of Londoners across the city. There are now more than 200 step-free stations across

our network. These include 79 Tube stations, 60 Overground stations, 23 TfL Rail stations and all DLR stations and Tram stops. Before 2016, 26 per cent of the Tube network was step-free. By spring 2024, which is when all the stations in the Mayor's accessibility programme will be complete, at least 38 per cent of the Tube network will be fully accessible.

Another significant milestone that helped improve mobility around London and made travel more affordable for millions of people was the launch of the Bus Hopper fare in September 2016. To date, there have been more than 430 million

We continue to deliver our accessibility programme and now have more than 200 step-free stations across our network



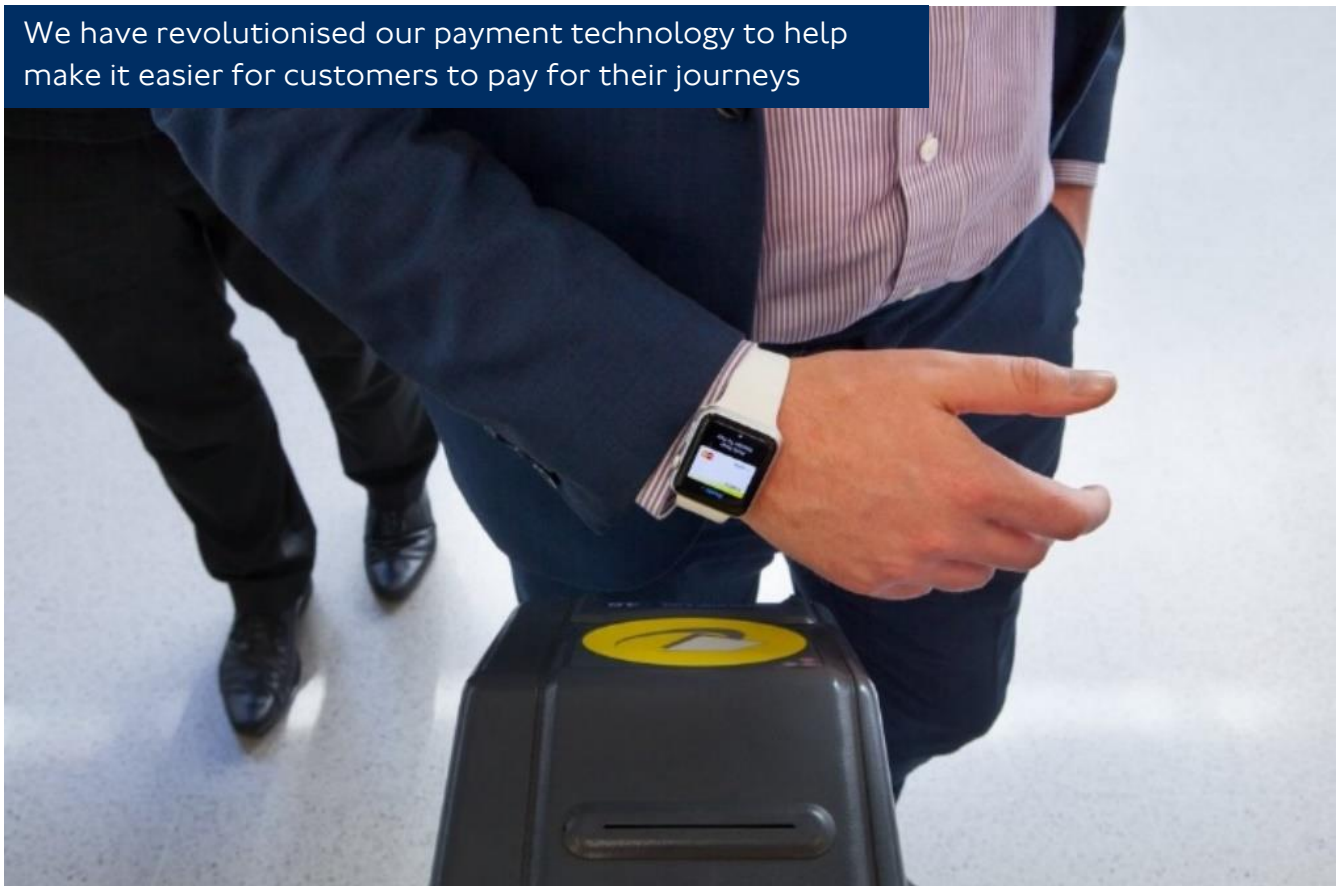
hopper journeys made, with just under three million journeys each week. Bus routes 18, 25 and 140 are some of the most popular routes where the hopper fare is frequently used.

We have also undertaken one of the largest modernisation programmes in the history of the London Underground. The highly complex Four Lines Modernisation programme is replacing a signalling system that stretches back to 1926 with modern digital signalling which will boost frequency and cut journey times on 40

per cent of the Underground network. We are also nearing completion of the Northern Line Extension, which will unlock a brand-new section of the city to new homes, jobs and a thriving community. In the past few years, investment in the Victoria line has seen it become one of the most frequent metro lines in the world, with a train every 100 seconds.

Through using the latest payment technology, we have revolutionised travelling in the capital, with demand for

We have revolutionised our payment technology to help make it easier for customers to pay for their journeys



pay as you go, particularly using contactless payment, continuing to grow and now being the most popular way to pay for travel. This has made it convenient and simple to use our services, with over three billion journeys made on contactless so far, with cards from over 145 countries used on our services.

Elizabeth line

On 27 February 2020, the Crossrail Limited (CRL) Board confirmed that it remains on schedule to open the central section of the Elizabeth line between Paddington and Abbey Wood in summer 2021.

Following the opening of the central section, full Elizabeth line services from Reading and Heathrow in the west to Abbey Wood and Shenfield in the east are planned to begin by mid-2022.

CRL continue to ensure health and safety remains its top priority as the project moves from completing construction works into ensuring the railway is ready for operational testing and passenger service. CRL has confirmed that it is making good progress on the routeway and installation of train software, as well as beginning the handover of the first shafts and portals. Focus remains on completing any remaining construction work, integrating the train software and completing extensive assurance of all assets before handover to us. CRL has reported that it expects all stations to be

ready during summer 2020 ahead of further testing of the routeway, and Trial Running due to get underway in autumn 2020.

CRL continues to work closely with Network Rail, with more than 90 per cent of works on the network now complete and passengers travelling on TfL Rail services between Paddington and Heathrow and Reading, and on services between Liverpool Street and Shenfield, benefitting from several station and accessibility upgrades.

To ensure we are fully prepared for the start of Elizabeth line services, the Managing Director of London Underground, Andy Lord, is actively coordinating all relevant teams within TfL and providing a clear overview of handover and our operational readiness.

Modernising the Tube

Upgrading the Circle, District, Hammersmith & City and Metropolitan lines

The Four Lines Modernisation project is one of the most important upgrades in the history of the Tube network. The first section of the new signalling system was introduced in 2019. In the last few months, the operation of the new signalling system has been extended from Latimer Road to Euston Square on the Circle and Hammersmith & City lines, from there to Finchley Road on the Metropolitan line,

We recently visited Goole in East Yorkshire to see the site where our new Piccadilly line trains will be built



and to Paddington on the District and Circle lines.

We have worked closely with our project supplier who has responded positively with a range of measures to improve track to train communications and other issues that caused some initial disruption for passengers.

Trackside works and software repairs took time to be implemented, however we are now seeing improvements. Further work is planned for implementation over the next three months. We have delayed the rollout of the system until all planned improvement works are complete, and we are working with our supplier to agree a new schedule for this.

When the signalling upgrade is complete in 2023, capacity will increase by a third across the four Underground lines, with increased frequency from 28 to 32 trains per hour and quicker journey times.

Bank station upgrade

Our work to upgrade Bank station will see capacity boosted by 40 per cent and includes creating a new Northern line tunnel, platform and circulation spaces, a new entrance on Cannon Street, the introduction of step-free access to the Northern line, additional interchange between the DLR platforms, and two new moving walkways between the Central and Northern lines to reduce customer journey times.

The construction of the new station entrance on Cannon Street is progressing well with the dividing walls for the operational rooms now complete. Fit out works are on track to start in spring, which will begin with floor finishes and cable route management systems.

We have completed constructing the platform walls and the first stage track bed in the new southbound platform tunnel. The structural works that will

The new roundels at Battersea Power Station are a major milestone for the Northern Line Extension



house the two new moving walkways for the Central line interchange tunnel are now complete. Preparation works for the final escalator barrel from the new interchange tunnel to existing DLR concourse have been completed, ready for tunnel excavation to start in spring 2020.

Apprenticeships launched to help build new Piccadilly line trains

On 10 March 2020, the Commissioner visited Siemens Movility's development site in Goole in East Yorkshire where our new Piccadilly line trains will be built. On the day, applications also opened for 12 new apprentices in Level 3 Rail Engineering who will start in September this year and spend their first year at college and four days a week on placement at Siemens Mobility traincare facilities, building up their practical skills and experience. Their third year will be split between working full-time at Siemens Mobility's new Goole facility for six months, followed by a six-month placement at the company's trains factory

in Vienna, Austria, where they will learn from colleagues in a well-established rail manufacturing operation.

The new Piccadilly line trains will serve the line from 2024 and will deliver faster, more frequent and more reliable journeys with air-conditioning and walk-through carriages.

Brixton station escalator upgrade

We completed essential maintenance on one of the escalators at Brixton station ahead of schedule. One part of the escalator was found to be wearing more quickly than expected during a routine maintenance check due to the escalator's heavy use; Brixton is one of the busiest stations on the Tube network. The work was due to take three weeks but was completed in just 10 days and reopened on 24 February 2020.

Escalators on the London Underground network are in use for around 20 hours each day and need to be regularly maintained to operate safely.

Mill Hill East station

Mill Hill East station became the 79th step-free London Underground station on 21 February 2020 with a new lift and link bridge delivering step-free access from street to platform. The lift, which can carry up to 17 people, now makes it easier for customers with mobility needs, buggies or heavy luggage to use the Tube.

The building work included the construction of a lift tower, clad in bricks selected to match the original Victorian station building, with a short bridge linking to the platform. As this is a station on the outskirts of the Tube network, the lift also helps to unlock our city for more of our customers.

Another 11 Tube stations will become step-free this year, meaning over a third of the Tube network will be fully accessible for customers with mobility needs.

Finsbury Park station

Following the successful opening of the western entrance of Finsbury Park station, we reached another significant milestone with the successful migration of the station's operations room on 27 January 2020.

The migration was complex, requiring extensive planning and coordination, internally and externally, to ensure a seamless transition in a challenging

timeframe while maintaining continuity for station operations.

Victoria station

At Victoria, we have built a new north ticket hall and 300 metres of subways. We have increased the size of the south ticket hall by 50 per cent. Step-free access to all platforms is now meeting the needs of the estimated 105 million customers who use the station each year.

The overall work on the station and surrounding buildings is largely finished, with the main contractor works now complete. The Duke of York public house re-opened to the public in December 2019 as planned.

A design study is under way to identify how best to use the space at ground level previously occupied by retail units (175-179 Victoria Street). Once we have a solution acceptable to Westminster City Council, we will identify delivery and funding mechanisms. In the meantime, we will take forward this initiative as part of the wider development of the Victoria Street island block.

Elephant and Castle station

We will provide a new station entrance and new Northern line ticket hall as part of a private sector re-development of the Elephant and Castle Shopping Centre. This will significantly increase station capacity to meet future demand. The developer

will construct a new station box as part of its scheme. We will contribute the fit-out of the ticket hall, step free access and tunnels connecting the ticket hall to the existing Northern line platforms. Future interchange with the Bakerloo line will be safeguarded within the construction of the new station box.

The concept design of the new ticket hall and its integration into the wider development are progressing. Engagement with the developer is focused on negotiation of the developer agreement and Section 106 agreement.

South Kensington

We are working with our joint venture partner, Native Land, to develop new commercial space and housing on land surrounding South Kensington station. This includes restoring the listed arcade.

As part of the proposals, step-free access from the street to the District and Circle lines will be provided. In February, we presented our proposals to the local community and stakeholders and will be submitting a planning application in summer 2020.

Northern Line Extension

The Northern Line Extension project includes a twin-tunnelled extension from Kennington to a new terminus at Battersea Power Station, via a new station

at Nine Elms. It is expected to be completed in autumn 2021.

We continue to make good progress on all work sites. Primary civils and structural works are complete. We are now focused on the fit-out of the new stations, installing the power supply and extending the signalling used on the Northern line into the extension.

At Battersea, the permanent connection into the Thames Water sewer has been made. Rather than closing Battersea Park Road, we decided to excavate a 25m hand-mined tunnel, in sand and gravel, under the road. The tunnel goes under a major gas main, water mains and high voltage HV networks. We completed the final breakthrough into the sewer at night when the water pressure could be reduced.

The signalling equipment room has been handed to the signalling contractor for fit-out and the first of many roundels within the station have been installed. In total, 113 roundels are being manufactured for installation at the two new Northern Line Extension stations – 62 for Battersea Power Station and 51 for Nine Elms. The new roundels, among the most recognised and imitated logos in the world, are being manufactured at family-owned AJ Wells & Sons Ltd on the Isle of Wight where London transport signage has been produced for generations.

Fit out and mechanical and electrical works within the basement of the Kennington Green and Kennington Park headhouses continue to progress well. At the surface, we have completed the installation of waterproof material over the top of the basement.

At Nine Elms, the external façade is changing rapidly. The first phase of reconstituted stone cladding has been fixed to the eastern superstructure. We will apply the same finish to the western superstructure. In addition, glass fibre reinforced cladding has been installed at

the ticket hall entrance. The ceiling, comprising golden aluminium tubes to make the architectural finish to the underside of the canopy, has been completed. Internally, the mechanical and electrical team has been progressing throughout the four station levels installing vast amounts of cable management hardware for the future station's power supply.

Barking Riverside Extension

We are delivering a new rail link to serve the 10,800 new homes that are planned for the Barking Riverside development

On 3 March 2020 the first new London Overground trains were introduced on routes into Liverpool Street station



area. We will build a spur from the Tilbury Loop line east of Barking, to extend our Overground service to and from Gospel Oak to Barking Riverside.

Our main works contractor has successfully completed over 90 per cent of piling works and over 50 per cent of viaduct pier walls have been constructed, with viaduct deck beams now being poured across the site. Underground unmapped utilities continue to frustrate the completion of the remaining piling which is affecting the to complete works. The project team is exploring ways to mitigate any delays through resequencing other construction activities.

By the end of January 2020, over half a million hours had been worked on the project without a lost time injury.

Bakerloo Line Extension

On 21 January 2020, the London Borough of Southwark approved its contribution of up to £7.5m towards the integrated single ticket hall at Elephant and Castle that will enable construction of the Bakerloo Line Extension station box. This contribution will be matched by £7.5m from the TfL Growth fund and is a key step on the way to extending the Bakerloo line to Lewisham, and potentially beyond. We will be releasing a report on results of the recent consultation on our extension proposals on followed by a report

outlining our response to issues raised in summer 2020.

DLR extension

The GLA recently held a 12-week consultation on proposals to support growth in the Thamesmead and Abbey Wood Opportunity Area. Thamesmead and Abbey Wood is one of the largest areas of opportunity in London. The draft OAPF supports the delivery of key physical and social infrastructure to the area, and the document sets out a range of growth scenarios and the transport infrastructure required to support the growth. As part of this, the Mayor has made a commitment to investigate the potential of extending the DLR to Thamesmead, via Beckton. Work through this OAPF shows that over 15,000 new homes and 8,000 new jobs could be delivered if the DLR was extended. The consultation on the OAPF closed on 10 March 2020, and once feedback to the consultation has been analysed, we will decide on how to take this work forward.

New London Overground trains on routes into Liverpool Street

On 3 March 2020, the first new state-of-the-art trains were introduced onto the London Overground from Cheshunt, Chingford and Enfield Town into Liverpool Street. The new electric trains will increase capacity by around 10 per cent, with customers benefitting from air-

conditioning, free Wi-Fi, real-time information screens, USB charging points and more wheelchair spaces.

The trains will run as four-car trains and, at peak times, will have the option to be connected and operate as longer eight-car units. It is expected all the new trains will be in service by the end of June 2020.

Improving customer service on London Overground

We listened to concerns raised by the trade unions around customer safety, and worked with Arriva Rail London, the operator of London Overground, which conducted a station-by-station review of the network, including consulting its staff for their views.

After a three-week consultation process, it was decided that ticket office opening hours will reduce at most London Overground stations. On 18 December 2019, South Acton and Bruce Grove reduced their hours as part of a phased roll-out plan.

For many of the busiest stations across the network, such as New Cross Gate, Walthamstow Central, Willesden Junction and Crystal Palace, there will be no changes to the operating hours of ticket offices. Stations with less busy ticket offices, such as Honor Oak Park and Carpenders Park, will have a staffed ticket office every weekday in the morning peak,

and staff will also be available for at least one day over the weekend.

The quietest ticket offices, such as Bruce Grove and Penge West, will retain a staffed ticket office every weekday in the morning from 07:30 until 10:00, so that they are staffed when customers need them most, ensuring a consistent set of hours across the network.

These changes reflect the way people now pay for their travel as many people choose to use contactless payments and mobile devices instead of paper tickets.

In parallel with the discussions on changes to ticket offices, the Mayor allocated £1m to invest in new technology to improve London Overground stations and make it easier for customers to get help when they need it. The new technology connects customers by video link to a member of staff who can help guide them through ticket purchasing and provide other assistance if needed.

Improving bus patronage Demand-responsive buses

There is rising patronage on our second demand responsive bus trial following its launch in the borough of Ealing, where up to 40 per cent of residents and commuters historically prefer to use their own cars or taxis. It can be booked for a flat-rate fare of £3.50 and £2 each for additional passengers, and operates from

06:00 to 01:00, seven days a week, covering a catchment area from Southall in the west to the North Circular, and the A40 down to Boston Manor in the south.

New bus routes launched

We continue to improve the London bus network. On 25 January, we saw the introduction of the new bus route 497 (from Hilldene Avenue in Harold Hill to Harold Wood station), the seventh new route introduced in the financial year. The other new routes were 301, 335, 278, 218, 306 and XI40 and routes 125 and 440 were extended. These service changes were supported with a combination of posters, local press, digital advertising and email marketing. The new XI40 limited stop route (from Heathrow Central Bus Station to Harrow Bus Station) was supported by advertising and the outside of the bus was designed to highlight key interchange stops along the route.

Woolwich Ferry

On 10 February 2020 we confirmed our intention to bring the operation and maintenance of the Woolwich Ferry in-house by the end of 2020. The aim of bringing the service in-house is to focus on improving performance, ultimately providing better service for the two million customers who use it every year.

We explored the options ahead of Briggs Marine's contract expiring on 31 March

2020. We concluded that moving the operation and maintenance in-house would bring a higher level of control and, by using our experience and resources, improve customers' experience.

We expect the transition to an in-house operation to happen by the end of the year, after the necessary preparation and employee consultation has concluded. To support this, we have agreed a short contract extension with Briggs Marine.

London Passenger Pier Strategy

Our London Passenger Pier Strategy was published in November 2019, providing strategic aims to support safe and sustainable growth in passenger journeys on the river. We are working with the Port of London Authority to identify options to support passenger growth as set out in the Thames Vision and we continue to work closely with them to maximise the output of the findings. The report is expected to be published in summer 2020.

River bus volumes have followed a steady growth trend over the years, contributed to by the opening of a number of new piers.

Innovator Cities collaboration

Together with the Mayor, we have signed an agreement with Los Angeles to become 'Innovator Cities', enabling greater collaboration to tackle some of

the biggest transport issues facing cities around the world.

Under this pioneering agreement, the cities will work together to develop innovation challenges, identifying where similar problems exist and making sure that solutions developed in either city can work elsewhere in the world.

The agreement will also give companies the opportunity to take part in 'start-up exchanges', to enable start-ups to pitch their ideas in both London and the City of Los Angeles. This will ensure both cities can benefit from the best and brightest ideas to their common issues.

The London FreightLab will be the first innovation challenge to test this approach; the winning innovators will be given the opportunity to pitch their solutions to the Mayor's Office for the City of Los Angeles for the opportunity to go and test their ideas in another global city.

High Speed 2

High Speed 2 (HS2) is the new high-speed railway currently under construction that will connect London to the West Midlands and the north of England. TfL's interface with the project comprises new infrastructure and operational facilities at Euston and Old Oak Common.



The government launched the Oakervee review in August 2019. It was published on 11 February 2020, alongside a recommendation from the Prime Minister that the project should proceed. The Oakervee review made several recommendations for the project. In the coming months we will work with HS2 Ltd and the DfT on how to address these, in particular the intention to use Old Oak Common as a temporary London terminus, as Euston will take longer to complete due to its complexity. We will continue to work with the DfT, HS2 Ltd and local authorities to explore new opportunities and mitigate potential risks to us and our customers.

We are establishing consistent ways of working with HS2 Ltd, its supply chain and across teams within TfL. The processes include: design development, work package delivery, technical assurance, communications, commercial procedures, requirements management, information management and project controls.

We are also working closely with the London Borough of Camden to develop a programme of strategic highways measures on roads surrounding Euston station in line with the Mayor's Transport Strategy and Healthy Streets approach. To date we have developed high level objectives and are shortly due to begin a series of stakeholder workshops to

capture local aspirations and inform design development.

London Borough of Culture 2020

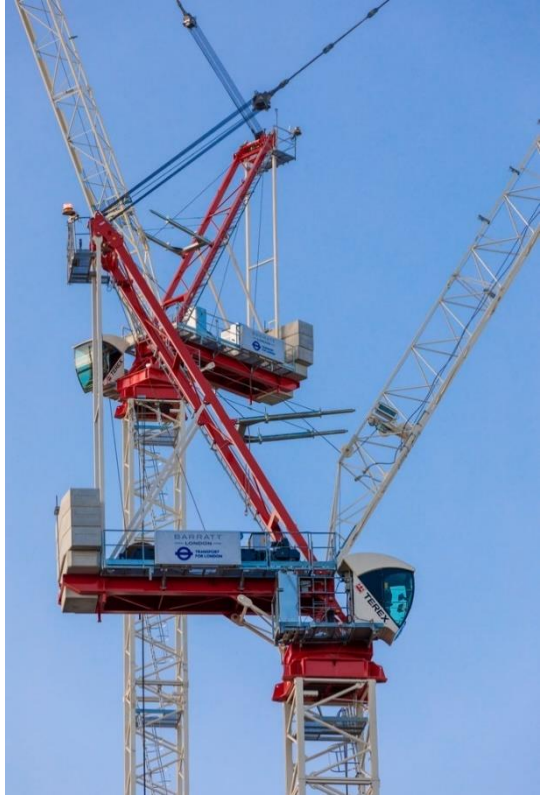
Following the success of the first Borough of Culture in Waltham Forest during 2019, Brent is the Mayor's London Borough of Culture 2020, and will celebrate with a programme of art, performance and events throughout 2020. We will work with the GLA and Brent to support the programme of events in appropriate TfL media channels such as our Time Out media partnership and on TfL social media channels. We will use this opportunity to encourage visitors to use public transport, walk and cycle to make the most of the fantastic events on offer.

To promote the programme, we have installed a specially commissioned Brent Borough of Culture roundel at seven London Underground and London Overground stations across the borough. We have also created a cultural map that showcases events during the year, which we will be promoting across the network.

Changes to Oyster card returns

We have changed the way new customers can get their £5 deposit returned when their card is cancelled. Cards issued from 23 February 2020 will have the deposit automatically added to the card as a pay as you go credit after one year. This means many customers will receive their deposit while still using the card, rather

than waiting for a refund when they no longer need to use the card. This change does not affect customers who obtained their Oyster card before 23 February. All customers are still able to get any pay as you go balance on their Oyster card fully refunded whenever they choose.



6 New homes and jobs

Overview

As one of London's largest landowners, our estate continues to play an integral role in meeting the Mayor's priorities to deliver the thousands of homes and jobs that the capital needs. Since 2016, we have developed an extensive pipeline of sites that will deliver 10,000 new homes and two million square feet of commercial floor space.

We have worked with a range of partners and community-led developers to bring assets such as carparks and disused land to develop a variety of developments including genuinely affordable housing that is accessible for first-time buyers as well as shared-ownership. Our pioneering work means that of all the homes we brought to the market since 2016, 50 per cent are genuinely affordable.

People are moving into the first 266 homes on our land, and construction is progressing well on a further 1,123 homes at five sites across London – Kidbrooke, Blackhorse Road, Fenwick South, Bond Street and Beechwood Avenue. This work has been crucial in helping to tackle London's housing shortage and we remain on track to submit applications for 3,000 homes by the end of March 2020.

In total, we also manage more than 2,000 commercial units which support a range of different businesses. Over the past four years, we have transformed our

commercial estate so that now 86 per cent of our tenants are small businesses.

Crossrail 2

Working with our partners at Network Rail, we submitted our most recent Strategic Outline Business Case (SOBC) to the DfT last year, and which was reviewed by its Board Investment and Commercial Committee in late October 2019. The DfT confirmed that the SOBC can be used to support a decision on the project, which we expect to be part of the next Spending Review.

In the meantime, we have been preparing and refining a series of materials which will be used for the safeguarding consultation which is planned to take place later this year. At the same time the team has focussed its energy on the cost, estimate of the scheme, a piece of work fundamental to the Crossrail 2 submission to the Spending Review process.

The National Infrastructure Commission also published its annual monitoring report in February 2020, which includes strong support for Crossrail 2. Its Chairman, John Armitt said 'the government's key priorities for 2020 should include confirming its plans to go ahead with Crossrail 2 and committing to fund it in the spending review 2020'.

The commission said that it was 'important that London's transport issues are addressed alongside those in the rest of the country, given its economic importance'. The report also points out that London 'contributes to infrastructure investments in other parts of the country, with residents and businesses based in London paying £4,350 per head more in taxes than they receive in services'.

The assurance process continues with the Expert Review Groups and the Independent Assurance Panel meeting over the coming weeks and months to interrogate our work on tunnelling, the digital strategy and the cost estimate.

Local engagement continues with stakeholders to maintain momentum of the scheme.

Blackhorse View, Waltham Forest

Construction of 350 homes, with 50 per cent affordable, at our site in Blackhorse Road is progressing well with our partner, Barratt London. At the end of January, we completed the foundations and the ground floor slab. The frame superstructure is now going up at the rate of one floor every two-and-a-half weeks.

The first people will be moving in during early 2021.

Kidbrooke, Greenwich

With our partner, Notting Hill Genesis, we have started building 619 new homes at

our site in Kidbrooke, again with 50 per cent of the homes being affordable. The site has been cleared and work is now under way to remediate the land ahead of piling starting this summer. Once built, the Kidbrooke station square will provide new landscaped areas, green spaces and play areas alongside a new purpose-built nursery and commercial units specifically targeted at small businesses.

We are delivering thousands of new affordable homes across the TfL estate



Woodside Park, Barnet

Our development partner, Pocket Living, received a resolution to grant planning permission in principle at Woodside Park from the London Borough of Barnet in January 2020. This site will deliver 86 affordable homes, specifically aimed at local first-time buyers. Pocket Living is currently working to progress the formal

application for planning permission and hopes to start construction later this year.

Southall Sidings, Ealing

We have submitted proposals for more than 440 homes, with 40 per cent affordable, at our site in Southall. This is the first site submitted by Connected Living London, our major strategic build-to-rent partnership with Grainger plc.

Canons Park, Harrow

We have submitted a planning application for the first of our Harrow car parks sites. We are working in partnership on these three sites with Catalyst Housing, and at Canons Park we will deliver 118 homes, all of which will be affordable.

Bollo Lane, Ealing

We have been working closely with Ealing Council officers, the GLA and the local community to bring forward a scheme with 875 homes at Bollo Lane, next to Acton Town station. Half of the homes will be affordable. Our proposals will also provide a new green corridor creating a continuous and safe pedestrian walkway between Acton Town and Chiswick Park. The pre-application consultation closed in February and a planning application is being submitted by the end of March 2020.

Wembley Park, Brent

Alongside our partner, Barratt London, we are developing around 400 homes, with

50 per cent affordable housing next to Wembley Park station. This site also provides train crew accommodation and office space for more than 200 people. We will relocate the office space, integrating it into the new buildings, thereby creating modern, sustainable office space alongside hundreds of net-zero carbon homes. We have engaged extensively with the borough and local community and are on track to submit a planning application in March 2020.

Nine Elms, Lambeth

Next to and above Nine Elms station, this is one of our Connected Living London schemes, and we will be submitting a planning application in March 2020 for 479 homes to rent, with 40 per cent affordable housing. Our development will also provide over 900 square metres of new open space with a new public square.

Montford Place, Lambeth

Located near the Oval cricket ground, Montford Place is a Connected Living London development and we are submitting a planning application in March 2020 for 139 build to rent homes, again with 40 per cent affordable housing. This scheme will provide over 2,500 square metres of commercial space and will incorporate mews space to bring together residents, workspace users and the existing local community.

Arnos Grove, Enfield

Situated on Arnos Grove station car park, we intend to build around 150 new build-to-rent homes of which 40 per cent will be affordable. This is another application being delivered through Connected Living London, our long-term partnership with Grainger.

Stanmore, Harrow

In March 2020 we will be submitting a planning application at Stanmore station car park, which will provide an extra 281 homes, all of which will be affordable. In partnership with Catalyst Housing, these proposals will also allow us to provide step-free access to the station.

Rayners Lane, Harrow

We are submitting a planning application in March 2020 for 128 new homes at our car park in Rayners Lane, Harrow. Another of our schemes in partnership with Catalyst Housing, this will provide 100 per cent affordable housing.

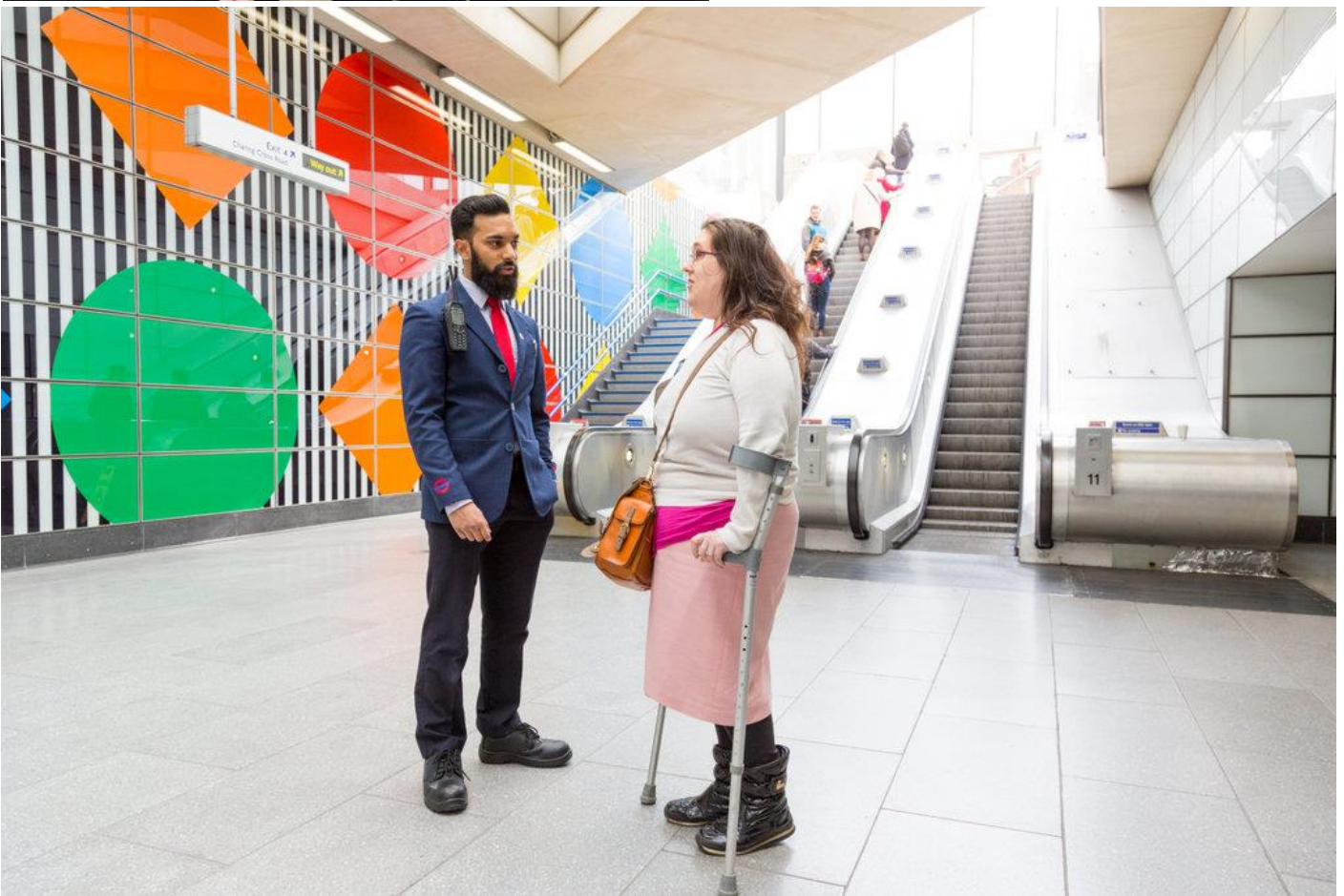
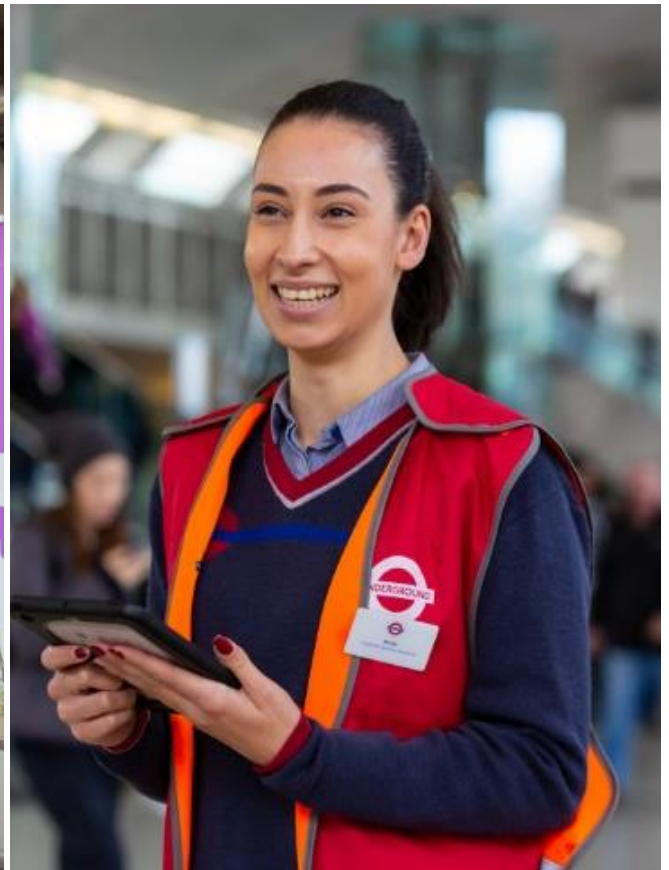
TfL Development and Economic Growth Conference

On 4 March 2020, we played an integral role in the 'TfL Development and Economic Growth' conference. Hosted by Built Environment Network on behalf of TfL, this conference brought together over 300 stakeholders from the construction, infrastructure and transport sectors to discuss how to unlock the housing and growth that London and the

rest of the UK needs. Speakers from across the organisation contributed to discussions as wide ranging as our strategy and vision, the future of the Bakerloo Line Extension and a focus on borough transformations in Waltham Forest and Morden.



We recently brought together more than 300 stakeholders to discuss the important role transport has in future development and economic growth in London



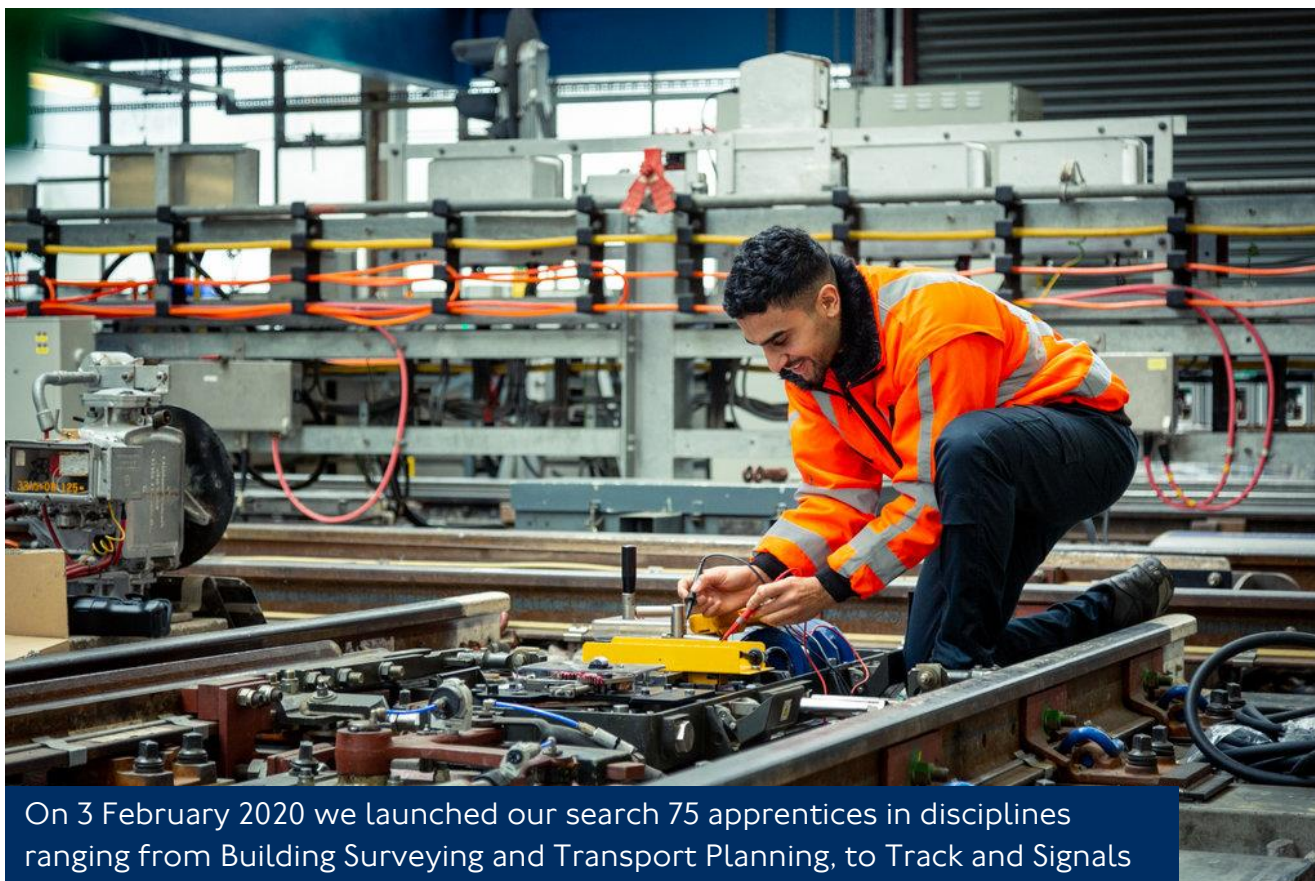
7 Our people

Overview

Achieving our priorities is completely dependent on our people and it is essential we continue to develop our workforce to ensure it is representative of the city we serve. Our vision has been to make our organisation a great place to work for everyone, and we have worked hard to ensure our employees are safe, engaged, valued and united by a passion to serve London.

Improving diversity is key to achieving this. In 2018/19, 37 per cent of new hires

were women and 30 per cent of our workforce is now black, Asian or from a minority ethnic background (BAME). However, there is more work to be done. We have taken steps to help women and people from BAME communities to access senior, higher paid roles and have widened access to mentors and coaches. Over the past four years, we also launched a Diversity and Inclusion dashboard, building on our Gender Pay Gap and Ethnicity Pay Gap reports to create a more complete picture of the experiences of our employees.



On 3 February 2020 we launched our search 75 apprentices in disciplines ranging from Building Surveying and Transport Planning, to Track and Signals



Their Royal Highnesses the Prince of Wales and The Duchess of Cornwall visited the London Transport Museum to celebrate TfL's 20th anniversary

From partnering with the Mayor's Our Time programme for women across the GLA Group to supporting six staff network groups and expanding our Stuart Ross Communications Internship for young people from diverse backgrounds, we have been committed to opening opportunities for as many people as possible across the organisation.

We are also committed to continuing our work to protect our frontline staff to prevent work-related violence and aggression against our colleagues. Our people will always have the right to work without fear of being assaulted, abused or threatened and we have implemented rigorous training, support networks, and the tools frontline staff need to feel safe, and will always seek the toughest punishments for those who abuse them.

Work-related violence

Body-worn cameras are being trialled by colleagues at Stratford Bus Station as we explore the potential of existing technology to enhance personal security and give our employees more confidence in their roles. Initial feedback suggests cameras may be able to provide an extra layer of assurance and that they can change customer behaviour when passengers notice both their actions and those of staff are being recorded. We are looking to roll these out to operational staff across the organisation in the summer.

Royal visit to the London Transport Museum to mark 20 years of TfL

On 4 March 2020, to celebrate TfL's 20th anniversary, Their Royal Highnesses, The Prince of Wales and The Duchess of Cornwall paid a visit to the London Transport Museum.



On 27 January 2020, we hosted the annual Supplier Skills Apprenticeship Fair which coincided with National Apprenticeship Week

The couple travelled from Clarence House to the museum on one of our new electric buses accompanied by the Commissioner and Gareth Powell, the Managing Director of Surface Transport, and were welcomed at the Museum by the Mayor. The couple met a wide range of our staff, including apprentices.

The couple also unveiled a TfL20 plaque to commemorate the visit and were presented with personalised roundels by the Commissioner.

International Women's Day 2020

To mark International Women's Day, we installed new roundels at five Underground stations – Covent Garden, Maida Vale, Seven Sisters, Upton Park and Victoria. Maida Vale became the first station to be fully staffed by women when it opened during WWI, and the first female London Underground train driver, Hannah Dadds, started her job at Upton park station. The new roundels are green, purple and white and have been inspired by the suffragette movement. They have been designed by Jenney De Sousa from

Customer Information Design & Partnerships and depict the coming together of women in solidarity, friendship and support. A photo exhibition featuring 20 of our female colleagues is being displayed at Victoria Tube, coach and bus stations.

Women in Tech award

Our Women in Tech community has won WeAreTheCity's 2020 'TechWomen100 - Network of the Year' award. Women in Tech is a sub-group of our Women's Staff Network Group and since launching in March 2017 it has worked to raise awareness, encourage more women to consider careers in Science, Technology, Engineering and Mathematics (STEM), and support those already in technical roles to develop and progress.

Each year the committee engages with over 400 staff members as well as external guests, supporting women to gain confidence and develop new skills. It provides coding workshops, advice, mentoring, shadowing, sponsorship, tech

career talks, and networking opportunities for women who are interested in tech.

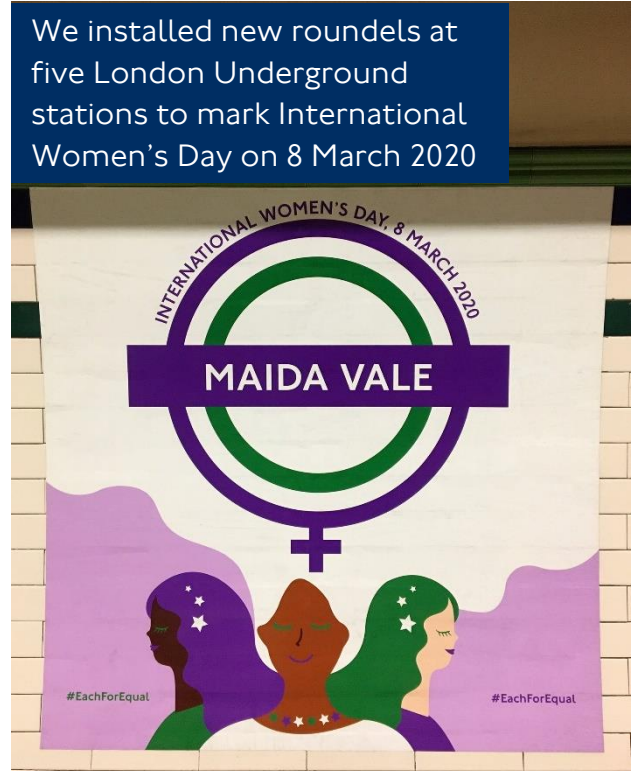
Youth Panel

Our Youth Panel gives our city's young people a direct voice within our policy and decision-making process. It consists of around 25 volunteers, aged 16 to 25, who regularly travel in London. The panel members play an important role in helping to create a transport network that works for young people across our city; representing youth audiences in our campaigns, projects and consultations. Panel members build their teamwork, project management and debating skills by helping to organise and run our annual Youth Participation Day at the London Transport Museum. Annual recruitment for our Youth Panel closed on 29 February 2020.

Supplier Skills Apprenticeship Fair

On 27 January 2020, to mark the start of National Apprenticeship Week, we hosted the annual Supplier Skills Apprenticeship Fair, Get into Transport. This was in partnership with HS2 Limited, Heathrow Airport, Network Rail and the National Skills Academy for Rail (NSAR) as well as our GLA partners, the London Fire Brigade and the Metropolitan Police.

Over 730 attendees were invited to tour 43 stands at the fair and discuss more than 500 apprenticeship opportunities with our supply chain partners. The day



was a success with 1,771 expressions of interest with suppliers, who will now invite interested attendees to apply for their vacancies.

Nusrat Ghani MP, the then Parliamentary Under Secretary of State for Transport, opened the event which was held on the first day of National Apprenticeship Week.

Disability Equality Training

Our industry-leading Disability Equality Training (DET) programme has been awarded the 'Industry Initiative' award by transport and disability rights campaigners, Transport for All. DET gives staff the skills, knowledge and confidence

they need to support disabled Londoners, ensuring they are able to travel with freedom and independence.

The training was first introduced to London Underground managers in 2017 and since then it has grown from a workshop for front-line teams to a pan-TfL course training over 1,600 people, including a guided journey with a disabled customer. Winning this inaugural award is a fantastic achievement – making sure we understand the challenges faced by our customers with accessibility needs is essential to helping us deliver a transport network that works for everyone.

LGBT History Month

On 3 February 2020, we launched a series of events to celebrate LGBT History Month led by our LGBT+ staff network, OUTbound. We are committed to championing a safe and inclusive work environment so LGBT+ colleagues can be authentic, celebrate who they are and have equal opportunities.

OUTbound provides LGBT+ staff with opportunities to connect with one another to support and help them develop. Working alongside charities and community interest groups in the LGBT+ community, we are committed to championing colleagues to be authentic at work because people are more productive when they no longer need to hide their

identity and which more importantly, helps them lead happier and better lives.

Digital workplace

Our Digital Workplace programme continues to provide new technology and upgrade existing technologies to enable flexible, smarter working across TfL. Improving the tools people need to do their jobs, and providing better ways to connect, communicate and work together will benefit both head office and frontline colleagues. The latest improvements include:

- Deploying 8400 new desktops and 3100 new laptops
- Making Office 365 software available to all staff
- New Tech Hubs at head office buildings – providing support and advice to improve the technology experience and reinforce new ways of working
- A new Laptop Loan Service to further enable Smart Working and provide even more colleagues with the tools needed to do their job.

Contact Centre Top 50 award

For the eighth consecutive year, our Customer Contact Centre ranked in the UK Top 50 Contact Centres. We significantly improved our position, moving from 37th place to 27th driven by

improvements in the overall quality of service.

Mental health awareness

Time to Talk campaign

TfL supports Time to Change, a growing social movement working to change the way we all think and act about mental health problems. The designated Time to Talk Day was Thursday 6 February.

Our Peer Supporters Group organised many varied and interesting events across the business to promote the day, including:

- Mental Health talks – offered by Occupational Health and Wellbeing and WellMent
- Video sessions and discussions on mental health
- Mental health quizzes
- Breathing and meditation sessions
- Tea and cake
- Lunchtime walks
- Gratitude thread running on Yammer posted under #timetotalk

HeadSpace

Meditation has been shown to reduce stress symptoms and improve sleep. TfL employees continue to have access to Headspace, an app with guided meditations

to practice mindfulness. The app has over 1,000 hours of content ranging from stress to self-esteem, dealing with change or public speaking, about pregnancy or being a new parent.

TfL employees have free access to the app until 14 August 2020. So far over 12 per cent of employees have signed up, with a total of 442,365 minutes of meditation completed.

Type 2 diabetes educational programme

Our Occupational Health and Wellbeing team has partnered with the South London Health Innovation Network to offer employees diagnosed with type two diabetes a choice of courses, both online and face to face.

These courses delivered by NHS approved providers are designed to help people with diabetes manage their condition better through making healthier lifestyle changes.

Employees can gain access to a nurse diabetes specialist and/or a personal dietitian diabetes specialist to provide support and advice on a whole range of topics including nutrition, exercise, sleep and mental wellbeing.

By maintaining a healthy lifestyle and becoming more confident to manage their condition, employees can benefit from:

- Reducing their risk of diabetes complications
- Improved blood sugar, blood pressure and cholesterol levels.

Innovate Final

On the 26 February we hosted our fifth annual Innovate Final in association with Cleshar. The Innovate challenge is open to all London schools with a year 12 cohort (16/17-year olds) with teams competing to develop innovative ideas to help TfL meet the Mayor’s transport priorities.

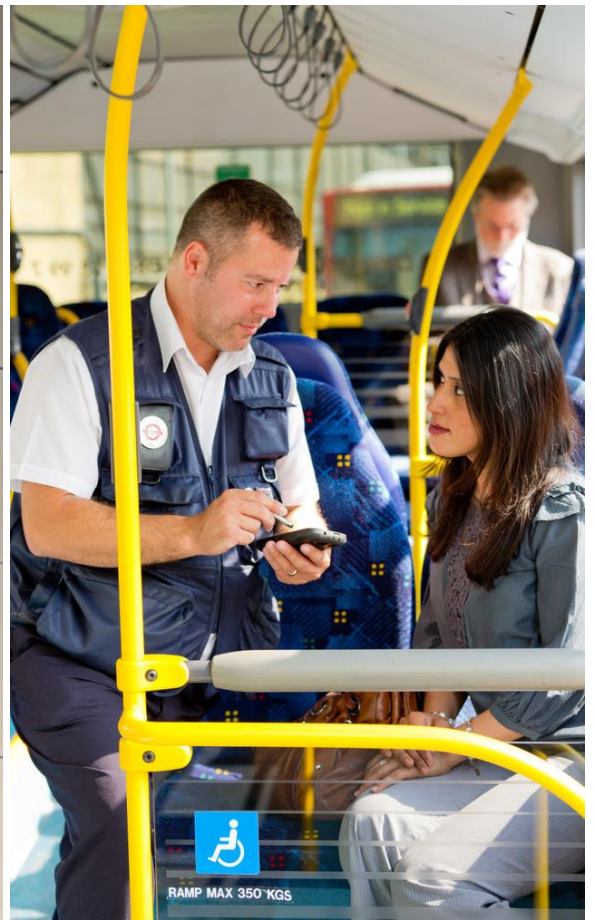
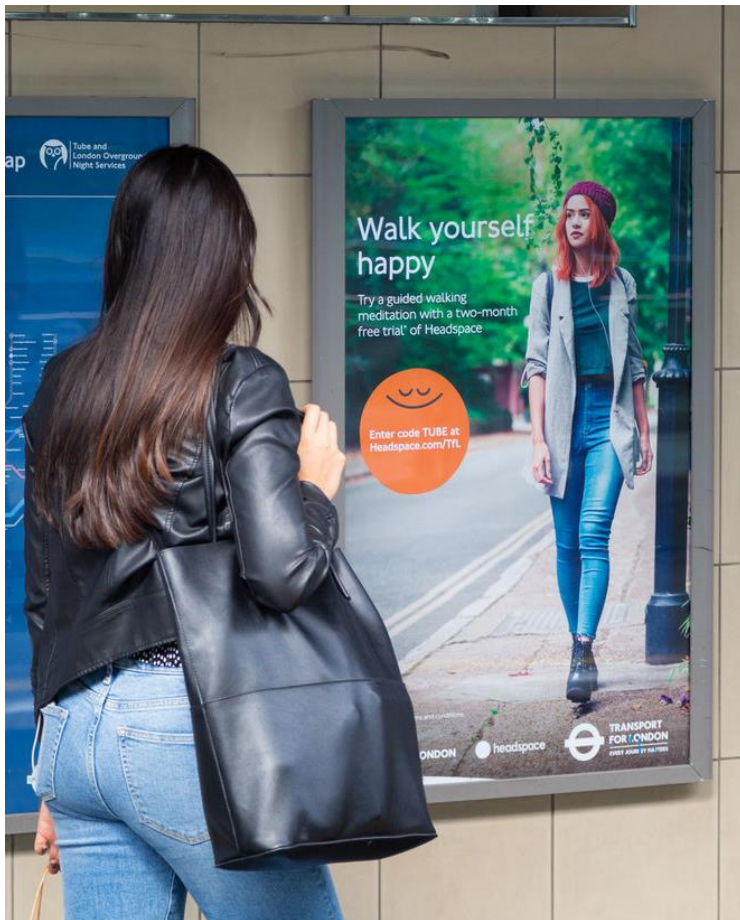
Innovate gives young people the opportunity to tackle real world challenges, take on responsibility and

work as a team to overcome obstacles and create solutions.

This year saw a total of 43 schools take part, including 11 girls schools, with four teams competing in the final at Endeavour Square. The winning team were Team Infinity from Greig City Academy, whose winning idea was to provide solar panelled CCTV cameras at bus stops to improve safety and promote public transport use.

All finalists will receive work experience at TfL over the summer as we look to build on their enthusiasm, nurturing the next generation of transport professionals.





8 Securing value and generating income

Overview

We are uniquely placed to use our assets and skills, as well as our advertising estate, to generate long-term revenue streams to reinvest back into our network. A more diverse range of income also supports our financial security, as we will be less dependent on the UK and London economy.

Our ambition has been to become the best partner to promote and understand business in London. Since 2017, we have made a £80m investment to improve our digital advertising estate to reach an advertising audience of around 1.5 billion people per year. In the past few years we have capitalised on our unique environment which enables us to provide fully immersive advertising opportunities and partnerships, and is supported by our globally recognised brand.

Given the financial headwinds over the past four years, including the removal of the government subsidy and an uncertain economic outlook, we have also undertaken work to strengthen our financial position and become a more efficient and modern organisation. The initial phase of our savings programme started in 2015/16 and delivered annualised savings of £747m by the end of the 2018/19. Operating costs, on a like-for-like basis, adjusting for new services, restructuring and other one-off costs, have decreased

every year from 2015/16 and are now £200m lower. We have also seen a reduction of almost 4,000 posts in the last four years which has improved our end-to-end processes, removing duplication and simplifying accountabilities.

In addition, we have undertaken a long-term estate management strategy to consolidate our head office accommodation and have reduced our use of non-permanent labour by 60 per cent. All this work means that we are on track to generate an operating surplus for the first time in our history by 2022/23, meaning we will cover the cost of financing, maintaining, operating and renewing our transport network.

We continue to build our commercial partnerships to raise money that we reinvest back into the transport network



Tackling fare evasion

New Routemaster front-door boarding

On 10 January 2020 we confirmed that all New Routemasters will be converted to make the middle and rear doors exit only. On 25 January we extended the roll out from routes 8 and N8 to the 55 and 267.

Early indications suggest that fare evasion dropped by more than half during a trial of front-door-only boarding on route 8, with no adverse effect on service efficiency.

Customers were advised of the changes to boarding through emails and on-board announcements. Signage will continue to be updated on buses as the changes are rolled out and customers with wheelchairs and pushchairs will continue to be able to board through the middle doors.

Tackling fare evasion on the Tube

We are creating 60 new roles to help combat fare evasion across the London Underground network.

Successful candidates will support our London Underground revenue team by boosting our intelligence to understand where and when we're losing revenue and by providing a uniformed presence to deter fare evasion across the network. The aim is to strengthen our existing revenue team by:

- Ensuring customers have valid travel documents
- Issuing penalty fares and taking appropriate action for ticket irregularities and anti-social behaviour
- Working with the Police to support safer travel and improve customer confidence, for example by supporting joint revenue exercises

Our new team will provide extra support to tackle persistent fare evaders. The new roles should help to reduce the amount of money we lose each year through ticket irregularity and fraud.

Oyster photocard fraud convictions

We have a zero-tolerance approach towards fraud committed on our network and all allegations are taken seriously. We seek to prosecute those who commit offences and recover losses where possible.

Two fraudsters, convicted of misusing social media platforms to offer and process fraudulent applications for zip Oyster photocards, have received jail sentences and were ordered to pay significant compensation to TfL. A diligent TfL employee provided valuable intelligence to our Counter-fraud & Corruption team, which led to the identification of an organised, widespread network of fraud involving thousands of fraudulently obtained cards, which were

subsequently stopped to prevent further misuse.

A number of arrests have been made during a joint TfL/BTP operation and enquiries are continuing.

Following hearings at Inner London Crown Court on 12 February and 26 February 2020, Anjum Ali Saiyad and Mohammed Essa were convicted of conspiracy to defraud TfL. Mr Saiyad was sentenced to 12 months imprisonment and ordered to pay TfL compensation of £5,122 and costs of £525. Mr Essa was sentenced to two years imprisonment, suspended for the full term, and ordered to complete 200 hours of community service. A Proceeds of Crime Act agenda has been set with the intention of recovering the benefit made from this fraud by Mr Essa, believed to be £42,000.

Further charges are expected in the near future against other identified suspects.

Streamlining Apple Pay

We have partnered with Apple to make it easier for customers to pay to travel using Apple Pay. With the new Express Mode, customers no longer need to authenticate their payments with Face ID or Touch ID. Once they have selected a card for travel, the customer can just tap their iPhone or Apple Watch on the yellow card reader and go. The partnership has earned TfL

£300,000, with a further £150,000 for the use of our branding.

Diversity in Advertising

For the second year, City Hall and TfL have announced the winner of their Diversity in Advertising competition designed to tackle tokenism, combat stereotypes and make advertising in London more representative of the capital's rich ethnic diversity. Hosiery brand, Nubian Skin's A Different Kind of Nude campaign, has won £500,000-worth of prominent advertising space on the TfL network. Working with TfL's media partners, Global and JCDecaux UK, the competition called on brands to create adverts that offered authentic portrayals of London's Black and Minority Ethnic communities. London is one of the most diverse cities in the world, with 40 per cent of its population identifying as being black, Asian or from a minority ethnic background.

However, while there has been improvement in the visibility of people from varying ethnic backgrounds in adverts, more than 60 per cent of adverts still feature only or majority white people. Concerningly, studies have shown that where ethnic minority representation exists, communities do not always feel those portrayals are relatable or realistic.

The competition follows research carried out by Lloyds Banking Group, in 2018,

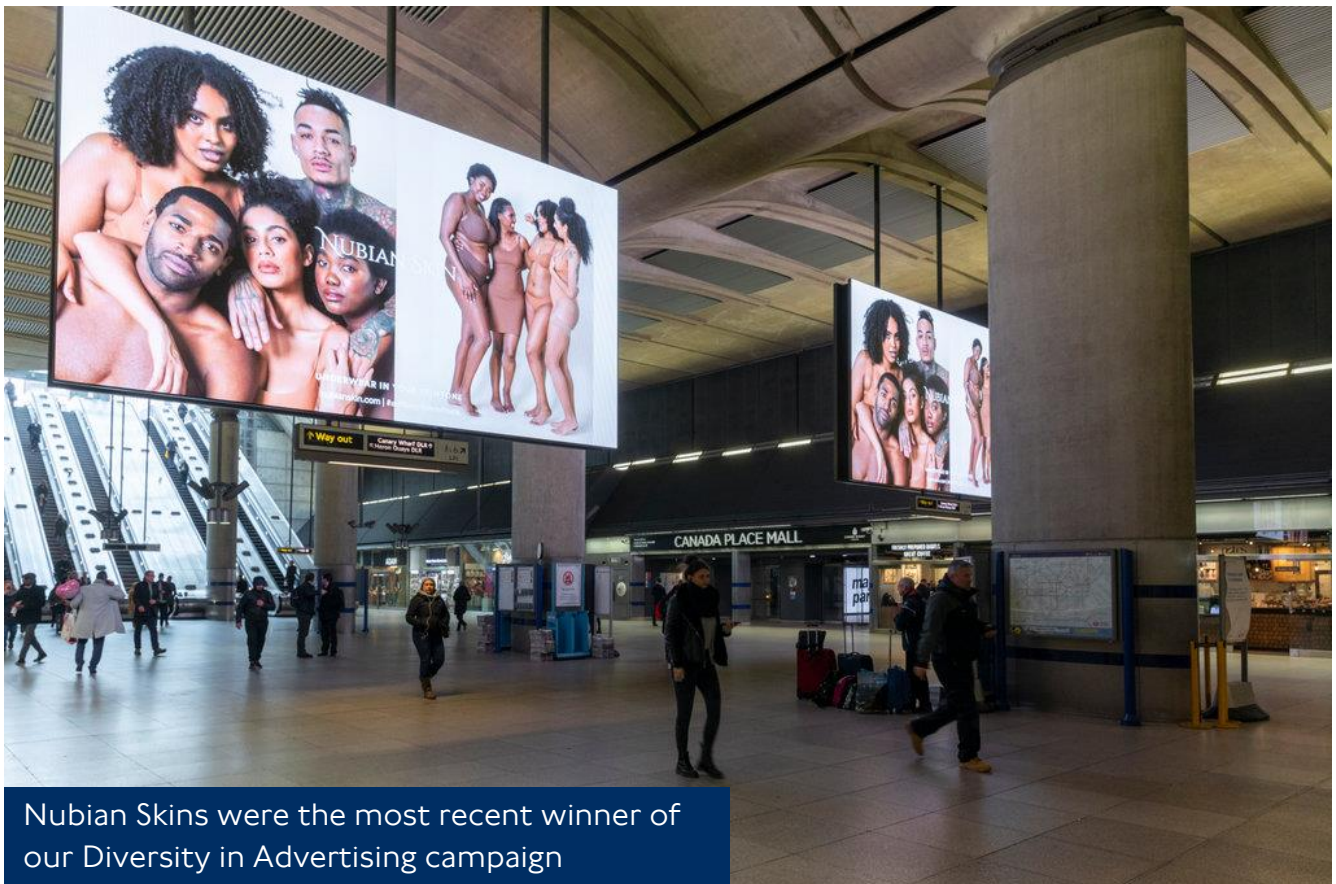
which revealed that 34 per cent of black people and 30 per cent of people from mixed ethnic backgrounds felt they were inaccurately portrayed in advertising. Nubian Skin's winning campaign, which challenges assumptions surrounding the word 'nude' in the fashion industry, was chosen due to its bold and inclusive imagery that embraced a range of ages and body types as well as skin tones.

The brand was also commended for the genuine practical needs its products were created to meet. For many women of colour, finding suitable skin tone hosiery and lingerie had not been an option, but

Nubian Skin aims to redefine 'nude' and encourages women and men of all ethnicities to feel included and appreciated. Following entries from brands and advertising agencies, the submissions were reviewed by a panel of judges comprising advertising and media industry experts and City Hall and TfL representatives. The judges were specifically looking out for a campaign to act as a catalyst to change perceptions and drive change in the industry.

55 Broadway

In January and February 2020, around 30 farewell tours of 55 Broadway were



organised and given by TfL staff for their colleagues, as well as outside organisations including the 20th Century Society and London Historians. Highlights of the tour included a visit to the flagpole level, 14 stories above London, and the former executive offices on the 7th floor. In conjunction with these tours, TfL's Corporate Archives set up an exhibition on the 10th floor of 55 Broadway featuring documents, blueprints, and a slide show about the building. The tours were done on behalf of the Railway Children charity, and over £1000 was raised from those attending.

Commercial partnerships

PICARDilly Circus

Piccadilly Circus station was renamed PICARDilly for 48 hours from Wednesday 15 January to Thursday 16 January 2020 to celebrate the launch of the new Amazon Prime Video original series, 'Star Trek: Picard'.

The Grade-II listed station was rebranded PICARDilly Circus, with special roundels in the ticket hall and platforms. Specially created signage and posters, inspired by the new series, were installed throughout the station. Special public service announcements were also made, advising customers on how to avoid card-clash and to 'take care when using stairs, escalators or transporters' while travelling through the station. This ran

alongside high-impact media takeovers of platforms and corridor areas, delivered by TfL's advertising partner Global, which remained in place for two weeks.

We developed this two-day marketing campaign in partnership with Amazon, Initiative and Global Media. By using our advertising estate and in-station environments, advertisers have access to flexible and dynamic opportunities to connect with their target audiences, while we generate vital revenue for London's transport network. This promotion earned £274,000 for reinvestment into our services.

Google Pay

From 9 March 2020, Google Pay has sponsored the yellow Oyster Card Readers across the London Underground network for a one-year period, securing £1.5m.

Done London

NSEW is a new capsule collection of clothing from Lewisham-based streetwear company Done London. Handprinted with Tube directions in corresponding colours, the collaboration is endorsed by TfL. It includes a Northbound design in black, Westbound in red, Southbound in blue, and Eastbound in orange.

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March 2020

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Board



Date: 18 March 2020

Item: Elizabeth Line Operational Readiness and Crossrail Update

This paper will be considered in public

1 Summary

- 1.1 This paper provides an update on the status of the Crossrail project including the readiness of the Infrastructure Managers (IM) for the operations and maintenance of the railway after handover from the Crossrail project.
- 1.2 The paper also provides an update on the periodic reports from the Project Representative (P-Rep) on Crossrail and provides an update on the funding discussions with the Department for Transport (DfT).
- 1.3 On 5 March 2020, the Programmes and Investment Committee considered this report (and the exempt P-Rep reports). The Committee did not raise any specific issues to draw to the attention of the Board.

2 Recommendation

- 2.1 **The Board is asked to note the paper.**

3 Crossrail update

- 3.1 On 27 February 2020, the Crossrail Limited (CRL) Board confirmed that it remains on schedule to open the central section of the Elizabeth line between Paddington and Abbey Wood in summer 2021, with intensive operational testing planned to begin in autumn 2020. The board discussed the risks to the start of Trial Running with Joint Sponsors along with possible mitigations should they be required.
- 3.2 Following the opening of the central section, full Elizabeth line services from Reading and Heathrow in the west to Abbey Wood and Shenfield in the east are planned to commence by mid-2022.
- 3.3 Health and safety remains CRL's priority and overall performance is kept under scrutiny. Over the Christmas period, there were three high potential near miss incidents and Serious Incident Executive Reviews (SIER) have been undertaken with a number of learnings now being applied as a result. Recently, there have been five consecutive weeks without an injury or lost time incident.
- 3.4 CRL has renewed focus on its Target Zero Improvement Plan which includes implementing a Health and Mental Wellbeing Action Plan; instigating an organisational-wide safe behaviours campaign and ensuring that the 'Safety

Migration' from construction to an operational environment is well managed. CRL has also introduced TfL's Beacon Award which will be awarded to those in its supply-chain and individual contractors where they have demonstrated excellent health and safety behaviours and practices.

- 3.5 CRL has confirmed that it is making good progress on the routeway and installation of train software, as well as beginning the handover of the first shafts and portals. Focus remains on completing any remaining construction work, integrating the train software and completing extensive assurance of all assets before handover to TfL. To support a 'Right First Time' approach, CRL has introduced multidisciplinary 'Integrated Delivery Teams' at individual project sites across the route in order to increase productivity.
- 3.6 CRL has reported that they expect all stations to be ready in summer 2020 for the start of Trial Running in autumn 2020. CRL will then complete all remaining work required at stations before the Elizabeth line enters passenger service in summer 2021.
- 3.7 CRL is expected to agree a 'care and custody' period for all new assets to allow earlier demobilisation of Tier 1 contractors. Discussions are ongoing regarding the early handover of Liverpool Street, Farringdon and Tottenham Court Road stations which allow Tier 1 contractors to be demobilised early as well as provide operational staff with an early opportunity to familiarise themselves with these stations and review operational plans.
- 3.8 There has been an increase in the level of productivity at Bond Street station and a review is underway to understand what lessons can be captured. On 13 February 2020, members of the London Assembly Transport Committee were taken on a tour of Bond Street with Mark Wild and Tony Meggs.
- 3.9 The PD+11 signalling software configuration is now being used in the Central Operating Section allowing for further signalling testing. Approval has been received to use the software for testing all areas of the railway including using single train, multi-train and close-headway, as well as with multiple trains running across the transition boundaries. Four 'point releases' of software updates are planned for PD+11, providing the opportunity to bring forward any necessary bug fixes to enter Trial Running on the best footing.
- 3.10 CRL continue to progress with the delivery of the assurance documentation (referred to as the 'paper railway'), in particular the documents required for the start of Trial Running in autumn 2020. CRL has reported progress in transforming its metrics for assurance documentation so that it focuses on the essential requirements for Trial Running and realistic forecast rates based on actual production. Further work is being undertaken to review the assurance process for the prioritised scope of work and CRL are engaging with the approval bodies to ensure that the approach is appropriate.
- 3.11 CRL continues to work with Network Rail (NR) to secure access for dynamic testing to continue across the Great Eastern Main Line (GEML) and Great Western Main Line (GWML) interfaces.
- 3.12 More than 90 per cent of the NR on-network works are complete and passengers travelling on both GEML and GWML routes are benefiting from a number of

station and accessibility upgrades. The remaining works primarily consist of station and power supply upgrades.

- 3.13 NR station enhancement works continue at Southall, Hayes & Harlington, West Drayton, West Ealing, Ealing Broadway and Acton Main Line and are scheduled to be complete by December 2020. There is a risk that the works at Hayes & Harlington and Southall stations will not be complete until the first quarter of 2021. NR is working closely with their contractors to minimise any potential delays and how they can introduce passenger benefits, such as step-free access, earlier through the construction programme.
- 3.14 At Ilford and Romford stations, station enhancement works are ongoing and currently forecast for completion in early 2021. Apart from these stations, all stations on the eastern section between Liverpool Street and Shenfield provide step-free access. A new ticket office was opened at Harold Wood station in December 2019.

4 Operational Readiness

- 4.1 Andy Lord, Managing Director of London Underground (LU), has been assigned responsibility for coordinating all relevant teams within TfL to prepare for the opening of the Elizabeth line, providing a clear focus on handover and operational readiness. CRL continues to be responsible for the delivery of the end-to-end railway and ensuring it is safe and reliable for passenger service. However, TfL and the DfT, as Joint Sponsors, continue to seek greater certainty around schedule and cost requirements, as well as what mitigations are being put in place in order to achieve key milestones. We continue to review and closely scrutinise the project through existing governance arrangements to ensure any risks to the commencement of trial operations is effectively managed.
- 4.2 The Elizabeth Line Readiness Group has been established to oversee an agreed completion and readiness plan between CRL, LU, Rail for London (RfL) and other delivery partners. The group will initially focus on the necessary steps to Trial Running but will then continue into planning for full Elizabeth line services. The Board and the Programmes and Investment Committee will be informed of the group's progress and current actions as part of this regular Crossrail update in future.
- 4.3 A Director of Operational Readiness has been appointed in LU to coordinate and provide assurance on our readiness to perform all IM responsibilities and deliver an end-to-end revenue service. In addition, they will ensure that there is a single joined-up readiness plan with CRL. They will work closely with CRL and our operational and engineering teams and look to accelerate the safe introduction of services where possible. In addition, work is underway to determine the scope and approach to the alternative delivery model for non-critical path works.

5 Project Representative

- 5.1 The P-Rep is in place to provide TfL and the DfT, as Joint Sponsors, with oversight of project delivery, advise and raise points of challenge to the Sponsors and scrutinise progress.

- 5.2 In line with recommendations contained in KPMG’s governance reviews and the commitments made by the Mayor for greater transparency around the Crossrail project, the most recent P-Rep reports are now included as part of the regular update to the Programmes and Investment Committee. We have already published the reports from 2018/19 and the first seven periods of 2019/20. The next three reports are now available on our website¹.
- 5.3 As with all the P-Rep reports, it has been necessary to make a limited number of redactions within the reports prior to publication to protect commercially sensitive material. We have sought to keep such redactions to a minimum.
- 5.4 In the most recent report, P-Rep highlighted the following key areas of concern:
- (a) CRL’s plans to develop a robust scope to complete each element of the programme;
 - (b) slippage of Bombardier Transportation’s forecast date to receive authorisation by the Office of Rail and Road for the software needed to run services to Heathrow; and
 - (c) different interpretation of key milestones by the station teams to target the start of Trial Running in autumn 2020.
- 5.5 The P-Rep observations are shared with CRL and discussed in detail by CRL, P-Rep and the Sponsors at regular meetings of the Crossrail Sponsor Board. The Sponsors have asked that CRL produce a response to the P-Rep report. The response from CRL is included with the P-Rep reports on our website.
- 5.6 Unredacted versions of the most recent P-Rep reports and CRL response to sponsors were provide to the meeting of the Programmes and Investment Committee on 5 March 2020.

6 Funding discussion

- 6.1 As confirmed on 10 January 2020, CRL’s detailed cost forecasts continue to show that the project will require an additional £400 million to £650 million on top of the financing package we agreed with the GLA and Government in December 2018.
- 6.2 The DfT and TfL, as Joint Sponsors, commissioned KPMG to provide an independent view of CRL’s previous cost scenarios, taking into account the cost and schedule analysis that CRL presented to its Board on 7 November 2019. As part of this work, KPMG considered more pessimistic scenarios that sit beyond CRL’s current cost forecast.
- 6.3 Discussions continue with the HM Treasury, DfT and GLA regarding how funding of these additional costs will be resolved.

¹ <https://tfl.gov.uk/corporate/publications-and-reports/crossrail-project-updates>

List of Appendices:

None

List of Background Papers:

None

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Board

Date: 18 March 2020

Item: Finance Report – Period 11, 2019/20

This paper will be considered in public

1 Summary

- 1.1 The Finance Report presentation sets out TfL's financial results to the end of period 11, 2019/20 - the year-to-date period ending 1 February 2020.
- 1.2 On 11 March 2020, the Finance Committee will consider this report. The Chair of the Committee will inform the Board of any significant issues raised, as the Committee meets after the papers for this meeting are published.

2 Recommendation

- 2.1 **The Board is asked to note the Finance Report.**

3 Revised financial targets

- 3.1 In November 2019, the Board reviewed and approved a revised set of financial targets for 2019/20, that reflect our improved financial performance. These replace those set in our original Budget published in March 2019 and from Quarter 3, 2019/20 we started reporting against these revised targets.

4 Financial Reporting to the Finance Committee

Finance Report – Period 11, 2019/20

- 4.1 The Finance Report presentation provides a summary of year-to-date financial performance against the 2019/20 as well as last year. The presentation is consistent with how we have presented the 2019/20 Budget. The objective is to provide this information in a consistent and transparent way so that the progress and financial performance of the business become much clearer.
- 4.2 Year-to-date performance is shown against the revised Budget, and against last year's actuals. This report also incorporates trends on passenger journeys.

List of appendices to this report:

None

List of Background Papers:

None

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TfL Board

Finance report

Period 11, 2019/20

Management results to 1 February 2020

18 March 2020



Section I

Period I I

financial performance

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Business Unit Review	2



Net operating surplus better than target despite underlying revenue pressure

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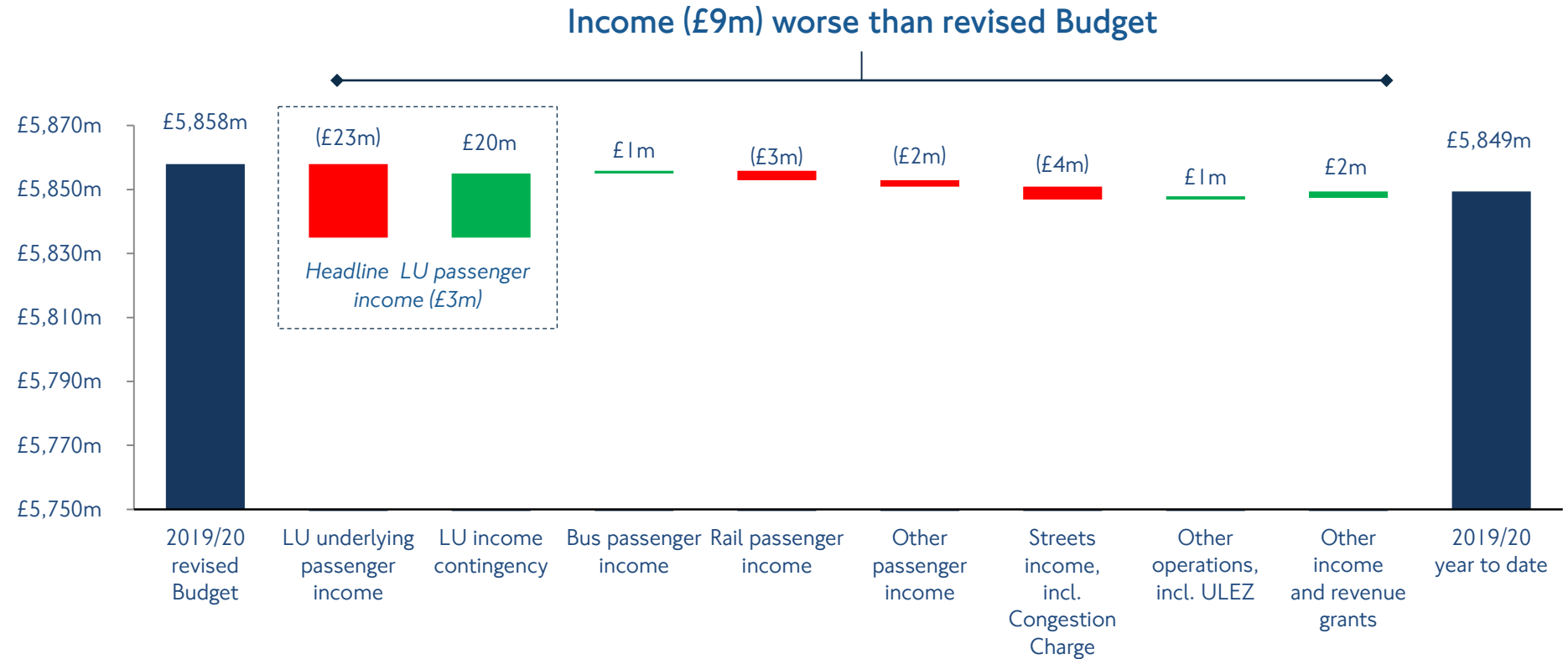
Lower underlying passenger revenue offset by revenue contingency, with cost contingency supporting net operating surplus

£m	2019/20 YTD				2018/19 YTD		
	Actuals	Revised Budget	Variance	% variance	Last year actuals	Variance	% variance
Operating account							
Passenger income	4,127	4,134	(8)	0%	4,029	97	2%
Other operating income	851	851	(0)	0%	681	171	25%
Total operating income	4,978	4,986	(8)	0%	4,710	268	6%
Business Rates Retention	802	802	0	0%	796	6	1%
Revenue grant	70	71	(1)	-1%	46	24	53%
Total income	5,849	5,858	(9)	0%	5,551	298	5%
Operating costs	(5,290)	(5,364)	74	1%	(5,124)	(165)	-3%
Net operating surplus	560	494	66	13%	427	133	31%
Capital renewals	(372)	(377)	5	1%	(316)	(56)	-18%
Net cost of operations before financing	188	116	71	61%	111	77	69%
Net financing costs	(377)	(380)	3	1%	(379)	2	1%
Net cost of operations	(189)	(263)	74	28%	(268)	79	29%

Underlying income down on Budget from lower journey growth

We are seeing lower demand on the Tube and Buses as well as reduced Congestion Charge volumes, which is partly mitigated through contingency

Total income



- Underlying Tube and bus journeys over past 12 weeks are down on last year
- Hopper fare on buses has helped underpin demand
- Lower traffic volumes in Central London: Congestion Charge volumes 1% lower than revised Budget
- ULEZ compliance levels in line with expectations, but volumes 2% lower than target.

ULEZ performance	2019/20	Variance to revised Budget	% variance
Income (£m)	130.1	(1.2)	-1%
Vehicles in zone (millions)	34.0	(0.5)	-2%
Non-compliant vehicles (millions)	8.0	(0.2)	-2%
Compliance rates (%)	76.4%	0.0	0%

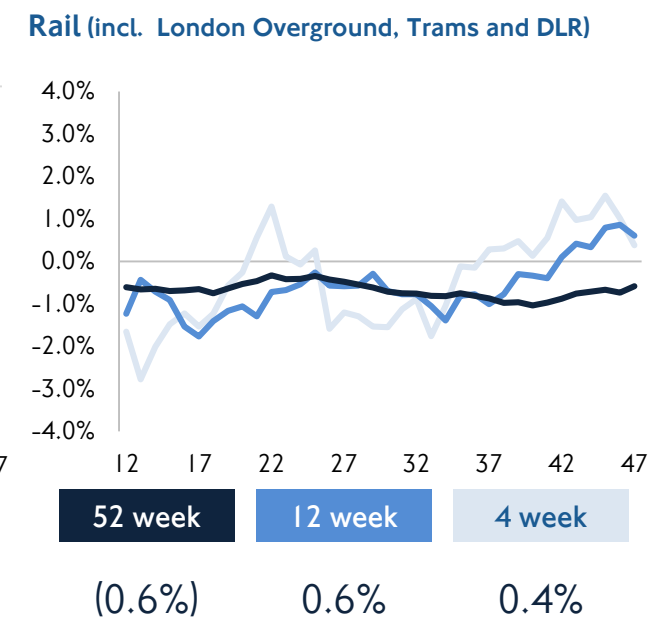
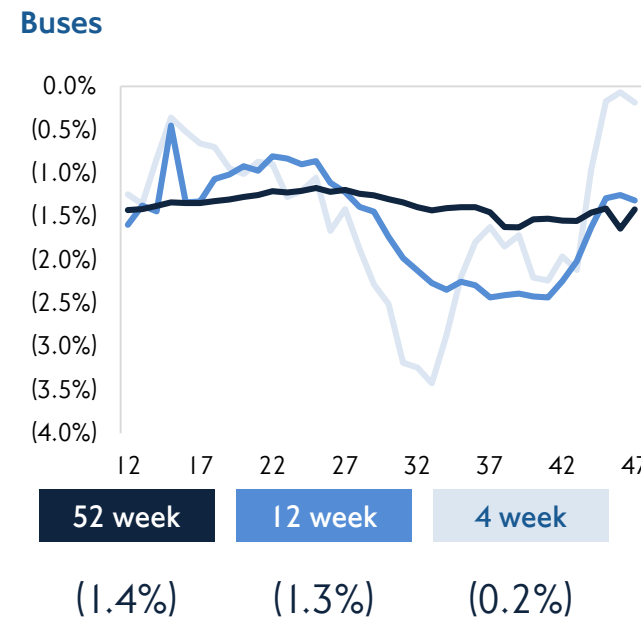
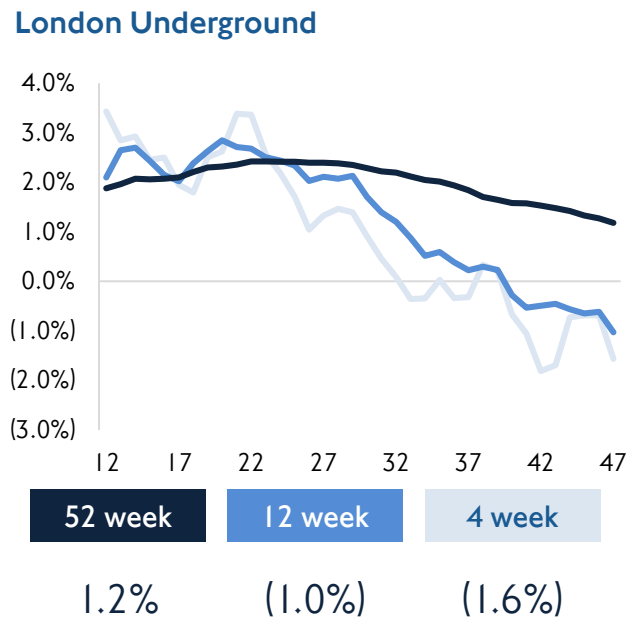
LU passenger volume growth from earlier in the year has stalled

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Recent Tube journey volumes remain down year-on-year; volumes also down on buses, but recent trends showing signs of recovery

Passenger journey trends

Latest trends to end of week 47, 22 February 2020



- LU year-on-year underlying journeys grew at 2.4% in the first half of 2019/20
- Since mid-October we have seen growth rates reducing
- Year-on-year demand growth down significantly to 1.2%; past 4 weeks have seen negative growth of (1.6%), a worsening from 12-week trend of (1.0%)

- Bus demand had been declining this year, the rate of decline averaging (1.2%) to the end of Q2
- Underlying year-on-year now standing at (1.4%)
- Recent softness in journey demand appears to be driven from discretionary travel at weekends and evening

- Underlying year-on-year demand in line with first half of the year
- Recent trends showing some uplift, largely from higher demand on London Overground

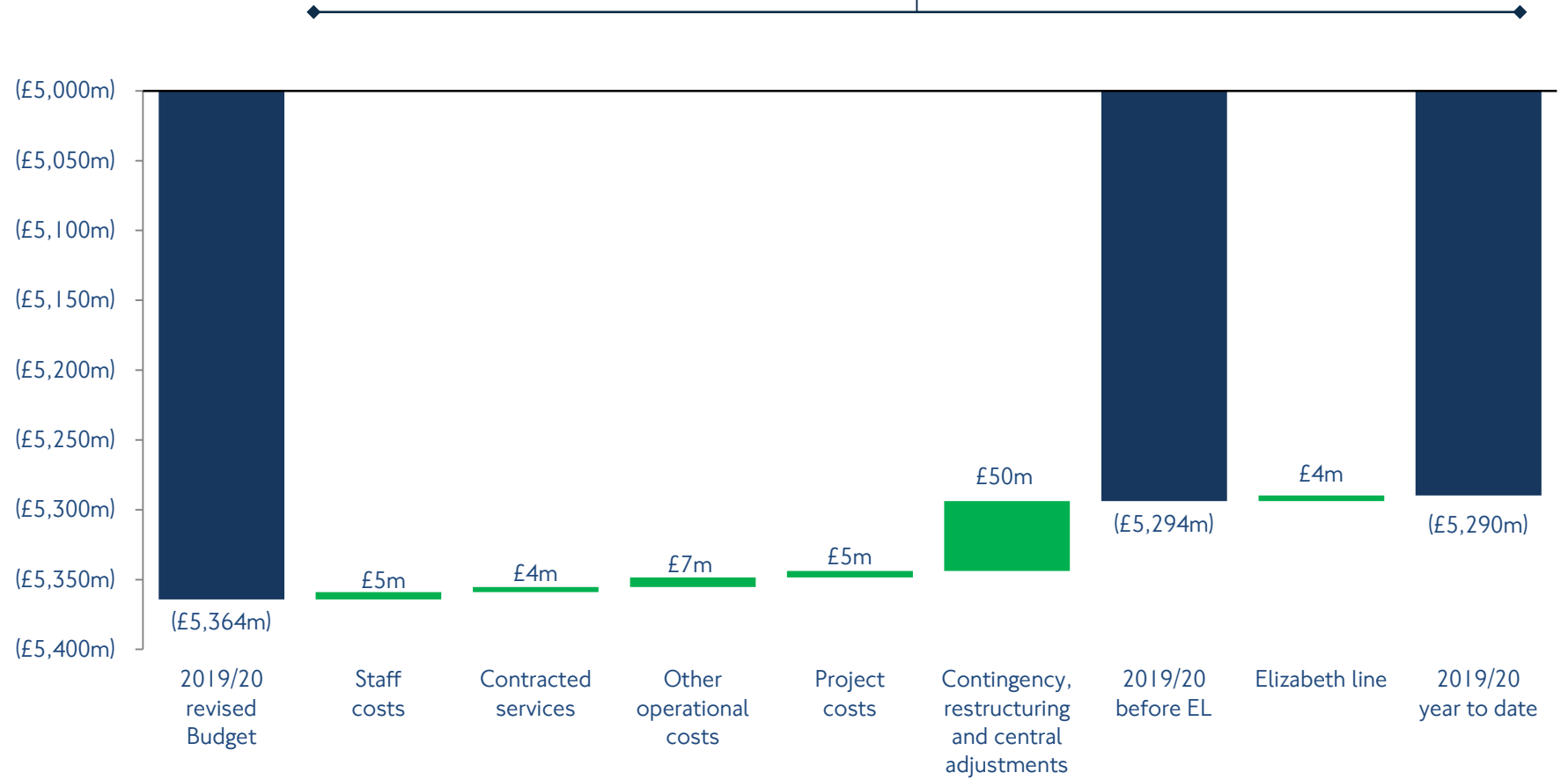
Note: Journey numbers are very volatile during the holiday period therefore care should be taken when extrapolating these trends

Operating costs lower than revised Budget

Operating costs improve following contingency release and cost reductions across most areas

Operating costs

Operating costs £74m better than revised Budget

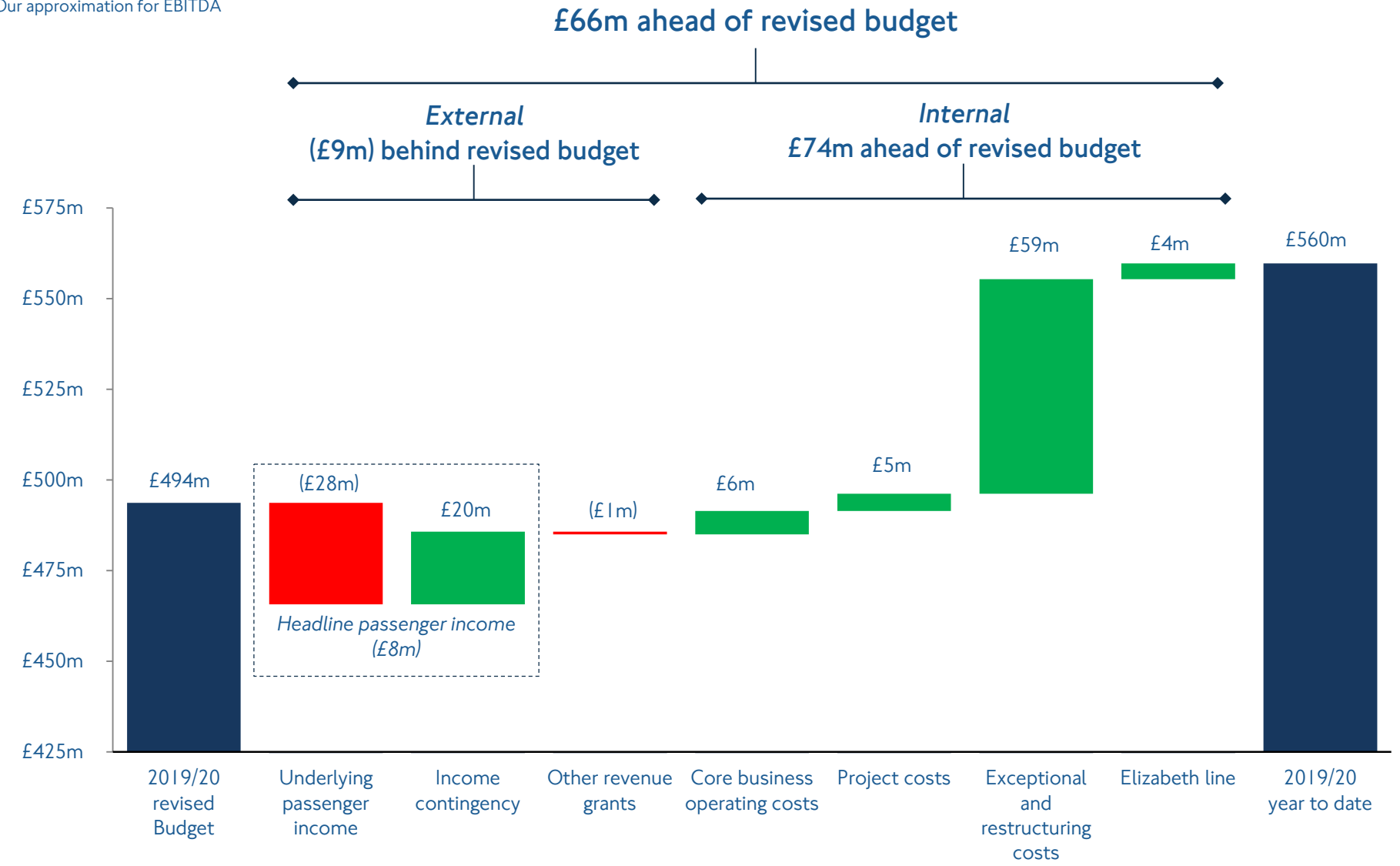


Summary: headline performance ahead of revised Budget

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Lower underlying
passenger income is
offset by favourability in
operating costs and
revenue / cost
contingencies

Net operating surplus

Our approximation for EBITDA



Capital spend continues to track below Budget

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We do not expect project delivery dates to be impacted

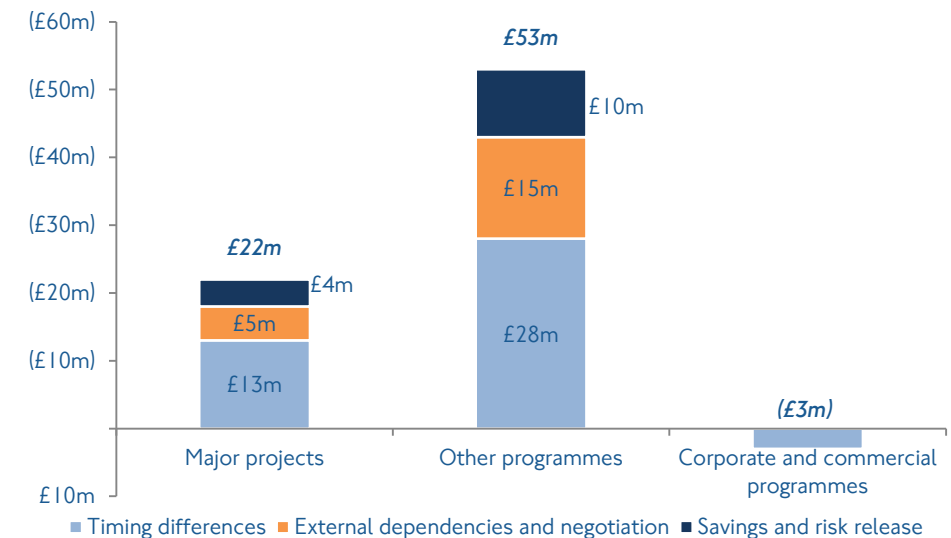
£m	2019/20 YTD				2018/19 YTD	
	Actuals	Revised Budget	Variance	% variance	Last year actuals	Variance
Capital account						
New capital investment	(848)	(914)	66	7%	(1,105)	257
Crossrail	(880)	(907)	28	3%	(1,185)	305
Total capital expenditure	(1,728)	(1,821)	94	5%	(2,290)	562
<i>Financed by:</i>						
Investment grant	750	750	0	0%	820	(70)
Property and asset receipts	149	159	(10)	-6%	52	97
Borrowing	249	492	(243)	-49%	669	(420)
Crossrail funding sources	804	809	(5)	-1%	420	384
Other capital grants	161	161	0	0%	162	(1)
Total	2,114	2,371	(257)	-11%	2,123	(9)
Net capital account	385	550	(164)	-30%	(168)	553
TfL capital expenditure						
Capital renewals	(372)	(377)	5	1%	(316)	(56)
New capital investment	(848)	(914)	66	7%	(1,105)	257
Total capital expenditure	(1,220)	(1,291)	71	5%	(1,421)	201

Total costs of major projects are in line with our Business Plan

Key programme spend is below revised Budget from a combination of timing, risk release, as well as savings

£m	2019/20 YTD			Full programme costs				
	Actuals	Variance to revised Budget	% variance	Total spend to date	Costs to go	Estimated final cost (EFC, net capital)	EFC variance to 2019 Business Plan	
Capital account variance by key programme <i>Capital renewals and new capital investment</i>								
Major projects								
Northern Line Extension	(141)	(0)	0%	(823)	(235)	(1,057)	23	2%
Four Lines Modernisation	(210)	12	5%	(4,880)	(483)	(5,364)	(3)	0%
Major Stations *	(74)	10	12%	(487)	(181)	(668)	(5)	-1%
Railway Systems Enhancements	(12)	1	8%	(124)	(74)	(197)	(3)	-1%
Piccadilly line trains	(52)	(2)	-3%	(155)	(2,793)	(2,948)	8	0%
DLR Rolling Stock	(18)	4	16%	(33)	(565)	(598)	2	0%
Barking Riverside	(32)	(0)	-1%	(45)	(62)	(107)	(4)	-3%
Silvertown Tunnel **	37	3	9%					
Other Major projects	-	(6)	100%					
Elizabeth line – infrastructure	(16)	2	8%					
Other programmes								
Healthy Streets	(86)	16	15%					
LU capital	(299)	19	6%					
Surface - assets	(42)	0	1%					
Public Transport	(72)	1	2%					
Air quality schemes	(39)	8	17%					
Other Surface	(8)	7	48%					
Corporate programmes								
Tech & Data projects	(76)	2	3%					
Growth engines – property	(60)	2	3%					
Other Corporate projects	(18)	(7)	100%					
Total capital expenditure	(1,220)	71	5%					

Variance to revised Budget by programme and cause



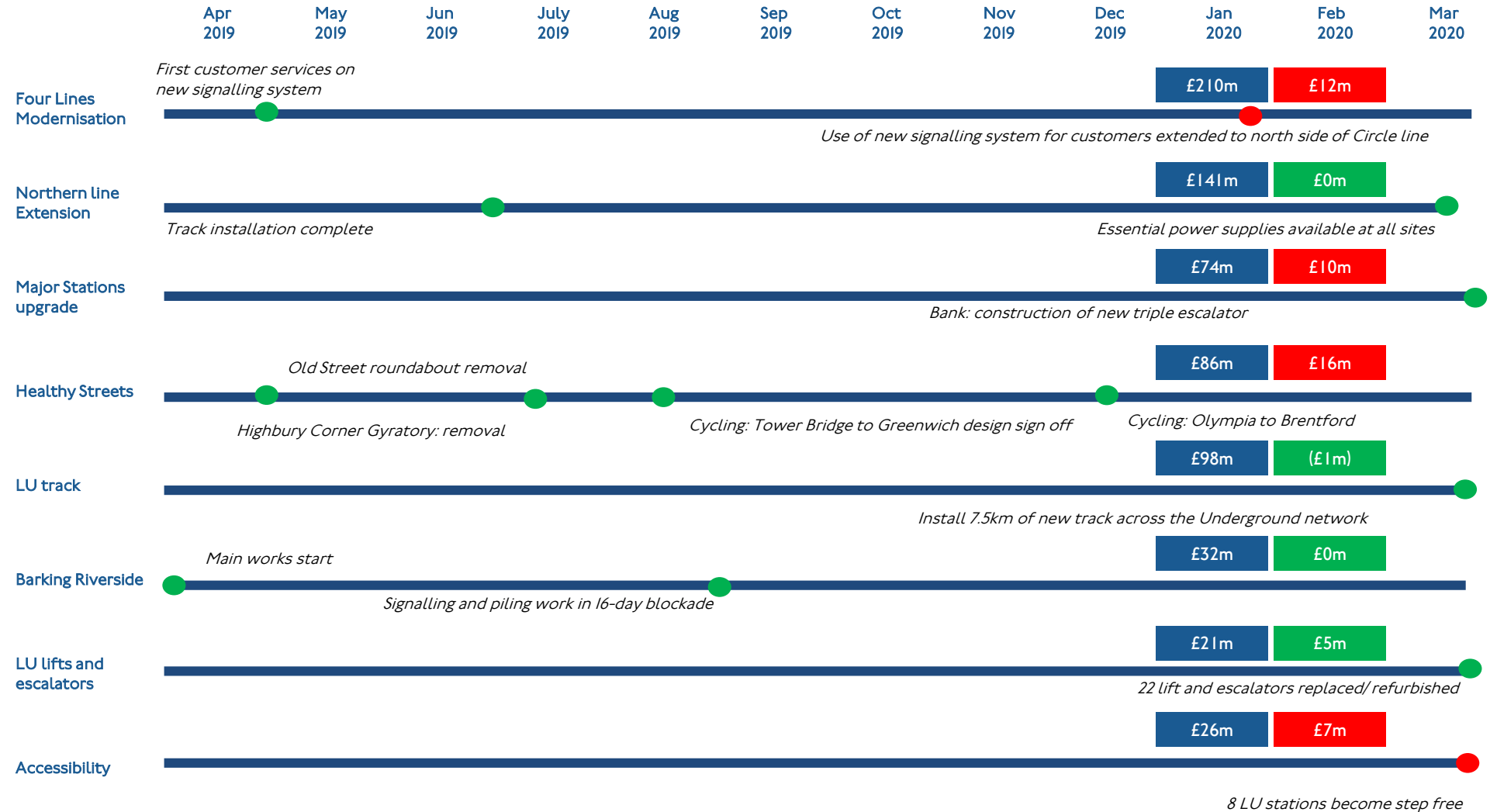
* Bank station estimated final cost

** Costs for 2019/20 include reimbursement of costs incurred in prior years EFC removed for commercial reasons

90% of the investment programme milestones are forecast to be achieved on time

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Budget milestones



- Delivered/forecast to schedule
- Delivered/forecast < 90 days late
- Delivered/forecast >90 days late



Section 2

Business Unit Review

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Period 1 | financial performance | 1
Business Unit Review | 2



London Underground: lower passenger income and costs higher than target

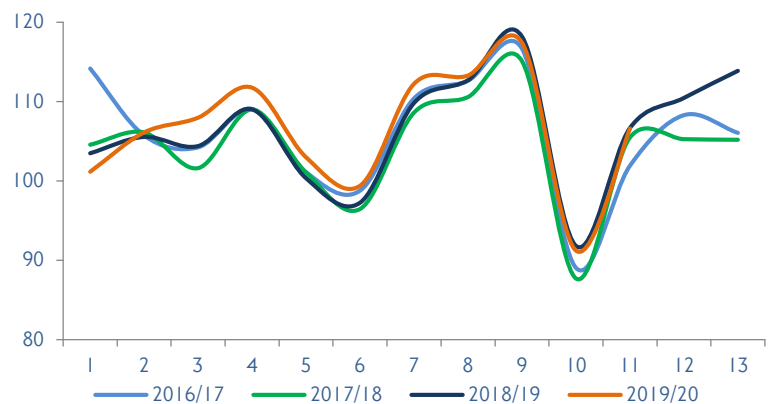
Passenger income down on revised Budget, mitigated by contingency release. Direct operating cost higher than the revised target



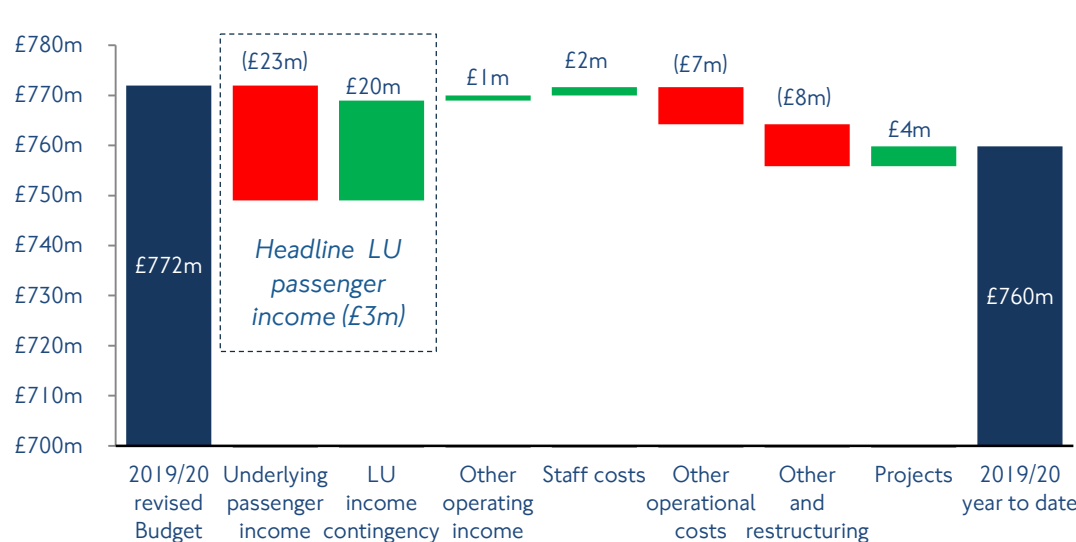
£m	2019/20 YTD				2018/19 YTD		
	Actuals	Revised Budget	Variance	% variance	Last year actuals	Variance	% variance
Operating account							
Passenger income	2,386	2,389	(3)	0%	2,298	88	4%
Other operating income	29	28	1	3%	25	4	14%
Total operating income	2,415	2,418	(2)	0%	2,323	92	4%
Direct operating cost	(1,655)	(1,646)	(9)	-1%	(1,674)	19	1%
Direct operating surplus	760	772	(12)	-1%	650	111	17%
Indirect operating cost	(284)	(344)	60	17%	(277)	(7)	-3%
Net operating surplus	476	427	49	11%	372	104	28%
Capital renewals	(258)	(268)	10	4%	(206)	(52)	-25%
New capital investment	(41)	(50)	9	18%	(35)	(6)	-18%
Total capital expenditure	(299)	(318)	19	6%	(241)	(58)	-24%

Passenger demand

LU underlying passenger journeys are 18 million lower than the revised Budget. Journeys trends are 1.2% up on last year, but the last 12 weeks has seen a year-on-year decline of (1.0%). Journeys in P11 were (0.1%) lower than P11, 2018/19.



Direct operating surplus



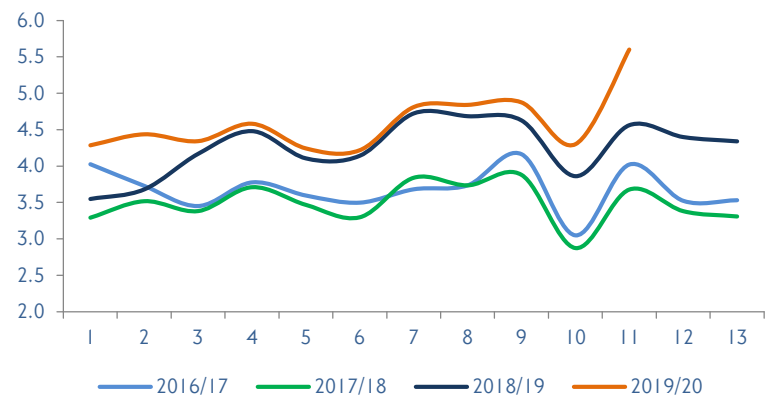
Elizabeth line: focus on opening of central section

New services from Reading to Paddington began in December 2019 – journeys in line with revised Budget

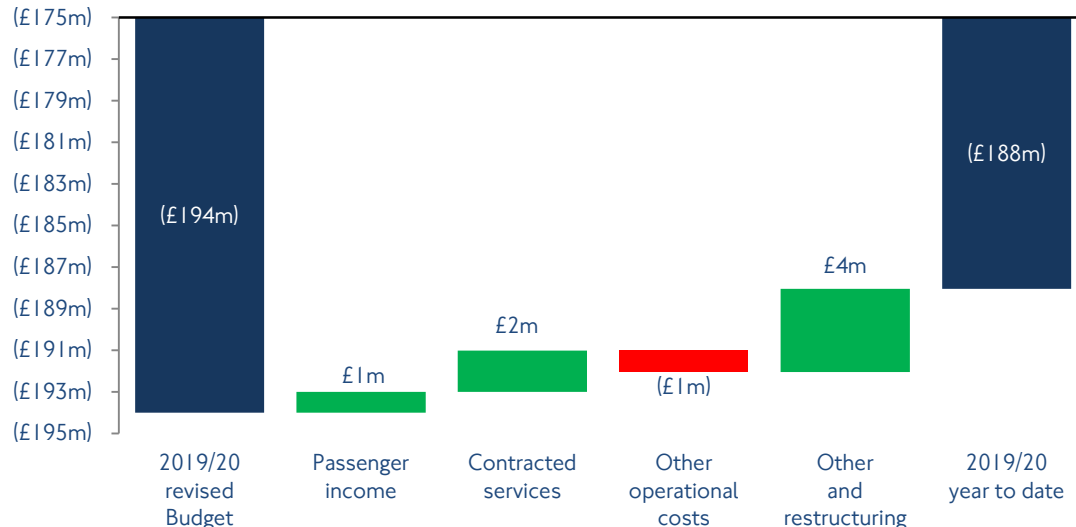
£m	2019/20 YTD				2018/19 YTD		
	Actuals	Revised Budget	Variance	% variance	Last year actuals	Variance	% variance
Operating account							
Passenger income	98	97	1	1%	85	13	15%
Other operating income	8	8	(0)	-3%	17	(9)	-54%
Total operating income	106	105	1	0%	102	4	3%
Direct operating cost	(294)	(299)	5	1%	(183)	(111)	-61%
Direct operating deficit	(188)	(194)	6	2%	(81)	(107)	-135%
Indirect operating cost	(9)	(10)	1	10%	(9)	-	0%
Net operating deficit	(197)	(204)	7	3%	(90)	(107)	-119%
New capital investment	(16)	(18)	2	8%	(253)	237	94%
Crossrail construction	(880)	(907)	28	3%	(1,185)	305	26%
Total capital expenditure	(896)	(925)	30	3%	(1,438)	542	38%

Passenger demand

Underlying demand is 11.4% up on last year – from new Reading to Paddington services - and 0.5% better than the revised target. Period 11 had 1 million new journeys from new Reading to Paddington services



Direct operating deficit



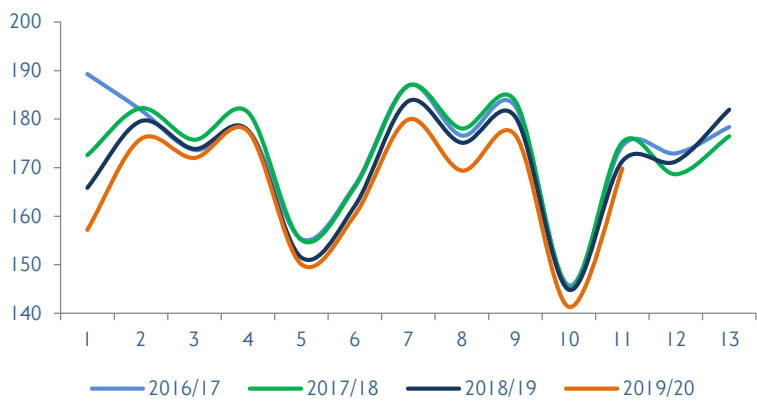
Buses: better than target from cost control

Underlying passenger journeys 1.4 % behind last year; income up from increase in yield. Direct operating costs up on last year, driven by inflation on bus contracts

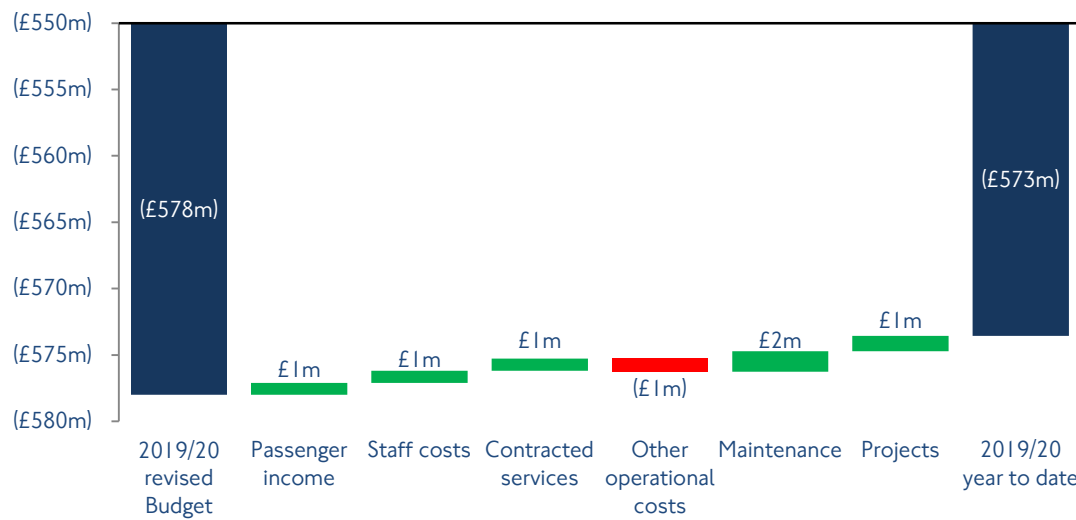
£m	2019/20 YTD				2018/19 YTD		
	Actuals	Revised Budget	Variance	% variance	Last year actuals	Variance	% variance
Operating account							
Passenger income	1,233	1,232	1	0%	1,236	(3)	0%
Other operating income	8	8	-	0%	10	(2)	-20%
Total operating income	1,241	1,240	1	0%	1,246	(5)	0%
Direct operating cost	(1,814)	(1,818)	4	0%	(1,782)	(32)	-2%
Direct operating deficit	(573)	(578)	5	1%	(536)	(37)	-7%
Indirect operating cost	(20)	(21)	1	5%	(21)	1	5%
Net operating deficit	(593)	(599)	6	1%	(557)	(36)	-6%
Capital renewals	(5)	(5)	-	0%	(1)	(4)	-400%
New capital investment	(11)	(14)	3	21%	(16)	5	31%
Total capital expenditure	(16)	(19)	3	16%	(17)	1	6%

Passenger demand

Year-to-date bus journeys are 14 million lower than revised target and 38 million lower than last year. Underlying journeys are 1.4% down on last year; Period 11 journeys (0.9%) lower than in 2018/19.



Direct operating deficit



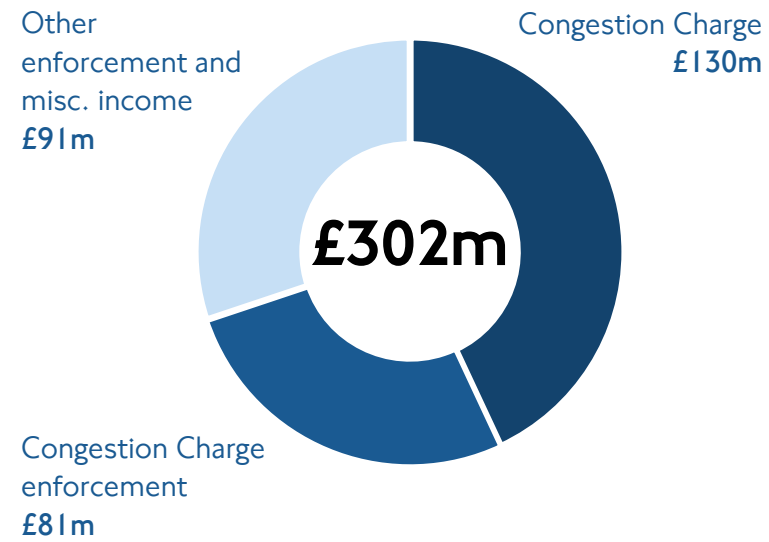
Streets: improved year- on-year performance, but traffic volumes lower than target

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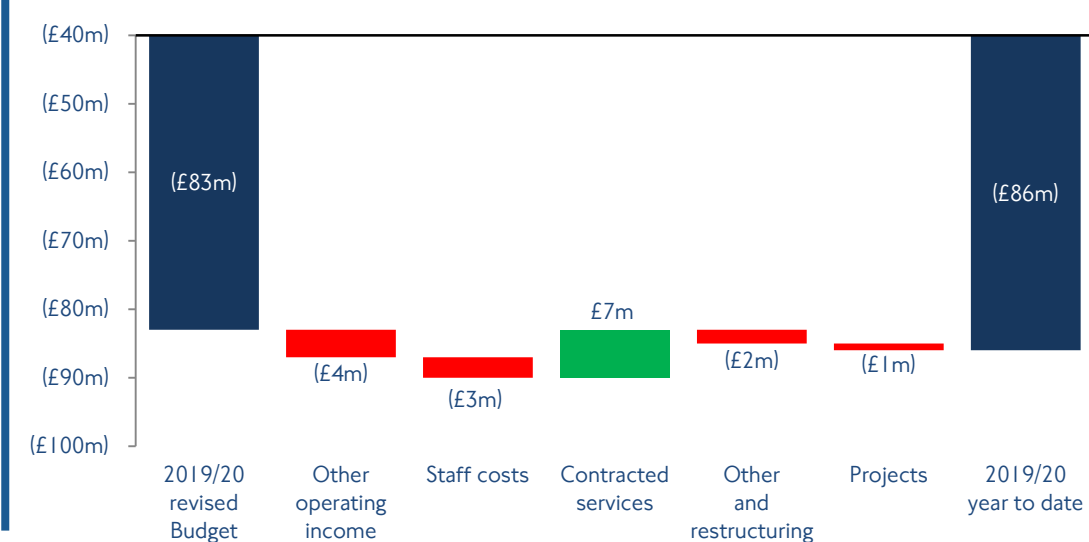
Streets income up on last year, but Congestion Charge levels and income down on revised Budget

£m	2019/20 YTD				2018/19 YTD		
	Actuals	Revised Budget	Variance	% variance	Last year actuals	Variance	% variance
Operating account							
Other operating income	302	306	(4)	-2%	272	33	12%
Total operating income	302	306	(4)	-2%	272	33	12%
Direct operating cost	(388)	(389)	1	0%	(397)	(0)	0%
Direct operating deficit	(86)	(83)	(3)	-3%	(125)	33	26%
Indirect operating cost	(62)	(68)	6	9%	(63)	1	2%
Net operating deficit	(148)	(151)	3	2%	(188)	34	18%
Capital renewals	(34)	(35)	1	3%	(28)	(6)	-21%
New capital investment	(98)	(121)	23	19%	(66)	(32)	-49%
Total capital expenditure	(132)	(156)	24	15%	(94)	(38)	-41%

Other operating income



Direct operating deficit



Other operations: lower than revised Budget

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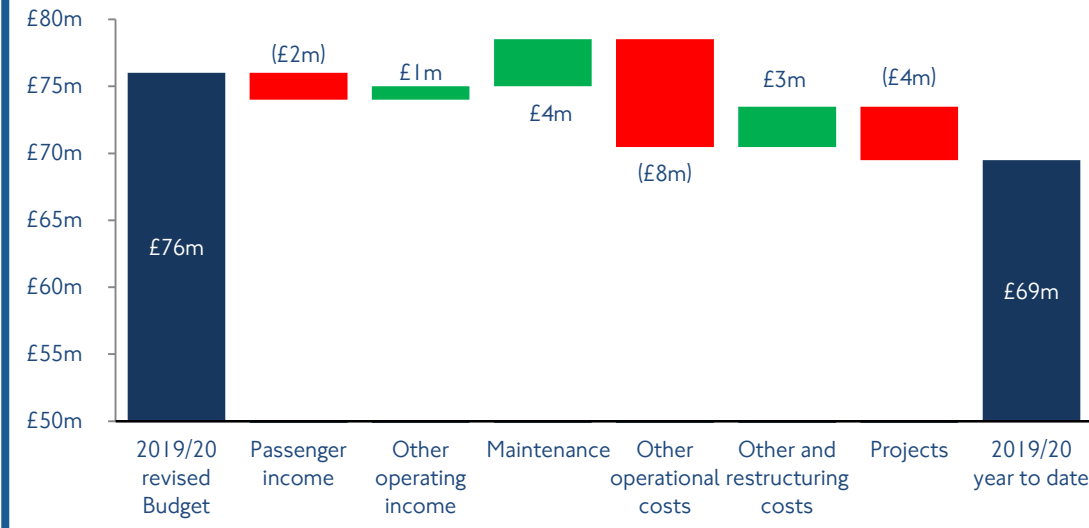
Operating cost higher than expected from increases in bad debt rates

£m	2019/20 YTD				2018/19 YTD		
	Actuals	Revised Budget	Variance	% variance	Last year actuals	Variance	% variance
Operating account							
Passenger income	51	53	(2)	-2%	51	-	-
Other operating income	252	251	1	0%	122	130	1%
Total operating income	303	304	(1)	0%	173	130	1%
Direct operating cost	(234)	(228)	(6)	0%	(206)	(28)	0%
Direct operating surplus	69	76	(7)	-1%	(33)	102	3%
Indirect operating cost	(43)	(48)	5	2%	(43)	-	-
Net operating surplus	26	28	(2)	-3%	(76)	102	1%
Capital renewals	(23)	(25)	2	4%	(41)	18	2%
New capital investment	(87)	(91)	4	1%	(70)	(17)	-1%
Total capital expenditure	(110)	(116)	6	1%	(111)	1	1%

ULEZ income and compliance

ULEZ performance	2019/20	Variance	% variance
Income (£m)	130.1	(1.2)	-1%
Vehicles in zone (millions)	34.0	(0.5)	-2%
Non-compliant vehicles (millions)	8.0	(0.2)	-2%
Compliance rates (%)	76.4%	0.0	0%

Direct operating surplus



Rail: in line with target, but journeys down

Broadly in line with revised target; lower DLR passenger income mitigated through higher other income and cost control

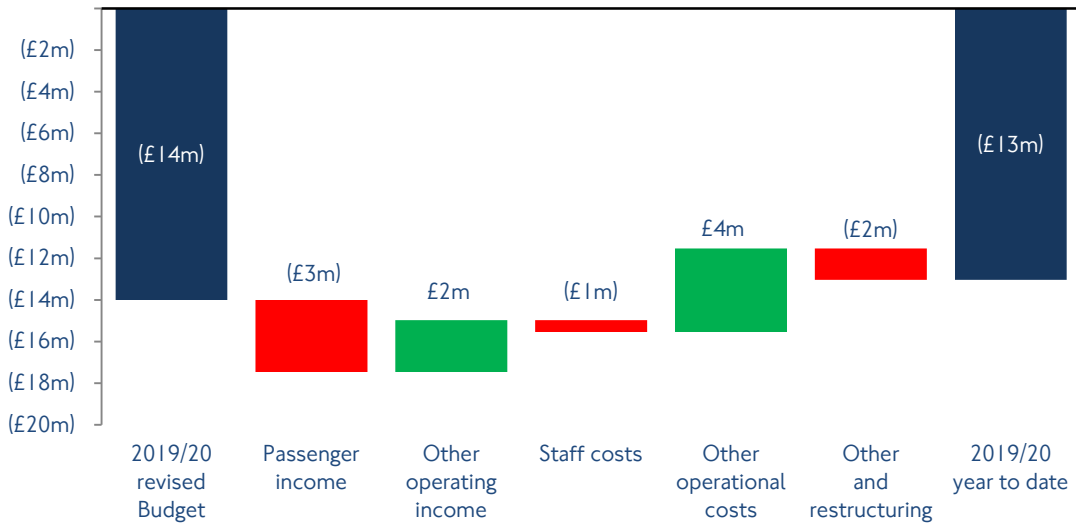
£m	2019/20 YTD				2018/19 YTD		
	Actuals	Revised Budget	Variance	% variance	Last year actuals	Variance	% variance
Operating account							
Passenger income	359	362	(3)	-1%	359	(0)	0%
Other operating income	21	19	2	13%	29	(8)	-28%
Total operating income	380	381	(1)	0%	388	(8)	-2%
Direct operating cost	(393)	(395)	2	1%	(375)	(18)	-5%
Direct operating deficit	(13)	(14)	1	11%	13	(26)	-194%
Indirect operating cost	(16)	(18)	2	11%	(17)	1	6%
Net operating deficit	(29)	(32)	3	9%	(4)	(25)	-625%
Capital renewals	(36)	(27)	(9)	-33%	(20)	(16)	-77%
New capital investment	(33)	(43)	10	23%	(30)	(3)	-9%
Total capital expenditure	(69)	(70)	1	1%	(50)	(19)	-38%

Passenger journeys

Millions	2019/20 YTD	Revised Budget	Variance
London Overground	158.1	158.6	(0.5)
DLR	101.4	102.7	(1.2)
London Trams	23.4	23.7	(0.3)

Millions	2019/20 YTD	2018/19 YTD	Year-on-year variance
London Overground	158.1	159.4	(1.3)
DLR	101.4	102.1	(0.7)
London Trams	23.4	24.3	(1.0)

Direct operating deficit



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Board

Date: 18 March 2020

Item: TfL Budget 2020/21

This paper will be considered in public

1 Summary

- 1.1 This paper seeks Board approval of the TfL Budget 2020/21.
- 1.2 The members of the Board informally reviewed the financial summaries and analysis on 26 February 2020.

2 Recommendations

- 2.1 **The Board is asked to note the paper and:**
 - (a) **approve the draft TfL Budget 2020/21 appended to this paper; and**
 - (b) **authorise the Chief Finance Officer to make any editorial or other minor changes he considers appropriate prior to its publication.**

3 Background

- 3.1 The draft TfL Budget 2020/21 sets out in detail the strategies outlined in the December 2019 Business Plan to deliver the Mayor's plans for improving transport and remaining on track to achieve operational breakeven by 2022/23.
- 3.2 The document highlights the programmes and milestones that will see the most significant developments or progress over the next year.
- 3.3 The financial schedules and key performance indicators are based on the forecast outturn position for 2019/20 as at period 11.

List of appendices to this report:

Appendix 1: Draft TfL Budget 2020/21

Appendix 2: Slide Presentation

List of background papers:

None

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Transport for London Budget 2020/21

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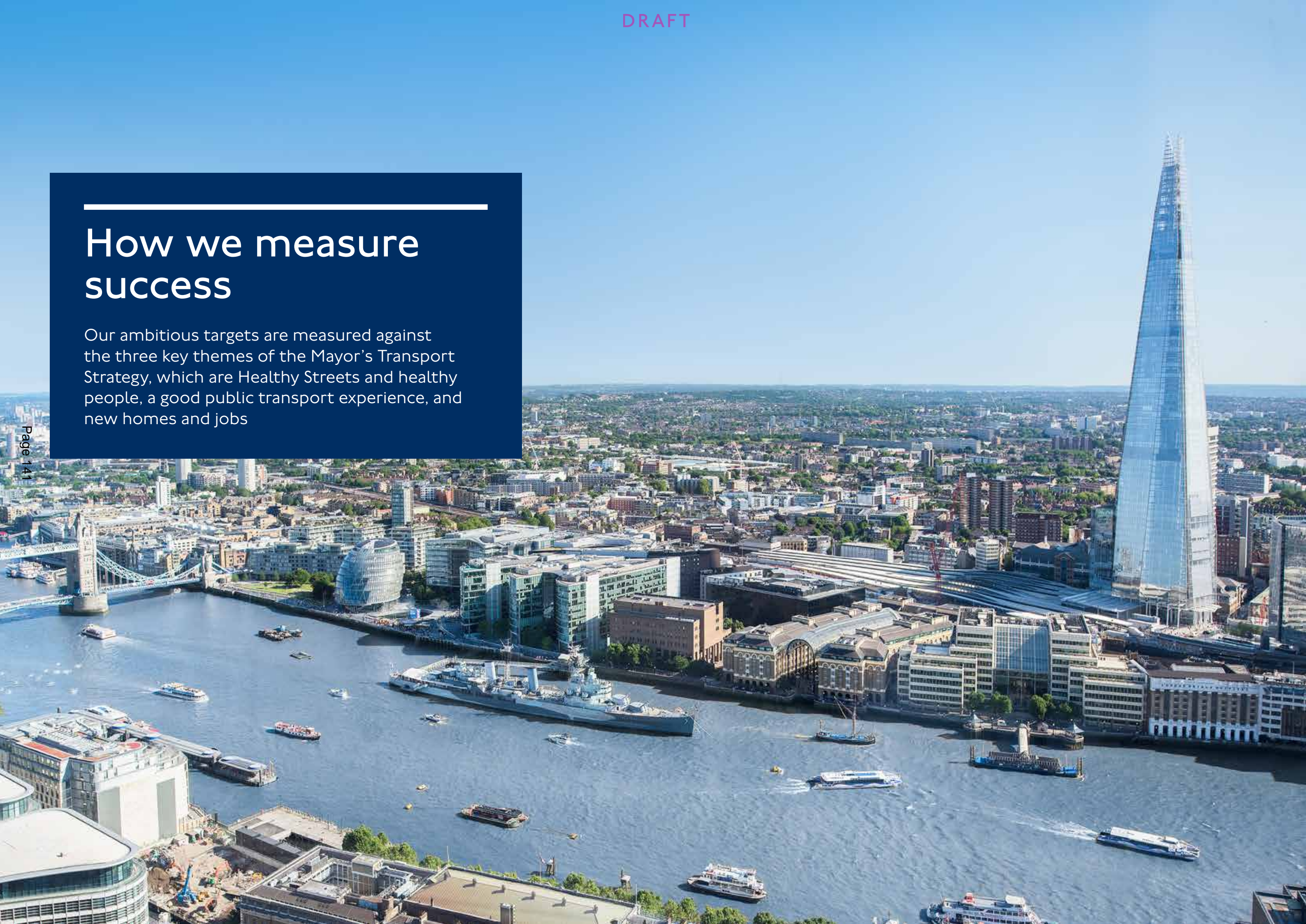
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How we measure success

Our ambitious targets are measured against the three key themes of the Mayor's Transport Strategy, which are Healthy Streets and healthy people, a good public transport experience, and new homes and jobs



Commissioner's foreword



SIGNATURE

Mike Brown MVO
Commissioner
Transport for London

This year sees the 2020 Mayoral and London Assembly elections taking place. There will also be a new Transport Commissioner to oversee the running of TfL as I move on after nearly five years in the role. There will, however, be no let-up in what we will deliver for London. This Budget sets out how we will maintain a safe, reliable and efficient transport network for London. Building on our five-year Business Plan, this report is fully aligned with the Mayor's Transport Strategy and will continue to encourage more people to walk, cycle and use public transport.

Safety remains our top priority and we will accelerate work to achieve our Vision Zero ambition to eliminate deaths and serious injury on London's transport network by 2041. We have recently introduced a 20mph speed limit on all our roads within the Congestion Charge zone, mirroring the lower speed limits already in place on most borough roads in central London.

We will continue to lead the way in cleaning London's air and making the Capital a greener place to live. In October 2020, we will introduce tougher Low Emission Zone standards for heavy diesel vehicles. Those vehicles that fail to meet the new standards will pay a daily charge. We will introduce more zero-emission buses, aiming for up to 500 in the fleet by the end of 2020/21, and complete the installation of 300 rapid charging points for electric vehicles.

An additional 11 London Underground stations will become step-free, meaning a third of the Tube network will be fully accessible. We will also reach major milestones in projects to upgrade the Tube, including implementing new signalling on

the Circle, District, Hammersmith & City and Metropolitan lines, and beginning testing of trains on the Northern Line Extension to Nine Elms and Battersea Power Station. Work will continue on the massive reconstruction of Bank/Monument station in the heart of the City of London. In addition, the north and south viaducts of the 4.5km London Overground extension to Barking Riverside will be completed, marking a key stage in this project that will help unlock 10,800 new homes in the area.

We will also see major progress on our Healthy Streets agenda. We have already achieved our target of tripling the amount of protected cycle lanes since 2016, months earlier than expected, and will continue to make major improvements to some of the most dangerous junctions in London, such as Old Street Roundabout. This year, work to transform the roads around Waterloo will begin, making it safer for cyclists, improving crossings and bus interchanges, and transforming the public space.

These improvements are being delivered despite an uncertain economic environment. We receive around 40 per cent less overall funding than we did in 2010/11, which is a reduction of around £1.4bn each year. We must also bear the costs of the ongoing delays to the opening of the Elizabeth line, with the GLA, despite this being a jointly sponsored project with the Government. To combat this, we have applied control on our finances, reducing our net deficit, on a like-for-like basis, by more than £1bn since 2015/16, improving efficiency and suspending non-essential work. However, we need long-term funding certainty from the Government to support a pipeline of vital work that will maintain

'We need long-term funding certainty from the Government to support a pipeline of vital work that will improve connectivity, attract business and support new homes'

safety and reliability of day-to-day services, improve connectivity, attract business and support new homes. This would also help create jobs and improve skills across the country. These benefits are not a zero-sum game and central Government must invest in both London and the rest of the country. The Capital will become more prosperous and attractive if the economies of the rest of the UK nations, regions and cities are enhanced, and vice versa.

Delivery is measured by our scorecard, which is approved by our board. As always, the targets challenge us to constantly improve. I am confident that whoever leads the organisation through the next period will continue the good progress we have made to improve safety, deliver a reliable network and work to unlock the housing and sustainable growth London needs. I am confident we are in a positive place to respond to the challenges ahead.

Chief Finance Officer's foreword



SIGNATURE

Simon Kilonback
Chief Finance Officer
Transport for London

Our latest Business Plan, published in December 2019, set out our response to the challenges we face from a continued subdued economy, uncertainty around the final terms of the UK's exit from the European Union and the delays to the opening of the Elizabeth line.

Our funding settlement is confirmed for 2020/21, but we have no certainty of Government funding beyond this financial year. As we explained when we published our Business Plan, it is crucial that we secure long-term funding certainty in the forthcoming spending review. We published our 20-year Capital Strategy alongside the Business Plan, which describes London's transport infrastructure requirements. We are at the end of a 20-year funding cycle having completed or started upgrades to the Circle, District, Hammersmith & City, Jubilee, Metropolitan, Northern and Victoria lines, but have no future funding certainty for the next round of upgrades. We are working closely with Government and stakeholders to secure the funding to continue investing in the transport infrastructure London needs. This is critical for London and also to enable our supply chain to plan for the future and deliver the improvements needed to keep London competitive on a global stage, support investment across the country and be a place where people can travel safely, reliably, affordably and easily.

We have a strong track record of delivering our financial strategy, having reduced our net deficit, as measured by the net cost of operations, by more than £1bn since 2015/16 on a like-for-like basis. In 2019/20, we have seen the deficit improve for the fifth consecutive year, which is testament to our firm grip on cost and careful business

management to navigate volatility in passenger demand and uncertainty in the macroeconomic environment.

This Budget builds on the strong operational performance in 2019/20. Passenger income trends continue to be unpredictable. Demand across all our modes was better than anticipated in the first half of 2019/20, however we saw a sharp deterioration in demand towards the end of 2019, which was consistent with a poor Christmas retail performance on the high street. These trends improved in January, but we still remain cautious and our projections for 2020/21 reflect the lowest point of the range of possible outcomes, as informed by forecasts from GLA Economics.

We launched the Ultra Low Emission Zone in April 2019, which resulted in a fall in roadside nitrogen dioxide pollution by 36 per cent in the zone in the first six months, compared to 2017 levels. Compliance rates are higher than we anticipated, which is positive for the environment. We have reduced our income projections for 2020/21 to reflect this. We started rolling out new trains on the London Overground, which is planned to complete in summer 2020. These new trains will result in higher operating costs in the short term, which are reflected in this Budget. We completed the planned changes to our bus network in central London in 2019 and continue to work hard to mitigate the impact of inflationary cost increases.

Since late 2018/19, we have taken a decisive step towards a leaner and more efficient back-office organisation, having worked in consultation with our trade unions to review 25 business areas and more

'It is crucial that we secure long-term funding certainty in the forthcoming spending review'

than 3,000 roles. We are committed to continually improving, adapting to the external headwinds and building resilience to weather the challenges we face.

The 2019 Business Plan took a pragmatic view of our investment programme, prioritising work that is critical to maintaining current levels of safety and reliability, or those that are already contractually committed. We have also taken into account delivery realities, which are sometimes subject to factors outside of our control. As part of this budgeting round, I challenged the business to arrive at a financial budget that we can deliver which takes into account historical delivery rates, adjusted as appropriate for each area.

In 2020/21, total investment in both capital renewals and new capital will increase from £1,562m to £1,866m. This is a challenging but realistic Budget that maintains significant levels of investment in London. The key external risk to financial delivery in 2020/21 remains passenger income volatility, underpinned by a very uncertain macroeconomic environment. However, we have demonstrated that we can successfully manage risks, while maintaining financial discipline and building resilience. I am confident we will continue to deliver for the people who live and work in London.

Measuring success

Our scorecard provides a clear line of sight between the Mayor's Transport Strategy, our five-year Business Plan and annual Budget

Our scorecard is aligned to the three key themes of the Mayor's Transport Strategy – Healthy Streets and healthy people, a good public transport experience and new homes and jobs. It is balanced across four quadrants – Safety and operations, Customer, People and Financial – with each carrying a weight of 25 per cent.

The TfL Board approves the measures we use to track performance against key priorities and outcomes, and we report the results at each Board meeting.

Our forecast results for 2019/20 show safety must remain our critical focus. If we are to achieve our Vision Zero objective of having nobody killed or seriously injured on our roads by 2041, then we must meet the target each year. In 2019, we saw a reduction in the number of people killed or seriously injured by buses beyond the trajectory to achieve Vision Zero. We must now see this across the whole transport network, including on our roads and among our customers and workforce.

In 2019/20, we increased the number of Euro VI compliant buses, public transport trips and the average kilometres cycled per day in central London. We expect to achieve our financial target for a net operating surplus, but revised timings on the delivery of projects means we

will not meet our revised target for the investment programme. The risks around capital delivery are described on pages 18 and 19, and we will continue to improve the accuracy of these forecasts. We have started to see a reduction to the additional time it takes to make a step-free journey compared to last year as a result of the investment in accessibility, however, we missed our target largely due to the delays in the Crossrail construction programme.

We have improved the total workforce engagement and inclusion index and expect to have improved workforce diversity. We also expect the percentage of people who agree we care about our customers to increase against last year.

Our targets for 2020/21 provide a challenge to improve performance or where specific factors mean this isn't possible, pose an alternative challenging target for the year ahead. We have introduced a carbon measure, given the increasing focus on climate change and the fact the Mayor has declared a climate emergency. This will replace our current environmentally-focused measure of the number of Euro VI buses, which is due to be completed by mid-2020/21. We have also set a new milestone target for the Elizabeth line, which reflects the updated schedule with trial running set to begin in autumn 2020.

Breakdown of scorecard measures categories:

Safety and operations: 25% Customer: 25% People: 25% Financial: 25%

Long-term objective		2019/20 forecast	2020/21 target	Category
Outcome	2020/21 scorecard measure			
Healthy Streets and healthy people (17.5%)				
London's public transport will be on track to be zero emission by 2030 ¹	Reduction in CO ₂ e emissions from TfL operations (including fleet) and buildings (from 2019/20)	c950 ktonnes	3%	Safety and operations (25%)
London's streets will be used more efficiently and have less traffic on them	Time saved for pedestrians, cyclists and buses at traffic lights (cumulative saving since 2018/19) (hours)	17,500 hours (34,485 cumulative)	16,500 additional hours (50,985 cumulative)	
London's streets will be healthy, and more Londoners will travel actively	Healthy Streets Check for Designers – average improvement delivered by schemes against the 10 Healthy Streets indicators (%)	10	10	
London's streets will be safe and secure	Reduction in people killed or seriously injured on roads, including by buses	38.1% reduction from 2005-09 baseline	287 fewer people than 2019 (42.6% reduction from 2005-09 baseline)	
	Reduction in customers and workforce killed or seriously injured (across all our services)	1%	3.5% cumulative (81 fewer people than 2019/20)	
A good public transport experience (22.5%)				
Public transport will be safe, affordable and accessible to all	Additional time to make step-free journeys ² (minutes)	8.8	7.6 (1.2 minute reduction from 2019/20)	Safety and operations (25%)
Journeys by public transport will be pleasant, fast and reliable	Tube excess journey time (minutes)	4.94	4.90	
	Bus journey time (minutes)	32.6	33.2	
	Percentage of Londoners who agree we care about our customers (%)	53	54	Customer (25%)
The public transport network will meet the needs of a growing London	Elizabeth line – start trial running	New measure	Autumn 2020	
New homes and jobs (5%)				
Transport investment will unlock the delivery of new homes and jobs	Start on sites of new homes by March 2021	New measure	10,000 homes	Customer (25%)
Mode share (5%)				
80 per cent of trips will be made by active, efficient and sustainable modes by 2041	Public transport trips (millions)	4,035	4,024	Customer (25%)
	Average kilometres cycled per day (thousands) ³	544	560	

1. Our plans to reduce our emissions include bus electrification, energy efficiency measures (such as LED lighting), and generating our own renewable energy (such as introducing solar panels). Further expansion of ULEZ to the North and South circular by October 2021 will help reduce London-wide emissions, as will further investment in intensifying and extending public transport capacity and connectivity
2. Average additional time to make a step-free journey between any two points
3. Target is three more percentage points on 2019/20 outturn. Figure shown is based on 2019/20 forecast

Long-term objective		2019/20 forecast	2020/21 target	Category
Outcome	2020/21 scorecard measure			
People (25%)				
A capable and engaged workforce representative of London	Representativeness – all staff (%) ⁴	71.1	72.1	People (25%)
	Representativeness – director/band 5 (%) ⁴	38.3	39.3	
	Inclusion index (%)	47	50	
	Total engagement (%)	57	58	
Financial (25%)				
We cover our costs and we are prudent	Net operating surplus (£m)	729	430	Financial (25%)
	Investment programme			
	– deliver key milestones on time (%)	90	90	
	– deliver programmes to budget (£m)	1,562	1,866	

⁴ Target is one more percentage point on 2019/20 outturn. Figure in table is based on 2019/20 forecast

Delivering a balanced budget

This Budget is balanced against a series of factors and risks, including passenger demand, lifespan of our assets and the evolving political landscape



Budget at a glance

Keeping London moving, working and growing to make life in our city better

How we report on our business

Streets, buses and other surface operations

Transport for London Road Network, London Buses, London Dial-a-Ride, London River Services, London Taxi and Private Hire, Santander Cycles, Victoria Coach Station and Emirates Air Line

Underground

London Underground

Elizabeth line

Currently operating as TfL Rail

Rail

DLR, London Overground and London Trams

Property

Our commercial and residential estate and building portfolio

Media

Advertising estate and digital marketing infrastructure

Commercial consulting and international operations

Our global consultancy operation and brand licensing

985 trains on the TfL network



300 rapid charging points by the end of 2020

755km TfL-operated Rail and London Underground routes



9,000+ buses across our network, all of which will meet the Euro VI engine standard by the end of 2020

6,300 traffic signals that we operate

Total sources and uses of funds

£9.7bn

Total sources of funds



79% spent on running and operating the network every day

£9.7bn

Total uses of funds



21% spent renewing and improving the network through one of the largest capital investment programmes in Europe

* These figures have all been rounded

Financial summary

Despite the challenges, we are on track to achieve operational breakeven by 2022/23 through stronger cost management

Operating account

We start 2020/21 in a challenging position compared to our 2019 Business Plan. We have seen a fall in passenger demand in the latter part of 2019/20, which we expect to continue into 2020/21. Our budgeted net cost of operations is now £571m, which is an increase of £78m against the Business Plan.

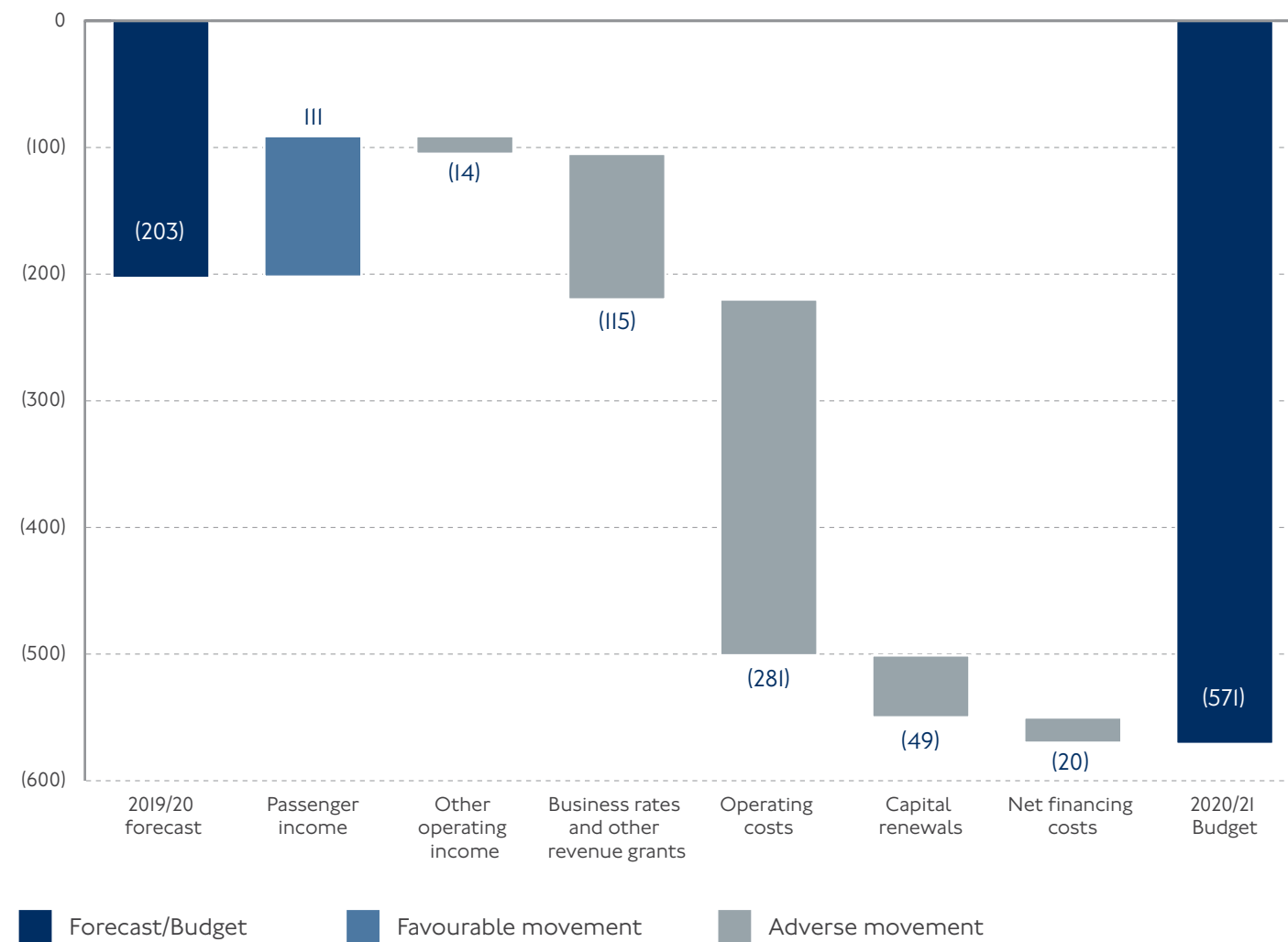
TfL Group (£m)	2020/21 Budget	2020/21 Business Plan	Variance to Business Plan	2019/20 forecast	2020/21 variance to 2019/20 forecast
Passenger income	5,063	5,123	(60)	4,952	111
Other operating income	1,006	1,045	(39)	1,020	(14)
Total operating income	6,069	6,168	(99)	5,972	97
Business Rates Retention	969	968	1	988	(19)
Other revenue grants	17	11	6	113	(96)
Total income	7,055	7,147	(92)	7,073	(18)
Operating cost	(6,625)	(6,618)	(7)	(6,344)	(281)
Net operating surplus	430	529	(99)	729	(299)
Net financing costs	(468)	(487)	19	(448)	(20)
Net surplus/(cost) of operations before renewals	(38)	42	(80)	281	(319)
Capital renewals	(533)	(535)	2	(484)	(49)
Net cost of operations	(571)	(493)	(78)	(203)	(368)

Passenger income

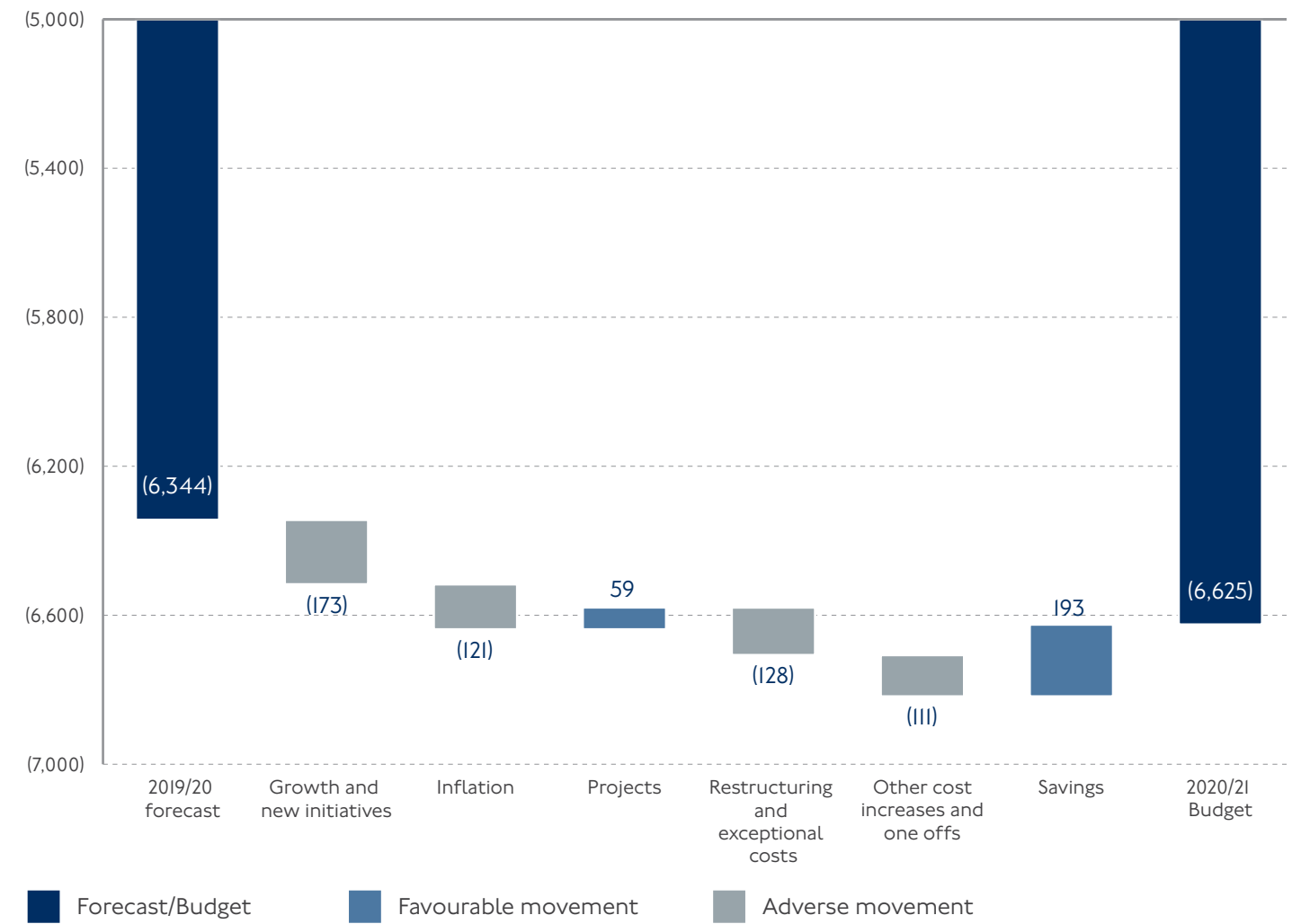
The passenger income budget in 2020/21 is £5,063m, a decrease of £60m compared to our 2019 Business Plan. This reflects the volatility of passenger journey trends.

We saw better than expected demand in the first half of 2019/20 across all modes, but demand fell towards the end of 2019. Although demand has shown some signs of recovery since January 2020, we remain cautious and our forecast for 2020/21 reflects this.

Movement on net cost of operations (£m)



Movement on operating costs (£m)



Other operating income

This includes the Congestion Charge, enforcement income and revenue generated through commercial activities, such as advertising, property rental and our newly launched consultancy arm. In April 2019, we also introduced the new Ultra Low Emission Zone (ULEZ).

There is a £39m decrease in other operating income since the 2019 Business Plan. This follows a fall in the number of vehicles entering the Congestion Charging zone and higher than expected ULEZ compliance rates, which has environmental benefits. However, year on year, we are mitigating some of this by growing our commercial income through upgrading our estate and opening new retail units.

Business rates and other revenue grants

These decrease by £115m compared to the 2019/20 forecast. This is largely due to one-off funding received as part of the 2019/20 Budget, including an additional £83m over two years from the GLA to fund Mayoral priorities, with £60m received in 2019/20. We also received £34m in 2019/20 to cover the initial implementation costs of the bus driver retention scheme. These receipts will not be repeated in 2020/21.

Operating costs

Budgeted operating costs for 2020/21 are £6,625m, which is in line with the 2019 Business Plan. We are mitigating inflationary pressures through our savings programme. However, total year-on-year operating costs are increasing by £281m in 2020/21 from a combination of new services, one-time costs and restructuring cost increases as explained in the graph above.

These costs feature £173m from the introduction of new services, including testing and preparations for the opening of the Elizabeth line (£110m), new higher capacity trains on London Overground and the introduction of the Direct Vision Standard – to improve safety of all road users, including pedestrians, cyclists and motorcyclists – from October 2020.

There will be a £128m increase from restructuring and exceptional costs. This is largely driven by a higher contingency, to ensure we have an operational buffer against unforeseeable events, and costs to support London Underground modernisation savings.

Inflation accounts for a cost pressure of £121m, from contract inflation across operators and suppliers, with approximately £50m on bus operators' contract costs, increased energy prices and wage inflation. We will see a £111m increase in other spend, including higher pension contributions, offset by lower project spend of £59m.

More than one third of these costs will be offset by £193m of planned savings through our cost reduction programme, encompassing supply chain savings across the Underground, bus contract savings, accommodation and back office.

Capital expenditure

This Budget reflects the latest project schedules, with some timing differences to our Business Plan following a zero-based review of our major programmes. Our new capital investment in 2020/21 is £1,333m, which is a reduction of £213m against the Business Plan.

We have updated our assumptions on Crossrail capital spend and funding, in line with the latest profile confirmed by Crossrail Limited.

Managing cash flow

To support our financial resilience, we must protect our liquidity. We are maintaining a minimum cash reserve equivalent to at least two months of our operating expenses. This is a prudent cash position, which enables us to respond to unexpected shocks, such as a recession, and any further risk against Crossrail timescales.

We need to build up our cash reserves to ensure we have the necessary funding to replace our existing assets and, where prudent, invest in enhancements.

The working capital movement is a result of the Budget having a lower level of creditors than the Business Plan. This has been influenced by the reduction in capital expenditure since the Business Plan, following a review of our major programmes.

Capital account (£m)

TfL Group	2020/21 Budget	2020/21 Business Plan	Variance to Business Plan	2019/20 forecast	2020/21 variance to 2019/20 forecast
New capital investment	(1,333)	(1,546)	213	(1,078)	(255)
Crossrail investment programme	(725)	(626)	(99)	(1,039)	314
Total capital investment	(2,058)	(2,172)	114	(2,117)	59
Funded by:					
Mayoral business rates	910	910	-	893	17
Property receipts and asset sales	153	172	(19)	164	(11)
Borrowing	1,333	1,352	(19)	544	789
Crossrail funding sources	114	112	2	1,031	(917)
Other capital grants	123	173	(50)	205	(82)
Total	2,633	2,719	(86)	2,837	(204)
Net capital account	575	547	28	720	(145)

Cash flow summary (£m)

TfL Group	2020/21 Budget	2020/21 Business Plan	Variance to Business Plan	2019/20 forecast	2020/21 variance to 2019/20 forecast
Net cost of operations	(571)	(493)	(78)	(203)	(368)
Net capital account	575	547	28	720	(145)
Working capital movements	(264)	(67)	(197)	(20)	(244)
Increase/(decrease) in cash balances	(260)	(13)	(247)	497	(757)

Meeting our challenges

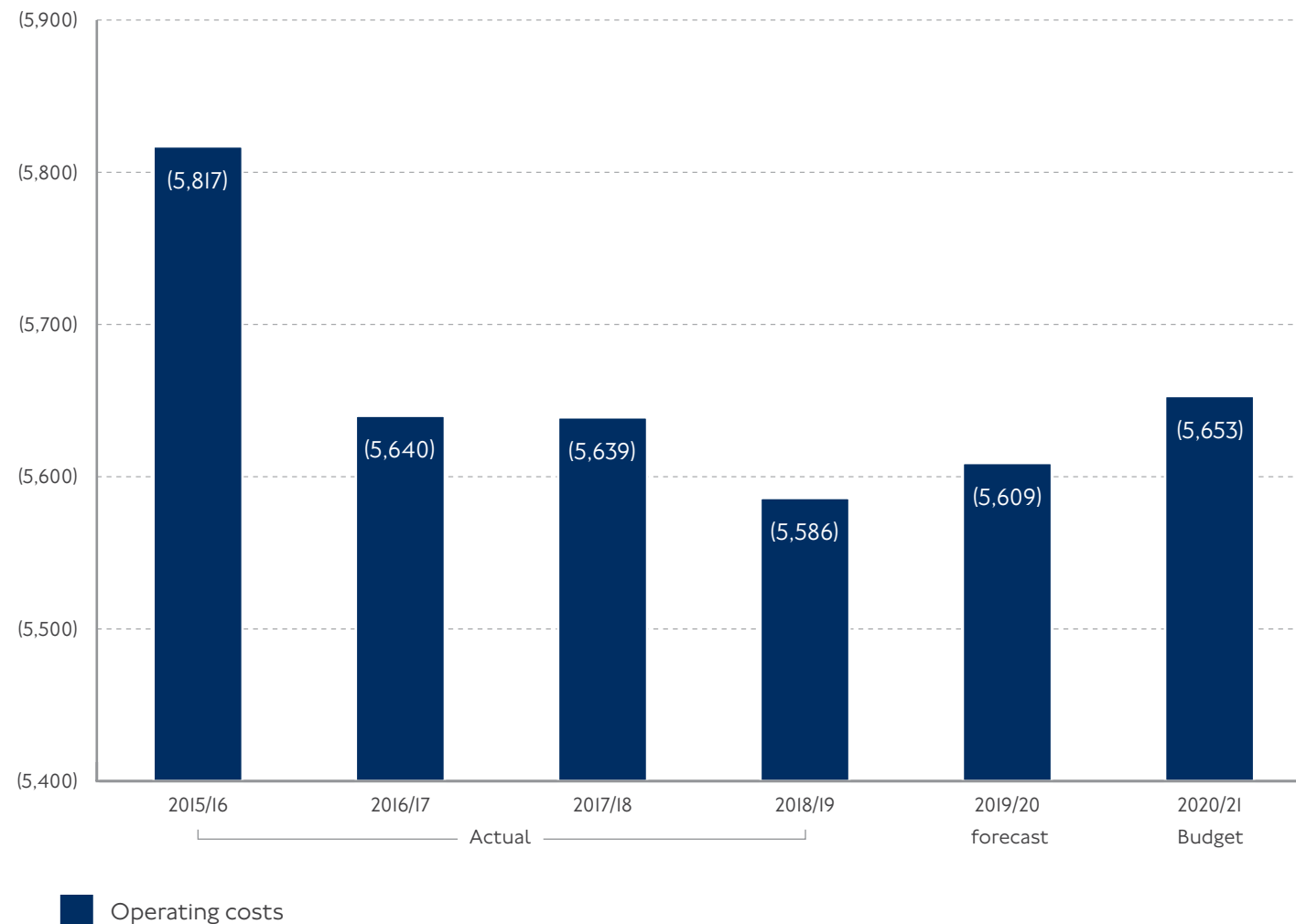
Passenger demand has the biggest impact on our finances and we face a series of challenges to maintain our robust financial performance

Our organisation faces a number of headwinds and tailwinds, which we must adapt to. Passenger journeys are largely determined by economic growth and employment, areas where the outlook remains subdued. While the immediate risk of a no-deal departure from the European Union has evaporated, there is still a great deal of uncertainty. We are also faced with inflationary pressures across our cost base, while introducing new services, changing behaviours to support walking and cycling, and reducing the number of people killed or injured on our roads.

Like-for-like costs

Through our savings programme and a tight grip on costs, we have reduced our like-for-like operating costs, adjusted for new services, restructuring and other one-off costs, each year from 2015/16 to 2018/19. Costs in 2020/21 will be around £150m lower than they were when we began the savings programme in 2015/16. We expect to see an increase in 2020/21, driven mainly by higher pension contributions following an agreement with the Pensions trustees.

Like-for-like operating costs (£m)



Savings programme

As part of our strategy to breakeven on the day-to-day costs of operations, we initiated a savings programme in 2015/16, reviewing all aspects of our organisation including structure, accommodation, headcount, commercial contracts and our vast supply chain. The initial phase of this programme saved £747m by the end of 2018/19 and we will have saved a further £211m in costs by the end of this financial year. This means we will have removed almost £1bn over four years – before inflationary pressures and increased costs for new services – from our cost base.

Our 2019 Business Plan set out plans for further savings of almost £600m, from 2020/21 to 2024/25, with £133m of these in 2020/21. To mitigate income pressures from lower journeys, we are now increasing our savings this year to £193m.

London Underground change plan

The London Underground change plan is critical to our future viability, to ensure the Tube can cover its own costs and the ongoing costs of renewing the network. The focus in 2020/21 is supply chain savings, and extensive planning for future savings over the Business Plan period.

Key savings this year include the Connect London Underground network radio infrastructure, which was originally contracted under a 20-year private finance initiative. This contract ended in November 2019, with a new contract set to reduce costs by almost 50 per cent. This is driven by ending loan repayments and rationalising operational and maintenance costs.

We will also make maintenance savings across the Underground by re-tendering contracts, improving forecasting and planning, making specification changes, and other in-contract mechanisms.

Bus operators' contracts

We have reduced tender prices, contract costs and bus performance payments, by maintaining a competitive market and expect to save a further £20m in 2020/21.

We will continue to adapt the bus network to more closely match capacity to demand, including increasing bus services in growth areas in outer London

Transformation and office accommodation

In late 2018/19, we began a three-year programme to reduce back- and middle-office costs by 30 per cent. We have worked with our trade unions to review 25 business areas and more than 3,000 roles. We have already saved almost £20m from this initiative, with a further £5m expected to be saved in 2020/21.

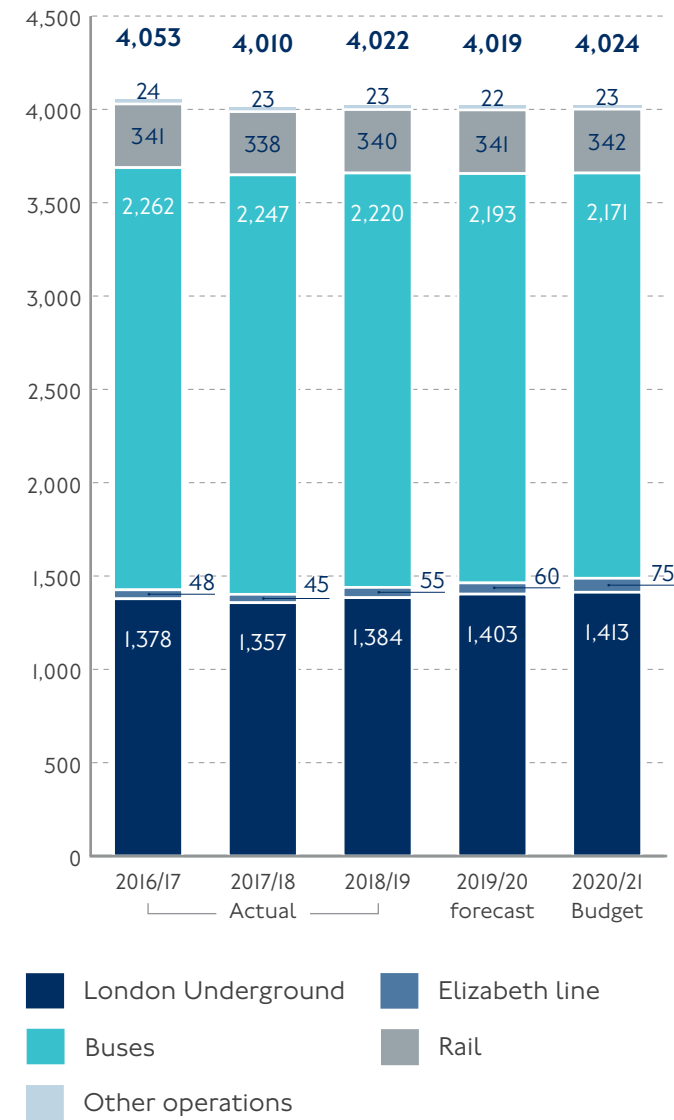
We are consolidating our head office accommodation by co-locating staff across three main office hubs. In September 2019, we sold our Broadway head office as part of a long-term estate management strategy to reduce accommodation costs, and generate income to support investment and housing development programmes. We will see full-year savings of £5m in 2020/21 from accommodation programmes.

Our accommodation strategy is supported by a smart working programme, which will reduce the demand for desks by 30 per cent. It will also make us a more attractive employer and improve the work-life balance for our people. We will also achieve efficiency savings through smarter working and better technology.

Lower journey demand

Our 2019 Business Plan was based on increasing passenger income – through higher demand on the Tube – and bearing down on our day-to-day costs, all while maintaining safety, frontline services and investment. However, we have since seen slower growth in Tube demand, as well as a higher rate of decline in bus journeys.

Passenger journeys (millions)



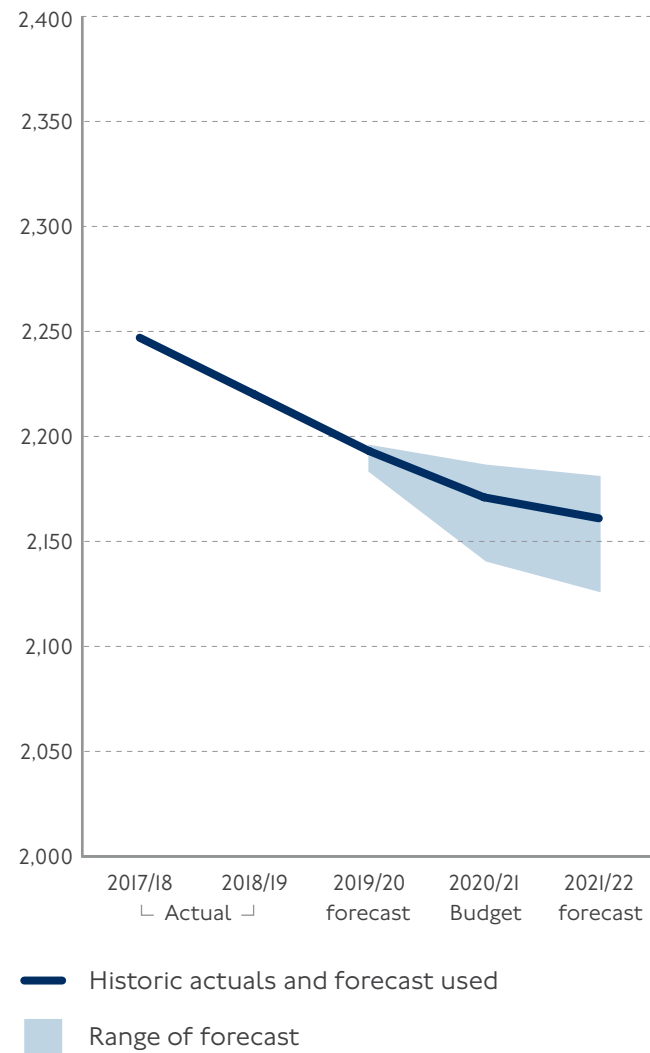
We now expect Tube journeys to be 1,403 million (0.8 per cent lower) in 2019/20, when compared to the Business Plan, with bus journeys to be 2,193 million (0.6 per cent lower). For 2019/20, this means there will be an underlying impact of £38m on our income against our 2019 Business Plan.

Latest economic indicators suggest this decline in growth will continue into next year. The forecast for economic growth and employment trends have been downgraded to reflect continued uncertainty. Latest forecasts also suggest household income will decline in 2020/21, before returning to growth. These headwinds are expected to reduce passenger income by £60m from our 2019 Business Plan.

We now expect the overall number of passenger journeys to increase from 4,019 million in 2019/20 to 4,024 million in 2020/21.

The following graphs on pages 16 and 17 show the forecast range of passenger journeys, factoring in economic scenarios, as informed by forecasts from GLA economics. Favourable economic performance is reflected by the highest point, while poorer economic conditions result in the lowest point.

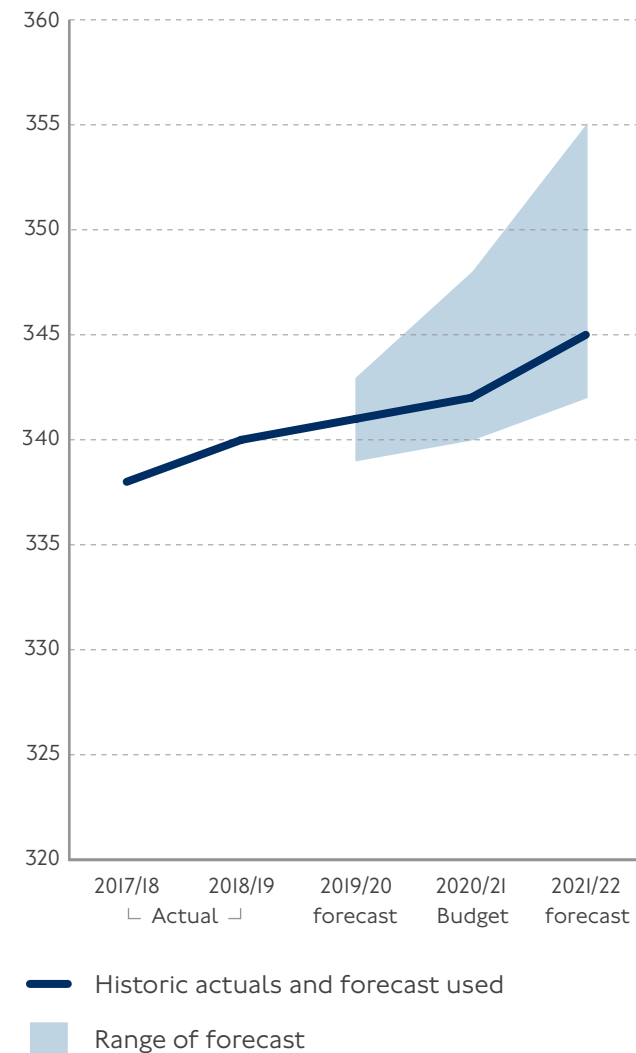
Buses
Passenger journeys (millions)



Economic growth, bus operated kilometres and speeds are the main drivers of demand. The year-to-date figures to December 2019 showed bus speeds were flat compared to 2018/19, while bus operated kilometres were about 1.5 per cent lower. This is in line with the central London bus service review, as we reshape services in central and inner London to deliver a more efficient network ahead of increases in the outer London bus network. We expect bus journeys to decline by 1.2 per cent in 2019/20, owing to relatively low economic growth, the fifth consecutive year of falling bus demand.

In 2020/21, budgeted journeys are expected to decline by 1.0 per cent year on year, with fare payer demand declining by 0.9 per cent and non-fare payer journeys 1.2 per cent lower. This represents an improvement in the trend we have seen since December 2019, as operated kilometres start to stabilise following the redistribution of services to better match demand, which includes increasing bus kilometres in outer London. In 2020/21, our assumptions about operated kilometres and bus speeds remain unchanged from the 2019 Business Plan, while economic growth is predicted to be weaker based on the GLA's latest forecasts for the UK economy.

Rail
Passenger journeys (millions)



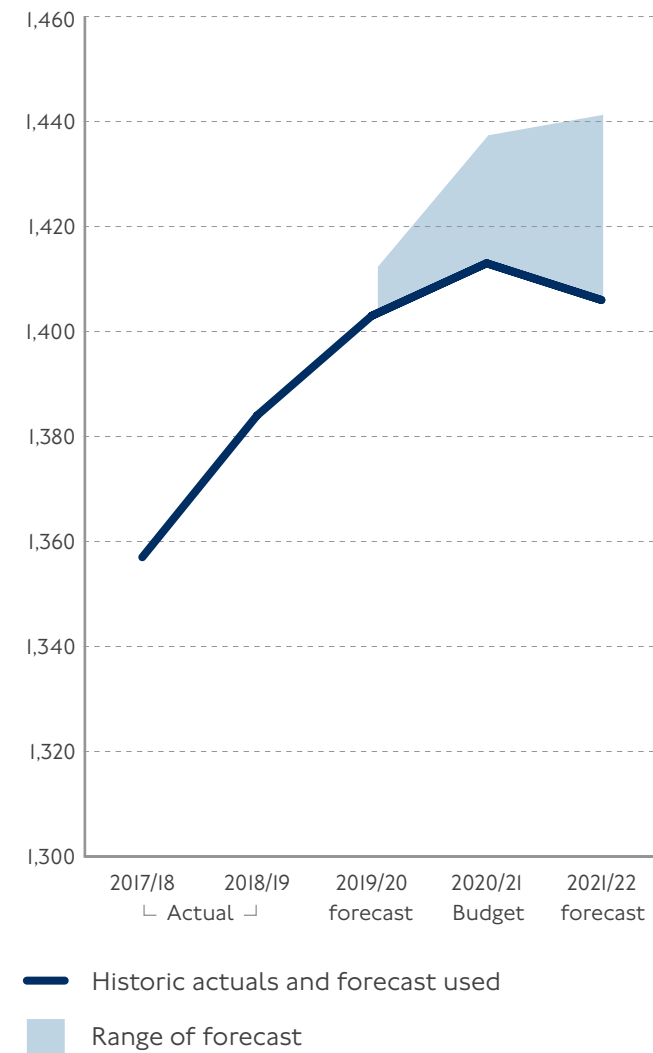
Internal factors that affect rail demand include planned engineering closures, new train deployments and changes to the frequency of services.

In 2019/20, we expect DLR demand to remain static, while we will see a small increase in London Overground journeys, owing to an increase in the number of services and the introduction of new trains between Gospel Oak and Barking.

In 2020/21, the further delay in the opening of the Elizabeth line has been reflected in the DLR budget, with a slightly stronger demand uplift mostly offset by weaker economic growth next year. The introduction of new trains and better peak and off-peak timetables on the London Overground in north and east London will boost journeys by two million in 2020/21, after allowing for more planned engineering closures in east London.

Trams demand is forecast to be lower in 2019/20 reflecting the poor high street retail activity, impacting areas such as Croydon town centre.

London Underground
Passenger journeys (millions)



Underground journeys are expected to be more than one per cent higher than the previous year. Underlying growth was moderate for most of 2019 but this stalled from the end of October, with early indications of declining growth. The number of journeys outside Zone 1 has been in decline over the last two years, which likely reflects a reduction in discretionary journeys, probably caused by a continued squeeze on household incomes. Continued employment growth is contributing to robust commuter demand.

The most significant factors affecting London Underground demand that are within our control include service improvements, reliability and asset upgrades. The assumptions built into this Budget include a small number of service improvements and station upgrades that increase demand.

Growing non-fare revenue

We are uniquely placed to use our assets and skills, as well as our property and advertising estates, to generate long-term revenues to reinvest back into our network. A more diverse range of income also supports our financial security, as we will be less dependent on the economies of the UK and London.

As one of London's largest landowners, our landholdings play an important role in meeting the Mayor's priorities to deliver the thousands of homes and jobs that the Capital needs. We have an extensive pipeline of sites and a target to deliver 10,000 homes. We are working with our partners to achieve our target of making 50 per cent of homes affordable. We will also continue to develop sites that will deliver two million square feet of commercial floor space.

We continue to invest in our commercial estate, which consists of more than 2,000 commercial units, expanding opportunities to make the most of our unique asset base and increase revenue. We continue to upgrade our arch estate, are refurbishing the listed Victoria Arcade to create new modern retail units, and we are creating

new opportunities in Canary Wharf and other stations.

Our advertising estate is one of the most valuable in the world, accounting for 20 per cent of the UK's and 40 per cent of London's outdoor advertising value. We have introduced innovative high-tech advertising platforms and are finding new ways to collaborate more creatively with brands and advertisers.

We continue to develop our transport authority consultancy work, partnering with cities, regions, consultancies and transport operators around the world to deploy our unique, specialist expertise. We will focus on three key work streams of advisory services, intellectual property, and operations and maintenance to generate revenue that can be reinvested into our transport system.

Maximising these opportunities and building our commercial reputation will diversify our income base and improve our financial resilience.

Managing our risks

We face a range of risks, including economic uncertainty and the delay to the opening of the Elizabeth line

Delivering this Budget requires balancing risks and opportunities, identifying what we can and can't control, and taking an informed view of our organisational tolerance to them based on their impact. We regularly monitor the validity of our assumptions and use data from external independent bodies, so we can manage risks and capitalise on opportunities. Safety is the top priority in any decision we make.

Key risks in the 2020/21 Budget still include economic uncertainty, given the political and economic situation in London and the UK, which is a key driver of passenger journeys and income. They also include the opening of the Elizabeth line, and delivering investment projects on time and budget, ensuring associated income is received in line with our plans. This Budget also includes an ambitious savings target of £193m this year, with a risk that not all of this will be delivered to schedule.

Passenger income is budgeted to contribute around 50 per cent of our overall £9.7bn funding in 2020/21. The health of the economy and employment are the main drivers of changes in demand for our services, and our forecasts are built from prudent economic forecasts, using data from GLA economics. However, continued economic volatility makes these forecasts less certain. For example, this Budget assumes bus passenger demand will stabilise, with a 1.0 per cent reduction in journeys, the smallest reduction since 2017/18. It also assumes continued passenger growth on the Underground.

Economic uncertainty also affects our other income. This creates risk against our planned growth in retail leases, and the sub-letting of office floorspace.

The income we receive from schemes such as the ULEZ and Congestion Charge, is also subject to variation. If higher than anticipated compliance rates continue, as they did in 2019/20, this has a positive impact on the transport network and the environment, but reduces the income we receive from these schemes.

While income is often subject to factors outside our control, we have more influence to manage our costs. In 2020/21, we plan to save £193m in operating costs, as described on page 14. These changes represent a significant management challenge, which we monitor and will act on as required.

We operate a work bank of renewals. Additional scrutiny has been placed on this Budget to ensure it accurately reflects the interventions required to maintain asset condition and the volume of work we can deliver. However, planned work can be delayed, for example due to unforeseen events and resource constraints.



This Budget assumes bus passenger demand will stabilise

Crossrail

The delay to the opening of the Elizabeth line, announced in August 2018, continues to have a major impact on our capital funding and revenue generation. Elizabeth line services through central London are now expected to start in summer 2021. However, as the programme is currently at a challenging phase, with systems integration and testing to complete, there will remain a risk over the costs, which we will be monitoring closely.



Our expenditure on new capital investment is harder to predict as this is a collection of individual projects at different stages of their lifecycle. The main financial risk relates to increased costs, such as higher tender prices or unplanned requirements on existing projects. Our projects are often complex and there is risk that timings can slip, often due to approval delays or to accommodate stakeholder requirements. This results in lower in-year costs. We seek to avoid delays as this ultimately delays improvements to our services.

Our capital funding sources consist of Mayoral business rates, property receipts and asset sales, borrowing, Crossrail funding sources, and other capital grants. Most of these sources have a low degree of in-year risk. However, income for property receipts and asset sales is a risk, determined by the economy, property market, local planning administration and commercial negotiations. Beyond 2020/21, the certainty of our funding arrangements and borrowing are unknown and will be discussed with the Government as part of the 2020 Spending Review. This certainty is vital for making investment decisions that will drive the future growth and enhancement of London's transport network.

Preparing for the UK outside of the European Union



Since the UK began the process of leaving the European Union, we have been monitoring and managing the risks associated with this change, and supporting our people who are affected. This work will continue as we await details of the long-term arrangements that will follow on from the current transition period, which is due to expire on 31 December 2020. Any significant change to trading and mobility at that time would have a significant impact on our long-term financial position, as well as potential short-term impacts on

demand for our services towards the end of this financial year.

We remain confident that our operations will continue in all scenarios. However, our financial position is closely related to the strength of the London and UK economy, and any outcome that weakens this will have implications for our finances. Throughout this year we will continue to carefully manage the risks and maintain a strong cash position so that we can deal with any potential negative outcomes.



52%

of our overall funding to come from passenger income in 2020/21



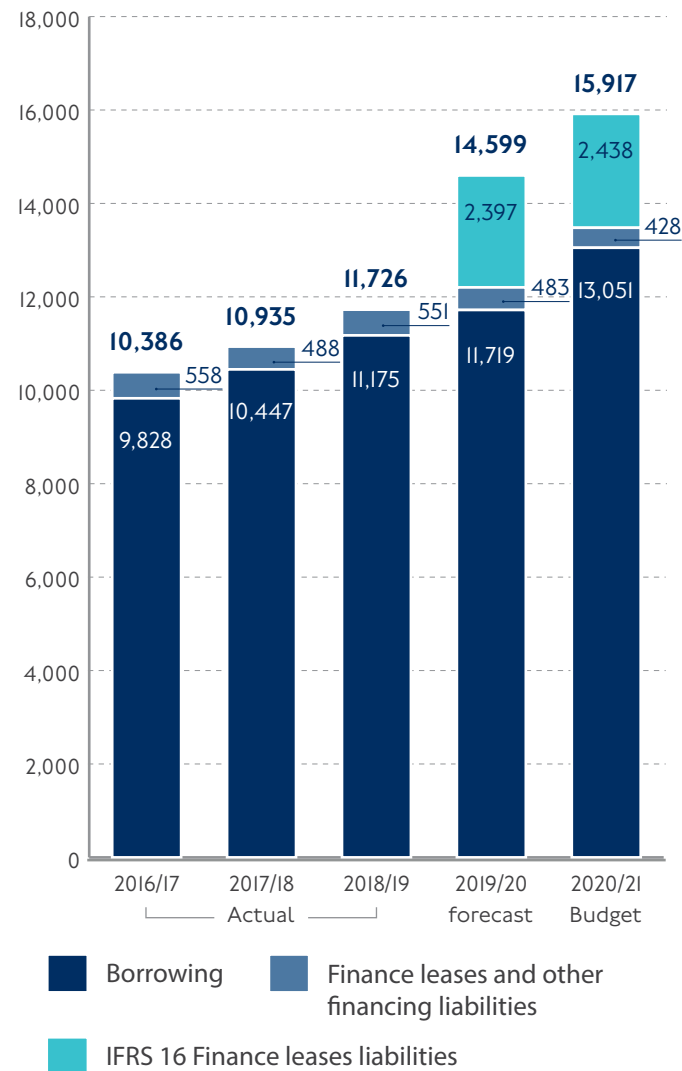
1.0%

reduction in bus journeys assumed, the smallest reduction since 2017/18

Debt and cash

We control the level of our debt and maintain prudent levels of cash

Total value of debt (£m)

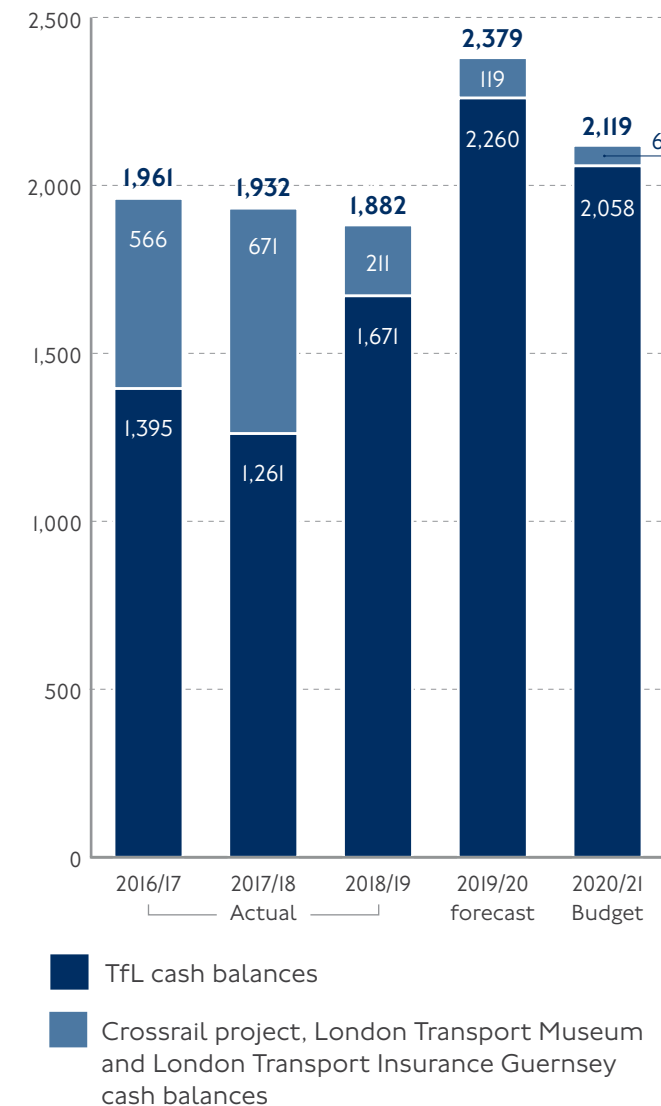


The total value of our debt, which includes borrowing and finance leases, must always remain within our Authorised Limit for external debt set by the Mayor. Affordability is linked to both recurring annual income and cash available to pay financing costs.

By 31 March 2021, borrowing is expected to grow by £1,332m, within the limits agreed with the Government. This includes an assumption of £750m borrowing under the Crossrail loan facility from Government. Our borrowing will finance capital investment, including Tube and rail line upgrades, and new DLR trains.

The new accounting standard IFRS 16, which supersedes IAS 17, means we will now recognise additional finance lease liabilities of £2.4bn in 2020/21. These are existing contracts and were previously classified as operating leases. We are in consultation on the eventual impact, if any, that the application of IFRS 16 will have on the borrowing limits currently agreed with the Government.

Cash balances (£m)



We maintain a prudent minimum level of cash, in line with the liquidity policy approved by the TfL Board. This ensures we are always able to meet our payment obligations and will help us deal with unexpected external events if they arise.

We will close 2019/20 higher than 2018/19, as we experienced higher passenger income, new income from the introduction of the ULEZ, lower capital spend and more property and capital receipts from the sale of assets, including Broadway.

Cash balances are expected to close at £2.1bn at the end of 2020/21, excluding the cash we hold for the Crossrail project, London Transport Museum and London Transport Insurance Guernsey. Our cash balances will reduce in 2020/21, as we continue to fund our asset programme.

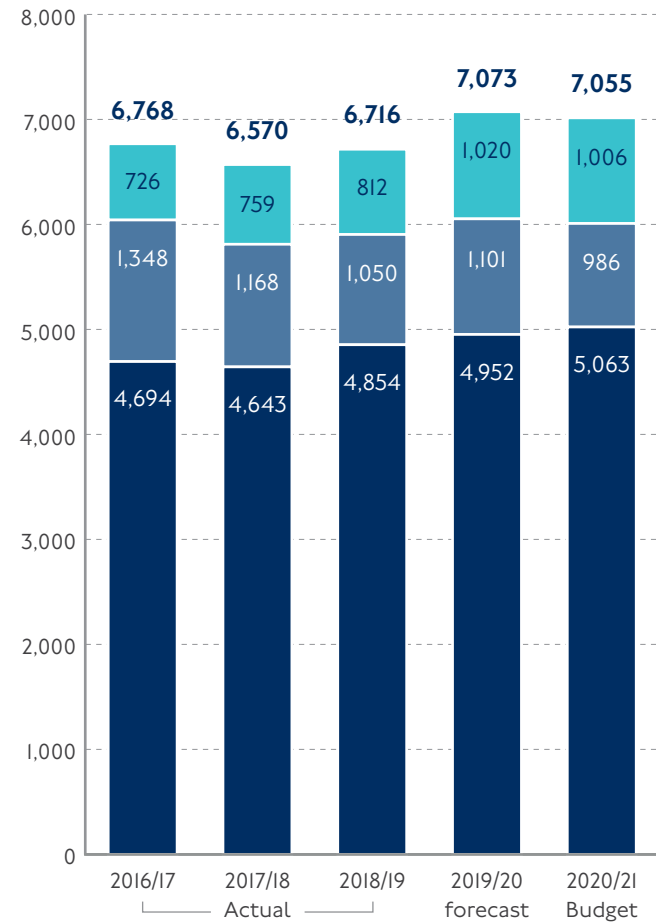
Credit ratings	
Moody's	Aa3 stable outlook
Standard & Poor's	AA- negative outlook
Fitch	AA- stable outlook

Strong credit ratings reflect our strategic importance as London's main public transport provider, strong demand for our services and our institutional framework. Our ratings also reflect our strong link to the Government.

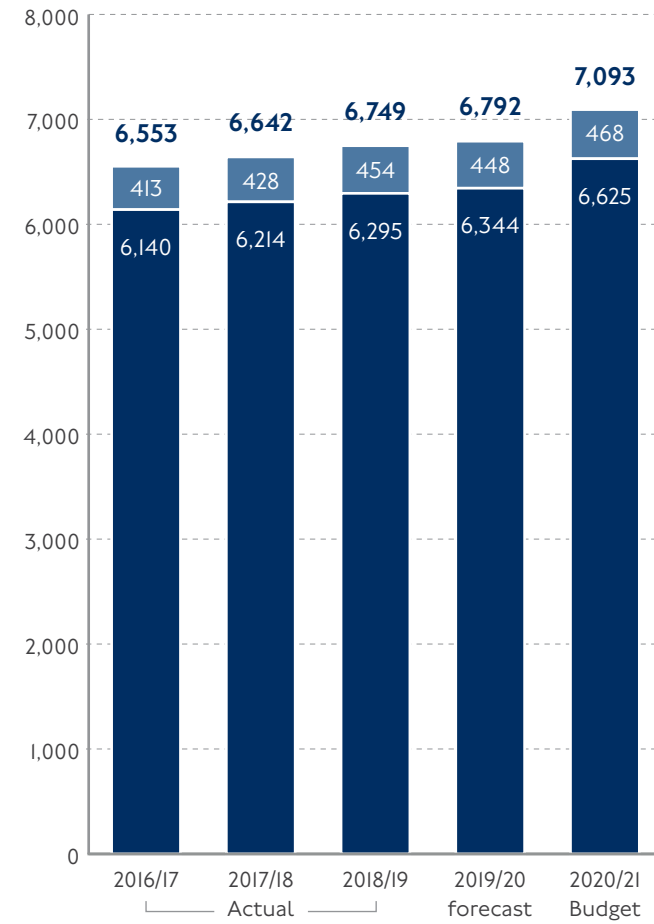
Financial trends

We use forecasts from costs and income streams to make decisions on our finances and priorities

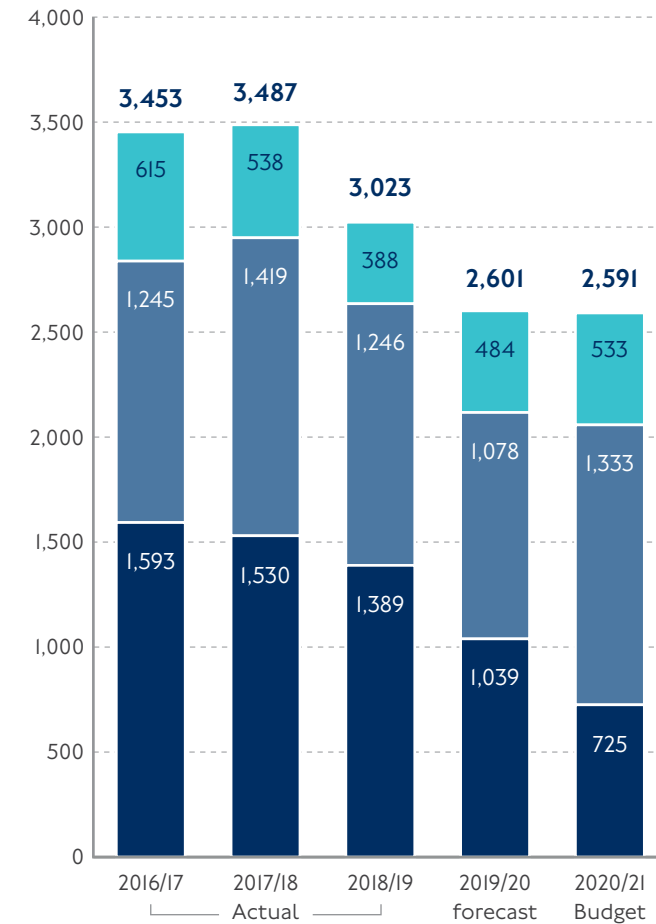
Total income (£m)



Total cost (£m)



Total capital expenditure (£m)



Passenger income
Business rate retention and other revenue grants
Other income

Operating costs
Net financing costs

Crossrail programme
New capital investment
Capital renewals

Despite an increase in passenger income, overall income decreases by £18m in 2020/21, largely because of one-off grants we received in 2019/20 that will not be repeated, as well as a reduction in income from the ULEZ and Congestion Charge.

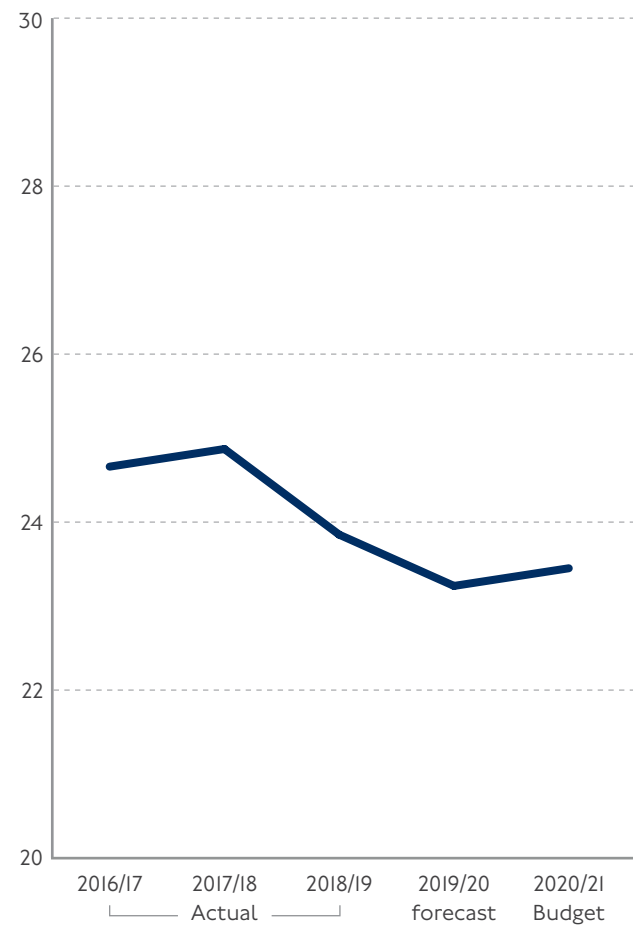
The increase in operating costs relates to the introduction of new trains on London Overground, and preparation for the opening of the Elizabeth line. It also includes inflation. These increases are partly offset by savings.

Overall capital expenditure remains broadly in line with last year. An increase in our investment programme is offset by a reduction in Crossrail capital expenditure.

Efficiency trends

The costs of running our wide range of transport services

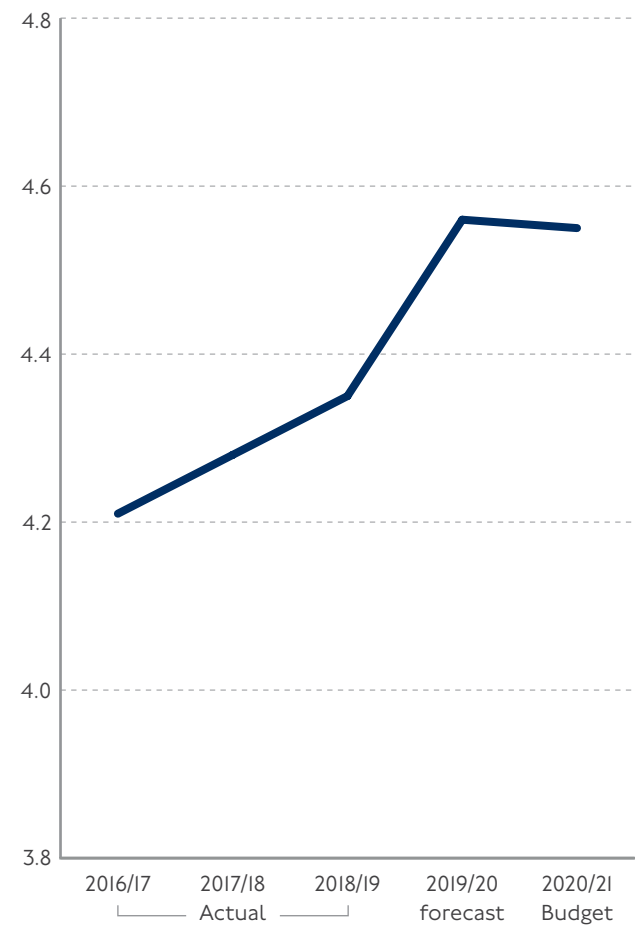
London Underground
Direct operating cost per operated km (£)



— London Underground

These costs increase slightly in 2020/21, but these increases are minimised as our ongoing modernisation programme substantially mitigates inflation.

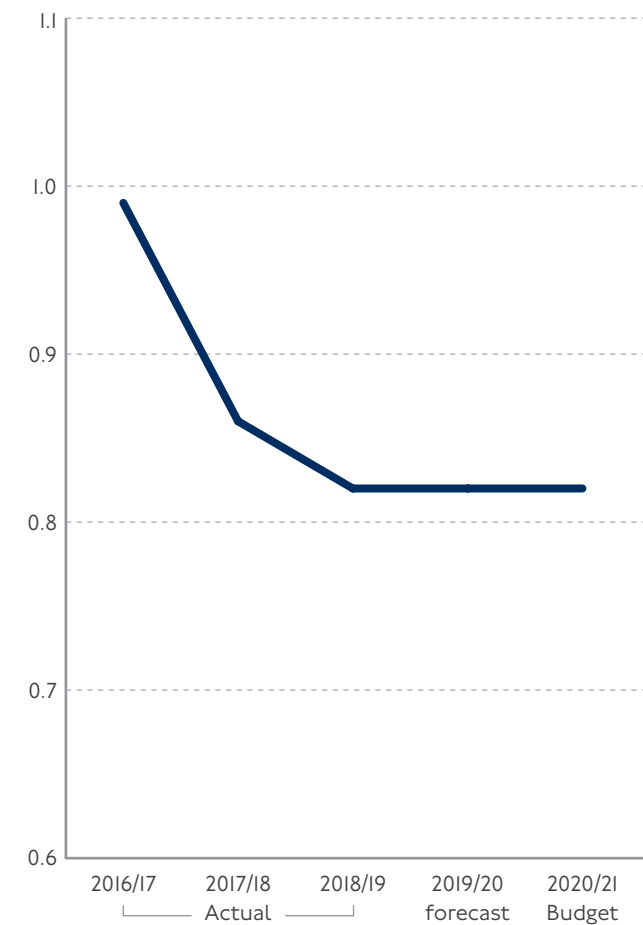
Buses
Direct operating cost per operated km (£)



— Buses

Over recent years, these costs have risen broadly in line with inflation. We are working with our operators and improving how we tender contracts to control costs while improving the fleet.

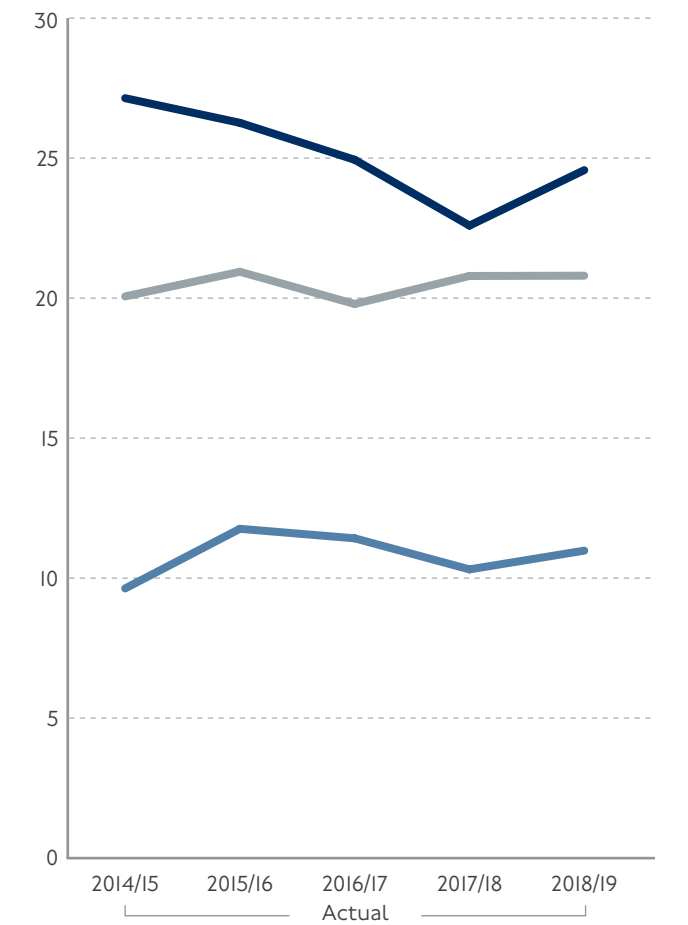
Streets
Direct operating cost per operated km (£)



— Streets

Operating costs have reduced as a result of pausing proactive road maintenance for two years, owing to a lack of dedicated funding. These costs will rise again as we return closer to previous levels of activity.

Rail
Direct operating cost per operated km (£)



— London Overground
— Trams — DLR

Costs have generally fallen, with variation reflecting operating conditions. London Overground operating costs increased in 2018/19, largely due to new train leases under the LOTRAIN agreement.

Assets and investment priorities

We are investing to maintain our assets, but with additional funding we could unlock new capacity

Our 2019 Business Plan set out our investment programme for the next five years and was accompanied by a 20-year Capital Strategy that described our longer-term investment priorities and funding requirements. Certainty of funding is essential if we are to commit to the projects required to maintain reliability and support growth over this timeframe.

Renewing and replacing our assets is our required baseline to simply maintain our current performance in terms of safety, reliability, capacity and asset condition. Additional enhancements can unlock new capacity and enable us to use our existing network more intensively. This supports London's growing population and economy, enhances the quality of life for Londoners and creates jobs and improves skills across the UK. This year, we will maintain reliability on our Tube and rail modes, while restoring our renewals programme on our streets assets. We will continue to lobby the Government for sustained funding support to enable us to be much more ambitious in later years.

Rolling stock

We are beginning a crucial programme of modernisation for our Central line trains, one of our poorest-performing fleets. Through the Central Line Improvement Programme, we will replace all traction motors, create more space for wheelchair users, improve audio and visual information, and install CCTV. The first upgraded train will return to service in early 2021, and the whole programme will be completed by 2024.

'We are beginning a crucial programme of modernisation for our Central line trains'



Through our renewal programme, we will work on the Victoria and Metropolitan line fleets, both of which are now 10 years old. We will complete the preliminary design of the new trains we have ordered for the Piccadilly line, which will enter service between 2024 and 2026, and complete work on the existing fleet to ensure reliability until then.

Design will continue for the new fleet of DLR trains, which will be introduced from 2023. We will also run new trains on London Overground services to and from Liverpool Street and our reliability improvement programme will continue on the existing fleet. We will start design and market engagement activities to replace the oldest trams on our network, and maintain the condition of the vehicles while they remain in service.

Signalling

The Four Lines Modernisation programme will see us replace analogue signalling with automatic train operation across the Circle, District, Hammersmith & City and Metropolitan lines. Once completed by 2023, customers will benefit from a 33 per cent increase in capacity across the four lines. We have already delivered the first sections of signalling between Hammersmith and Paddington to Euston Square, and Finchley Road to Euston Square. In 2020/21, we will continue to work towards transitioning the entire Circle line onto the new signalling system.

We will continue to extend the life of the signalling system on the Central line and will re-signal Northumberland Park Depot, which serves the Victoria line. These works are essential to maintain the performance of these systems to deliver a reliable service and meet capacity requirements.

Replacing the signalling system on the Piccadilly line, parts of which date back to the 1950s, is one of our highest priorities. Replacing this system with a modern digital network would provide faster and more frequent trains, with a train arriving every 100 seconds in central London. This would

support the delivery of tens of thousands of new homes across the Piccadilly line corridor and boost productivity and access to jobs. We will only be able to commit to this transformational scheme if we secure long-term funding support from central Government. We will continue to make the case for that this year.

Track, power, lifts and escalators

We will continue our track renewal programme, including replacing 7.3km of life-expired track. This is critical to supporting service reliability, and increased train speeds and frequencies. As part of our ongoing maintenance, we will continue rail grinding to remove defects, helping to reduce noise and vibration for passengers, staff and people living and working near the lines.

We will upgrade power supplies to enable an additional train to run each hour during the peak on the Morden branch of the Northern line. We will also refurbish or replace 20 escalators and four lifts in our stations to ensure reliability.

Major highways structures

Our investment will maintain the safety of bridges and tunnels to enable goods and

7.3km

of life-expired track will be replaced



20

escalators and four lifts will be refurbished or replaced across our Tube stations

people to move throughout the Capital. The Rotherhithe Tunnel was built in 1908 and was not designed to cope with modern levels of traffic. This year we will start detailed design on restoration works, and we will seek approval for concept design by October 2020.

We are working with and supporting local authorities to confirm a plan for the refurbishment of Hammersmith Bridge. We are also investigating options to build a

temporary bridge while the main structure is being repaired.

We are also starting a programme of renewal works on the Westway (A40) and will seek approval for concept design by March 2021. We are working with the Department for Transport to progress our Major Road Network funding bids to refurbish key bridges on our network. These include the Brent Cross structures, Croydon Flyover, Hope & Anchor Flyover and Kew Bridge.

The condition of our smaller assets has declined slightly due to the two-year pause on renewal work, which means additional safety measures are required. This year, we will carry out additional inspections and interim measures on 43 bridges.

Highways assets

We are responsible for London’s most strategically important roads. These comprise many types of assets including 580km of carriageway, 6,300 traffic signals, and 1,238 pedestrian countdown locations. This year, we plan to resurface more than 30km of road, modernise around 50 traffic signal sites, replace 800 lighting columns and 600 trees.

We will continue to improve the energy efficiency of street lighting. More than half of our 33,900 street lighting columns will be installed with greener LED luminaires, with 3,000 more set to be converted before the end of 2020.

Buses

Maintaining, renewing and refurbishing bus infrastructure will provide a safe, comfortable and appealing environment that will encourage people to use public transport. In our 2019 Business Plan we increased investment in maintaining bus shelters and stations to boost passenger numbers. This year we will replace 325 bus shelters and refurbish a further 25, alongside ongoing repairs.

Cycle hire

In spring 2020, five new docking stations will open along Cycleway 4 in Southwark and we plan to expand docking stations elsewhere along our Cycleways network. We will also renew 3,700 Santander Cycles bicycles this year.

Technology

Technology investments will ensure we continue to improve safety, customer service and operational reliability.

Providing easy access to information ensures a smoother journey experience. Following the introduction of 4G services on the Underground, with a pilot launching on a section of the Jubilee line, we will award the wider concession to enable mobile connectivity to be brought to the whole Tube network. Through our Bus Technology Programme, we will refresh service planning assets, real-time information, ticketing and performance management. This will ensure customers

can receive accurate and timely information to help them plan their journey.

We are also taking steps to further protect our staff and revenue. Body-worn video equipment is currently being piloted as part of a strategy to stop violence against our people, and we have a strategy in place to reduce lost revenue. This will ensure our colleagues have the tools they need to work effectively and safely.

We continue to drive forward our digital workplace, with regular software updates, eradicating the need for large upgrade programmes. We will spend a further £1.25m on end-user computing, which will support flexible working. We are also researching infrastructure technology and investing in cloud-based assets to reduce operational cost and enhance security against cyber-attacks.

‘In spring 2020, five new docking stations will open along Cycleway 4 in Southwark and we plan to expand docking stations on our Cycleways network’



‘We will award the wider concession to enable mobile connectivity to be brought to the whole Tube network’



325

bus shelters will be replaced



3,000

street lights will be replaced with LED luminaires by the end of 2020

Delivering the Mayor's Transport Strategy

We will align our work to the Mayor's Transport Strategy, which emphasises support for Healthy Streets and healthy people, a good public transport experience and new homes and jobs





Healthy Streets and healthy people

The Mayor's Transport Strategy makes a commitment to Vision Zero – eliminating all deaths and serious injuries on London's transport network by 2041. We will work towards this by delivering ambitious schemes to reduce road danger.

Our Healthy Streets Approach aims to create far-reaching improvements on London's roads, in collaboration with our borough partners. This includes improving safety, increasing sustainable transport use, and creating pleasant environments.

By creating places that feel safe to use, we will encourage people to get out of their cars and use more sustainable modes of travel. We can only achieve this through steady and sustained long-term funding.

Safe streets

We will continue to work alongside the Metropolitan Police's Roads and Transport Policing Command to identify and target the root causes of road danger at a number of high-priority locations. We will use a combination of enforcement, education and engineering measures.

We will significantly increase our camera and on-street speed enforcement activity to reduce the risk speeding motorists continue to pose on our streets.

We will also continue to enforce decriminalised offences – such as parking contraventions – to improve compliance with the rules of the road, reduce road danger and improve the reliability of our buses.

Working closely with the local boroughs, law enforcement and security agencies, we will continue to design and implement protective security measures on London's roads. This work is designed to reduce the risk from terrorism and further help us to achieve our Healthy Streets ambitions.

Greener buses



We will continue to upgrade the entire bus fleet to meet the ultra-low Euro VI standard or better by retrofitting mid-life buses with enhanced exhaust systems and replacing older buses with new vehicles. So far, around 90 per cent of the fleet meets or betters this standard.

By autumn 2020, the entire fleet will meet a Euro VI standard. We are already working on the next steps to ensure our fleet is even cleaner, by converting the entire fleet to zero-emission at tailpipe by 2037 at the latest. We have a good starting point with more than 280 zero-emission buses already and expect the number to climb to up to 500 zero-emission buses, including single and double decks by 31 March 2021.

Increasing the amount of green space

We will upgrade the environment across 90 high streets through our Bees, Trees and Meadows programme. This will see 1,000 trees planted across our street network and a further roll out of the grass verge meadows programme, following a successful trial on the A40 and A406 last year.

In the spring, we will be creating five green roofs on bus shelters in Lewisham, which have been specially selected to encourage more honeybees.

We will also introduce a rain garden at Joe Strummer subway in Westminster, which will help create more sustainable urban drainage. We will continue planting along West Cromwell Road and identify new locations for 'pocket parks' across London.


Safe buses


We will use a combination of training and technology to improve safety for bus passengers and other road users

We want to reduce the number of people killed or seriously injured on, or by, a bus by 70 per cent by 2022 (against 2005-09 levels), with all deaths on or by a bus eliminated by 2030.

Our world-leading Bus Safety Standard will continue to be rolled out, having been incorporated into new bus operator contracts last year. This sets out design features and technologies required of new buses, to minimise the risk of injuries. We now have 129 buses that meet the Bus Safety Standard and 1,229 (13 per cent) that are enabled with intelligent speed assistance to prevent vehicles from exceeding the speed limit. By October 2020, we will have started retrofitting buses. An acoustic vehicle alerting system – to make quiet running buses identifiable to vulnerable road users – will be required on all new buses.

As part of our continued work on fatigue management, we will ensure all bus operators have robust fatigue risk management systems in place and that all managers receive specific fatigue training. We will also launch a £500,000 fatigue innovation fund to encourage development and trial of new measures aimed at preventing fatigue. Our new Destination Zero safety training for all London bus drivers, which uses virtual reality headsets, will continue until the end of 2020.

70% 
reduction in the number of people killed or injured on or by a bus by 2022, compared to 2005-2009 levels

£500k 
funding to develop and trial schemes that prevent bus driver fatigue



Rolling out our Direct Vision Standard scheme

Lorries account for just four per cent of the overall miles driven in the Capital, but between 2015 and 2017, heavy goods vehicles (HGVs) were involved in 63 per cent of fatal collisions involving cyclists and 25 per cent involving pedestrians.

Our new HGV Safety Permit scheme, which comes into force in October 2020, will require all HGVs more than 12 tonnes to hold a Safety Permit to operate in Greater London.

Our Direct Vision Standard (DVS) rates how much an HGV driver can see directly from their cab in relation to other road users and assigns a star rating from zero to five.

Those vehicles that do not meet a minimum DVS star rating of one star will be required to have additional safety equipment fitted.

Permits will be electronic and enforced by automatic number plate recognition cameras and non-compliant HGVs will be issued with a penalty charge of £550 per day.

Safe trams

We continue to work with the Office of Rail and Road and the wider UK tram industry to implement the recommendations set out by the Rail Accident Investigation Branch following the tragic overturning of a tram at Sandilands in 2016.

The entire tram fleet has been fitted with stronger window glazing and the UK's first automatic braking system for trams is now in place, which will bring a moving tram to a controlled stop if it exceeds the speed limit at certain locations.

This year, our highest priority will be to provide a safe environment for customers and staff. Safety and security considerations will continue to be built into the planning, design and management of our services. While levels of crime remain low on our rail networks, we are working with British Transport Police to tackle the crime and antisocial behaviour issues that matter most to our customers and staff and have the biggest impact on our service's safe and reliable operation.

New Healthy Streets schemes

Following the success of the 16 Healthy Street local projects we ran last year, we will deliver another 16 schemes in 2020/21. These include a new zebra crossing and cycle track on Harrington Square in Camden to encourage people to use the park, four new pedestrian crossings on the South Circular Road at the junction with Lordship Lane to improve safety, along with 10 new crossings across various London boroughs.

We will also create a more accessible route for cyclists and disabled people around and through the A40 subways within the London Borough of Ealing and improve interaction between cyclists and pedestrians.

£1.7bn

saving in NHS treatment costs over 25 years as a result of Healthy Streets investments



Creating even more Safer Junctions on London's streets

We will have delivered 20 more Safer Junctions by spring 2020, bringing the total number to 41. This will complete more than half of the Safer Junctions programme, supporting our Vision Zero ambition to eliminate death and serious injury from London's roads.

We have now introduced a 20mph speed limit on all our roads within the Congestion Charge zone, mirroring the lower speed limits already in place on most borough roads in central London.

Over this Budget, the lower speed limit will be supported by new 20mph signage and road markings, as well as raised pedestrian crossings in seven locations where lots of people walk, including near Embankment and Tower Hill Tube stations and outside Tate Britain.

We have recalibrated all speed cameras in central London and will use mobile speed cameras to ensure that drivers comply with the new safer speed limit. We will look to complete work overnight to minimise the impact on road users and use single-lane closures, avoiding any roads being fully closed, subject to permits.



Preparing to extend the Ultra Low Emission Zone

As of December 2019, 77 per cent of vehicles in the ULEZ now meet the emissions standards, which is up from 39 per cent in 2017. Roadside nitrogen dioxide pollution reduced by 36 per cent in the zone in the first six months compared to 2017 levels.

During this Budget, we will prepare for the extension of the central London ULEZ, which will be bounded by the North and South Circular Roads from October 2021.

Covering most of Greater London, the Low Emission Zone operates to encourage the most polluting heavy diesel vehicles driving in London to become cleaner.

Tougher standards will be introduced in October 2020 for heavy vehicles including HGVs, lorries, vans, buses, coaches, minibuses and other specialist diesel vehicles. Owners of vehicles not meeting the tougher emissions standards will need to pay a daily charge to drive within the Low Emission Zone.

Investing in cycling

We will continue our work to promote cycling by making it a safer and more appealing option

We plan to continue significant investment in a safe, high-quality cycling infrastructure, including the completion of the Mini Hollands programmes in Kingston and Enfield. Construction will continue on several major routes including between Tower Bridge and Greenwich, and Brentford and Olympia.

We will continue to expand the Cycleways network, linking more communities, businesses and destinations. We have recently achieved our target of tripling the total length of protected cycle infrastructure, by adding an additional 100km since 2016.

We have already awarded more than £3.5m to 30 London boroughs to create 7,800 new cycle parking spaces in town centres, stations, schools and residential areas. This investment will enable thousands more cycle journeys to take place each week by ensuring more journeys begin and end with a place to park, with the first spaces set to be in place by spring 2020.

7,800

new cycle parking spaces created across 30 London boroughs



100km

of protected cycling infrastructure added since 2016



Switching to zero-emission taxis

We continue to help taxi drivers swap their cars for zero-emission capable (ZEC) vehicles – the only type of taxi that can now be newly-licensed. Grants, part funded by us, are available to those wishing to buy a ZEC taxi. We are also providing incentives for de-licensing older, more polluting taxis, and supporting a limited number of liquid petroleum gas conversions.

In summer 2019, we confirmed our plans to reduce the taxi age limit for Euro 3, 4 and 5 taxis to 12 years on a phased basis by 2022, removing the most polluting vehicles from London’s roads. The changes were introduced in November 2019 and within 12 months we predict that the combination of measures should reduce NO_x emissions from taxis on London’s roads by 38 per cent.

We will continue to encourage more drivers to take up the £68m available for taxi delicensing, ZEC grants and conversions. So far, £18m has been paid, leading to more than 2,000 taxis being delicensed and has supported the take up of more than 3,000 ZEC taxis – around 15 per cent of the entire taxi fleet.



£68m

funding available to encourage taxi drivers to switch to greener vehicles

15%

of London’s taxi fleet is made up of zero-emission capable vehicles



Rapid charging points

In partnership with London Councils and the GLA, we have installed 1,700 residential charging points, delivered through the Go Ultra Low Cities programme. The next round of funding has been allocated, following bids from 29 boroughs, with investment set to enable more residential charging points, community charging hubs and rapid charging points across London to encourage more people to buy ultra-low emission vehicles.

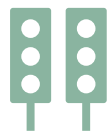
This year, we will continue to work with the private sector to identify opportunities for additional hub sites and encourage the wider uptake of ultra-low emission vehicles. We will complete the installation of 300 rapid charging points across London by December 2020, to support the growing number of zero emission capable taxis and electric vehicles, with 232 already installed. Following the successful launch of a hub site at Stratford International Station, we have plans for two more in the City of London and Woolwich.

Traffic light technology

We will make more use of our existing traffic signal technology and infrastructure.

Specifically, we are developing a programme of future technology to maximise the capacity at traffic light junctions through the increasing use of sensors.

Our annual traffic signal review programme will save 16,500 daily hours of travel time at targeted locations next year for people using sustainable modes. This will reduce wait times for people walking and delays to bus passengers and cyclists. We are working with bus operators, Living Streets and the London Cycling Campaign to focus on making improvements at traffic signals that benefit the greatest number of people using active and sustainable modes.



16,500

daily hours of travel time saved through traffic signal reviews for people choosing sustainable travel

Reducing disruption on our streets

Using police and our own on-street enforcement teams and other resources, including cameras and signals, our 24/7 control centre will continue to monitor and intervene to prevent and respond to issues disrupting the network.

We continue to support the major infrastructure schemes that are helping deliver the growth that is essential for London's future. We will ensure that construction of the Tideway Tunnel and High Speed 2 is carried out as efficiently as possible, while also supporting the aims of Healthy Streets and Vision Zero as a priority.

We encourage block closures to enable multiple maintenance activities and different works promoters to work within a single closure, negating the need to close the road too many times.

Carbon neutral ambition

We are committed to the mayoral aspiration for London to be carbon neutral by 2030 – meaning we strive to balance out the carbon emissions caused by our activities by making an equivalent amount of carbon savings elsewhere.

Projects this year that will help reduce transport's contribution to climate change include developing our plans for a central London Zero Emission Zone, introducing more zero-emission buses into our fleet, completing the installation of 300 rapid charge points for electric vehicles, and procuring more renewable energy, including new contracts with providers of renewable energy sources through the National Grid.

We will continue installing solar panels at the tram depot in Sutton, the Tunnelling and Underground Construction Academy in Ilford and at Stratford Market Depot. Once fully commissioned, these three locations will generate 1.1 megawatts of clean power. We are on track to complete and commission the installation at the tram depot this year.

Transforming our streets

We will continue to develop our streets to make them greener, safer and more appealing places to be

As well as continuing to transform the dangerous and outdated Old Street Roundabout, we will start work on the roads around Waterloo in the summer, making them safer for cyclists, improving crossings, simplifying bus interchange and transforming the public space.

The first stage of the Kings Cross safety, cycling and pedestrian improvements will be completed this summer, providing controlled pedestrian crossings at the junction with Duke's Road, Churchway and Euston Road. This will take us closer to making these traffic-dominated areas safer for people walking, cycling and using public transport.

Public consultations are planned for Greenwich town centre, while we will continue to improve the overall environment across our network, by removing up to 3,000 pieces of street furniture. We will also declutter and revamp 10 more high streets.

Working with the boroughs, we will improve walking, cycling and bus routes to support regeneration in areas such as Nine Elms, Old Kent Road, Catford and Bow.



Improving bridges and tunnels

We will carry out important works on the A40 Westway and Vauxhall Bridge to ensure they remain safe and operable. This includes replacing expansion joints and waterproofing the decks to slow down deterioration and prolong their life.

We will continue with the designs for the full refurbishment of Rotherhithe Tunnel, with a view to starting works in 2021/22. This is essential if we are going to bring the tunnel up to modern standards and make it fit for the long term.

We will continue to work with and support Hammersmith & Fulham Council on the refurbishment of Hammersmith Bridge.

We are working with Department for Transport to progress our Major Road Network funding bids to refurbish key bridges on our network.

These include the Brent Cross structures, Gallows Corner, Croydon Flyover, Hope & Anchor Flyover and Kew Bridge.



A good public transport experience

Shifting journeys from cars to public transport is the single biggest driver to reduce our carbon footprint. By improving and intensifying our existing services, we will attract more people to use sustainable modes of transport. Long-term funding certainty will enable us to commit to the infrastructure projects needed to achieve this.

We will continue to invest in services and products that support London's growth. We will also work with the police and our other partners to ensure the transport network remains a safe, low-crime environment.

Bus priority

We are improving the efficiency and reliability of our bus network through the bus priority programme. Schemes range from small-scale interventions that provide an immediate benefit and can be delivered quickly, such as minor changes to road layouts and extending bus lane operating hours, through to larger interventions, such as improving major junctions.

We have already completed work at Catford Gyratory, Greenford Road, Tollgate Road, Blackheath, Coombe Lane, Barkingside High Street, Aldgate, Downs Park Road and Pimlico, and this year will be working on major junction improvements at the A124 Barking Road and Ron Leighton Way, which will save buses up to four minutes at peak times.



Improving the customer experience



We will continue to promote our Customer Incentive Scheme, which encourages and rewards operators that deliver sustained improvements in customer service. Our mystery shopper survey, which helps us monitor customer service levels, has been updated to better reflect the key issues for customers, such as bus drivers making announcements. As well as improving the experience for existing customers, this also should increase the appeal of bus services to new users.

We recently launched a new bus customer journey time measure to capture and analyse the key components that affect the customer experience, including journey and waiting times, how busy the bus is and whether they can sit down.

This year, we predict the overall bus customer experience will remain stable. There were several major service changes, including those in central London, that slightly increased waiting times, but this is not expected to dip further. By running future proposals through the journey time measure tool, we expect to minimise any negative customer impacts.

Tackling crime on the network

Our partnership with the Metropolitan Police Service ensures that the bus network continues to be a safe, low-crime environment where very few of our customers ever witness or experience crime.

We will continue our important work to reduce the risk of violence and aggression to bus drivers and our staff through our first organisation-wide, work-related violence and aggression strategy. Our Metropolitan Police Service partners will focus on preventing offences such as violent crime, hate crime and sexual offences, and safeguarding the most vulnerable passengers, including children and adults at risk from harm.

We will also work closely with the British Transport Police and other partner agencies to integrate new technology and target our resources where they will have the greatest impact. This includes the roll out of body-worn videos for staff at key stations and recruitment of additional frontline enforcement officers to help tackle fare evasion.

Our officers will work with the police to provide a visible and reassuring presence across the network, keeping our customers and staff safe and tackling antisocial behaviour and fare evasion.



3,000

police officers funded by us to help keep the transport network safe



Ensuring the standards across London's taxi and private hire industries

Our commitment to improving the standards of London's taxi and private hire industry will continue through effective regulation and rigorous enforcement.

Working with our partners from the Metropolitan Police Service, we will continue to look to improve operator, vehicle and driver standards. We will do this by continuing to tackle illegal and non-compliant activity, unsafe vehicles, poor driving and also sexual offences.

Our top priorities are to maintain the high standards of safety for licensees and passengers, as well as reducing the emissions from both the taxi and private hire fleets.

We also remain committed to working with representatives from within the trade in order to promote the importance of ensuring health and wellbeing of people working within the taxi and private hire industries.

London Overground improvements

We are working to enable more frequent services on the London Overground, as well as improving our existing infrastructure

Following a busy year on the London Overground, which saw us build a new station at White Hart Lane and launch new trains between Gospel Oak and Barking, and Liverpool Street to Chingford, Cheshunt and Enfield Town, we will continue work to improve the service this year. We will upgrade the signalling systems in east London to enable more trains to run per hour, with the potential to improve from 16 to 18 trains during peak times between Dalston Junction and Surrey Quays stations.

We will also continue works to develop step-free access schemes at Brondesbury, Hackney Downs and Seven Sisters stations, as part of the Department for Transport Access for All scheme.

18

trains per hour could eventually run during peak hours between Dalston Junction and Surrey Quays



Three

more stations where we are working to provide step-free access



Capacity boost on the DLR



This year, we will renew various parts of our critical infrastructure from power systems to track and train improvements, as well as rewiring and replacing cabling at some stations to keep the service running efficiently. We will also refurbish almost one-third of the lifts and escalators across the DLR.

Construction will continue on the capacity enhancement project at Custom House station. This will improve the interchange when the new Elizabeth line station opens.

This year, construction will begin on 43 new walk-through DLR trains, which will begin service from 2023 and will increase capacity by 30 per cent across the network. Construction will also complete on the southern sidings and will commence on the northern sidings at the Beckton depot.

Supporting growth in south London and Croydon

We are investigating and reviewing opportunities to improve capacity and reliability on the London Trams network, which is important for supporting significant future growth in Croydon and south London.

This year we will be making some improvements to East Croydon tram stop to improve pedestrian safety, passenger wayfinding and capacity.

We recently started a project to replace the original Bombardier CR4000 trams, while continuing to overhaul the existing fleet to keep it performing effectively. We will significantly renew track and power systems and strengthen the retaining wall at Birkbeck station.



Creating more step-free access on the Tube

Work is under way to provide step-free access at an additional 11 Tube stations by the end of 2020, making a third of the Underground accessible. A further eight stations are planned to be made step-free by the end of 2023/24, making 38 per cent of the Tube network step-free by then.

We have completed the refurbishment of Jubilee line trains, including enhancements to handrails, additional wheelchair space and better customer information.

Launching 4G capability on the Underground

The Mayor has committed to improving telecoms connectivity across London's transport network by providing a 4G mobile phone signal on the Tube and making our assets available for digital infrastructure improvements.

Working with the four mobile network operators – Vodafone, Telefonica, EE and 3UK – we will launch a public pilot of mobile services on the Jubilee line from Westminster to Canning Town in March 2020. This 12-month pilot will provide us with important technical, delivery and customer insight to help us with the full rollout of 4G over the next three years.

In summer 2020, we will award a 20-year telecoms concession to use our assets, which will generate revenue to

reinvest into the transport network. From early 2021, the concessionaire will use the information from the pilot to roll out commercial mobile across the Underground, line by line. Contractually, the London Underground 4G installation works have to be completed by the end of 2023, but the contract is structured to incentivise an earlier completion.

We are working with the Home Office to replace Airwave on the Underground, the current radio comms system used by the emergency services, with a new 4G service that will form part of the new national Emergency Service Network. Significant progress has been made laying the required cabling infrastructure and this will continue through during 2020.

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Modernising the Circle, District, Hammersmith & City and Metropolitan lines

We are transforming some of the oldest parts of the Underground network by replacing and improving outdated signalling, power and depot assets. Once completed by 2023, customers on the Circle, District, Hammersmith & City and Metropolitan lines will benefit from increased services and a 33 per cent increase in capacity.

We have delivered the first sections of signalling between Hammersmith and Paddington to Euston Square, and Finchley Road to Euston Square. The operation of the new signalling enables us to run on the new higher capacity system. In 2020/21, we will continue to work towards transitioning the entire Circle line onto the new signalling system, which is a huge milestone for the programme. We will also complete works at Ealing Common and Upminster depots to support District line trains.

New trains on the Piccadilly line



We are investing around £1.5bn in new trains to replace our existing Piccadilly line fleet, which dates from the early 1970s. The 94 new state-of-the-art Tube trains will feature wider doors and longer, walk-through, air-cooled carriages. They will also boost reliability and frequency during peak times, increasing from 24 to 27 trains per hour.

Working closely with our supplier, Siemens Mobility Limited, we have completed the concept design. We will continue working towards detailed design by early 2021, ahead of production and the first new trains entering passenger service in 2024.

Bank station upgrade

We continue our major upgrade of Bank Tube station to boost capacity by 40 per cent. The station is currently used by more than 400,000 people each day and the project is due to be completed by 2022. We reached a landmark last year as the project passed the halfway mark with the completion of the roof over the new station entrance on Cannon Street.

Work will continue to create step-free access to the Northern line, additional interchange between the DLR platforms, and a new southbound tunnel and platform for the Northern line. We will focus on finishing tunnelling for the new passenger concourse to the DLR by the end of 2020.

Better Dial-a-Ride experience

Our Dial-a-Ride service provides fully accessible, step-free transport for people with disabilities and older people who have difficulty accessing the public transport network.

We continue to invest in renewing our fleet, building on our work to ensure we comply with the central London ULEZ, with 186 ultra-clean Euro VI diesel buses entering service in time for the expansion of the ULEZ in October 2021.

This year, we will procure a new booking and scheduling system, which will improve the customer experience, enabling online bookings while continuing to offer phone bookings.





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New homes and jobs

We will target our work in areas where it will have the most benefit and link new communities with the jobs, services and homes they need. This includes extending our current services and building new stations to ensure we continue to support London's growth now and in the future.

We will also continue to open up our land to provide the vital new, affordable homes that Londoners need.



Barking Riverside Extension

We are extending the London Overground to support this key area of east London

Barking Riverside is the largest housing development in east London, with planning permission for up to 10,800 new homes.

In 2020/21, we will complete the construction of the north and south viaducts for this 4.5km line extension. This will enable the track to be laid and the final station works to be completed in late 2021.

Works to start on Silvertown Tunnel



Following the award of a contract to design, build, finance and maintain the Silvertown Tunnel, the main construction works are expected to begin this year, with the new tunnel proposed to open from 2025.

This new river crossing will effectively eliminate congestion and improve the reliability and resilience of the road network in and around the Blackwall Tunnel. It will enable a significant upgrade in cross-river bus services, with all of the new double deck buses using the tunnel expected to be zero-emission from launch.

New homes at Kidbrooke site

We have started construction of 619 homes, 50 per cent of which will be affordable, alongside Notting Hill Genesis at our site in Kidbrooke. This includes 152 London Affordable Rented homes and 157 London Shared Ownership homes. The new homes will be a mixture of one-, two- and three-bedroom properties.

Once complete, our site will include new and improved amenities for the community, such as an improved transport hub, a nursery, and new village square. The village square will offer the community new spaces to shop, eat and relax with a new café and convenience store.

Extending the Northern line

Running from Battersea Power Station to Kennington, via a new station at Nine Elms, the Northern Line Extension will bring Battersea and the surrounding area within 15 minutes of the City and the West End.

It will act as a catalyst for the regeneration of the area, supporting the creation of 25,000 jobs and more than 20,000 new homes.

Through 2020/21, we will continue with the new signalling system to enable us to start running test trains. We will also continue the construction of the new stations at Battersea and Nine Elms. The extension is expected to open in 2021.



Developing our Build to Rent portfolio

We have partnered with Grainger plc to create Connected Living London. Together, we are delivering more than 3,000 quality rental homes, 40 per cent of which are affordable.

These homes will be purpose built, with the specific needs of renters in mind. Residents will benefit from a well-designed scheme, and professional services including on-site management and maintenance support.

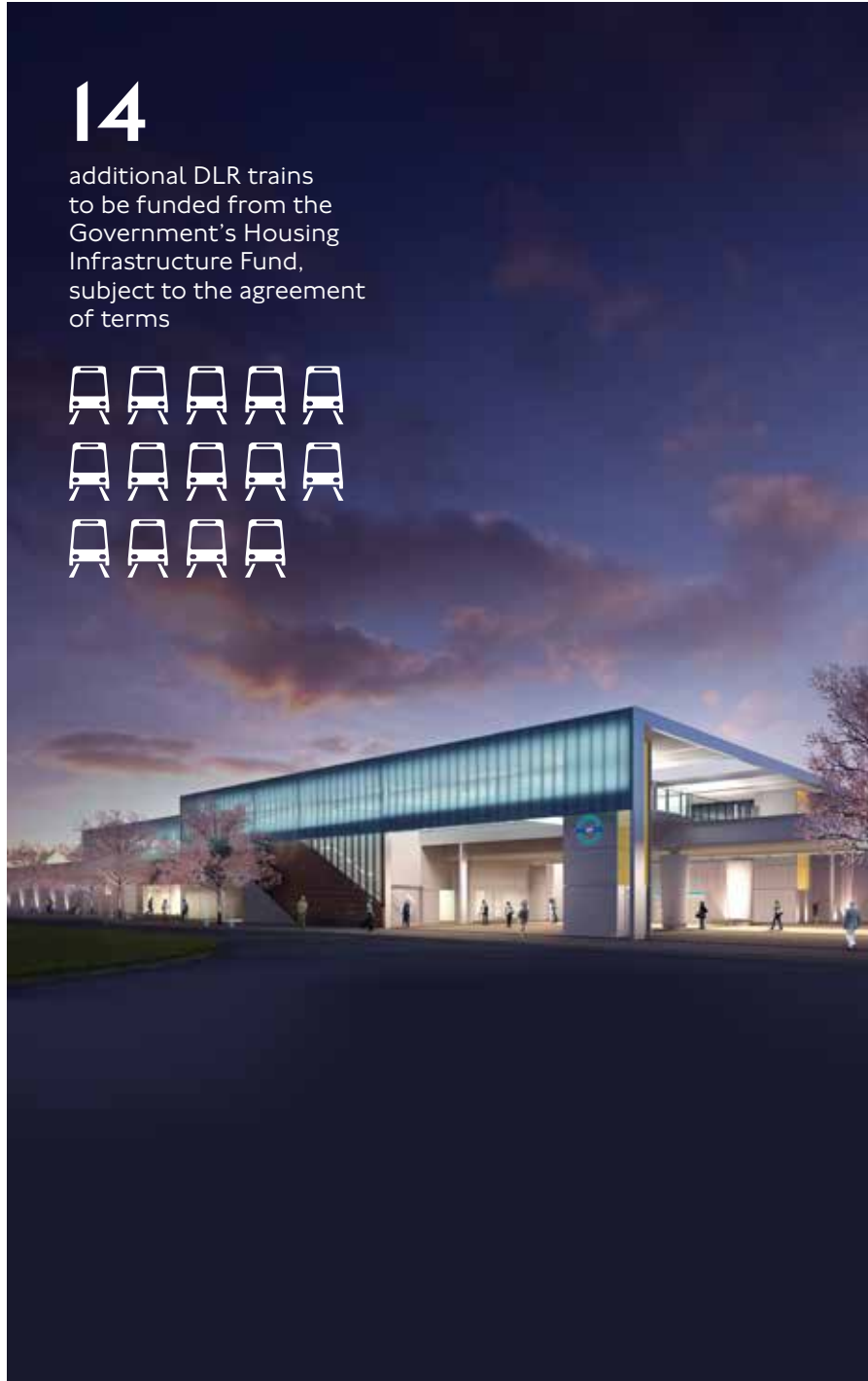
We are committed to investing in this partnership for the long-term, and we are going to create places and quality buildings that last. From providing cycle storage, electric vehicle charging points and access to car clubs to using recycled materials and building roof gardens – sustainability will be at the heart of our developments.


3,000

homes to be delivered through Connected Living London

14

additional DLR trains to be funded from the Government's Housing Infrastructure Fund, subject to the agreement of terms



New DLR station to support new homes

We have been awarded funding from the Government's Housing Infrastructure Fund, subject to the agreement of terms, to provide a new station at Thames Wharf, which will support additional housebuilding in the area. The fund will enable us to purchase 14 additional DLR trains and the land to stable them.

In 2020/21, subject to agreeing terms, we will purchase land for the depot extension and start design work.

Housing developments on our carparks

We are transforming some of our carparks to support the development of new homes

We are working with Catalyst, one of the UK's leading housing associations, to transform the carparks at Rayners Lane, Stanmore and Canons Park in Harrow into hundreds of much needed affordable homes. We have submitted our plans to Harrow Council and expect to start building nearly 500 affordable homes across the three sites over the course of this Budget.

Not only will we provide the homes London desperately needs, but by developing on carparks, like Stanmore and Canons Park, and by improving the local infrastructure, we will be promoting active and sustainable travel in line with the Mayor's Transport Strategy. This is part of our wider development programme to start on sites that will deliver 10,000 homes.

At Stanmore the development also provides a much-needed lift helping increase accessibility for the thousands of people that use this station each day.



Three

carparks being developed for housing in Harrow at Rayners Lane, Stanmore and Canons Park

500

new homes to be built on our carparks in Harrow



Our services

From the Underground to London's streets, we operate and manage a wide range of services to keep London moving and growing





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100,000

new Santander Cycles subscribers in 2019



86%

ULEZ compliance rate expected by March 2021



Streets, buses and other surface operations

We are focused on achieving the Mayor's Transport Strategy Vision Zero ambition, while continuing with schemes that will improve air quality

Financial summary

We continue to invest in Healthy Streets and our bus network. Our priority is to support initiatives to reduce road danger, improve walking, cycling and access to public transport, and ensure that the network is maintained on both TfL and borough roads. We will ensure that buses continue to be safe, reliable and sustainable and we will continue to find ways to make our fleet greener.

(£m)	2020/21 Budget	2019 Business Plan	Variance to Business Plan	2019/20 forecast	2020/21 variance to 2019/20 forecast
Passenger income	1,480	1,473	7	1,479	1
Other operating income	571	596	(25)	585	(14)
Total operating income	2,051	2,069	(18)	2,064	(13)
Direct operating cost	(2,838)	(2,886)	48	(2,852)	14
Direct operating deficit	(787)	(817)	30	(788)	1
Indirect net operating cost	(160)	(147)	(13)	(142)	(18)
Net operating cost before financing and renewals	(947)	(964)	17	(930)	(17)
Financing cost	(29)	(30)	1	(30)	1
Capital renewals	(125)	(123)	(2)	(71)	(54)
Net cost of operations	(1,101)	(1,117)	16	(1,031)	(70)
Capital renewals	(125)	(123)	(2)	(71)	(54)
New capital investment	(263)	(362)	99	(131)	(132)
Total capital investment	(388)	(485)	97	(202)	(186)

The budgeted operating deficit of £787m is marginally lower than that planned in our 2019 Business Plan. Bus ridership continues to fall, which has significantly affected our passenger income. This is offset by an increase in yield following the continued switch to contactless payments and a rigorous review of our bus cost base, which is driving further efficiencies. There has been a higher than expected compliance rate with the ULEZ and the volumes of vehicles entering the Congestion Charging and ULEZ zones have also dropped slightly. While this has added some pressure on our income, these schemes are successfully delivering the desired impact of reducing the number of polluting vehicles coming into central London.

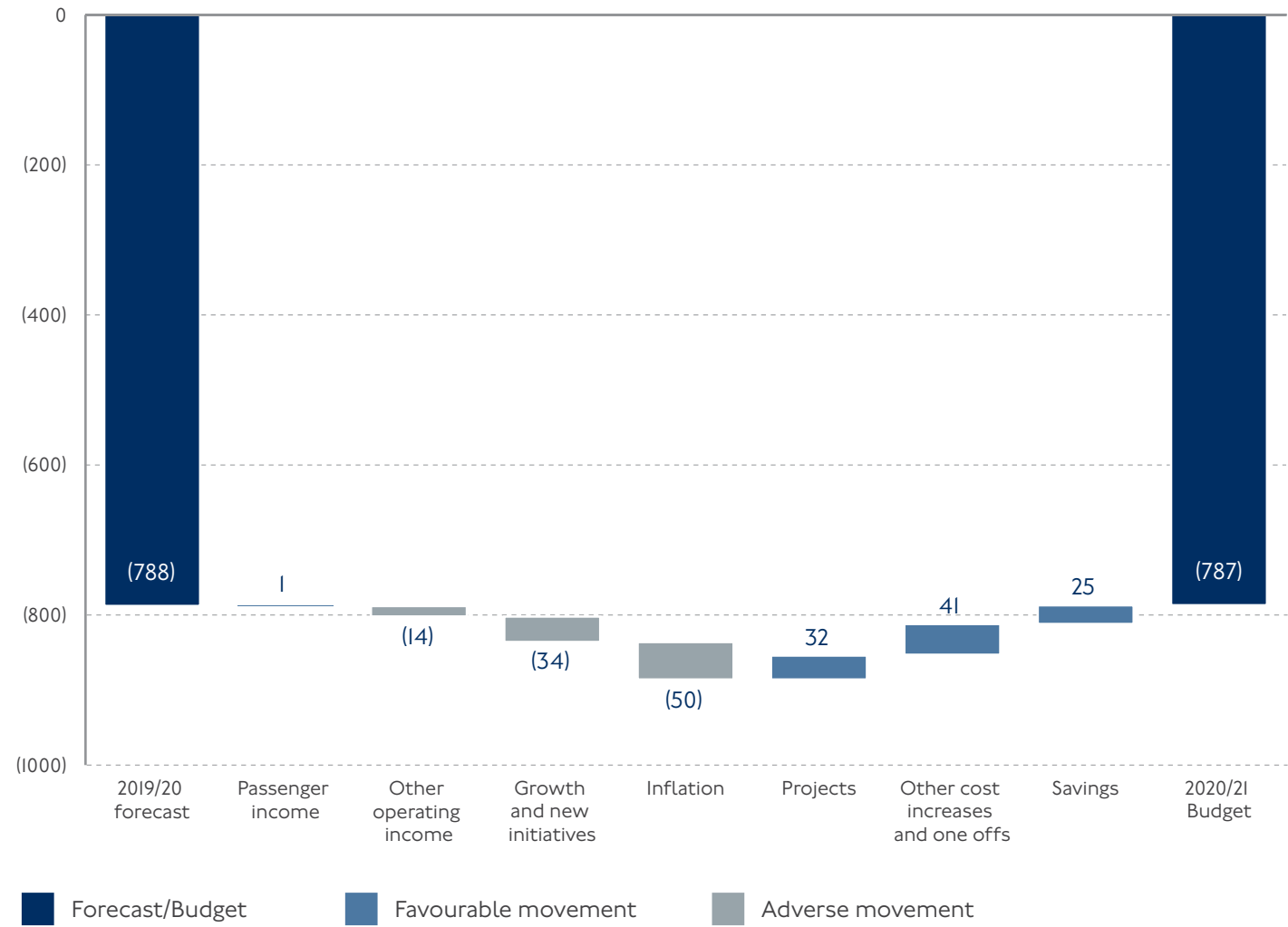
Since we published our Business Plan, our investment has reduced by around £100m. This is not because we have cancelled projects or are planning to deliver less. We have taken a more pragmatic approach to our forecasts to account for the reality of work banks of activity and likely delays – often due to negotiations on complex procurement arrangements and extended consultation with stakeholders as projects near the end of planning.

Capital

As part of our strategy to ensure we have a safe and reliable network, we will restart our proactive road renewals this year following a two-year pause. This includes resurfacing more than 30km of road and modernising around 50 traffic signal sites.

Our Major projects directorate is due to start work on the new Silvertown Tunnel river crossing in 2020, with enabling works expected to be complete at the end of the year and the new crossing expected to open in 2025.

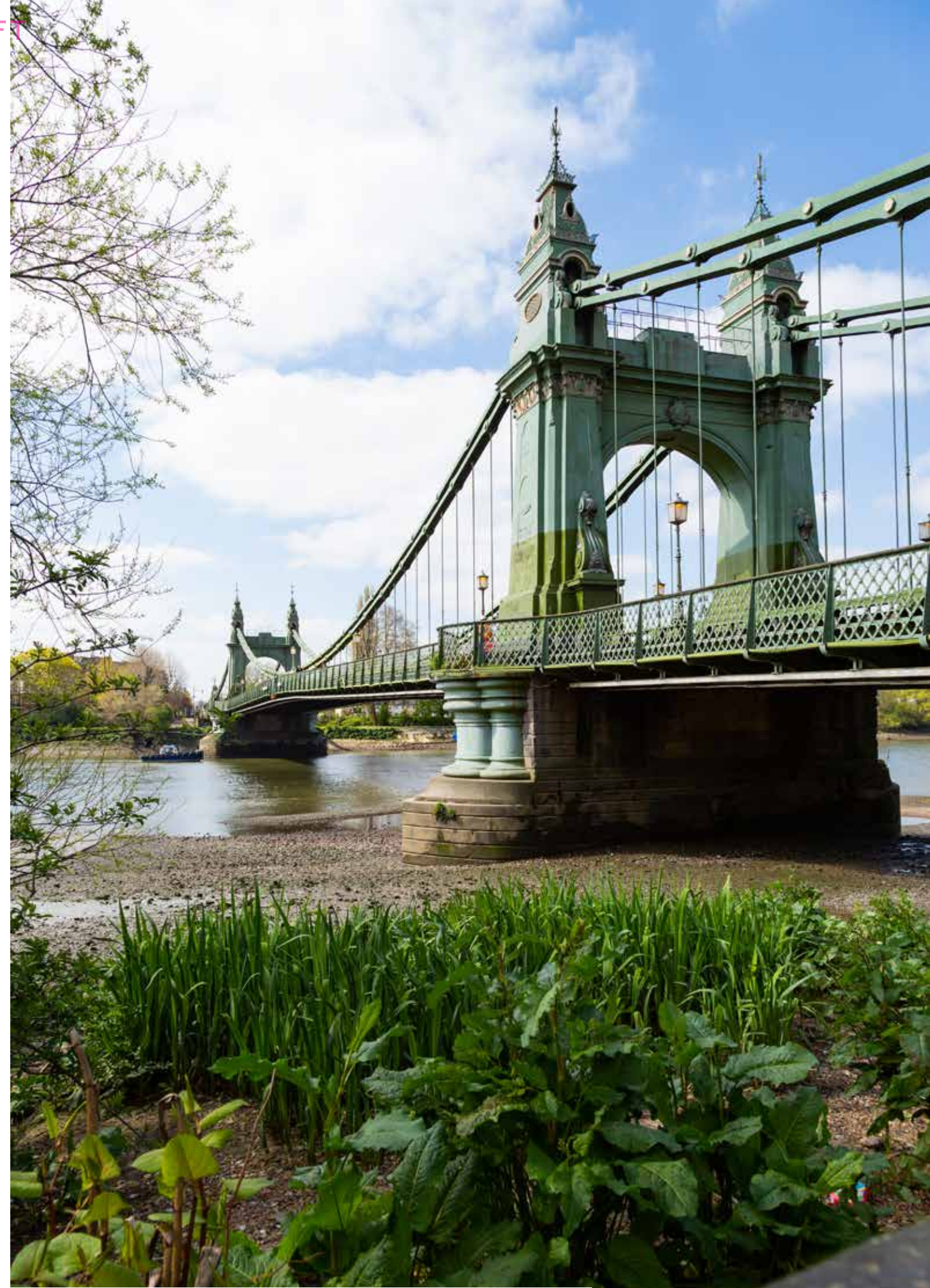
Movement on direct operating deficit (£m)



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Our operating deficit will decrease by £1m from £788m in 2019/20 to £787m in this Budget. Other operating income has fallen as there is further reduction in ULEZ volumes, as well as improved compliance rates. We estimate that compliance rates will increase from 79 per cent in March 2020 to 86 per cent by March 2021.

Bus contract inflation adds a £50m pressure to our operating account, with half of this offset by bus operating cost improvements. Our Investment Programme operating expenses reduce by £10m, mainly due to reclassifying our contribution to repair Hammersmith Bridge as capital spend as we are now investigating options to build a temporary bridge.



We are contributing to the essential repair work on Hammersmith Bridge

Volume analysis

	Actual			Forecast	Budget
	2016/17	2017/18	2018/19	2019/20	2020/21
Streets					
Congestion Charge volumes (millions)	16.6	15.3	14.1	15.7	14.8
Congestion Charge and enforcement income (£m)	250	230	230	249	235
Average Congestion Charge including enforcement income (£m)	15.03	15.04	16.27	15.86	15.85
Average kilometres cycled per day in central London*	500,423	497,867	529,475	543,938	560,256
Buses					
Number of passenger journeys (millions)	2,262	2,247	2,220	2,193	2,171
Average yield per passenger journey (£)	0.65	0.65	0.66	0.67	0.68
Direct operating cost per journey (£)	(0.92)	(0.94)	(0.94)	(0.99)	(1.00)
Emirates Air Line					
Number of passenger journeys (millions)	1.5	1.4	1.3	1.3	1.4
Average yield per passenger journey (£)	4.07	4.15	4.46	4.52	4.57
Direct operating cost per journey (£)	(4.48)	(4.33)	(4.53)	(4.67)	(4.57)
Santander Cycles					
Number of cycle hires (millions)	10.5	10.2	10.9	10.2	10.2
Average income per hire (£)	1.08	1.09	1.07	1.13	1.13
Direct operating cost per hire (£)	(2.08)	(2.09)	(2.03)	(2.29)	(2.28)
London River Services					
Number of passenger journeys (millions)	8.8	8.2	8.2	8.6	8.9
Average yield per passenger journey (£)	0.32	0.34	0.28	0.30	0.32
Direct operating cost per journey (£)	(0.39)	(0.42)	(0.43)	(0.34)	(0.32)
Woolwich Ferry					
Number of passenger journeys (millions)	1.9	1.8	1.6	1.0	1.6
Direct operating cost per journey (£)	(4.24)	(4.32)	(5.81)	(6.30)	(6.94)

Around 75 per cent of the vehicles entering the Congestion Charge zone during charging hours are liable to pay the full charge. This is an increase from around 50 per cent in previous years. Although overall vehicle volumes have continued to fall, in part due to the introduction of the ULEZ, the removal of the private hire vehicle discount has led to an overall increase in chargeable volumes.

The latest data from the central London cycling metric shows that the year-to-date cycling growth between January and September 2019 is two per cent compared to the previous year. This is slightly below the 2.5 per cent target, owing to the lower than expected performance between April and June 2019, which was based on particularly good performance in the same quarter last year. Despite this, we achieved record levels of cycling in the other two quarters of 2019 since monitoring began in 2014. Furthermore, the current forecast for the full-year 2019 expects an increase that may meet the full year target.

Bus reliability is at historically high levels and bus speeds have stabilised after a long period of decline. We must maintain this level of performance. However, the ongoing squeeze on incomes and relatively low economic growth are likely to continue to reduce demand in the short to medium term. While TfL fares remain frozen in 2020, our Business Plan assumes they will

increase by retail price index plus one per cent in 2021. The impact of this is offset by a new weekly cap on Oyster cards to bring them in line with contactless payments. The average yield is assumed to increase by one penny in 2020/21.

Overall, bus operating costs are forecast to increase year on year, owing to the annual contracted price increase within the bus operators' contracts. This, combined with the decrease in passenger journeys, means the operating cost per journey is forecast to increase. We are responding to changing travel patterns by revising the bus network to best meet demand, in particular increasing bus kilometres in outer London.

There were 10.2 million cycle hires in 2019/20, a slight decrease from the previous year, primarily due to there being more rain in key months compared to 2018/19. The Santander Cycles app is proving popular, with more than 25 per cent of members requesting hires through it, while more than one million downloads have been recorded. The increased use of on-street hubs at certain locations has proved popular as it means customers know they can hire and dock cycles.

* As cycling data is reported one quarter in arrears, the cycling data in the table opposite is based on calendar quarters and therefore represents the respective calendar years. Also, the data represents average daily (06:00-22:00) kilometres cycled within the Congestion Charge zone

The number of new members joining the scheme increased in 2019, with more than 100,000 people signing up. We are celebrating the 10th anniversary of London's cycle hire scheme. This comes as a record 709,000 Santander Cycles were hired in January 2020, the best start to a year in the history of the scheme.

We have upsold Emirates Air Line premium products, which has led to further increases in yield despite falling volumes. Passenger numbers on London River Services have grown year-on-year, leading to further projected growth in 2020/21.

The Woolwich Ferry ridership target remains the same. Actual passenger volume for 2019/20 has been lower than target, owing to downtime from a number of operational issues.

On 10 February 2020, we confirmed our intention to take over the operation and maintenance of the Woolwich Ferry to improve the service. The plans mean passengers will benefit from an increased focus on reliability and customer service.

We expect to transition to an in-house operation by the end of 2020, after the necessary preparation and employee consultation has concluded. Alongside Briggs Marine, we have agreed to a short contract extension to help ensure there is a smooth transition.



Safety and security

	Actual			Forecast	Budget
	2016	2017	2018	2019	2020
Streets					
People killed or seriously injured on road, including by buses - Reduction from 2005-09 baseline (%)	40.4	39.4*	36.5	38.1	42.6
Absolute reduction against previous year**	102	63*	184	102	287

	Actual			Forecast	Budget
	2016/17	2017/18	2018/19	2019/20	2020/21
Other operations					
Customer injuries	172	114	113	135	132

Provisional figures for 2019 show the number of people killed or seriously injured during that year is forecast to fall by 3.4 per cent when compared to 2018, to an estimated 40 per cent reduction compared to the 2005-09 baseline. Our long-term Vision Zero target is for a 100 per cent reduction in deaths on London's roads by 2041, against the 2005-09 baseline. We have two milestones to reach this of a 65

per cent reduction by 2022 and a 70 per cent reduction by 2030. We are delivering a series of targeted road safety interventions, including the Direct Vision Standard for HGVs to help drivers see vulnerable road users better, 20mph speed limits on our roads, as well as delivering or consulting on the remaining Safer Junctions locations.

The increase in injuries recorded for our other surface operations is largely down to an increase on London River Services. Our relationship with the operators continues to improve in terms of safety reporting, and we are receiving more reports due to improved communications. We expect customer injuries to reduce in all areas through running successful safety campaigns and Vision Zero targeted activity throughout the year.

* The data was re-baselined in 2018. However, further re-baselining may be needed to account for the increase in online self-reporting of injuries. People killed or seriously injured is defined as fatal and serious personal injury from road traffic collisions occurring on the public highway and reported to police

** Total number of people killed or seriously injured in 2016 was 3,818

Customer satisfaction (score out of 100)

	Actual			Forecast	Budget
	2016/17	2017/18	2018/19	2019/20	2020/21
Streets					
All road users	70	70	71	71***	70
Pedestrians and cyclists	70	70	71	71***	70
Buses	86	86	85	84	84
Dial-a-Ride	91	92	89	90	90

Customer satisfaction has been consistent over the past five years and this level is expected to continue. In 2020/21, we will deliver a programme of works, including carriageway resurfacing, lighting and traffic signal renewals, and bus shelter replacements, while also seeking to identify a long-term funding source for our roads.

There were several challenges to customer satisfaction during 2019/20 on buses, including planned service changes across the network and the hot summer affecting perceptions of comfort and crowding. As a result, the target is 84 for 2020/21.

Dial-a-Ride customer satisfaction remained high in the first quarter of 2019/20, achieving the target of 90 for both the third quarter and the full year. Satisfaction ratings for individual attributes remained broadly stable which we expect to continue in 2020/21, as the fleet replacement programme rolls out.

*** Actual score

Reliability

	Actual			Forecast	Budget
	2016/17	2017/18	2018/19	2019/20	2020/21
Streets					
Time saved for pedestrians, cyclists and bus passengers at traffic lights (hours)*	n/a	n/a	16,985	17,500	16,500
Average road journey time disruption within % of previous year	n/a	n/a	1%	Within 10% of baseline (currently 2% YTD)	Within 8% of baseline
Average bus speeds (mph)	9.2	9.2	9.3	9.2	9.3
Customer journey time (weighted minutes)	n/a	32.4	32.5	32.9	32.9
Buses – service volume (million km operated)**					
Inner London	n/a	n/a	148.0	141.9	140.0
Outer London	n/a	n/a	323.0	323.7	325.9
Sections of routes outside the Greater London Authority boundary	n/a	n/a	10.4	10.4	10.1
Total	495.0	490.0	481.4	476.0	476.0
Other operations					
Dial-a-Ride trips requests scheduled (%)	89	88	89	89	89
Santander Cycles – number of hires (millions)	10.5	10.2	10.9	10.2	10.2

A new approach to support bus performance has seen us meet our stretch target for 2019/20. It is more challenging to realise time savings going forward, as locations with high bus users, pedestrians and cyclists have already been improved. As a result, the 2020/21 target is a daily saving of 16,500 hours.

The improvement in average road journey time disruption is due to stable traffic volumes across London, with a noticeable drop in central London as a result of the ULEZ. This has helped reduce the disruption levels in central London, which were caused by an increase in protests and planned works.

Bus customer journey time is expected to stabilise in 2020/21 with wait times, journey times and reliability remaining consistent in 2019/20. This is supported by our ongoing programme of work on bus priority and signal timing reviews.

We will continue to increase bus services in outer London, while continuing to adapt the bus network, to more closely match capacity to demand.

Dial-a-Ride will maintain an 89 per cent target through careful management of schedules and resources.

The 2020/21 target for Santander Cycles hires reflects the actual hires for 2019/20 and is aligned with income forecasts. Plans are under way to install new Santander Cycles docking stations across London, including Westbourne Park Tube station and Victoria Embankment, at the junction of Temple Avenue, by spring 2020.

* New KPI

** Categorising the kilometres operated between inner and outer London is a new way of reporting the service volume metric. The figures for 2019/20 are pending the outcome of consultation



London Underground

We are working to improve safety and reliability, while introducing more step-free access across our Tube stations

£377m

to be spent on network renewals and enhancements this year



31

trains per hour service to run on the Northern line by August 2020



Financial summary

Direct operating surplus increased by 21 per cent from 2018/19 to 2019/20 driven by a combination of strong revenue growth and cost control. In the last six months revenue has flattened predominately as a result of lower employment in central London and the Isle of Dogs. We continue to make savings and mitigate cost increases by modernising the way we operate.

(£m)	2020/21 Budget	2020/21 Business Plan	Variance to Business Plan	2019/20 forecast	2020/21 variance to 2019/20 forecast
Passenger income	2,932	2,978	(46)	2,865	67
Other operating income	18	22	(4)	36	(18)
Total operating income	2,950	3,000	(50)	2,901	49
Direct operating cost	(1,977)	(2,014)	37	(1,941)	(36)
Direct operating surplus	973	986	(13)	960	13
Indirect net operating cost	(445)	(380)	(65)	(353)	(92)
Net operating surplus before financing and renewals	528	606	(78)	607	(79)
Financing cost	(296)	(308)	12	(293)	(3)
Capital renewals	(330)	(339)	9	(350)	20
Net cost of operations	(98)	(41)	(57)	(36)	(62)
Capital renewals	(330)	(339)	9	(350)	20
New capital investment	(543)	(607)	64	(629)	86
Total capital expenditure	(873)	(946)	73	(979)	106

Our revenue assumptions remain cautious as a result of recent slowing of demand. Our passenger revenue is lower than the Business Plan, reflecting these updated economic forecasts.

Costs have reduced against our Business Plan, with improvements planned in maintenance. The underlying year-on-year costs have reduced with inflation mitigated, however, the overall costs have increased marginally, owing to the increase in pension contributions.

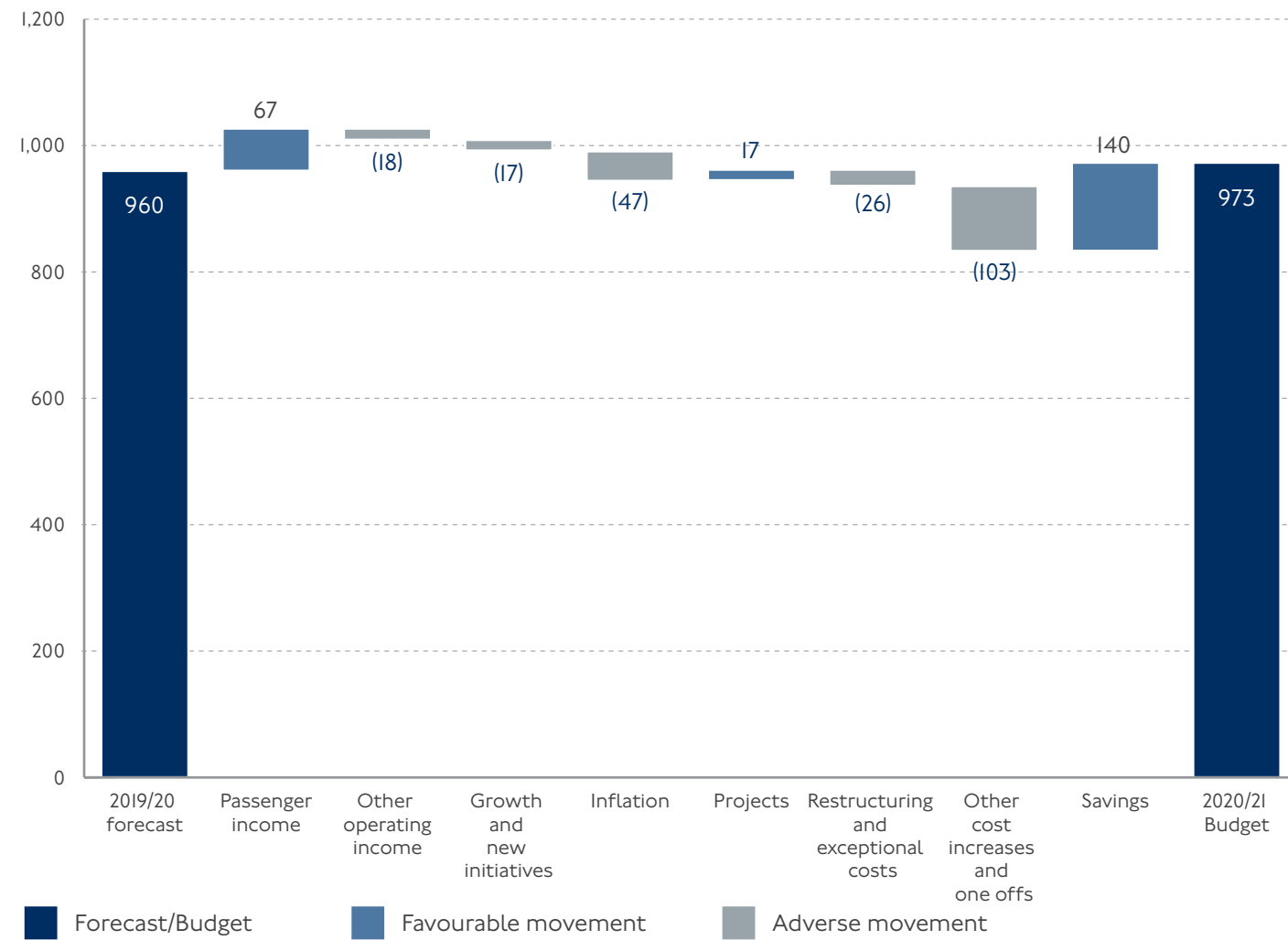
Capital

Our long-term strategy remains to use operating surpluses generated from the Underground to cover the cost of our capital renewals. It is vital that we invest in our current asset base to ensure safety and performance. Our surplus will also cover indirect costs, such as the customer contact centre, HR, finance, legal and

the finance cost associated with our capital investment. We have an ambitious programme and we are forecasting to spend £377m this year to support network renewals and enhancements. These include upgrading the signalling, track and power capability for a 31 trains per hour service on the Northern line, which is planned for August 2020.

Our Major projects directorate will continue works to modernise the Circle, District, Hammersmith & City and Metropolitan lines by replacing and improving outdated signalling, power and depot assets. In 2020/21, we will continue work to transition the entire Circle line onto the new signalling system and will complete the works at Ealing Common and Upminster depots to fully prepare them to cater for more frequent District line trains.

Movement on direct operating surplus (£m)



Our operating surplus is still forecast to improve despite challenging economic conditions. Compared to 2019/20, passenger revenue will be £67m higher, driven largely by increases on Travelcard fares, in addition to an increase in customer demand.

Overall, operating costs have slightly increased from 2019/20 to 2020/21 due to inflation, and initiatives to support workplace violence and improve services. However, considerable savings of £140m have been planned to mitigate this.

Passenger journey analysis

	Actual			Forecast	Budget
	2016/17	2017/18	2018/19	2019/20	2020/21
Number of passenger journeys (millions)	1,378	1,357	1,384	1,403	1,413
Average yield per passenger journey (£)	1.94	1.94	2.02	2.04	2.08
Direct operating cost per journey	(1.50)	(1.55)	(1.46)	(1.38)	(1.40)

Demand for Tube services showed strong growth at the start of 2019/20, however, this slowed significantly halfway through the year and demand growth has remained flat year on year since.

Despite the fall in demand, we had our busiest day ever on 29 November 2019, with more than five million journeys completed. Our operating cost per journey has continued to improve, showing that we are controlling our costs, and we have remained cautious about demand growth into 2020/21, including only modest growth in this Budget.

Safety and security

The safety and security of our customers and colleagues remains our top priority. Our plans will support the Mayor’s Transport Strategy vision to eliminate fatalities and major injuries on the network. This means focusing on activities that reduce the risk of accidents relating to escalators, stairs, and boarding and exiting trains. Our initiatives to reduce the risk of injuries to our staff include tackling accidents relating to contact injuries,

working with electricity, and reducing slips, trips and falls.

We will tackle antisocial behaviour on the Tube, including aggression against our people, as part of our workplace violence strategy. This will include tackling the common triggers of violence and aggression, which include fare evasion and drinking alcohol.

Customer injuries

	Actual			Forecast	Budget
	2016/17	2017/18	2018/19	2019/20	2020/21
Number of serious customer injuries	156	138	170	143	137

Serious customer injuries are those which fall within the industry standard Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) definition, excluding customer-on-customer assaults, injuries arising from medical issues and intentional self-harm. Over the next year, we will continue to focus on reducing the number of injuries occurring on our network through infrastructure changes and marketing campaigns to promote safe customer behaviour.



We want our customers to complete the whole of their journey safely

Customers

We will focus on improving the support provided to customers when there is disruption on the network. This could be from planned maintenance work or when there is an unexpected problem, like a signal failure.

Work will continue to improve the accuracy and timeliness of our customer information

across all our communication channels. We will improve the terminology used to describe incidents and the explanations given to describe the impacts of major upgrade programmes. Our station staff and train operators provide a critical role during disruption, so we will continue to encourage and support them to provide a better experience.

Customer satisfaction (score out of 100)

	Actual			Forecast	Budget
	2016/17	2017/18	2018/19	2019/20	2020/21
Customer satisfaction	85	85	85	84	85

A dip in customer experience in 2019/20 has largely been driven by dissatisfaction with temperatures on our trains during an extended period of unusually warm weather this summer. It is anticipated that the plans we have in place to improve customer experience will mean satisfaction improves in line with previous performance.

Reliability

Along with safety, reliability is the bedrock of our service. During the morning and evening peaks, there are more than 540 trains serving 270 stations.

Our organisational model sets out clear accountabilities so that we can deliver reliable services and react quickly and effectively to any issues that arise.

We also have dedicated teams to analyse and focus on the most common factors affecting reliability. These include staff availability and fleet management.

Step-free access availability(%)

	Actual			Forecast	Budget
	2016/17	2017/18	2018/19	2019/20	2020/21
Step-free access availability	98.6	98.6	98.7	98.5	98.5

We are committed to ensuring our step-free routes are available for our customers to use throughout the year. As a result, we have set ourselves a target of 98.5 per cent and continually monitor the performance of our accessibility supporting assets, with plans in place to respond quickly if issues arise.

Scheduled services (million kilometres operated)

	Actual			Forecast	Budget
	2016/17	2017/18	2018/19	2019/20	2020/21
Services operated	83.7	84.4	84.9	83.5	84.3

Performance in 2019/20 has been impacted by a Jubilee line fleet fault, which was identified in October and took a number of weeks to resolve. It is anticipated that performance in 2020/21 will recover in line with previous years, however, ongoing modernisation work on our subsurface lines may subdue this slightly.



Elizabeth line

When fully open, the Elizabeth line will provide essential transport capacity, as well as a vital new revenue stream

10%

increase in rail capacity in central London when the Elizabeth line fully opens



when the Elizabeth line will open

Financial summary

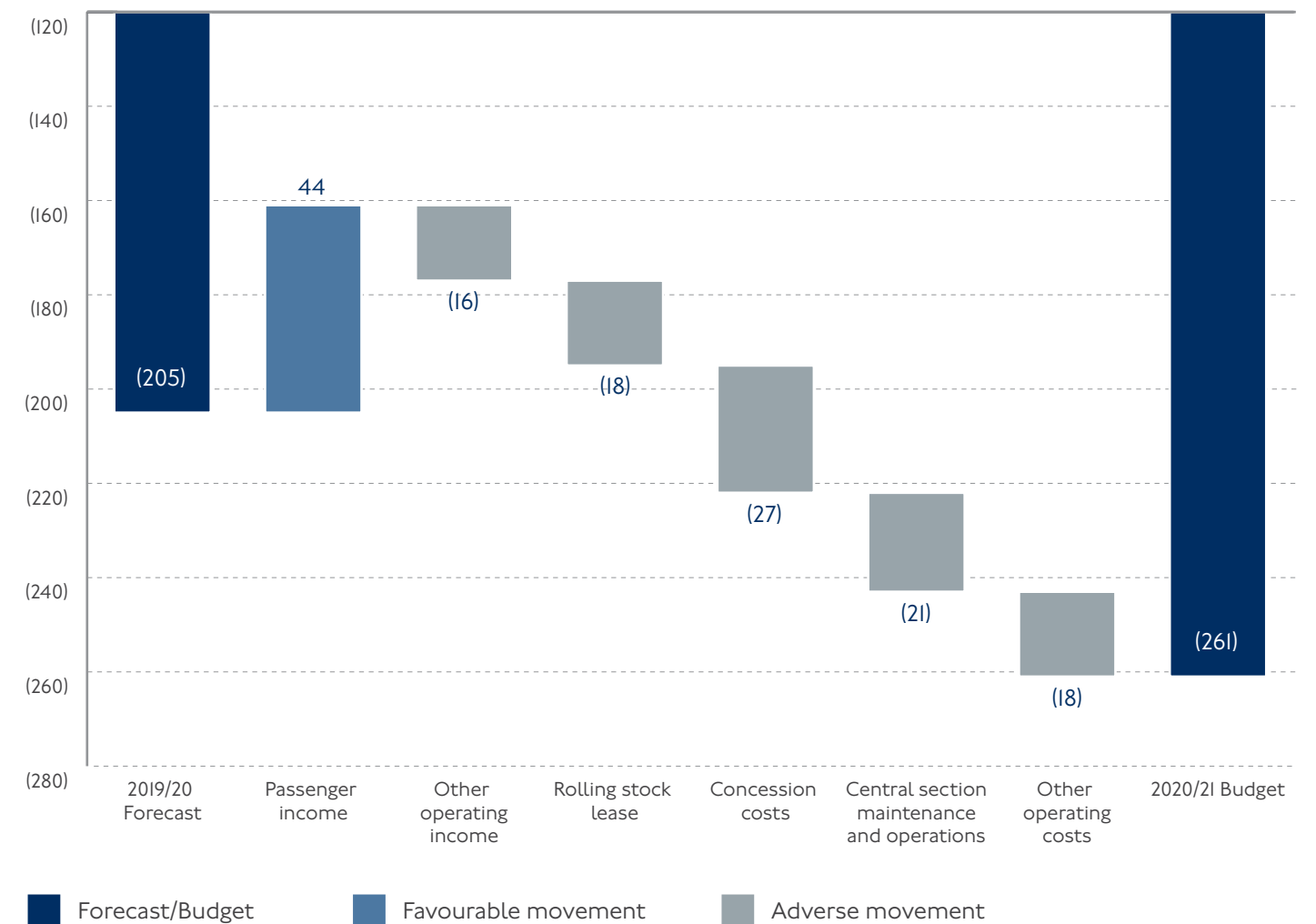
The Elizabeth line will redefine how people move around London, adding 10 per cent to central London's rail capacity once fully completed.

(£m)	2020/21 Budget	2020/21 Business Plan	Variance to Business Plan	2019/20 forecast	2020/21 variance to 2019/20 forecast
Passenger income	166	173	(7)	122	44
Other operating income	14	31	(17)	30	(16)
Central section regulatory income	27	27	-	-	27
Total operating income	207	231	(24)	152	55
Direct operating cost	(441)	(446)	5	(357)	(84)
Central section regulatory cost	(27)	(27)	-	-	(27)
Direct operating deficit	(261)	(242)	(19)	(205)	(56)
Indirect net operating cost	(20)	(18)	(2)	(16)	(4)
Net operating cost before financing	(281)	(260)	(21)	(221)	(60)
Financing cost	(99)	(103)	4	(77)	(22)
Net cost of operations	(380)	(363)	(17)	(298)	(82)
New capital investment	(41)	(42)	1	(20)	(21)
Crossrail investment programme	(725)	(626)	(99)	(1,039)	314
Total capital investment	(766)	(668)	(98)	(1,059)	293

The operating deficit is forecast to be £19m worse than our Business Plan expectation, mainly due to the timing of third-party contributions which occurred earlier in 2019/20. The other variances in operating income and costs against the Business Plan represent minor changes in assumptions, with a decrease in passenger income offset by further savings in operating costs.

We continue to work hard to reduce the financial and customer impact of the delayed opening of the central section, which is now scheduled for summer 2021. This Budget assumes the continuation of services between Paddington and Reading, which started in December 2019.

Movement on direct operating deficit (£m)



Compared to 2019/20, the overall Elizabeth line operating deficit will increase by £56m in 2020/21 as we prepare to handover assets.

Passenger income is forecast to increase by £44m, mainly owing to the full-year effect of services between Paddington and Reading, which is then offset by a £16m decrease in other operating income, mainly from lower third-party contributions.

The central section regulatory income charge and costs relate to access charges following the handover of the central section and net to nil.

Direct operating costs will increase by £84m, driven by costs relating to the central section, which will be non-fare generating in 2020/21. Of the operating cost increases, £21m relate to the handover of the central

section as we increase maintenance activity and prepare for opening. Concession costs increase by £27m, in advance of opening, along with the costs of Paddington to Reading services.

Next year, we will also see increased rolling stock costs of £15m as we move towards maintaining a full fleet of trains. There is

also £18m relating to the lease charge for the new trains.

Our key focus in 2020/21 will be to control mobilisation costs, owing to the opening delays as Crossrail Limited works to deliver the central section of the line as safely and quickly as possible.

Passenger journey analysis

	Actual			Forecast	Budget
	2016/17	2017/18	2018/19	2019/20	2020/21
Number of passenger journeys (millions)	48	45	55	60	75
Average yield per passenger journey (£)	1.73	1.89	1.83	2.03	2.21
Direct operating cost per journey	(2.72)	(3.24)	(4.29)	(5.95)	(6.24)

Passenger journeys increase mainly because of the full-year effect of services between Paddington and Reading. These services also drive an increase in yield per journey. The cost per journey increases in 2020/21. This is mainly because of central section regulatory access charges, pre-opening costs for the central section and rolling stock costs for maintenance and leasing.

Customer satisfaction (score out of 100)

	Actual			Forecast	Budget
	2016/17	2017/18	2018/19	2019/20	2020/21
Customer satisfaction	83	83	84	84	84

We expect to maintain our customer satisfaction score this year.

Performance

	Actual			Forecast	Budget
	2016/17	2017/18	2018/19	2019/20	2020/21
Public performance measure	94.7	93.4	94.5	94.5	94.5

Plans are in place to maintain performance, including continued replacement of inherited rolling stock with new Class 345 train units.

2 million

more journeys on the London Overground in 2020/21 as a result of new trains and services



4.5km

extension on the London Overground to Barking Riverside



Rail

We will be rolling out new trains and extending our rail network to support the development of new homes and jobs

Financial summary

Demand levelled off towards the end of 2018 and into 2019. We have again revised our growth assumptions as the economic uncertainty continues.

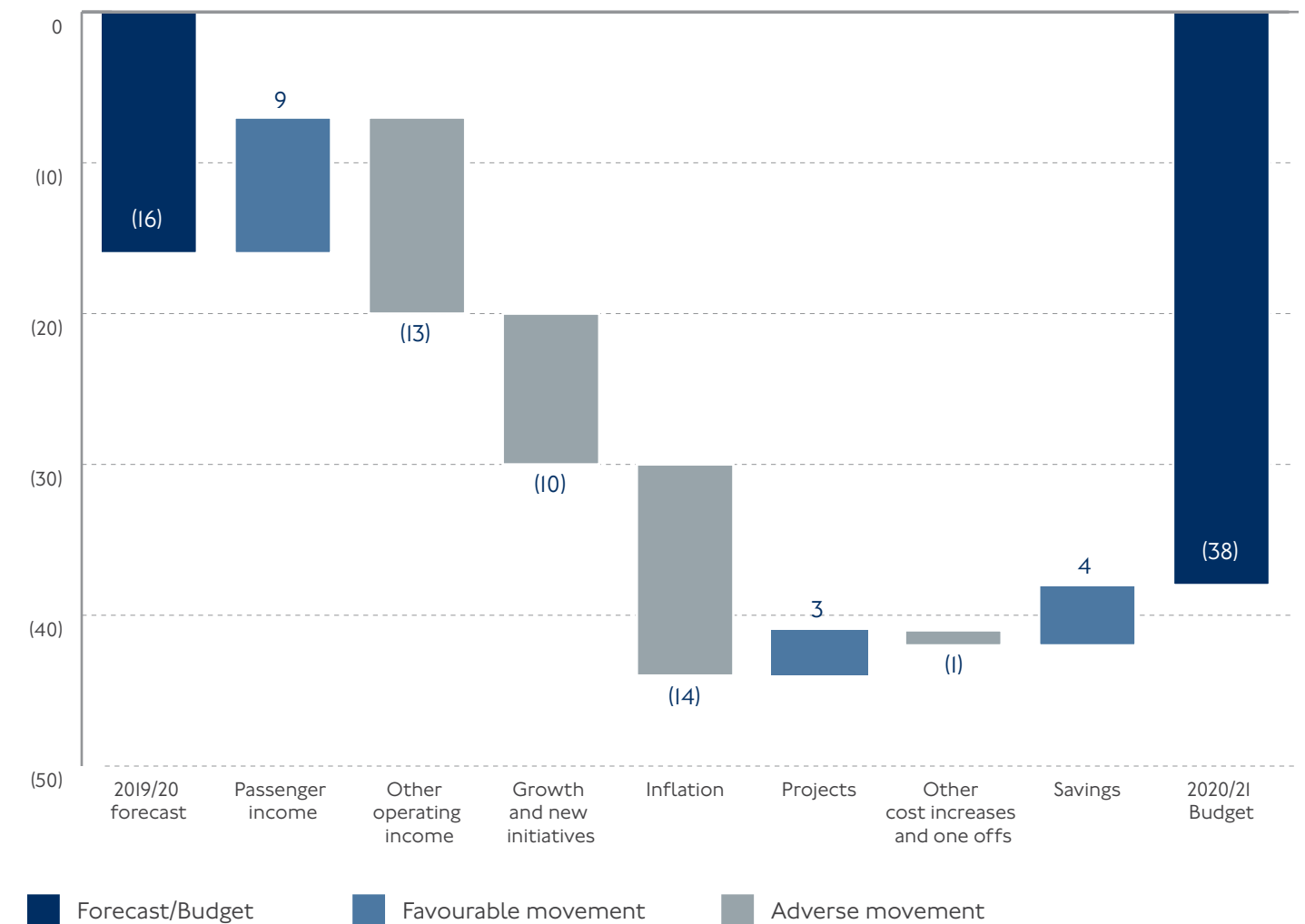
(£m)	2020/21 Budget	2020/21 Business Plan	Variance to Business Plan	2019/20 forecast	2020/21 variance to 2019/20 forecast
Passenger income	441	455	(14)	432	9
Other operating income	10	9	1	23	(13)
Total operating income	451	464	(13)	455	(4)
Direct operating cost	(489)	(496)	7	(471)	(18)
Direct operating deficit	(38)	(32)	(6)	(16)	(22)
Indirect net operating cost	(22)	(20)	(2)	(19)	(3)
Net operating deficit before financing and renewals	(60)	(52)	(8)	(35)	(25)
Financing cost	(43)	(44)	1	(45)	2
Capital renewals	(38)	(33)	(5)	(45)	7
Net cost of operations	(141)	(129)	(12)	(125)	(16)
Capital renewals	(38)	(33)	(5)	(45)	7
New capital investment	(140)	(155)	15	(105)	(35)
Total capital expenditure	(178)	(188)	10	(150)	(28)

The budgeted operating deficit has increased by £6m compared to the 2019 Business Plan. This reflects lower demand assumptions, owing to continued economic uncertainty. This year, more class 710s will join the London Overground in east London. We assumed additional income in our 2019 Business Plan for these services but have revised down the income uplift, to reflect the lower demand expected. We have partially offset this lower income with planned efficiencies in our cost base.

Capital

We will continue to invest in renewals works on the DLR, London Overground and trams to maintain safety and reliability. This year, our Major projects directorate will continue works on the Barking Riverside Extension, which will include 4.5km of additional track and a new station at Barking Riverside. We will work on the track, points and signalling, with train services due to start running in late 2021.

Movement on direct operating deficit (£m)



Our operating deficit will increase by £22m from £16m in 2019/20 to £38m in this Budget. Passenger income has increased by £9m, owing largely to the additional services introduced on the London Overground, but this is offset with the additional cost of running this service. Contract inflation across all modes creates further headwind of £14m.

Other operating income has reduced by £13m, mainly due to one-off income that occurred in 2019/20. We receive compensation for any contract breaches, such as delays in delivering new trains or any issues that impact our service. Compared to 2019/20, we will receive £7m less compensation payments during 2020/21. We will continue to work with third parties to reduce our costs and we are exploring ideas to generate further revenue.

Passenger journey analysis

	Actual			Forecast	Budget
	2016/17	2017/18	2018/19	2019/20	2020/21
London Overground					
Number of passenger journeys (millions)	189	189	190	191	193
Average yield per passenger journey (£)	1.17	1.19	1.22	1.22	1.24
Direct operating cost per journey (£)	(1.51)	(1.39)	(1.47)	(1.55)	(1.64)
DLR					
Number of passenger journeys (millions)	122	120	122	122	122
Average yield per passenger journey (£)	1.36	1.41	1.41	1.43	1.46
Direct operating cost per journey (£)	(1.03)	(1.06)	(1.04)	(1.06)	(1.10)
London Trams					
Number of passenger journeys (millions)	30	29	29	28	27
Average yield per passenger journey (£)	0.86	0.83	0.82	0.85	0.86
Direct operating cost per journey (£)	(1.31)	(1.24)	(1.22)	(1.27)	(1.38)

The modest demand growth from 2018/19 continued at the start of 2019/20, followed by a marked slowdown in the second half of the period. Forecast demand in 2019/20 is broadly expected to be in line with 2018/19 levels. The slowdown is due to continuing uncertainty in some parts of the economy.

The further delay to the opening of the Elizabeth line has been reflected in the 2020/21 DLR budget, with a slightly stronger demand uplift mostly offset by weaker economic growth next year.

The introduction of new London Overground trains and services between Gospel Oak and Barking and in north London in the second half of 2019/20 will deliver a much-needed capacity boost. Two extra early morning services were introduced between Gospel Oak and Barking on 16 December, with new trains on services in and out of Liverpool Street introduced from March 2020.



New services on the London Overground will help boost passenger demand

Safety and security

	Actual			Forecast	Budget
	2016/17	2017/18	2018/19	2019/20	2020/21
Customer injuries	398	292	306	313	305

Customer injuries are on the rise, owing to a 15 per cent increase recorded on the London Overground. Heavy rain resulted in passengers slipping on concourses and platforms, with most notable injuries occurring at White Hart Lane station. We are planning safety initiatives and campaigns in 2020/21 aimed at reducing injuries. These include infrastructure changes and encouraging customer safety when boarding and alighting trains.

Customer satisfaction (score out of 100)

	Actual			Forecast	Budget
	2016/17	2017/18	2018/19	2019/20	2020/21
London Overground	84	84	83	84	85
DLR	89	88	87	89	89
London Trams	90	91	90	91	91

The rollout of new London Overground trains has been delayed, which has negatively impacted our scores in the short term. We expect this to rise later in 2020/21, once the fleet has been fully delivered.

Reliability (%)

	Actual			Forecast	Budget
	2016/17	2017/18	2018/19	2019/20	2020/21
London Overground					
Performance - Right time moving annual average (%)*	New	New	New	New	79.4**
DLR					
Scheduled services operated	98.5	99.0	99.0	99.0	99.2
London Trams					
Scheduled services operated	99.0	97.1	98.4	98.3	99.0

In 2020/21, we will measure London Overground performance using the right time moving annual average. This replaces the previous method, which was the annual public performance measure. There has been a slight downward trend in performance on the London Overground over the past year due to late delivery of the new Class 710 fleet, an increase in infrastructure failures and a recent freight derailment on the line between Gospel Oak and Barking, which closed the route for three weeks. In 2020/21, we will complete the roll out of the Class 710 fleet on services from Liverpool Street, and increase capacity through timetable changes.

The DLR is expected to maintain a high level of performance in 2020/21. London Trams continue to focus on reliability, following an increase in delays and tram availability challenges in 2019/20. We are committed to improving tram performance, reviewing all failures to identify the root causes and delivering targeted maintenance and performance improvement plans across our assets.

* The percentage of trains that were on time compared to the total number of trains planned. A train is defined as being on time if it arrives within one minute of the planned destination arrival time, having called at all scheduled stops. This metric is monitored and reported using its moving annual average, to smooth seasonal variation

** 2020/21 is the first full-year recording right time moving annual average



12

new retail units to open at Canary Wharf



50

sites identified for developing new homes



Property

Our property estate continues to support small businesses across London, while providing our customers with access to retail and services

Financial summary

Direct operating surplus builds on growth achieved during 2019/20 and is forecast to reach £72m by the end of 2020/21. We are on track to start on sites on our land that have the capacity to deliver 10,000 homes by March 2021. We aim to become London's leading build-to-rent housing operator.

(£m)	2020/21 Budget	2020/21 Business Plan	Variance to Business Plan	2019/20 forecast	2020/21 variance to 2019/20 forecast
Other operating income	115	122	(7)	102	13
Direct operating cost	(43)	(44)	1	(33)	(10)
Direct operating surplus	72	78	(6)	69	3
Indirect net operating cost	(16)	(9)	(7)	(9)	(7)
Net surplus of operations	56	69	(13)	60	(4)
New capital investment	(274)	(264)	(10)	(99)	(175)
Property receipts	153	172	(19)	164	(11)
Crossrail over station developments	66	29	37	49	17
Total capital investment	(55)	(63)	8	114	(169)

Our operating surplus of £72m is £6m lower than our Business Plan. This change is mainly due to lower than expected income from Crossrail sites, which we expect to receive when the Elizabeth line opens.

Our direct operating surplus is £3m higher than 2019/20. Revenue is forecast to grow by just over 12 per cent. This growth includes the opening of new retail units, such as the Wood Lane arches in White City and Kingsland Viaduct arches in Shoreditch. We continue to reposition our units in the market and open new spaces within our stations, including 12 new retail units at Canary Wharf.

We will invest significantly in our commercial property estate to ensure we are meeting required health and safety requirements and creating modern, fit-for-purpose retail spaces for businesses. Costs therefore increase, but this includes catching up on previous years repair underspend. We continue to work at pace to hit our target of starting on sites that will deliver 10,000 homes. Construction is under way on 1,123 homes across a number of sites in London, including Kidbrooke (Greenwich), Blackhorse Road (Waltham Forest), Fenwick (Lambeth) and Beechwood Avenue (Barnet).

Our development programme includes more than 50 sites for development and we have already submitted planning applications for 500 affordable homes across three sites in Harrow. We have formed a major strategic Build to Rent partnership with Grainger plc, called Connected Living London and, within a year, have submitted applications for hundreds of homes in Ealing and Enfield, 40 per cent of which will be affordable. At our major sites, such as Limmo Peninsula in Canning Town, which can deliver around 1,500 homes, we will also look at site-specific enabling works packages to progress the delivery of homes.

We continue to support the Mayor's Small Sites, Small Builders programme, releasing small sites for development each year. Construction has started on one of the first sites at Beechwood Avenue, which is due to be completed by the end of 2021.

2020/21 priorities

As one of London's largest landowners, we have an important role in delivering the thousands of homes and jobs that our city needs. As outlined in our latest Business Plan, we will continue to develop sites that will deliver 10,000 homes, as well as two million square feet of commercial floor space. We are working with our partners to achieve our target of making 50 per cent of the homes affordable, as well as generating vital revenue that we can reinvest back into the transport network.

Construction is progressing well on 1,123 homes at five sites across London – Kidbrooke, Blackhorse Road, Fenwick South, Bond Street and Beechwood Avenue. Subject to planning permission we will break ground at Canons Park, Rayners Lane and Stanmore at the end of 2020 to deliver 500 affordable homes in partnership with Catalyst. In 2020, we will also start building at Sudbury Town and Woodside Park, where Pocket Living is delivering 149 homes – each will be affordable and will be exclusively for local first-time buyers. Construction on the remainder of the sites is planned to start in early 2021.

In 2020/21, there will be around 7,000 people employed in construction across our development sites. We are investing in skills and training to address the endemic skills shortage in the construction industry, particularly targeting Londoners who have difficulty accessing this industry. We have established onsite learning facilities at the Olympic Park in Stratford in partnership with the London Legacy Development

Corporation, and in Lambeth in partnership with the borough. In 2019, we supported 120 Londoners to get into the construction industry and this number will increase over the course of this Budget.

More Londoners are choosing to rent, but too many find themselves in poor quality accommodation, while 17 per cent are on short-term leases with no security. That is why we established Connected Living London, our long-term partnership with Grainger plc that will deliver more than 3,000 quality rental homes, of which 40 per cent will be affordable. Connected Living London will provide excellent service and flexible, long-term tenancies, allowing our residents to feel secure and have a place they can proudly call home. We have been engaging with communities who have helped inform the applications we have submitted in Ealing and Enfield, and the others we plan to submit in spring 2020.

Retail

We continue to invest in our commercial estate, expanding opportunities to make the most of our unique asset base and increase revenue. We are refurbishing the listed Victoria Arcade, restoring the existing heritage and creating new modern retail units. We have started work and expect the first tenants to move in by the end of 2020/21. We continue to refurbish and upgrade our arch estate, with works due to start on Kingsland Road in Shoreditch, and new businesses moving into our arches at Wood Lane in White City.

Small businesses will always make up the majority of our estate. In 2020/21, we will publish our Small Business Policy, which builds on our statement of support for small businesses that we published in 2018. Our policy will set out how we work with new and existing small business tenants to help them thrive and generate a sustainable income stream for us. We will continue our partnership with StreetDots to offer pop-up opportunities, enabling businesses to test their ideas and boost exposure – with even more locations being made available in 2020/21. Subject to planning, vacant space at our Ash Grove bus garage will be upgraded and turned into a modern day crafters and makers space supporting start-ups as well as small and micro businesses.

We continue to reposition our units in the market to attract innovative new tenants and will continue to expand the number of retail carts at our stations over the course of 2020/21. We will also launch a new affordable work zone at our arches in Latimer Road, which will give small businesses the chance to thrive in newly refurbished spaces.

‘We are working with our partners to achieve our target of making 50 per cent of the homes affordable, as well as generating vital revenue that we can reinvest in the transport network’



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2,400

high-quality digital advertising screens rolled out

40%

of London's outdoor advertising value is from our estate



Media

With the huge number of customers across our transport network, we provide a valuable and innovative advertising space

Financial summary

The direct operating surplus for 2020/21 is forecast to grow to £152m as we continue to drive improved financial performance from our advertising assets. Our ambition is to become the media partner of choice for engaging with the London audience.

(£m)	2020/21 Budget	2020/21 Business Plan	Variance to Business Plan	2019/20 forecast	2020/21 variance to 2019/20 forecast
Other operating income	156	153	3	152	4
Direct operating cost	(4)	(3)	(1)	(3)	(1)
Direct operating surplus	152	150	2	149	3
Indirect net operating cost	(1)	(2)	1	(2)	1
Net surplus of operations	151	148	3	147	4
New capital investment	7	13	(6)	(6)	13

Our operating income is forecast to increase by more than two per cent in 2020/21, which reflects the investment we have made in digital assets, and our position within the out-of-home advertising market. This growth in income is expected to be generated by the existing contracts with Global and JC Decaux, as well as through some growth in sponsorship income.

We continue to tightly control operating costs to maximise the direct operating surplus that is achieved, which can then be reinvested back into the transport network.

New capital investment reduces significantly in 2020/21 as we complete our investment in new digital assets. We are forecasting less than £10m of capital spend in 2020/21, with investment in new assets expected to total around £80m since the programme started in early 2017. Capital investment figures also include the capital repayments from the finance leases relating to the Global contract, which we will continue to receive in 2020/21 and into the future.

2020/21 priorities

The advertising landscape in the UK, especially London, has changed dramatically in recent years and we continue to play a part in that transformation. We have effectively completed our major advertising infrastructure upgrade across the rail and roadside estate, with more than 2,400 high quality digital screens rolled out. We will now be putting increased effort into promoting and selling these new formats. We will do this through direct transactions with globally recognised brands, and better and more commercial relationships with our key media partners, such as JCDecaux and Global.

The out-of-home advertising marketplace has recently gone through some significant consolidation, with Global acquiring Exterior Media, Outdoor Plus and Primesight in mid-2019. In 2020/21, this will create more effective and sizeable estates within which our assets can be sold. Advertisers will also be able to more efficiently purchase campaigns that utilise our advertising opportunities, ensuring that we remain competitive within the market.

As automated trading, which helps advertisers to plan and buy advertising, becomes more established, we will continue to work on understanding how we can add value to that process.

Delivering more insights from our Wi-Fi network will also help underpin and drive the fundamental value of this activity. This development will bring the industry truly into the 21st century, enabling us to compete with other forms of media, growing the overall value of the market available to us.

The value of our brand, audience and assets continues to become more recognised by the media marketplace and also enables us to maximise our income with short- and long-term activity in non-traditional ways. Although relatively small in number, these high-value activations deliver significant revenues, while entertaining and surprising our customers.

This year, more global brands will use our environments and our unique position as the integrated transport authority in one of the world's leading cities, in order to introduce their products and services to London and beyond.

We will also continue to investigate and develop new media opportunities where we can, be it the further digitisation of traditional products or refreshing the classic formats across the network. The advertising industry is always looking for new ideas, but our place as the most influential player in this dynamic market remains constant.

Seven

different markets that we have worked in during the first year of operations



19km

metro line in Dublin that we are assisting on



Commercial Consulting and International Operations

We continue to pursue opportunities to work with organisations across the world who value our unique expertise and experiences

Financial summary

We continue to invest in the development of our consulting business. In 2020/21, we are looking to break even. Our costs will increase year on year as we build our consulting practice by employing more people, which will be offset by our continued success in selling our services.

2020/21 priorities

In our first full year of operations we have built the foundations for success and delivered projects in seven different markets. We are often approached by public transport authorities and operators from across the world with exciting opportunities that will help cities worldwide develop, grow and thrive.

From 2020/21, we will transition from start-up to growth phase. We will focus on three workstreams – advisory services, intellectual property (IP), and operations and maintenance – and solidify relationships with partners to generate revenue that can be reinvested in our transport system.

The rail sector is undergoing a global renaissance, be it new light rail or the renewal of metro systems. Our proven success in modernising an ageing metro is in demand and we will continue to provide engineering services in Scandinavia and the USA (subject to contract). Our unique position as both the operator of the Tube and as a client with contract management expertise, helps to open doors in the global operations and maintenance sector.

We will complete the first phase of assistance on the Dublin Metrolink project, a proposed new 19km metro line connecting Dublin airport to the city centre, which is Ireland's first metro. The Tube is fundamental to London's economic and social success and Metrolink could be a bigger game-changer for Dublin. We will provide a range of services and advice as part of a multi-year programme. Sharing our expertise will strengthen the important relationship between our cities and demonstrate that London will always remain open for business.

Our IP assets include a significant number of products, at various stages of development, with the potential to be commercialised. We have prioritised the most suitable for licensing and sale in the short term. Expanding our portfolio of advisory work and stronger relationships with clients are opening more opportunities to promote these products. We are also partnering with our teams to embed a more 'IP savvy' approach to our projects, to enable better protection of our IP for future commercialisation.

We remain focused on winning work in our target markets, and we are pursuing long-term strategic projects that have well-defined timescales. This is integral to effective workforce planning. We want to continue to provide opportunities for our talented people to develop their skills, to help staff retention, and we aim to double the number of staff involved with consulting from across the business. We continue to refine and enhance control and management measures to minimise risk. At this stage of our evolution, we are concentrating on specific regions and demonstrating our capability, which will help us capitalise on the global demand for our skills and expand to other markets over the next five years.

'We are often approached by public transport authorities and operators from across the world with exciting opportunities that will help cities worldwide develop, grow and thrive'

Appendices

Our financial tables, including the TfL Group balance sheet and overview of key projects



Financial tables

TfL Group balance sheet including IFRS 16 adjustments (£m)

	Actual	Forecast			Budget		
	31 March 2019	31 March 2020 prior to IFRS 16	IFRS 16 adjustment	31 March 2020	31 March 2021 prior to IFRS 16	IFRS 16 adjustment	31 March 2021
Intangible assets	113	163	-	163	189	-	189
Property, plant and equipment	40,815	42,313	-	42,313	43,967	-	43,967
Right-of-use assets	-	-	2,301	2,301	-	2,272	2,272
Investment property	492	492	-	492	480	-	480
Equity accounted investment in associated undertakings	233	195	-	195	201	-	201
Long-term derivative financial instruments	7	2	-	2	2	-	2
Long-term finance lease receivables	39	34	-	34	21	-	21
Long-term debtors	113	96	-	96	96	-	96
Long-term assets	41,812	43,295	2,301	45,596	44,956	2,272	47,228
Inventories	61	60	-	60	60	-	60
Short-term debtors	697	606	11	617	515	11	526
Assets held for sale	122	119	-	119	119	-	119
Short-term derivative financial instruments	12	9	-	9	9	-	9
Short-term finance lease receivables	13	18	-	18	19	-	19
Cash and short-term investments	1,882	2,379	-	2,379	2,119	-	2,119
Current assets	2,787	3,191	11	3,202	2,841	11	2,852
Short-term creditors	(2,167)	(2,174)	-	(2,174)	(1,810)	-	(1,810)
Short-term borrowings	(746)	(835)	-	(835)	(224)	-	(224)
Short-term lease liabilities	(70)	(33)	-	(33)	(32)	-	(32)
Short-term derivative financial instruments	(3)	(6)	-	(6)	(6)	-	(6)
Short-term provisions	(346)	(209)	-	(209)	(181)	-	(181)
Current liabilities	(3,332)	(3,257)	-	(3,257)	(2,253)	-	(2,253)

TfL Group balance sheet including IFRS 16 adjustments (£m) continued

	Actual	Forecast			Budget		
	31 March 2019	31 March 2020 prior to IFRS 16	IFRS 16 adjustment	31 March 2020	31 March 2021 prior to IFRS 16	IFRS 16 adjustment	31 March 2021
Long-term creditors	(61)	(126)	69	(57)	(185)	138	(47)
Long-term borrowings	(10,399)	(10,854)	-	(10,854)	(12,798)	-	(12,798)
Long-term lease liabilities	(348)	(314)	(2,397)	(2,711)	(281)	(2,438)	(2,719)
Other long-term financing liabilities	(133)	(136)	-	(136)	(132)	-	(132)
Long-term derivative financial instruments	(46)	(60)	-	(60)	(60)	-	(60)
Long-term provisions	(55)	(61)	-	(61)	(41)	-	(41)
Retirement benefit obligation	(5,371)	(5,367)	-	(5,367)	(5,367)	-	(5,367)
Long-term liabilities	(16,413)	(16,918)	(2,328)	(19,246)	(18,864)	(2,300)	(21,164)
Net assets	24,854	26,311	(16)	26,295	26,680	(17)	26,663
Reserves							
Usable reserves	1,627	2,070	(5)	2,065	1,950	(4)	1,946
Unusable reserves	23,227	24,241	(11)	24,230	24,730	(13)	24,717
Total reserves	24,854	26,311	(16)	26,295	26,680	(17)	26,663

Group comprehensive income and expenditure statement (£m)

	Net income/ (expenditure)	IFRS 16 adjustment	Net income/ (expenditure) after IFRS 16
Operating segment			
Streets, buses and other surface operations	(788)	-	(788)
London Underground	973	-	973
Elizabeth line	(261)	-	(261)
Rail	(38)	-	(38)
Property and Media	224	-	224
Corporate overhead	(666)	-	(666)
Net cost of operations per internal management reports	(556)	-	(556)
IFRS 16 adjustment	-	489	489
Depreciation and amortisation	(1,005)	(441)	(1,446)
Central items	16	-	16
Net cost of services	(1,545)	48	(1,497)
Other net operating expenditure	(13)	-	(13)
Financing and investment income	229	-	229
Financing and investment expenditure	(412)	(49)	(461)
Grant income	2,100	-	2,100
Surplus on the provision of services before tax	359	(1)	358
Taxation income	-	-	-
Surplus on the provision of services after tax	359	(1)	358
Derivative fair value loss recycled to income and expenditure	(9)	-	(9)
Total comprehensive income and expenditure	350	(1)	349

Reconciliation of the total Group comprehensive income and expenditure account (£m)

	Budget 2020/21
Total Group comprehensive income and expenditure	349
Amounts included in the comprehensive income and expenditure account not reported in the operating account	
IFRS 16 adjustment	1
Depreciation and amortisation prior to IFRS 16	1,005
Capitalised interest	(75)
Loss on disposal of fixed assets	12
Gain on disposal of investment properties*	(209)
Capital grant funding**	(1,114)
Derivative fair value loss recycled to income and expenditure	9
Other central items	(16)
Amounts included in the Operating Account not reported in the comprehensive income and expenditure account	
Capital renewals net of third party contributions	(533)
Net cost of operations per the operating account	(571)

* Gain on disposal of investment properties is included with financial and investment income in the Group comprehensive income and expenditure statement

** Grant allocated in the Group comprehensive income and expenditure statement includes funding allocated to capital in the capital account: business rates, Crossrail funding, other capital grants and third party contributions towards our capital expenditure

Capital investment

London Underground

Project	Description	2020/21 £m
Piccadilly Line Upgrade	Modernisation of the Piccadilly line (new trains and enabling works)	115
London Underground investment programme	Maintain the safety, reliability and legal compliance of our passenger rolling stock, track assets, stations and other buildings and civils structures. It also involves maintaining our existing signalling equipment ahead of its eventual renewal as well as updating our power assets and work to support the Mayor's energy priorities	331
Modernisation of the Circle, District, Hammersmith & City and Metropolitan lines	Upgrade of the four lines will significantly increase capacity	164
Northern Line Extension	Extension from Kennington to Battersea	99
Major station upgrades (including Bank station)	Station capacity projects that are already in progress or starting imminently	93
Station step-free access	Additional step-free access schemes beyond those delivered as part of station capacity projects or Crossrail construction	46
Capacity optimisation programme - Railway System Enhancements	World class capacity will deliver capacity improvement outcomes for the Jubilee and Northern lines	16
Total		864

Elizabeth line

Project	Description	2020/21 £m
Elizabeth line enabling work	Various works paid for directly by us rather than through Crossrail Limited	41

Streets, buses, rail and other surface operations

Project	Description	2020/21 £m
Air quality	Capital funded schemes, infrastructure and initiatives that improve air quality. Additional schemes are also funded through the operating account	81
Assets	Renewals and refurbishments to maintain the safety and reliability of highway, traffic, bus, coach and river assets. Key projects include bus driver facilities, Rotherhithe Tunnel and Woolwich Ferry	104
Public transport	The renewal of our London Overground, DLR, Tram and other public transport assets. This includes stations and stops across all modes and fleet on the London Overground and DLR. On trams it includes new rolling stock to replace the current fleet and infrastructure works to improve reliability. Additional items are also funded through the operating account	85
Barking Riverside Extension	Extension of the London Overground to Barking Riverside, supporting new housing	32
Capacity optimisation programme - DLR rolling stock	Asset renewals, capacity enhancements and supporting infrastructure for new trains	67
Technology	Asset renewals and infrastructure works to replace life-expired technology and use the latest innovations to improve our transport offering for our customers. Additional items are also funded through the operating account	13
Healthy Streets	Work recognising the value of increasing walking, cycling and public transport, creating more sustainable, safe, clean and efficient freight and servicing. Additional schemes are also funded through the operating account	147
Silvertown crossing	New road crossing at Silvertown via a tunnel under the Thames	64
Total		593

Professional services

Project	Description	2020/21 £m
Customer experience	Various renewal and investment projects relating to revenue collection assets (for example, ticket vending machines and ticketing technologies), internal systems, IT infrastructure and cyber security	105

Property

Project	Description	2020/21 £m
Commercial property	Improving and investing in our retail environments in and around stations and our commercial property to generate sustainable income	83
Property development	Developing and delivering our property portfolio, including delivering the Mayor's affordable housing pledge, Crossrail development sites and creating a significant Build to Rent portfolio	198
Total		281

Budget milestones

TfL Strategic Milestones 2020/21

Project	Milestone	Complete by end of month
Elizabeth line	Start of trial running on the Elizabeth line	Autumn 2020
Bank station upgrade	Tunnelling complete for the new passenger concourse that will enable improved access to the DLR at Bank station	September 2020
Low Emission Zone 2020	Low Emission Zone 2020 goes live	October 2020
Barking Riverside Extension	Complete all structural steel work for the new station at Barking Riverside	October 2020
Blackhorse Road development	Marketing suite opens for sale of first home at the Blackhorse Road development	October 2020
Northern Line Extension	Test train running on the Northern Line Extension	November 2020
London Overground capacity	Signalling installed and ready for testing and commissioning on the London Overground in east London to enable 18 trains per hour to run	November 2020
4G on the Underground	Mobile phone services available on parts of the Jubilee line as part of Phase 2 of the Public Cellular Network pilot	November 2020
Rapid charging infrastructure	Delivery of 300 rapid charging points to provide infrastructure to support the wider uptake of electric vehicles in London	December 2020
London Underground accessibility	11 London Underground stations are made step-free*	December 2020

Project	Milestone	Complete by end of month
Central line improvement	Improvement works complete on the first Central line train, and train ready to return to service	January 2021
Victoria line improvement	Complete the heavy overhaul of all trains in the Victoria line fleet	February 2021
DLR rolling stock	Detail design of new DLR trains is complete	February 2021
Cycleways	Complete 20km of Cycleway	March 2021
Lowering speed limits	Introduce 20mph speed limit to 15km of TfL roads	March 2021
Healthy Streets local schemes	Complete 15 new or improved pedestrian crossings across the TfL road network	March 2021
Road renewals	Resurface 220,000 square metres of carriageway on the TfL road network	March 2021
Street environment	Increase the number of trees on our roads by 1,000	March 2021
Four Lines Modernisation	Resignalling complete across the northern section of the Circle line ready for future increased service frequency	March 2021
Piccadilly Line Upgrade	Detail design of new Piccadilly line trains is complete	March 2021
Track renewals	Install 7.3km of new track on the London Underground	March 2021
London Underground lift renewals	Four lifts refurbished and refitted on London Underground stations	March 2021

* one station to be funded in 2019/20

About Transport for London (TfL)

Part of the Greater London Authority family led by Mayor of London Sadiq Khan, we are the integrated transport authority responsible for delivering the Mayor's aims for transport.

We have a key role in shaping what life is like in London, helping to realise the Mayor's vision for a 'City for All Londoners'. We are committed to creating a fairer, greener, healthier and more prosperous city. The Mayor's Transport Strategy sets a target for 80 per cent of all journeys to be made on foot, by cycle or using public transport by 2041. To make this a reality, we prioritise health and the quality of people's experience in everything we do.

We manage the city's red route strategic roads and, through collaboration with the London boroughs, can help shape the character of all London's streets. These are the places where Londoners travel, work, shop and socialise. Making them places for people to walk, cycle and spend time will reduce car dependency and improve air quality, revitalise town centres, boost businesses and connect communities.

We run most of London's public transport services, including the London Underground, London Buses, the DLR, London Overground, TfL Rail, London Trams, London River Services, London Dial-a-Ride, Victoria Coach Station, Santander Cycles and the Emirates Air Line. The quality and accessibility of these services is fundamental to Londoners' quality of life. By improving and expanding public transport, we can make people's lives easier and increase the appeal of sustainable travel over private car use.

We are moving ahead with many of London's most significant infrastructure projects, using transport to unlock growth. We are working with partners on major projects like Crossrail 2 and the Bakerloo Line Extension that will deliver the new homes and jobs London and the UK need. We are in the final phases of completing the Elizabeth line which, when open, will add 10 per cent to central London's rail capacity.

Supporting the delivery of high-density, mixed-use developments that are planned around active and sustainable travel will ensure that London's growth is good growth. We also use our own land to provide thousands of new affordable homes and our own supply chain creates tens of thousands of jobs and apprenticeships across the country.

We are committed to being an employer that is fully representative of the community we serve, where everyone can realise their potential. Our aim is to be a fully inclusive employer, valuing and celebrating the diversity of our workforce to improve services for all Londoners.

We are constantly working to improve the city for everyone. This means freezing TfL fares so everyone can afford to use public transport, using data and technology to make services intuitive and easy to use, and doing all we can to make streets and transport services accessible to all. We reinvest every penny of our income to continually improve transport networks for the people who use them every day.

None of this would be possible without the support of boroughs, communities and other partners who we work with to improve our services. We all need to pull together to deliver the Mayor's Transport Strategy; by doing so we can create a better city as London grows.

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TfL Budget 2020/21

Appendix 2

TfL Board
18 March 2020



2020/21 Budget: Key messages

Maintaining financial resilience through rebuilding our cash, and better defining the minimum cost to continue operating our network safely and reliably

We continue to operate in a challenging climate:

- The challenges we highlighted in the 2019 Business Plan remain
- Passenger income trends continue to be unpredictable. We saw a sharp deterioration in demand in the latter part of 2019. This is consistent with the latest news on economic performance. We remain cautious and our projections for 2020/21 reflect the lower end of the range of possible outcomes, as informed by forecasts from GLA Economics.

We are building financial resilience:

- Continued focus on efficiency and reducing core costs through robust cost control
- We have increased capital financial over-programming in line with our actual trend of delivery. This more pragmatic approach means we can better plan our resources, freeing up cash to invest in the rest of our business. Should complexities arise we have schemes in the pipeline which we can bring forward while maintaining affordability within the financial envelope.
- We have prioritised our plan so that we can as much as possible protect investment in our asset base so that safety, reliability and asset condition are maintained or improved. We continue to lobby the government to acknowledge our need to modernise assets through projects such as replacing the signalling system on the Piccadilly line.

We are embedding our separate tills:

- Building awareness of the different economic models of our core business enable us to better understand how to plan for and deliver better performance

Our challenges remain

Our challenges



Long term funding



Economic downturn



Crossrail

Our response



Intensive operating cost control



Cancelled / deferred projects



Reduced renewals



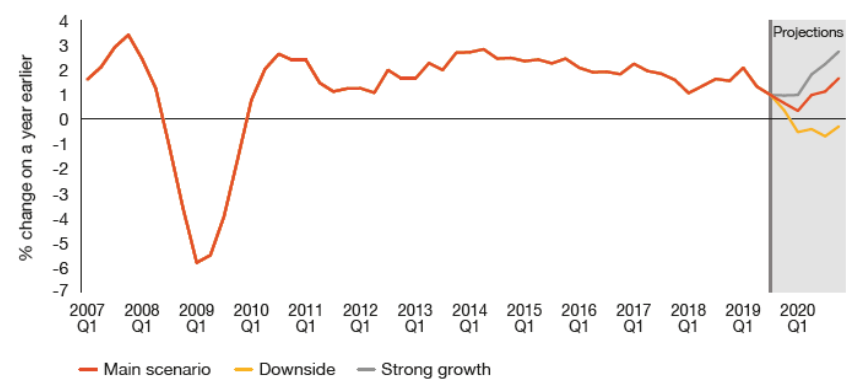
Asset sales

The economic outlook gives us continued grounds to be cautious

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A weak outlook for GDP and a poor 2019 for retail suggest significant downside risks if employment growth slows further or real pay growth fails to continue

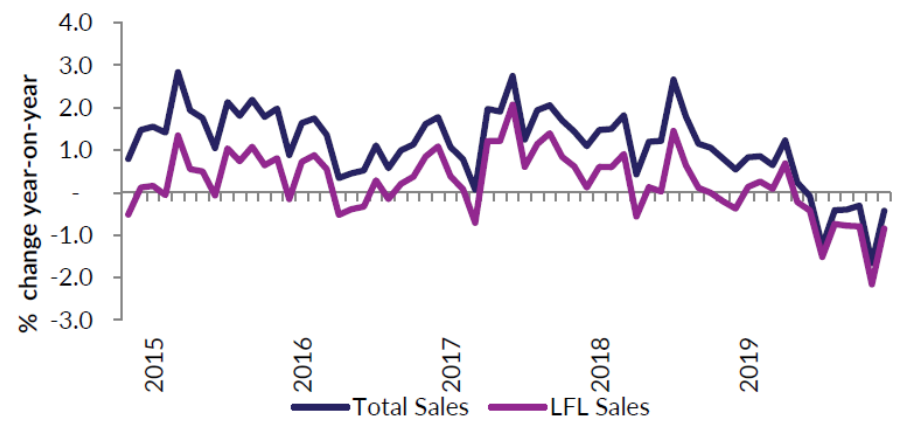
UK GDP



Sources: ONS, PwC

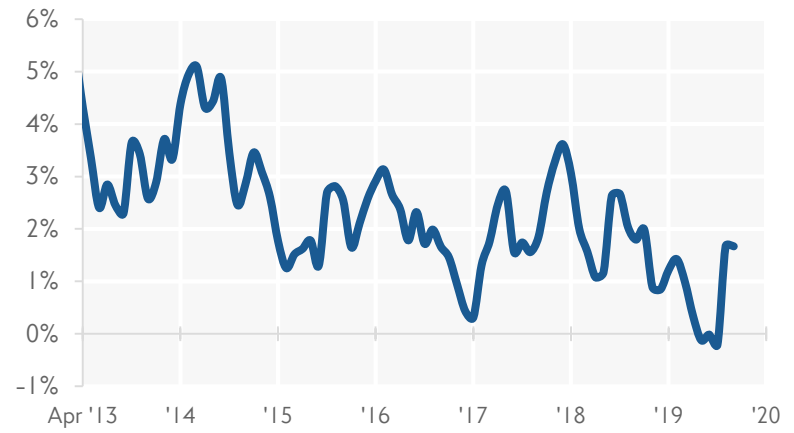
UK Retail Sales

3M ROLLING AVERAGE YEAR-ON-YEAR GROWTH OVER FIVE YEARS



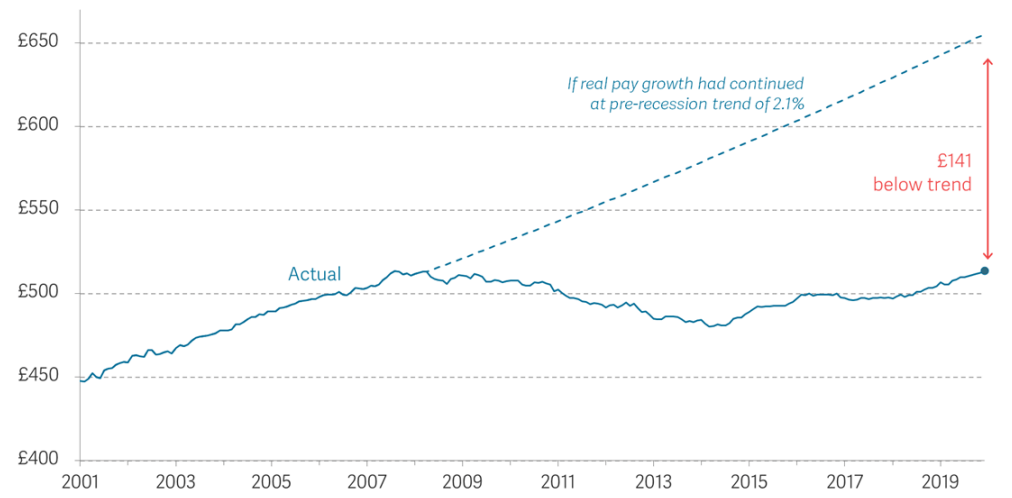
Source: BRC-KPMG RSM (Includes Food data from IGD)

London Employment Year-on-year change



Source: ONS

Real weekly earnings compared to pre-crisis trend



Source: Resolution Foundation analysis of ONS data

Section I

Reminder of our Business Plan

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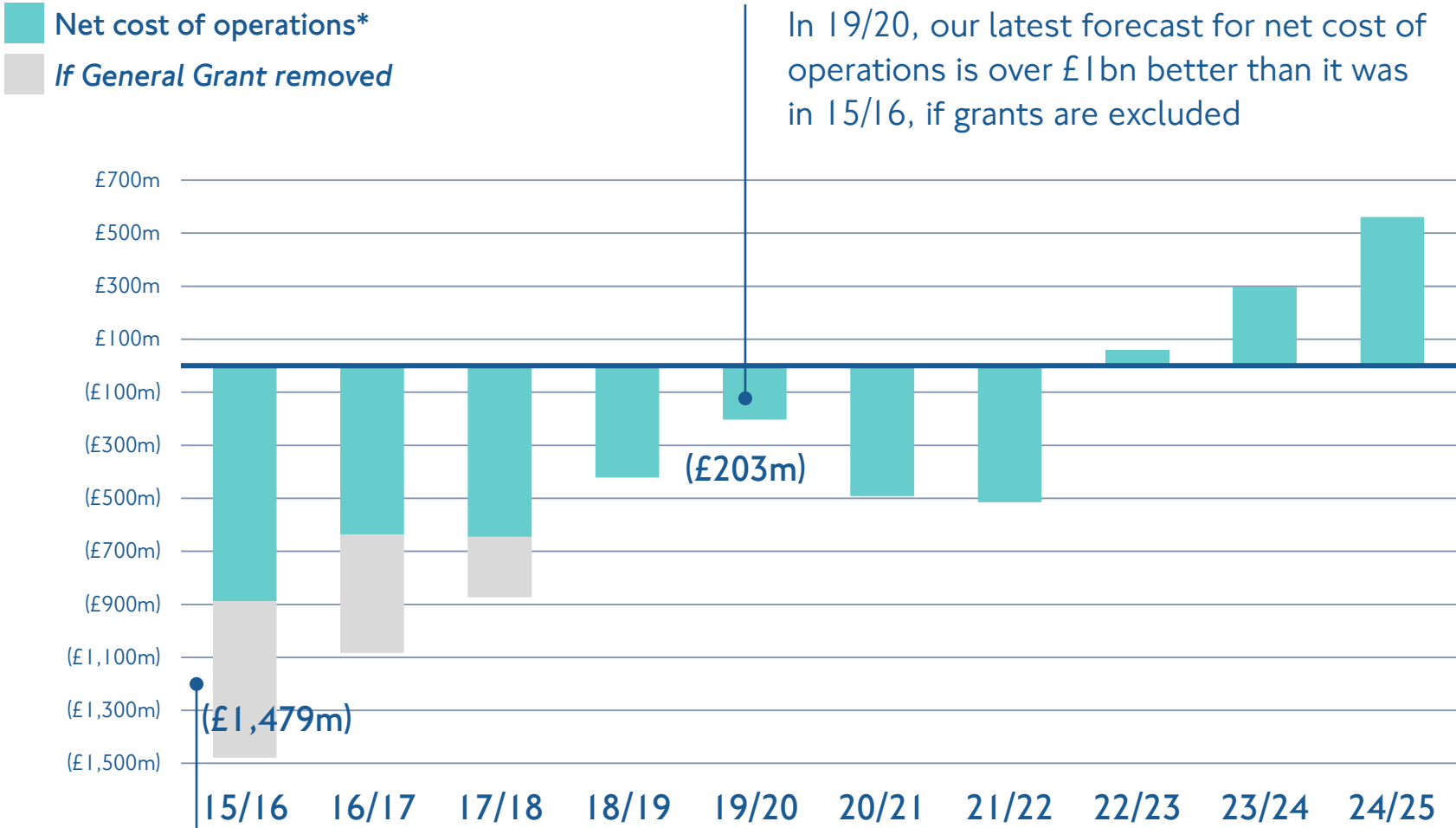
Managing the risks 5

Appendices: transforming our core 6



We remain on track to break even by 2022/23 despite the headwinds we face

TfL net cost of operations

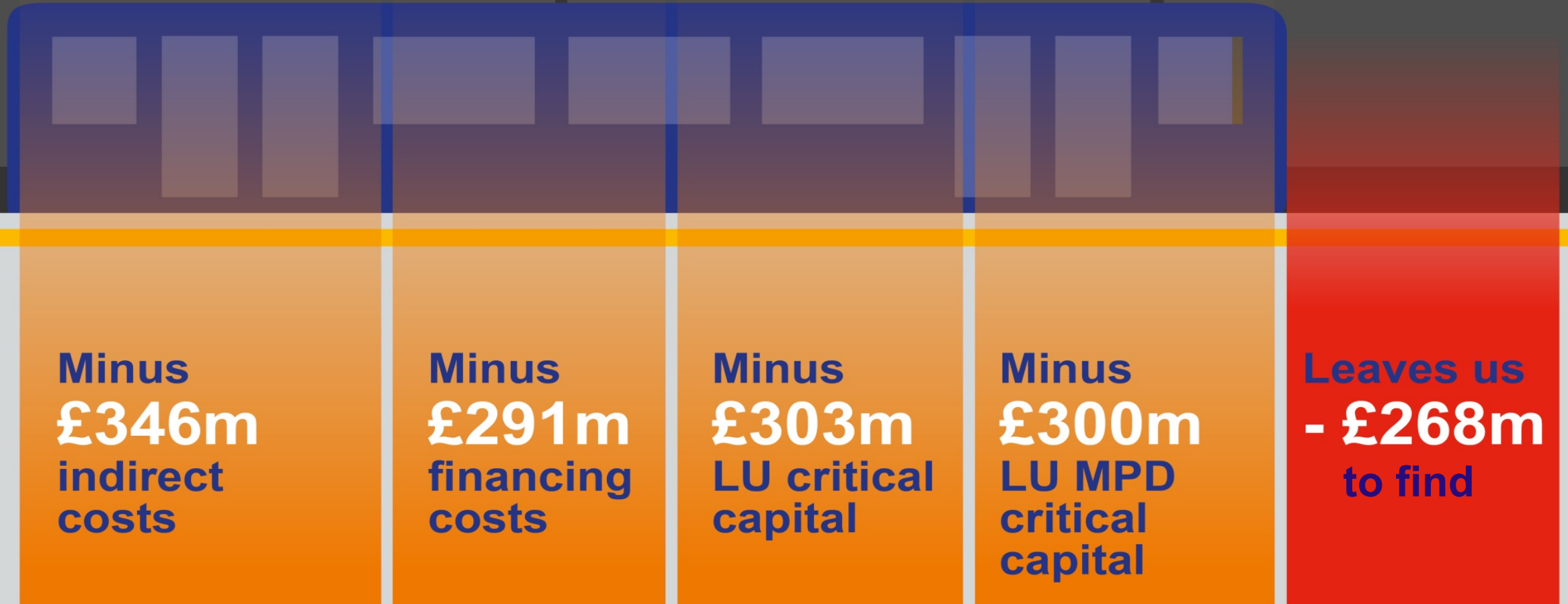


Our efficiency is better than the headline improvement as previous years were bolstered by the General Grant, which we no longer receive

* Historical net cost of operations has not been retrospectively updated for accounting changes and capital renewals reclassifications

London Underground direct operating surplus **£974m**

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Buses, Streets
and other
Surface direct
operating deficit

- **£750m**

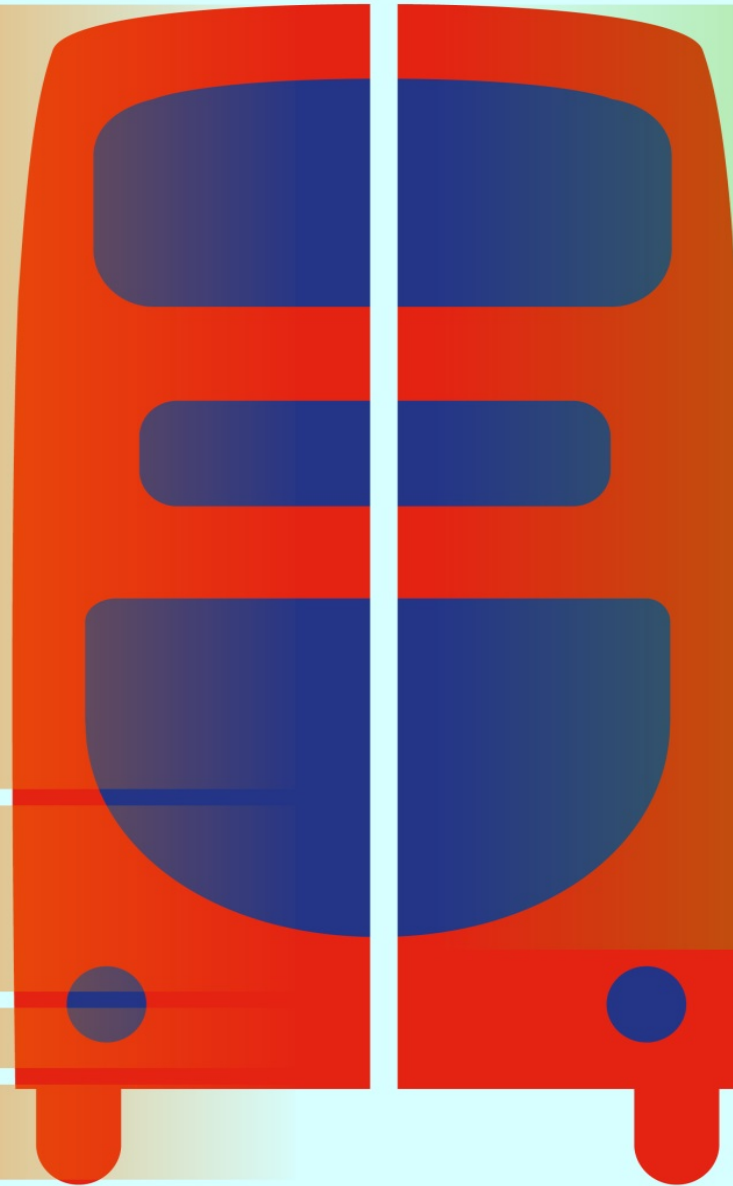
Minus **£142m** indirect costs

Minus **£30m** financing costs

Minus **£68m** critical capital

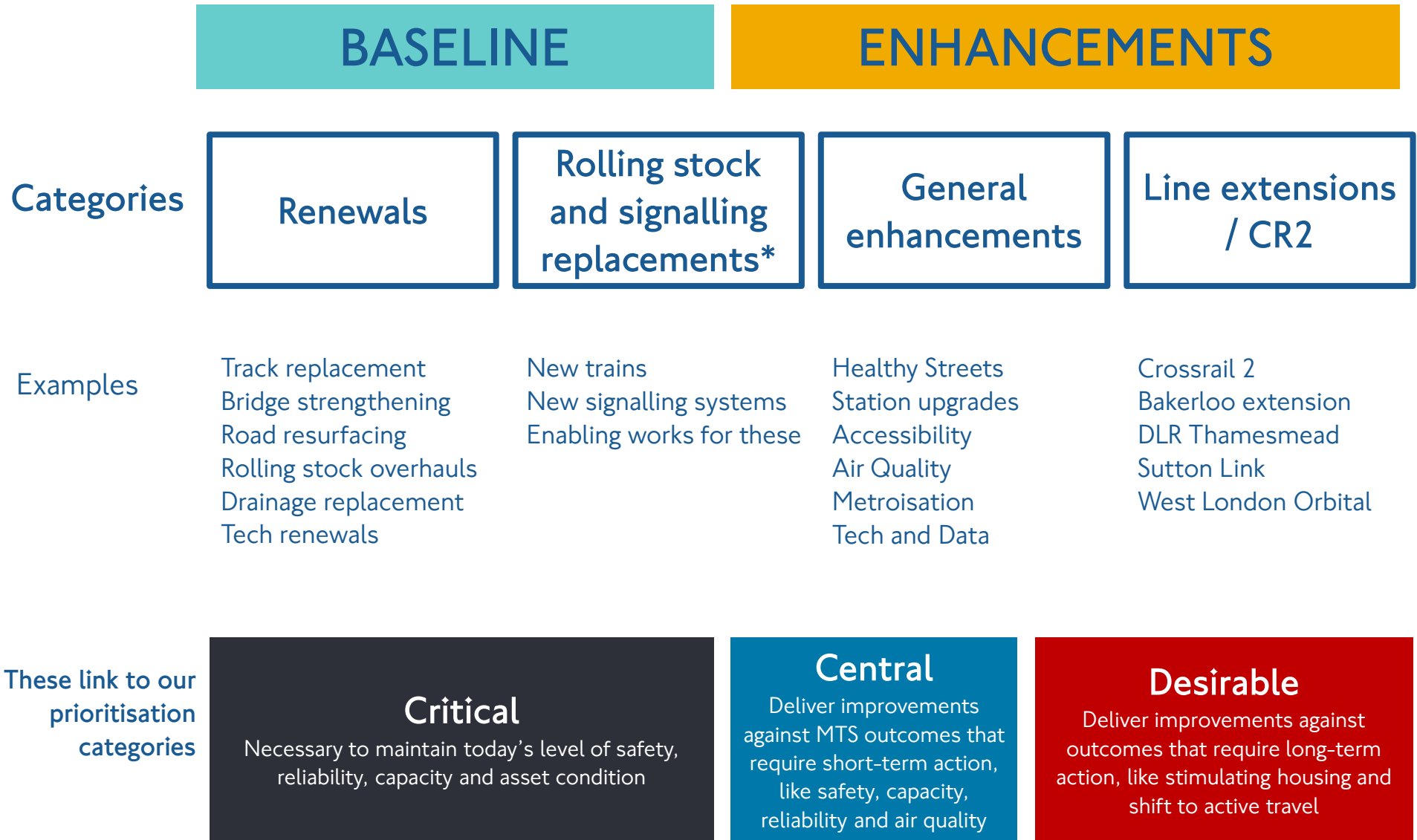
Leaves us - **£136m** to find

Plus **£854m**
operating BRR



The Business Plan defines our long-term capital requirement

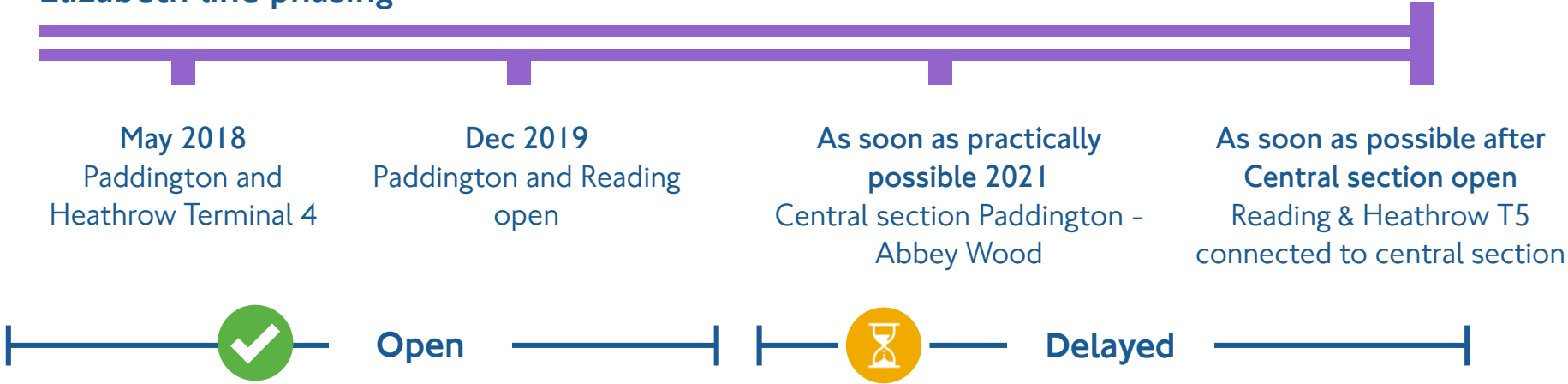
Our Baseline is what is needed to maintain today's performance and asset condition. Beyond this, Enhancements improve and grow the network



*While the majority of spend for replacements is part of Baseline (as it involves replacing life-expired assets), an element delivers capacity improvements. This is categorised as Line Upgrades and constitutes an Enhancement rather than Baseline.

Crossrail assumptions remain the same as Business Plan

Elizabeth line phasing

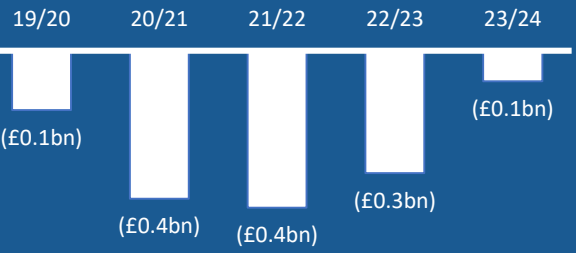


Mitigating the impact:

- Construction costs**
 - £1.4bn capital grant from GLA (made up of £1.3bn loan from DfT – paid back over 10 years using MCIL – and £100m cash contribution from the GLA). This will be fully utilised in 2020.
 - £750m loan facility from the DfT to TfL assumed to be received and also fully utilised in 2020;
 - Crossrail Ltd’s latest projections show a cost forecast of between £400m and £650m more than the existing funding envelope. We are still in discussions with Government on how this will be funded.
- Operating account**
 - £500m to £750m impact compared to 2018 plan spread over four years (net impact, after accounting for the additional revenue from Reading to Paddington services starting in December 2019).
 - Revenue loss will be managed through further savings, encouraging more people to use public transport, £100m business rates repurposing and use of cash reserves we have been building for this purpose.
- Governance & support**
 - We continue to work closely with Crossrail’s Board to support the successful completion of the project.

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Net operating impact of Elizabeth line delay of £1.3bn
 c£0.75bn in 2019 BP
 c£0.6bn in 2018 BP



Section 2

2019/20

Outturn

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Key achievements in 2019/20



TfL Rail services started to operate to Reading as part of our plan to bring the Elizabeth Line into full service as soon as possible



Ultra Low Emission Zone in central London. All 12 Low Emission Bus Zones one year earlier than planned



Operated the first automatic trains on sections of the Hammersmith & City, Circle, and Metropolitan lines.



New entrances opened at White Hart Lane and Finsbury Park stations



Mill Hill East station now step-free, as well as West Hampstead on the Overground



Transformation of Highbury Corner Gyrotory complete, including a reconfigured road network a new public space, and segregated lanes



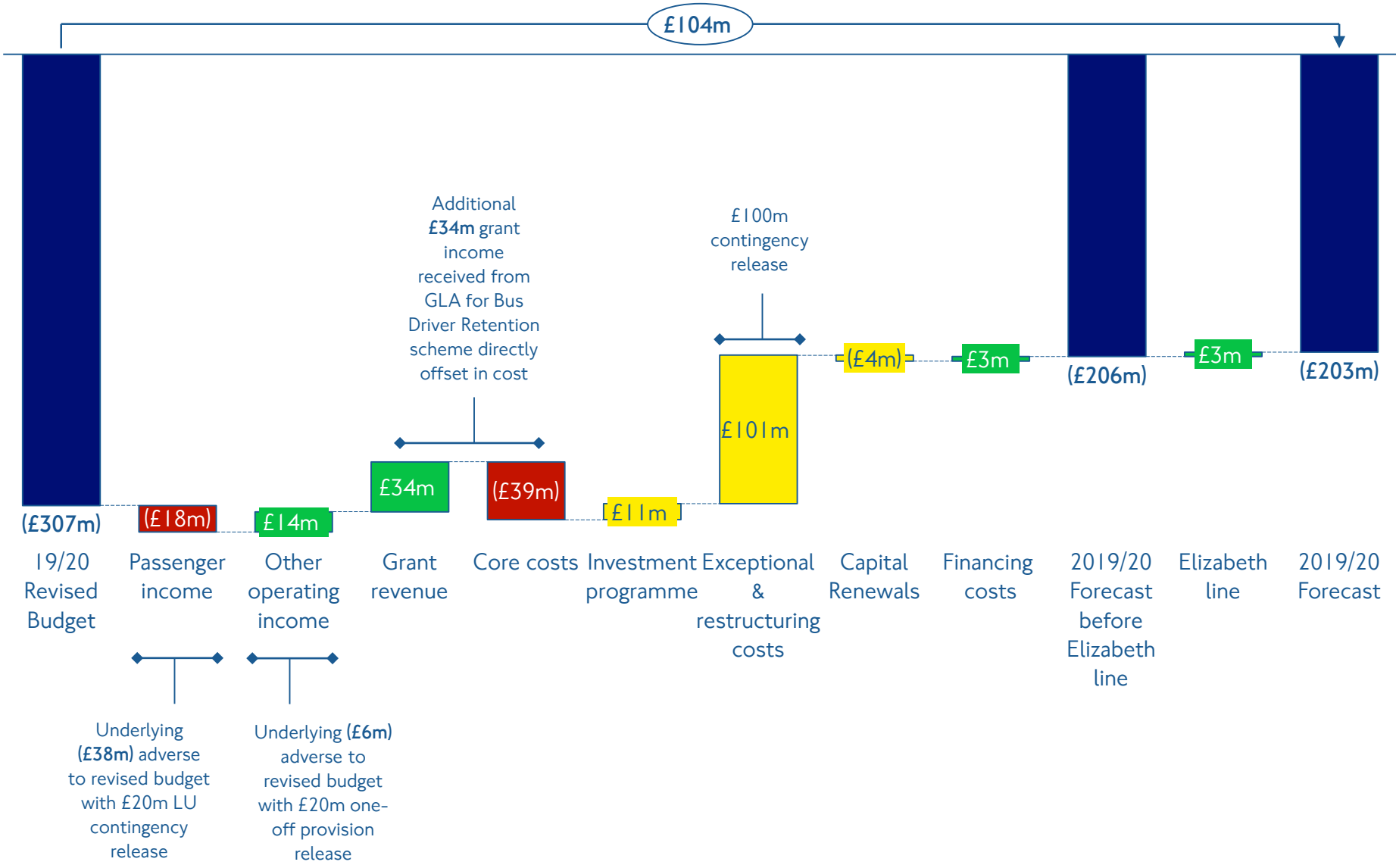
Design phase of 4G pilot project completed on the Underground. Installation work underway



Contactless enabled to Reading

Improvement of £104m from our Revised Budget set in November 2019

£100m contingency offsets reduction in underlying passenger income and reduced Congestion Charge / ULEZ (total £44m)



Section 3

2020/21

Budget

Operating Account

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Operational 2020/21 key highlights



Entire bus fleet will be **Euro VI Standard** by Autumn 2020
A total of up to **500 zero-emission buses** expected by the end of March 2021



16 Healthy Street schemes will be delivered making cycling and walking safer and more appealing



Introduce 20mph speed limit to 15km of TfL roads



Continued investment in cycling
On track to **triple the total length of protected cycle infrastructure**, by adding an additional 100km since 2016.



3,000 Police officers funded by us to help keep the transport network safe
Roll-out of body-worn videos for staff at key stations
Additional frontline enforcement officers



Fares freeze continues in 2020



Complete Mini Hollands programmes in Kingston and Enfield



Tougher standards on emissions will be introduced in October 2020 for heavy vehicles

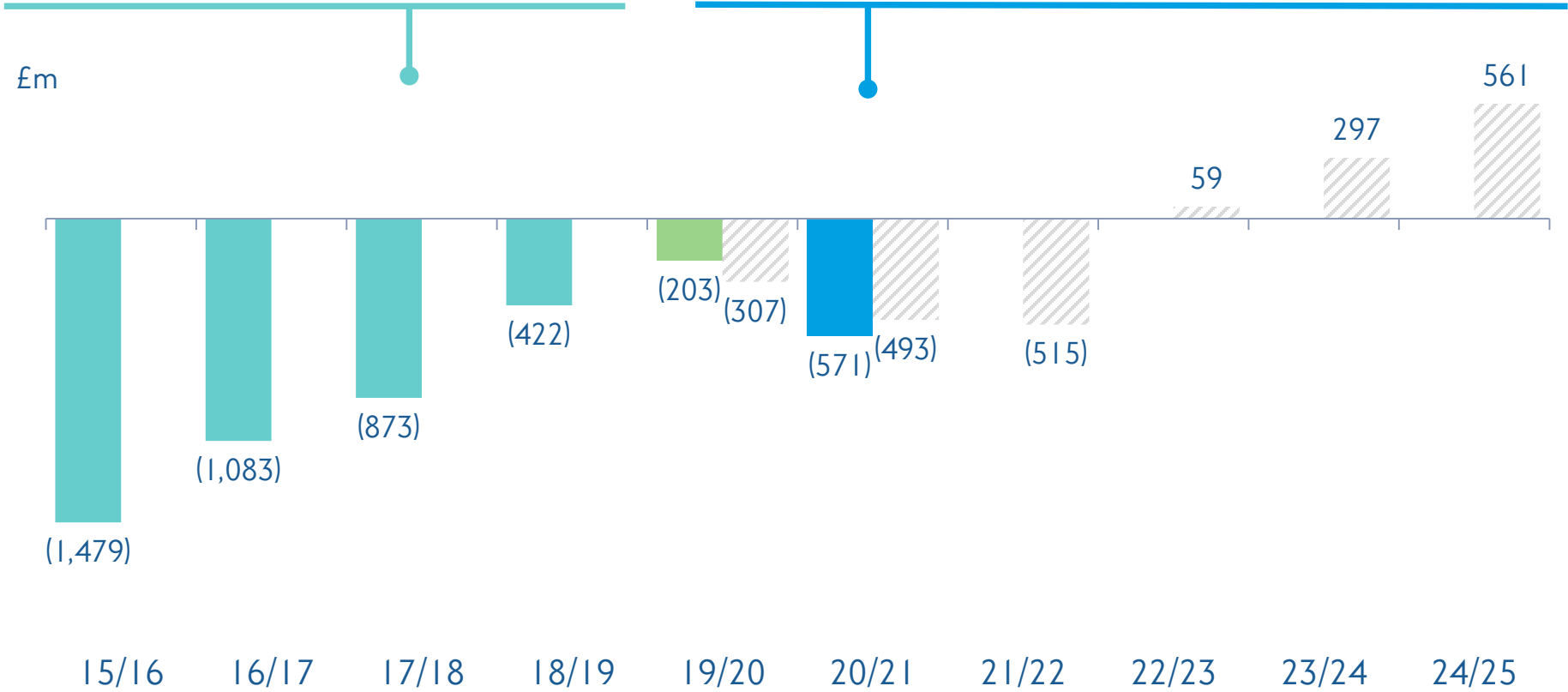
Our Budget in the context of our Business Plan

Despite our deficit increasing in 2020/21, we continue to remain broadly in line with the Business Plan trajectory to break-even in 2022/23

Net Cost of Operations 2019/20 and 2020/21

Net cost of operations* (exc. General Grant) reduced by £1bn from 2015/16 to 2018/19

2020/21 Budget deficit increases vs Business Plan driven by revenue softening. However, we remain on track to break-even in 2022/23



■ Actual net cost of operation ■ 2019 Business Plan ■ 2019/20 Q3 Forecast ■ 2020/21 Budget

* Historical net cost of operations has not been retrospectively updated for accounting changes and capital renewals reclassifications

Operating account:

We outturn 2019/20 £104m better than revised budget.

In 2020/21, we are unable to absorb the impact of demand softening but are on track to meet our cost savings challenge and have built in a £100m contingency (2% of passenger revenue)

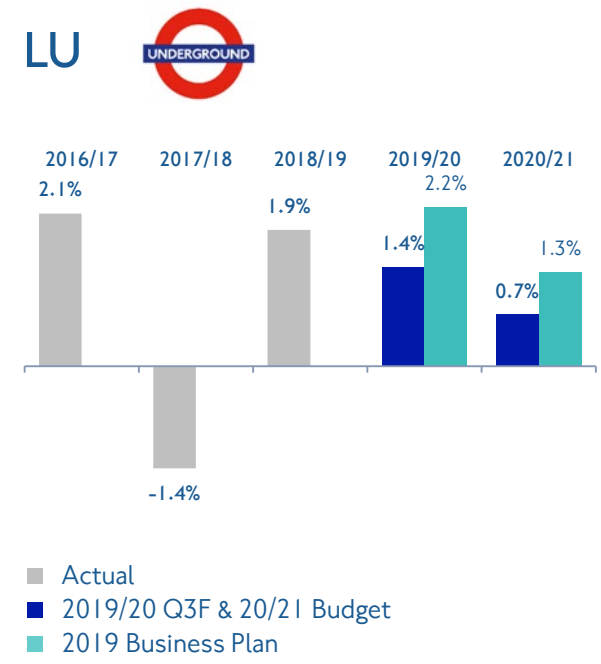
TfL Group (£m)	2018/19 Actual	2019/20 Forecast	2020/21 Budget
Passenger income	4,854	4,952	5,063
<i>variance to 2019 BP</i>		(18)	(60)
Other operating income	812	1,020	1,006
<i>variance to 2019 BP</i>		14	(39)
Total operating income	5,666	5,972	6,069
<i>variance to 2019 BP</i>		(4)	(99)
Business rate retention	947	988	969
Other revenue grants	103	113	17
Total income	6,715	7,073	7,055
<i>variance to 2019 BP</i>		30	(92)
Operating cost	(6,295)	(6,344)	(6,625)
<i>variance to 2019 BP</i>		75	(7)
Net operating surplus	420	729	429
<i>variance to 2019 BP</i>		105	(99)
Net financing costs	(454)	(448)	(468)
<i>variance to 2019 BP</i>		3	19
Net surplus/(cost) of operations before renewals	(34)	281	(39)
<i>variance to 2019 BP</i>		108	(80)
Capital renewals	(388)	(484)	(533)
<i>variance to 2019 BP</i>		(4)	2
Net cost of operations	(422)	(203)	(572)
<i>variance to 2019 BP</i>		104	(78)



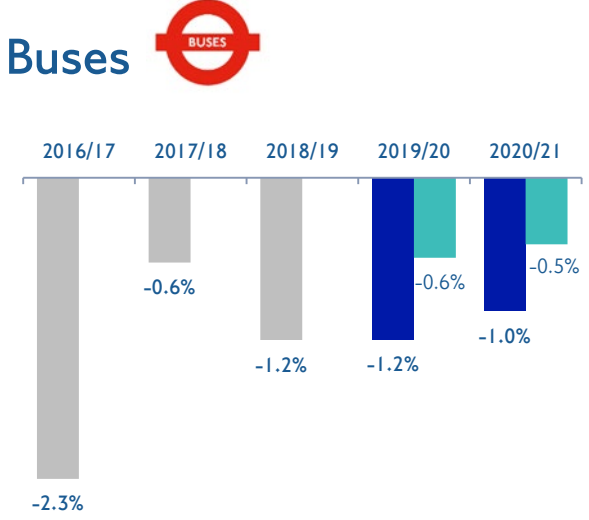
Our demand assumptions remain cautious

Our year-on-year growth assumptions have been revised downwards based on recent trends

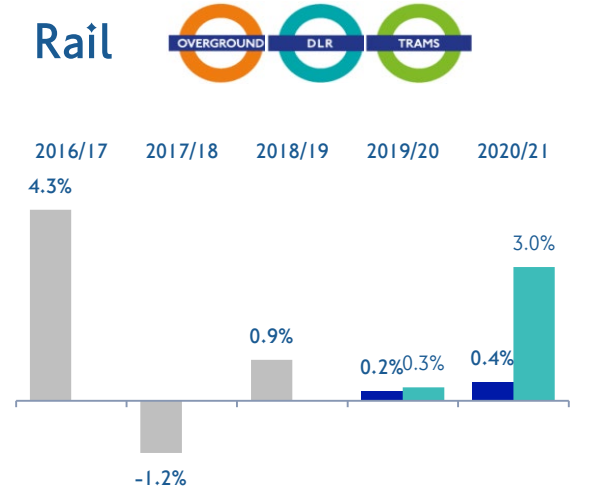
Passenger journey growth year on year



Demand growth is expected to be lower than Business Plan mainly owing to weaker London employment. A cautious outlook has been maintained.



Falling since 2015 as people (primarily families and young people) reduce discretionary journeys. We are expecting the trend to continue next year. Our work to modernise the network is expected to help to address this trend.

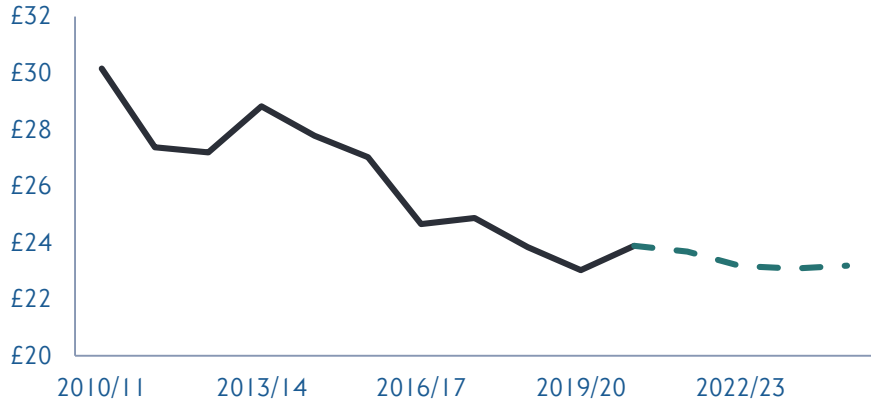


Lower growth based on updated information. Demand across rail services levelled off owing to continued uncertainty in the economy. Improvements we are planning for the service mean we expect volumes to pick up towards the end of 2020.

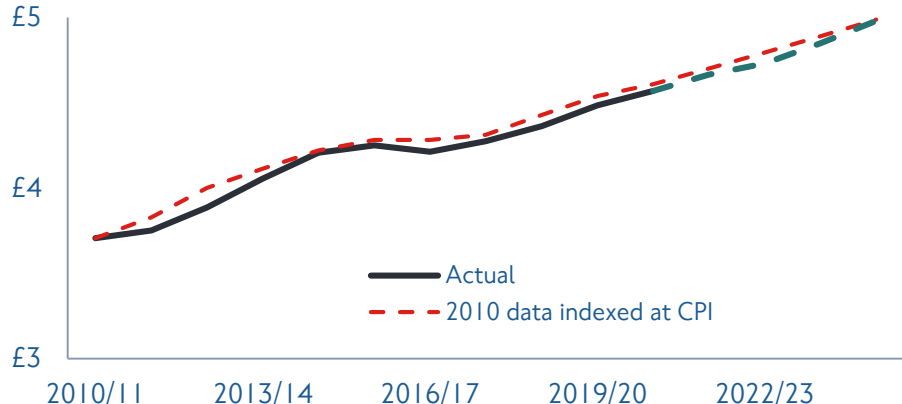
We are becoming more efficient, offsetting inflation

Cost of running services

London Underground: cost per operated kilometre reduced 21% since 2010 (£)



Buses: cost per operated kilometre +2.3% p.a. on average, improving safety, reliability and air quality without cost changes exceeding inflation (£)

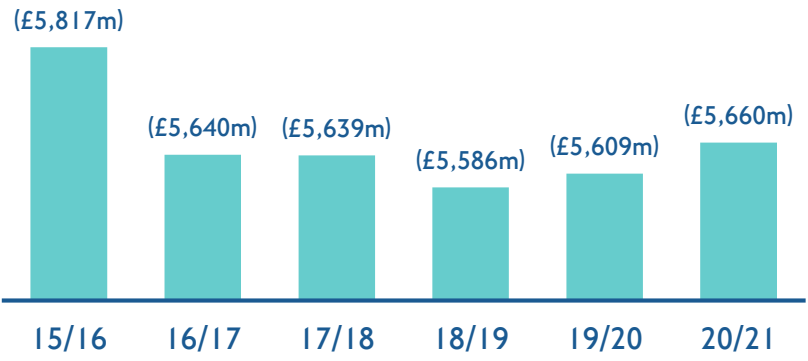


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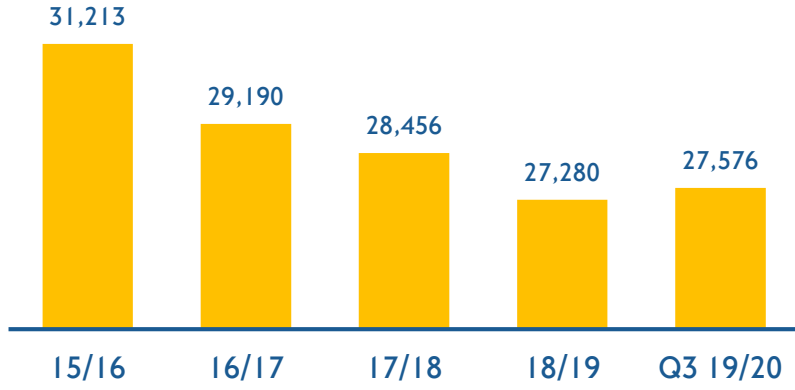
Our historic financial performance demonstrates sustained, continuous improvement

Size of our organisation

TfL's operating costs (like-for-like basis, £m) are £200m lower today than when compared to 2015/16



TfL's headcount (FTEs) reduced 12% since 2015/16

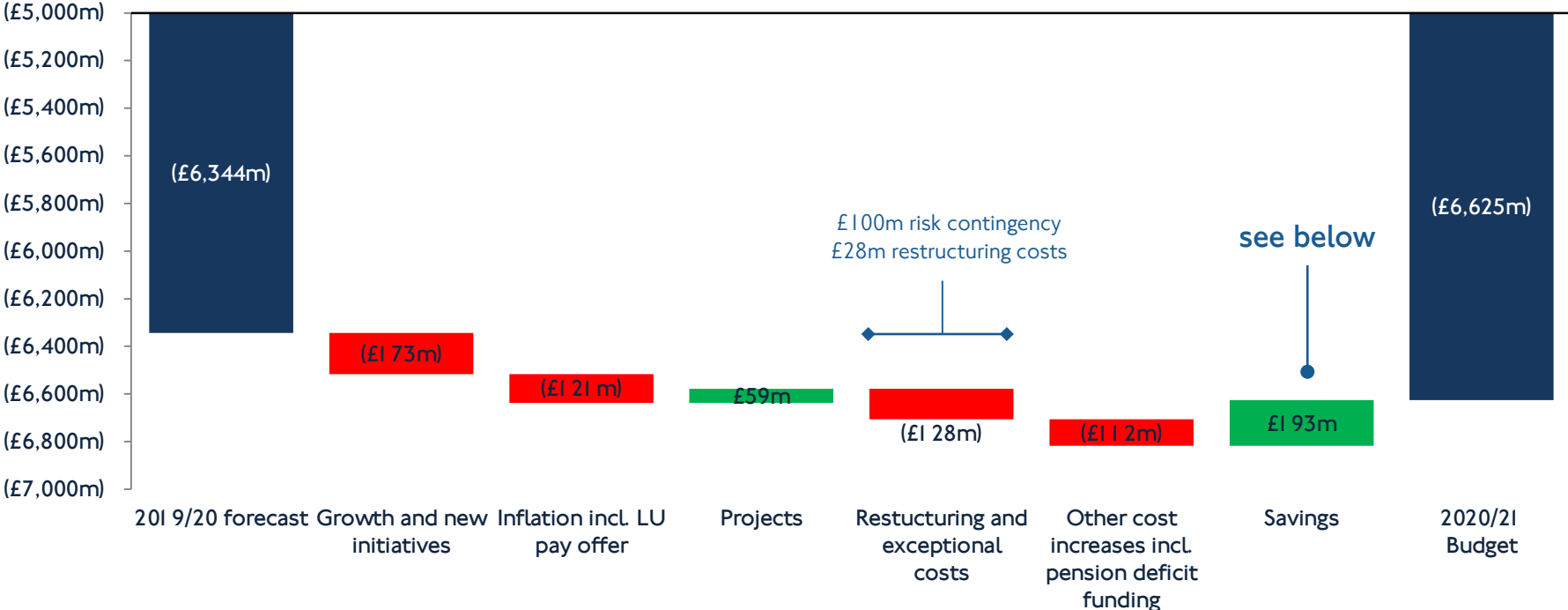


2020/21

Operating costs grow next year

Our operating costs increase year on year from a combination of growth in our services (Elizabeth line, ULEZ, Overground), new Mayoral-funded initiatives and one offs – mitigated by savings initiatives

Operating costs changes: 2019/20 to 2020/21 Budget



Growth

ELIZABETH LINE £110m for Elizabeth line operations

New initiatives

£20m for Direct Vision Standard, beginning October 2020

£10m extra to reduce workplace violence

Savings

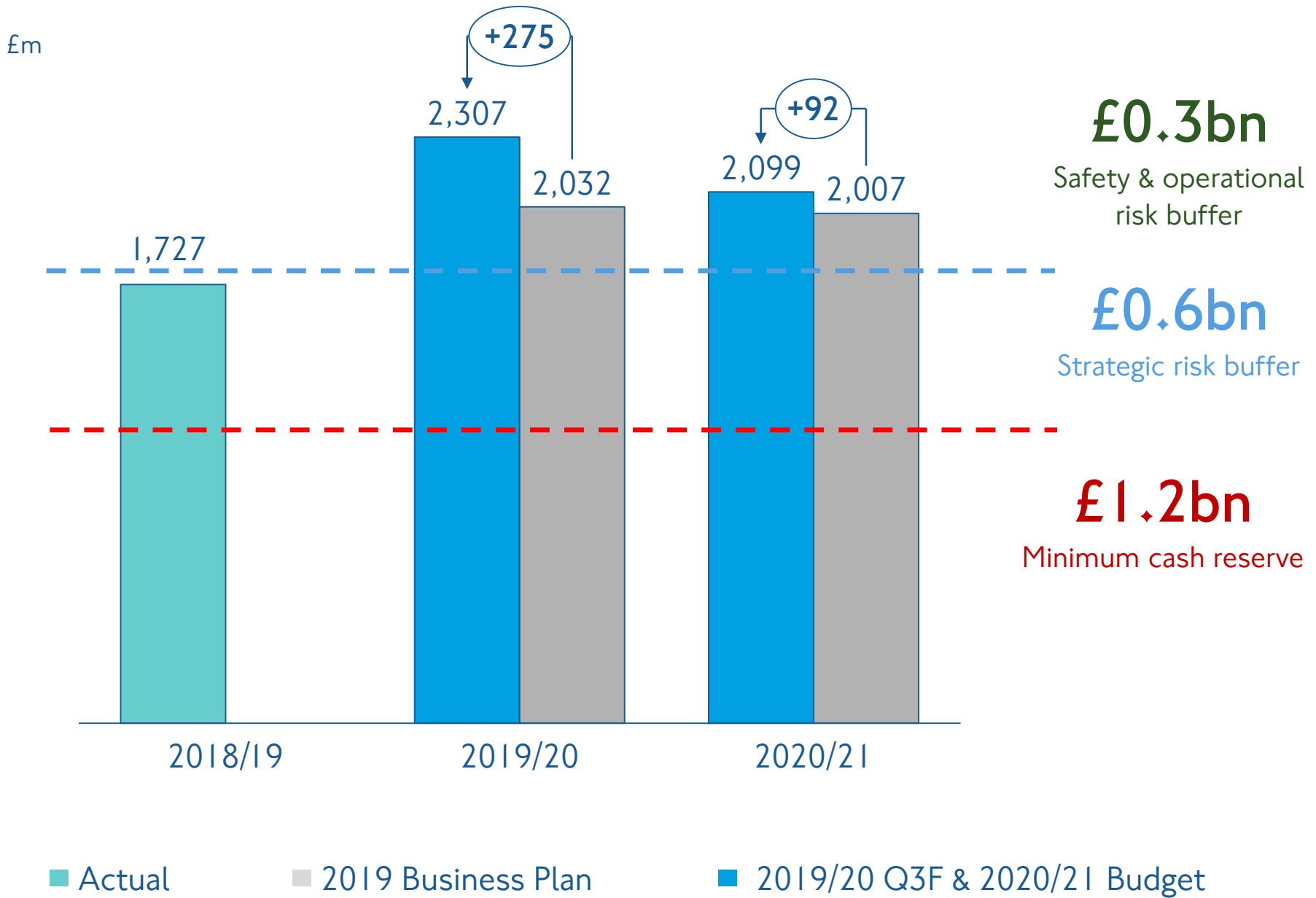
£140m	LU change plan: supply chain and contracts	£29m	Bus operating model: tender and contracts savings
£20m	Back office savings	£4m	Head office accommodation savings

We need to rebuild our cash reserves to increase resilience

Cash in 2019/20 is £275m better than 2019 Business Plan

Cash in 2020/21 is £92m better than Business Plan

TfL cash balance (excluding Crossrail account)



Section 4

A disciplined capital plan

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Capital plan 2020/21 key highlights

Our investments this year will make London safer, greener and more productive.

We will also progress schemes that will maintain our performance in future years, such as design of new Piccadilly line and DLR trains



Trial running and operation to start on the Elizabeth line



Low emission zone standards will be tightened with tougher standards for heavy diesel vehicles



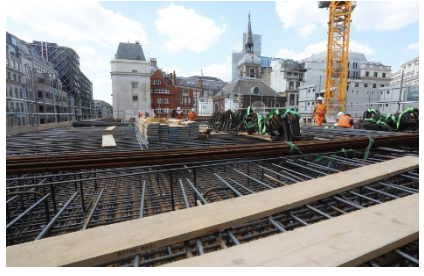
We will continue to work towards transitioning the entire Circle line onto the new signalling system



Work will start on sites that will in total deliver 10,000 new homes, providing the vital, new affordable homes that Londoners need



An additional 11 Tube stations will become step free meaning a third of the Tube network will be fully accessible



Work will continue on the reconstruction of Bank station in the heart of the City of London to boost capacity by 40%



Work will start to transform Waterloo roundabout, making it safer for cyclists, improving crossings and bus interchanges

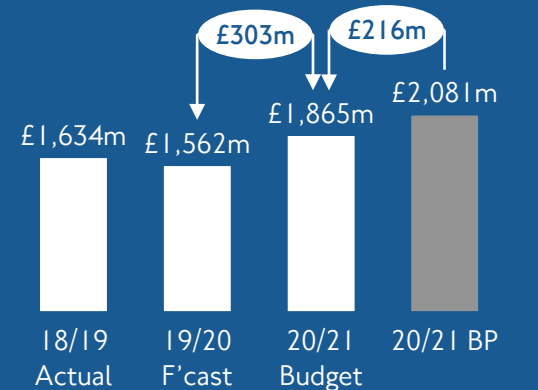


A total of 300 rapid charging points for electric vehicles by December 2020

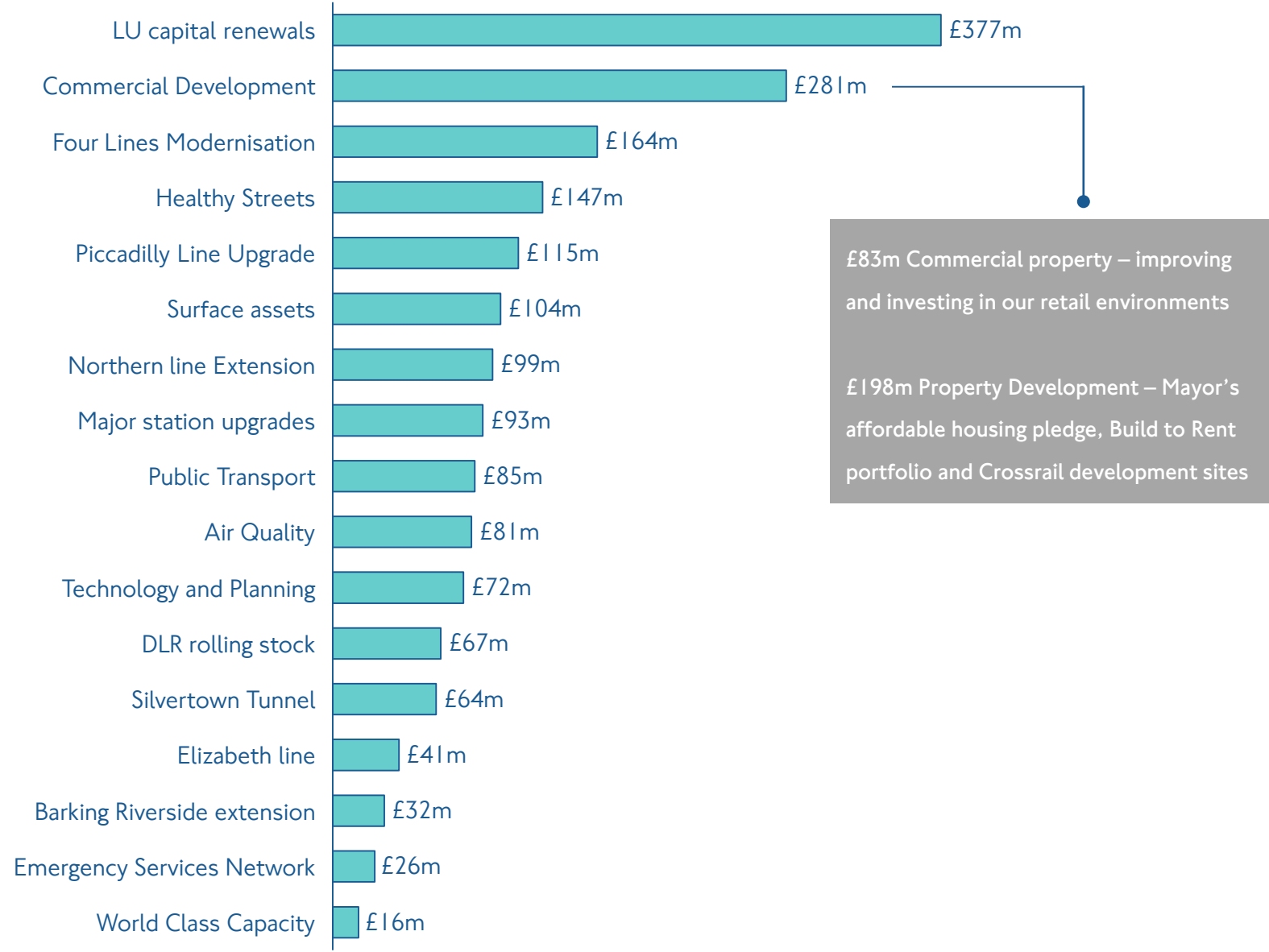
Our budgeted capital investment by portfolio

Two thirds of year-on-year increase in investment is driven by Commercial Development with remaining third from restarting our proactive Surface renewals

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Net capital investment (excluding Crossrail programme)



Capital account: maintains the Business Plan assumption except for phasing changes

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Crossrail funding sources includes the £1.4bn GLA/DfT funding and borrowing includes the £750m loan facility from the DfT to TfL for Crossrail

TfL Group (£m)	2018/19 Actual	2019/20 Q3F	2020/21 Budget
New capital investment	(1,246)	(1,078)	(1,333)
<i>variance to 2019 BP</i>		120	213
Crossrail programme programme	(1,389)	(1,039)	(725)
<i>variance to 2019 BP</i>		16	(99)
Total capital investment	(2,635)	(2,117)	(2,058)
<i>variance to 2019 BP</i>		136	114
Funded by:			
Mayoral business rates	976	893	910
Property receipts & asset sales	650	164	153
Borrowing	728	544	1,333
Crossrail funding sources	796	1,031	114
Other capital grants	218	205	123
Total	3,369	2,837	2,633
<i>variance to 2019 BP</i>		(20)	(86)
Net capital account	733	720	575
<i>variance to 2019 BP</i>		116	28
Total capital investment incl. renewals (excl CRL)	(1,634)	(1,562)	(1,865)
<i>variance to 2019 BP</i>		128	216



Section 5

Managing the Risks

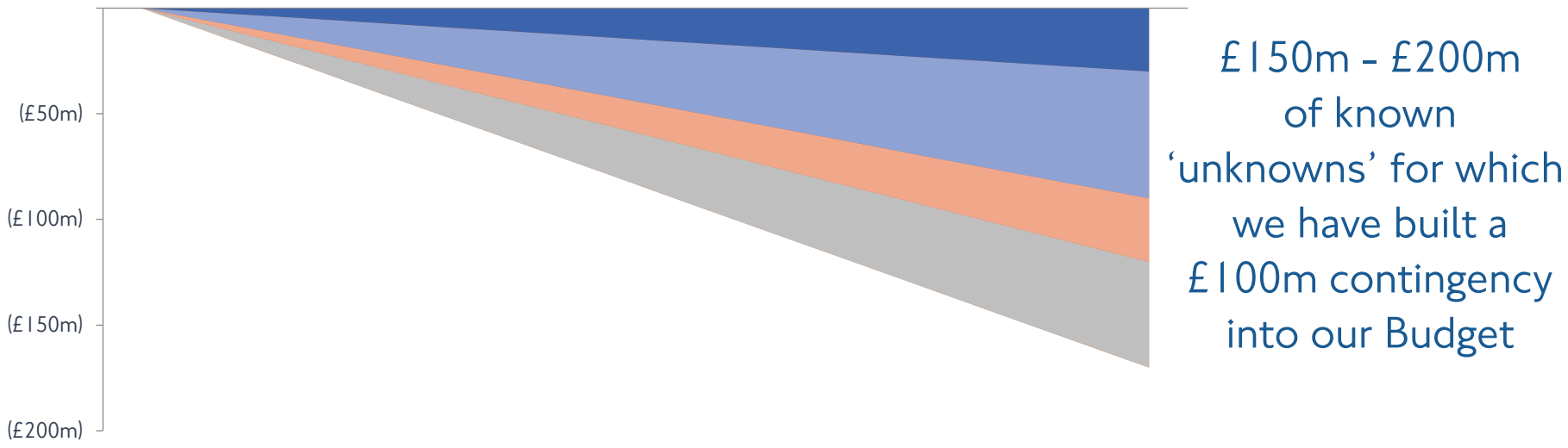
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Planning for uncertainty

We face a range of risks which we closely manage. We have built a £100m contingency in the budget should some of these risks materialise and we have worked hard to increase our resilience to short-term uncertainty with our strategic risk buffer of £0.6bn



Economic uncertainty

Economic uncertainty and London employment levels are key factors impacting demand for our services. Continued economic volatility makes our forecasts of passenger income less certain.

Vehicle compliance

Income we receive from schemes such as the ULEZ and Congestion Charge, is also subject to variation. Higher compliance rates will have a positive impact on the transport network, but reduces our income.

Deliverability

We operate a work bank of renewals. However, planned work can be delayed, for example due to weather or resource constraints. This can also be true of wider project delivery, impacting our level of capital spend.

Crossrail

The delay to the opening of the Elizabeth line continues to have a major impact on our funding and revenue generation. There will remain a risk over the costs which we continue to monitor closely.

Uncertain funding sources

Our network will continue to get busier, and lack of certainty over funding makes it harder to invest in our network to meet the future growth and enhancement needs of the London's transport network.

Other external factors

Our operations will continue as normal throughout the EU transition period. However, our financial position is closely related to the strength of the London and UK economy, and any outcome that weakens this will impact our finances.

Section 6

Appendices: Transforming our core

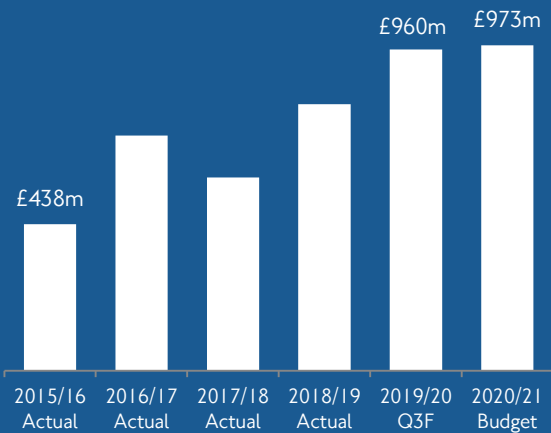
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Reminder of our Business Plan	1
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London Underground: Delivering £1bn operating surplus

Direct operating surplus required to fully reinvest in safety critical maintenance and upgrades

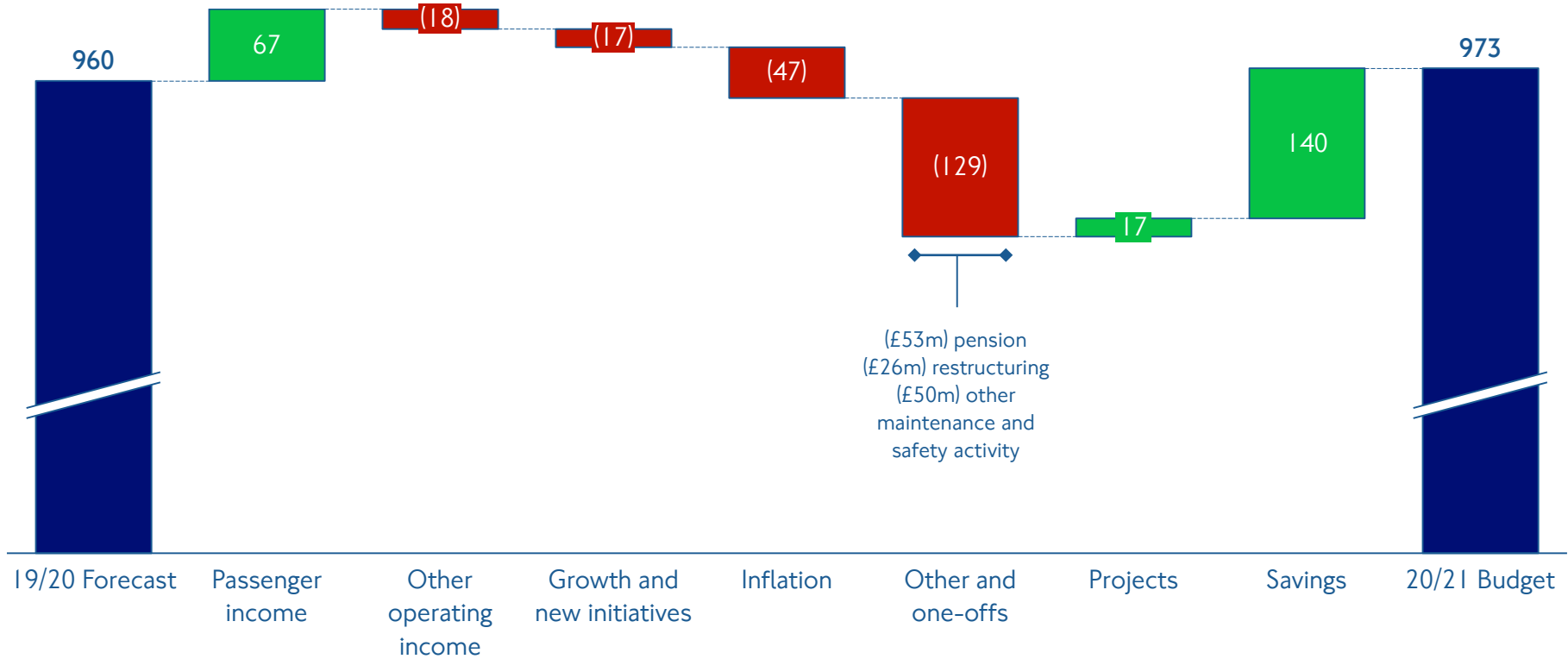


Direct operating surplus broadly in line with 2019/20, reflecting lower journey growth, additional cost pressures and restructuring costs to achieve savings in future years

Income growth from 0.7% demand increase and 1.6% yield improvement; TfL fares remain frozen for 2020

Cost savings from:
Supply chain initiatives
Connect PFI contract ended; new contract reduces costs by c.50%

Direct operating surplus

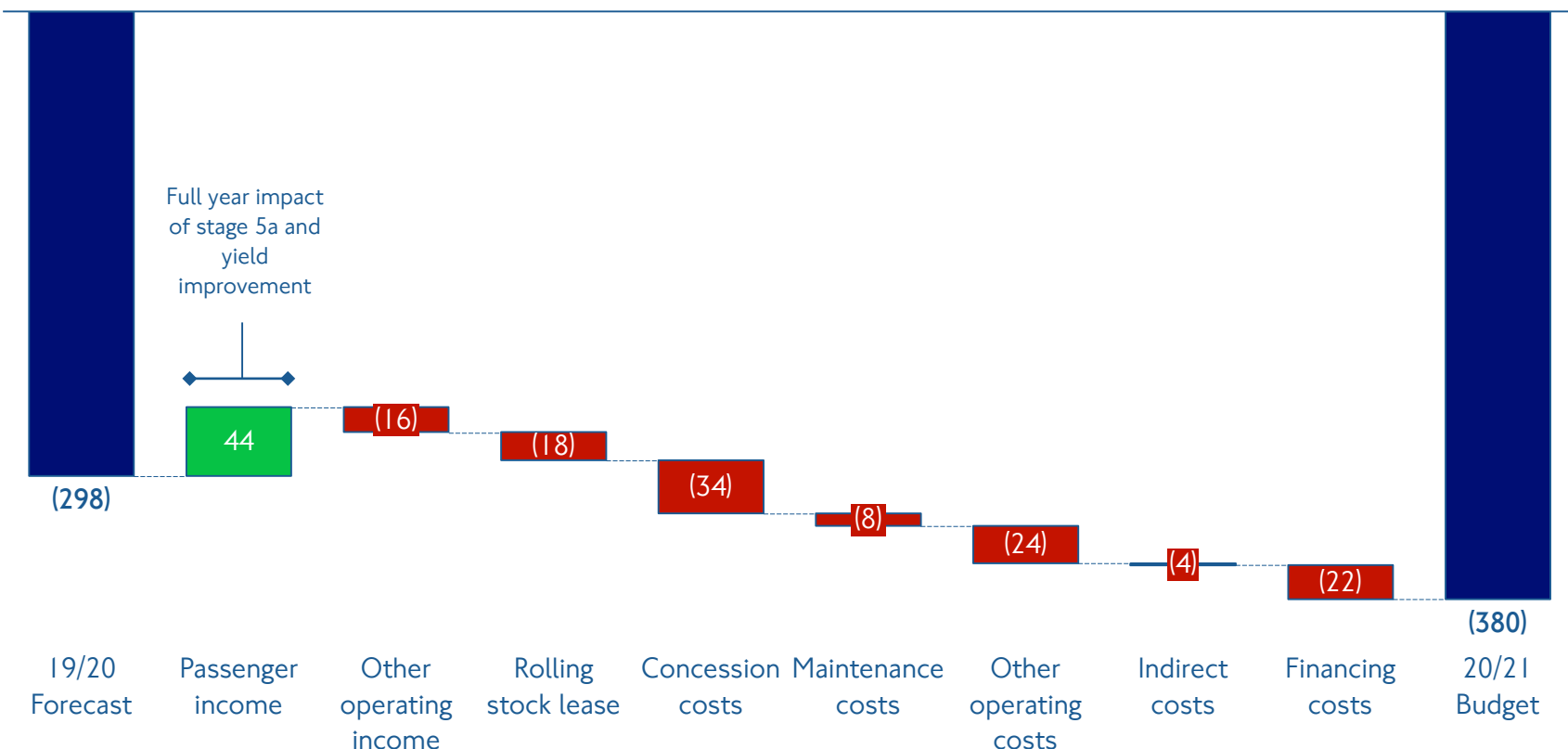


Elizabeth line costs increase as we prepare for opening and asset handover

Operating cost increases owing to financing and maintaining the central sections, which will be non fare generating in 2020/21

- Mobilisation costs** Concession (to MTR) and Central Operating Section (COS) testing and preparation
- Other operating costs** Includes funding the Network Rail On-Network Works which commenced December 2018
- Rolling stock lease** Lease payments which commenced in March 2019

Net cost of operations



Bus, Streets & Other: managing inflationary pressure and increasing proactive renewals

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Lower bus passenger demand, higher ULEZ compliance and contract inflation offset by improving yield and our savings plans

Key initiatives:



Savings in contracting & tendering process



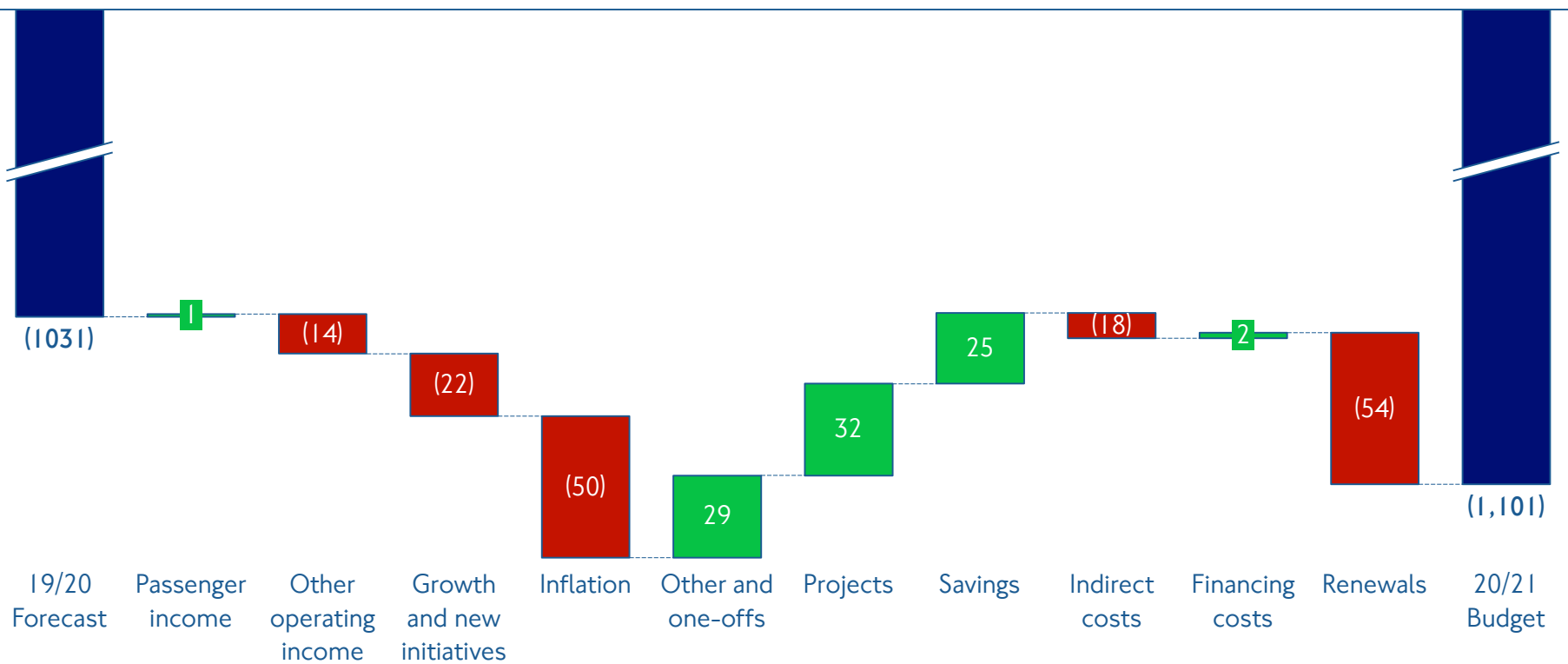
Ultra low emissions fleet by Sept 2020



Efficiencies in restructuring buses to better match demand

Introduce direct vision standard and LEZ Stronger in October 2020

Net cost of operations



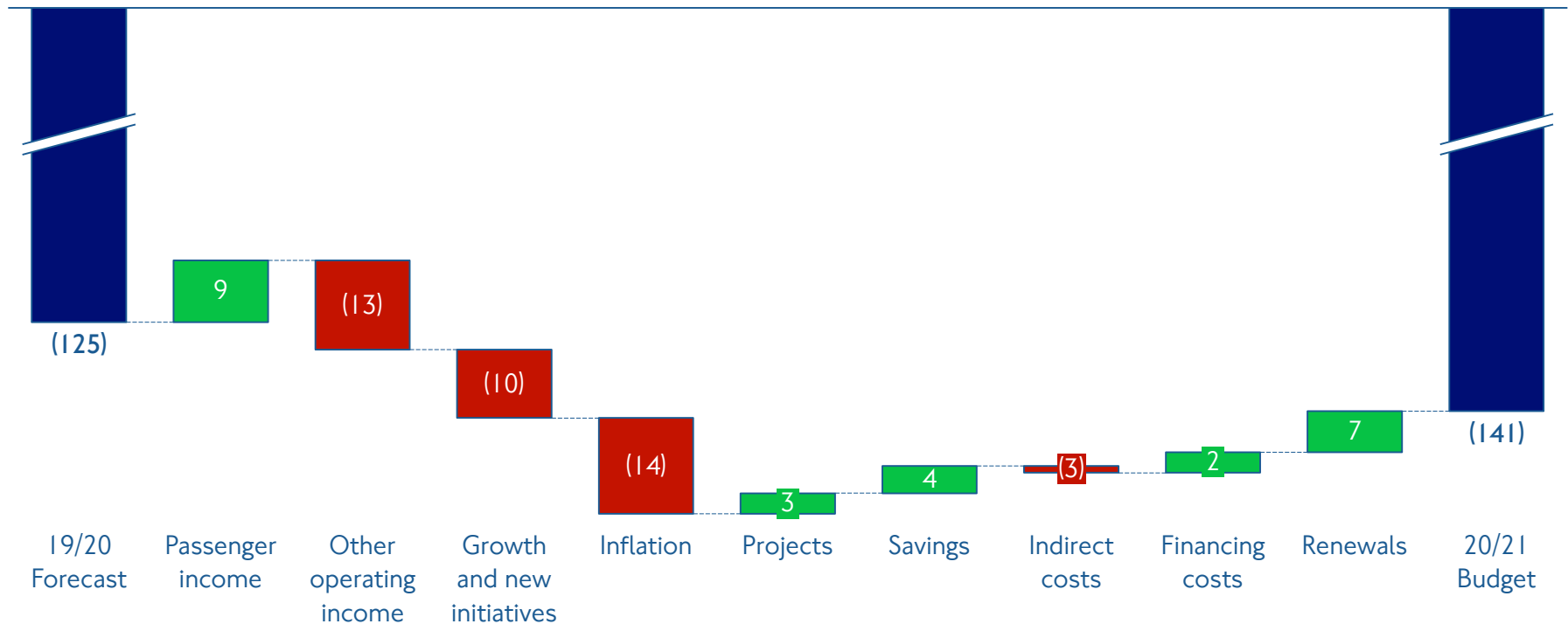
Rail service enhancements will increase operating costs in the short term

Rail will increase its deficit next year as we improve the service for our customers; Rail income from new services will build up in the medium term

○ Passenger revenue growth from new services
 Other operating income reduces owing to one-off receipts in 2019/20

○ Operating cost grows from 2019/20:
 • Improved services on London Overground
 • Savings from concession cost covering fleet leasing & maintenance
 • Contractual inflation and access costs

Net cost of operations



Property: Direct net operating surplus to increase in 2020/21 with a 12% revenue growth

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To be profit making and generate capital receipts to reinvest in the core transport business



Continue to develop sites to deliver 10,000 homes
Investment in our commercial property estate

12 new retail units to open at Canary Wharf
Arches retail units in Wood Lane & Kingsland Viaduct



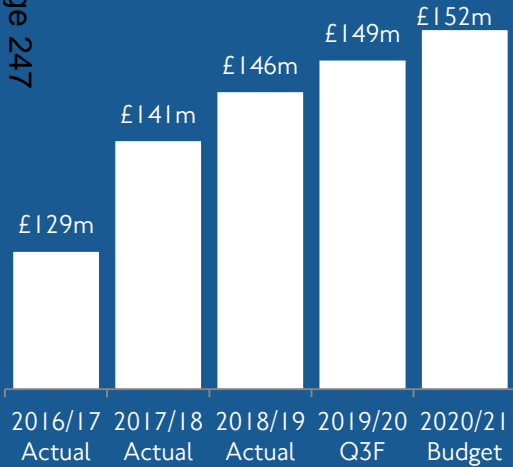
Funding

Capital neutral – investment funded from asset and land sales and development profits



Media: Direct net operating surplus to grow

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Ambition

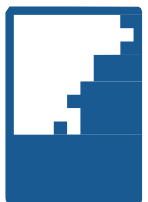
To become the media partner of choice for engaging with the London audience



£82m investment in new digital advertising completed by 2020



54 new larger format landscape advertising screens installed on our estate



7 new digital ribbons installed alongside key escalators on our estate

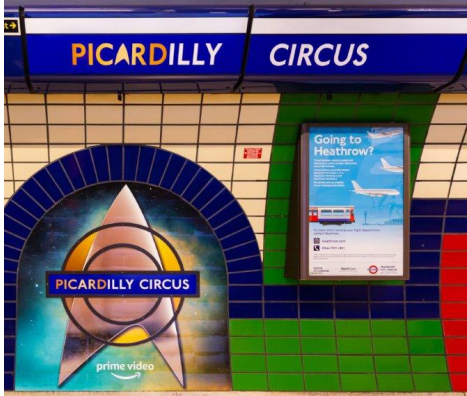
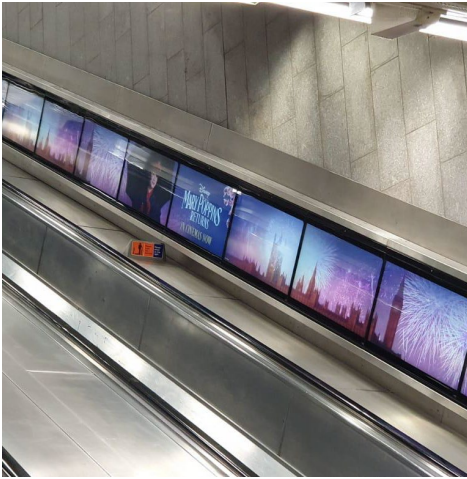
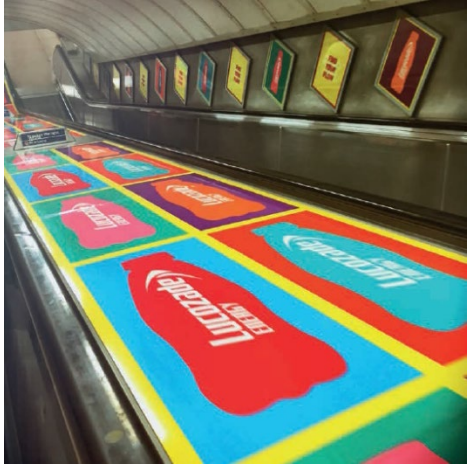


6 new Landmark digital sites above escalators

The completion of 278 new digital assets across the Elizabeth Line

Over 2,400 new, high-format digital screens installed by early 2020

2.4% growth in advertising revenue in 2020/21



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Board



Date: 18 March 2020

Item: TfL Prudential Indicators 2020/21 to 2022/23

This paper will be considered in public

1 Summary

- 1.1 This paper sets out the proposed TfL borrowing limits and other Prudential Indicators under the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code (the Code), which are consistent with the proposed Treasury Management Strategy for 2020/21 and the principles underpinning the proposed long-term TfL Capital Strategy. These limits and indicators are based on figures in the 2020/21 TfL Budget, which appears as an item elsewhere on the Agenda.
- 1.2 Under the Prudential Code, TfL is required to adopt Prudential Indicators which support decision making on planned capital expenditure, borrowing and treasury management activities. The proposed Prudential Indicators for 2020/21 and the following two years are attached to this paper as Appendix 1. In line with guidance from CIPFA, Treasury Management Indicators are shown separately in Appendix 3.
- 1.3 Under Capital Finance regulations, local authorities are also required each year to set aside some of their revenues as provision for debt. TfL has a statutory duty to make an annual statement as to its policy for the calculation of this provision. This paper, therefore, sets out and asks the Board to approve the TfL Policy Statement on Minimum Revenue Provision, as set out in section 7.
- 1.4 The proposed Prudential Indicators have been prepared on the basis of existing accounting standards. However, TfL will be required to apply the new lease accounting standard, IFRS 16 Leases, which supersedes IAS 17 Leases, in 2020/21. The impact of the application of this standard is expected to be the recognition of an additional £2.4bn of lease liabilities and related right-of-use assets on the Balance Sheet as at 31 March 2021. The expected impact of the implementation of IFRS 16 on our Prudential Indicators and Debt Limits is set out in Appendix 2 for noting. The figures in Appendix 2 are based on the budgeted IFRS 16 figures included in the Financial tables presented in the appendices of the 2020/21 TfL Budget. Our rating agencies have been updated with expected impact of IFRS 16 on our financial statements as our preparation work has progressed. Final indicators prepared on an IFRS 16 basis will be submitted for formal approval by the TfL Board during the 20/21 financial year.

2 Recommendations

2.1 The Board is asked to note the paper and:

- (a) approve the TfL Prudential Indicators as set out in Appendix 1 for 2020/21 and the following two years;**
- (b) approve the Treasury Management Indicators as set out in Appendix 3 for 2020/21 and the following two years; and**
- (c) approve the Annual TfL Policy Statement on Minimum Revenue Provision set out in section 7 of the paper.**

3 Background on the Prudential Code

- 3.1 The Code plays a key role in capital finance in local authorities. It was developed as a professional code of practice to support local authorities in their decision-making processes for capital expenditure and its financing.
- 3.2 Local authorities are required by regulation to have regard to the Prudential Code when carrying out their duties under Part 1 of the Local Government Act 2003 (the Act).
- 3.3 The framework of Prudential Indicators established by the Code aims to ensure that an authority's capital investment plans are affordable, prudent and sustainable. As part of the strategic planning process, authorities are required, on a rolling basis, to calculate a range of indicators for the forthcoming budget year and two subsequent years. Authorities are also required to monitor performance against indicators within the year as well as preparing indicators based on the Statement of Accounts at each year end. Indicators relate to capital expenditure, external debt and treasury management.
- 3.4 A revised Code was published in 2017, which stated that authorities that prepare Group accounts, in setting indicators, must include all items where a residual interest remains with the authority.
- 3.5 The Corporation is made up of London Streets, Taxi and Private Hire and the corporate centre which, for legal and accounting purposes, constitutes TfL – a local authority. TfL Group is made up of the Corporation and its subsidiaries.
- 3.6 As required by the revised Code, TfL prepares Prudential Indicators at both the Corporation and TfL Group level.
- 3.7 The proposed Budget included in this agenda has been used to calculate the proposed indicators for 2020/21 (see Appendix 1). For 2021/22 to 2022/23 the figures have been calculated based on income, expenditure, and working capital and other movements included in the TfL Business Plan published in December 2019, being the latest available approved TfL Business Plan figures for those years.
- 3.8 The Capital Expenditure and External Debt Indicators relevant to TfL are the:
 - (a) Authorised Limit;
 - (b) Operational Boundary;

- (c) Capital Financing Requirement;
- (d) Capital Expenditure; and
- (e) Ratio of Financing costs to Net Revenue Stream.

Definitions for each of these are included in Appendix 4.

4 Treatment of PFI Liabilities in the Calculation of External Debt Limits for 2020/21

- 4.1 In setting the direct borrowings element of the authorised limit an allowance was made for the Corporation to refinance certain PFI transactions held as long-term liabilities in subsidiary entities as and when it becomes commercially advantageous to do so. The long-term liabilities element of the authorised limit for the Group was adjusted down by the same amount to ensure that there was no overall increase in the total authorised limit for the Group.
- 4.2 The proposed Budget assumes that only the portion of PFI liabilities outstanding at the start of any particular year that is scheduled to be repaid within that year will be refinanced; and the Operational Boundary has been calculated to reflect this.
- 4.3 For the Group indicator, so long as total debt remains within the overall authorised limit, movement may be made between direct borrowings and other long-term liabilities without penalty. These debt reclassifications are accordingly not considered to be a matter for concern as they have no net effect on the overall total limit for external debt.

5 Changes to Prudential Indicators for 2020/21 and 2021/22

5.1 Changes to Borrowing Limits for Future Years

Prudential Indicators for the years 2020/21 and 2021/22 were approved by the Board in March 2019.

- (a) As noted in section 4.1, the calculation of the Corporation's authorised limit for direct borrowings includes an amount of headroom to allow for the refinancing in the Corporation of certain PFI contracts currently held by subsidiary companies. In the Group the authorised limit for long-term liabilities is reduced correspondingly to avoid double counting these liabilities. The calculation for this adjustment has been revised to reflect the fact that subsidiary PFI liability amounts outstanding (and hence the balances that could potentially be refinanced) have changed since the Prudential Indicators were last approved.
- (b) In the Group, the reduction to the authorised limit for long-term liabilities for the possible refinancing of PFI liabilities has been similarly amended for 2020/21 and 2021/22, reflecting the change in the outstanding liabilities under these contracts since the Prudential Indicators were last set.
- (c) The Operational Boundary for long-term liabilities (and the Total Authorised Limit for External Debt) in both the Corporation and Group have been amended to reflect, primarily, the revised settlement profile for long term capital provisions, the Corporation has increased by £7.6m in 2020/21 and

2021/22, whilst the Group has experienced a reduction of £7.1m in 2020/21 and £23.5m in 2021/22.

- (d) The phasing of the Crossrail funding package agreed with the Department for Transport in December 2018 has been updated. Under this package, TfL may make drawdowns under a £750m loan facility provided by the Department for Transport. The facility, however, can only be accessed when the project has further funding needs that cannot be met from other sources. TfL's debt limits have been amended to reflect the latest assumptions in respect of the drawdown and repayment profile of this facility.

Reconciliation of Changes in External Debt Limits for the Corporation for 2020/21 to 2021/22

	Paragraph reference	2020/21	2021/22	2022/23
		£m	£m	£m
Corporation:				
Previous Operational Boundary for Gross External Debt		12,915.7	13,424.6	n/a
Re-phasing of provisions and liabilities	5.1 (c)	7.6	7.6	n/a
Department for Transport loan facility ⁴	5.1(d)	450.0	375.0	n/a
Proposed Operational Boundary for Gross External Debt		13,373.3	13,807.2	14,227.1
Overdraft facility ¹		200.0	200.0	200.0
Refinancing of PFIs ²	5.1 (a)	165.0	146.0	140.0
Refinancing of short-term borrowings ³		500.0	500.0	500.0
Department for Transport loan facility ⁴	5.1(d)	-	75.0	150.0
Proposed Authorised Limit		14,238.3	14,728.2	15,217.1

Notes

- 1 An overdraft facility is in place to mitigate short term adverse cash flow variances and this is included in the authorised limit.
- 2 In setting the Prudential indicators in March 2012, the Board approved an increase in the authorised limit to allow for the refinancing of certain PFI contracts (as permitted in annex C of TfL's SR2013 settlement letter) as and when commercial opportunities arise and value for money can be demonstrated.
- 3 In setting the Prudential indicators in March 2012, the Board also approved an increase in the authorised limit to provide flexibility in refinancing of borrowings, to ensure that the most advantageous rates can be secured.
- 4 Facility made available as part of the funding package to deliver Crossrail agreed with the Department of Transport in December 2018, draw down is subject to conditions precedent.

Reconciliation of Changes in External Debt Limits for the Group for 2020/21 to 2021/22

	Paragraph reference	2020/21	2021/22	2022/23
		£m	£m	£m
Group				
Previous Operational Boundary for Gross External Debt		13,322.4	13,811.0	n/a
Re-phasing of provisions and liabilities	5.1(c)	(7.1)	(23.5)	n/a
Re-phasing of Department for Transport loan facility ⁴	5.1(d)	450.0	375.0	n/a
Proposed Operational Boundary for Gross External Debt		13,765.3	14,162.5	14,550.1
Overdraft facility ¹		200.0	200.0	200.0
Refinancing of PFIs ²	5.1 (b)	(20.1)	(18.9)	(7.7)
Refinancing of short term borrowings ³		500.0	500.0	500.0
Department for Transport loan facility ⁴	5.1(d)	-	75.0	150.0
Proposed Authorised Limit		14,445.2	14,918.6	15,392.4

Notes

- 1 An overdraft facility is in place to mitigate short term adverse cash flow variances and this is included in the authorised limit.
- 2 In setting the Prudential indicators in March 2012, the Board approved an increase in the authorised limit to allow for the refinancing of certain PFI contracts (as permitted in annex C of TfL's SR2013 settlement letter) as and when commercial opportunities arise and value for money can be demonstrated.
- 3 In setting the Prudential indicators in March 2012, the Board also approved an increase in the authorised limit to provide flexibility in refinancing of borrowings, to ensure that the most advantageous rates can be secured.
- 4 Facility made available as part of the funding package to deliver Crossrail agreed with the Department of Transport in December 2018, draw down is subject to conditions precedent.

5.2 Changes to Other Prudential Indicators for Future Years

Further amendments to reflect TfL's proposed Budget have been applied to the other Prudential Indicators for 2020/21 and 2021/22 for the Corporation and Group. The tables in Appendix 1 set out the revised indicators.

5.3 **Expected impact of the implementation of IFRS 16 Leases**

Appendix 2 sets out the Prudential Indicators in Appendix 1, as amended for the expected impact of the implementation of the new accounting standard, IFRS 16 Leases, which supersedes IAS 17 Leases. Under the new accounting rules, the Operational Boundary for long term liabilities is expected to increase, reflecting the recognition of an additional budgeted lease liability of £0.4bn for the Corporation in 2020/21 and £2.4bn for the Group compared with prior years.

Certain contracts TfL enters into in the ordinary course of business may result in the recognition of lease liabilities where prior to IFRS 16 these contracts were not so classified. Classification is highly technical and dependent on the specifics of each contract which may not be known in advance of that contract being entered into. An increase in the Authorised Limit is therefore also expected to be necessary, to provide headroom against the risk that items included in the Budget and Business Plan may have been incorrectly classified.

These Indicators, as prepared under the revised basis of accounting, will be finalised and presented to the TfL Board for approval in 2020/21.

6 **Treasury Management Indicators**

- 6.1 In addition to the Prudential Indicators, there are a number of treasury indicators that outlined in CIPFA's Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (the TM Code), published in December 2017. Local authorities are required to have regard to these Treasury Management Indicators.
- 6.2 The TM Code recommends that local authorities should adopt the following Treasury Management Indicators:
- (a) upper and lower limits on the maturity structure of borrowing, including variable as well as fixed rate debt; and
 - (b) the period for upper limits to the total of principal sums invested longer than one year.
- 6.3 While there is no longer a specific recommended indicator in respect of interest rate exposures, the TM Code suggests that authorities should explain the strategy for managing their interest rate risk as part of the investment and/or capital strategies. We cover our targets for fixed and floating rate debt, as well as general approach to interest rate risk, in our Treasury Management Strategy.
- 6.4 The proposed Treasury Management Indicators are detailed in Appendix 3.

7 **TfL Policy Statement on Minimum Revenue Provision**

- 7.1 Local authorities are required each year to set aside some of their revenues as provision for debt. TfL has a statutory duty to determine for the current financial year an amount of minimum revenue provision which it considers to be 'prudent' in relation to debt service obligations.

- 7.2 While statutory guidance suggests four potential methods for calculating Minimum Revenue Provision (MRP) it also allows for other methods and approaches to be used. Since 2016/17 TfL has applied the principles inherent in the statutory guidance on MRP, to make an annual provision in the Transport for London (the Corporation), that aims to build up a reserve on the Balance Sheet over the average useful economic life of the assets funded by borrowings in the Corporation, such that, at the end of that useful economic life, that reserve may be employed to either repay borrowings or to finance replacement capex for those assets that have reached the end of their lives. An MRP is effectively already made for borrowings passed down to the subsidiaries through TfL's existing processes for funding those entities.
- 7.3 Given current levels of debt (including finance leases) retained within the Corporation the MRP is anticipated to be approximately £26m per annum throughout the business plan period (£57m after the application of IFRS 16) and will result in an annual transfer of this amount from usable reserves (i.e. the General Fund) to unusable reserves (namely the Capital Adjustment Account).

List of appendices to this report:

- Appendix 1: For Approval: TfL Prudential Indicators for 2020/21 to 2022/23
Appendix 2: For Noting: Draft TfL Prudential Indicators for 2020/21 to 2022/23 as prepared under IFRS 16 Leases
Appendix 3: Treasury Management Indicators
Appendix 4: Definitions for Prudential Indicators

List of Background Papers:

None

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Number: 020 7126 2880
Email: AntonyKing@tfl.gov.uk

Appendix 1

FOR APPROVAL: PRUDENTIAL INDICATORS FOR 2019/20 TO 2022/23 TRANSPORT for LONDON

	Paragraph reference	Approved Indicators 2019 - 20 £millions	Proposed Revised Indicator Budget 2020 - 21 £millions	Proposed Revised Indicator Plan 2021 - 22 £millions	Proposed Indicator Plan 2022 - 23 £millions
<u>Operational Boundary for External Debt*</u>					
TfL Corporation					
Borrowing		12,113.0	13,164.3	13,608.3	14,039.3
PFI and long term liabilities		210.2	209.0	198.9	187.8
Total Operational Boundary for External Debt in TfL Corporation	5.1	12,323.2	13,373.3	13,807.2	14,227.1
TfL Group					
Borrowing		12,113.0	13,164.3	13,608.3	14,039.3
PFI and long term liabilities		640.4	601.0	554.2	510.8
Total Operational Boundary for External Debt TfL Group	5.1	12,753.4	13,765.3	14,162.5	14,550.1
<u>Authorised Limit for External Debt**</u>					
TfL Corporation					
Borrowing		13,490.0	14,029.3	14,529.3	15,029.3
PFI and long term liabilities		210.2	209.0	198.9	187.8
Total Authorised Limit in for External Debt in TfL Corporation	5.1	13,700.2	14,238.3	14,728.2	15,217.1
TfL Group					
Borrowing		13,494.0	14,029.3	14,529.3	15,029.3
PFI and long term liabilities		409.4	415.9	389.3	363.1
Total Authorised Limit for External Debt in TfL Group	5.1	13,903.4	14,445.2	14,918.6	15,392.4
<u>Estimates of Capital Expenditure (Annual)</u>					
TfL Corporation	5.2	2,945.8	2,512.7	2,073.5	1,369.0
TfL Group	5.2	3,893.3	2,778.7	2,250.4	2,261.2
<u>Estimates of Capital Financing Requirement (Cumulative)***</u>					
TfL Corporation	5.2	13,259.9	14,135.3	14,604.9	15,125.0
Total TfL Group	5.2	15,339.1	15,980.9	16,299.5	17,400.2

* The Operational Boundary is a calculation based upon the cash flows in the Budget and Plan. If breached, it is a warning that financial plans may require review and amendment.

** The Authorised Limit is the maximum amount that TfL may borrow legally.

*** The Capital Financing Requirement is the amount of capital expenditure to be financed by means other than grant or asset sales proceeds.

Prudential Indicators for Prudence and Affordability

<u>Estimates of ratio of financing costs to net revenue stream</u>	Paragraph reference	Approved Indicator 2019 - 20	Proposed Revised Indicator Budget 2020 - 21	Proposed Revised Indicator Plan 2021 - 22	Proposed Indicator Plan 2022 - 23
TfL Corporation	5.2	16.9%	23.2%	24.9%	22.2%
TfL Group	5.2	6.6%	7.0%	7.3%	6.5%

Gross Debt and the Capital Financing Requirement*	TfL Group* £millions	Corporation £millions
Gross Debt at 31 March 2021	14,445.2	14,238.3
Capital Financing Requirement at 31 March 2023	17,400.2	15,125.0

* The Prudential Code stipulates that Gross Debt at 31 March 2021 should not generally exceed the Capital Financing Requirement at 31 March 2023.

Appendix 2

FOR NOTING: THE DRAFT PRUDENTIAL INDICATORS FOR 2019/20 TO 2022/23 AS PREPARED UNDER IFRS 16 LEASES TRANSPORT for LONDON

	Paragraph reference	Approved Indicators + 2019 - 20 £millions	Proposed Revised Indicator Budget 2020 - 21 £millions	Proposed Revised Indicator Plan 2021 - 22 £millions	Proposed Indicator Plan 2022 - 23 £millions
<u>Operational Boundary for External Debt*</u>					
TfL Corporation					
Borrowing		12,113.0	13,144.3	13,683.4	14,189.4
PFI and long term liabilities		210.2	628.2	598.9	587.8
Total Operational Boundary for External Debt in TfL Corporation		12,323.2	13,772.5	14,282.3	14,777.2
TfL Group					
Borrowing		12,113.0	13,144.3	13,683.4	14,189.4
PFI and long term liabilities		640.4	3,020.2	2,954.2	2,810.8
Total Operational Boundary for External Debt TfL Group		12,753.4	16,164.5	16,637.6	17,000.2
<u>Authorised Limit for External Debt**</u>					
TfL Corporation					
Borrowing		13,490.0	14,049.4	14,548.3	15,037.1
PFI and long term liabilities		210.2	878.2	848.9	837.8
Total Authorised Limit in for External Debt in TfL Corporation		13,700.2	14,927.6	15,397.2	15,874.9
TfL Group					
Borrowing		13,494.0	14,049.4	14,548.3	15,037.1
PFI and long term liabilities		409.4	3,335.1	3,289.2	3,163.1
Total Authorised Limit for External Debt in TfL Group		13,903.4	17,384.5	17,837.5	18,200.2
<u>Estimates of Capital Expenditure (Annual)</u>					
TfL Corporation		2,945.8	2,762.7	2,323.5	1,619.0
TfL Group		3,893.3	3,278.7	2,750.4	2,761.2
<u>Estimates of Capital Financing Requirement (Cumulative)***</u>					
TfL Corporation		13,259.9	14,801.4	15,251.2	15,771.3
Total TfL Group		15,339.1	18,866.1	19,071.1	20,171.8

+ Approved Indicators for 2019/20 continue to be prepared under IAS 17 Leases. Indicators for 2020/21 and later years have been prepared under IFRS 16 Leases, which becomes mandatory for Public Sector bodies from 1 April 2020.

* The Operational Boundary is a calculation based upon the cash flows in the Budget and Plan. If breached, it is a warning that financial plans may require review and amendment.

** The Authorised Limit is the maximum amount that TfL may borrow legally.

*** The Capital Financing Requirement is the amount of capital expenditure to be financed by means other than grant or asset sales proceeds.

Prudential Indicators for Prudence and Affordability

<u>Estimates of ratio of financing costs to net revenue stream</u>	Paragraph Reference	Approved Indicator 2019 - 20	Proposed Revised Indicator Budget 2020 - 21	Proposed Revised Indicator Plan 2021 - 22	Proposed Indicator Plan 2022 - 23
	5.3				
TfL Corporation		16.9%	25.7%	27.1%	23.8%
TfL Group		6.6%	8.2%	8.3%	7.3%

Gross Debt and the Capital Financing Requirement*

	TfL Group* £millions	Corporation £millions
Gross Debt at 31 March 2021	17,384.5	14,927.6
Capital Financing Requirement at 31 March 2023	20,171.8	15,771.3

* The Prudential Code stipulates that Gross Debt at 31 March 2021 should not generally exceed the Capital Financing Requirement at 31 March 2023.

For Approval: Treasury Management Indicators

Maturity Structure of Borrowing

Budget	
31 Mar 2021	
Upper	Lower
35%	0%
35%	0%
50%	0%
75%	0%
100%	20%

< 1 year
 1 year to < 2 years
 2 years to <5 years
 5 years to <10 years
 10 years and above

This indicator represents limits of the percentage of borrowing maturing in the future periods above as a total of fixed rate borrowing outstanding.

Actual amounts will depend on the projects financed and which ones have been converted into long-term obligations

Maximum Outstanding Principal sum Invested for more than 365 days	Budget	Plan	Plan
	31 Mar 2021	31 Mar 2022	31 Mar 2023
	£millions	£millions	£millions
Forward Financial Year 1	0	0	0
Forward Financial Year 2	0	0	0

Definitions for Prudential Indicators used by TfL

1. External Debt - Operational Boundary

The Operational Boundary is a sum of external borrowings and long term capital liabilities, including finance lease creditors and provisions, as shown in the Budget and Plan. If breached, it is a warning that financial plans may require review and amendment.

2. External Debt - Authorised Limit

The authorised limit is the maximum amount that TfL may borrow legally.

It is comprised of the Operational Boundary plus an element of headroom to allow for unexpected cashflow fluctuations.

3. Capital Expenditure

For the Group this is the total of fixed asset additions for the given period.

For the Corporation this is the Corporation's own fixed asset additions plus any loans or capital grants passed to the subsidiaries for the given period.

4. Capital Financing Requirement

The Capital Financing Requirement (CFR) is the amount of capital expenditure to be financed by means other than grant or asset sales proceeds. It is calculated from the balance sheet of the Group and Corporation by deducting deferred grant, and capital reserve balances from the total fixed asset balance.

There is a requirement in the Code to ensure that the estimate for the CFR at the end of 2023 is not exceeded by gross debt budgeted at the end of 2021. This requirement seeks to ensure that over the medium term, debt will only be for a capital purpose.

5. Ratio of financing costs to net revenue streams

Indicator expresses the interest costs, net of interest income as a percentage of TfL's Revenue Grant and fares income plus or minus transfers to reserves.

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Board



Date: 18 March 2020

Item: 2020/21 TfL Scorecard

This paper will be considered in public

1 Summary

- 1.1 The TfL scorecard provides information to track business performance against the in-year objectives derived from the Mayor's Transport Strategy (MTS), the Business Plan and the Budget.
- 1.2 The scorecard exists to provide the right measures for the Commissioner and Executive to manage the business and ensure clear corporate responsibility, whilst also providing the ability to clearly articulate business priorities to a broader audience.
- 1.3 This is an evolution of the 2019/20 scorecard to reflect our ongoing priorities and to provide continuity. The changes made take account of the work undertaken over the last year to further develop and improve the scorecard.
- 1.4 We have taken the approach of setting challenging targets, recognising that they may not all be achieved noting the current financial climate, the challenges around delivering our capital programme whilst mitigating the effects on day to day performance; and external factors not fully within our control.
- 1.5 On 11 March 2020, the Finance Committee will consider the Scorecard. As the Committee meets after this paper is published, a verbal update will be provided at this meeting.

2 Recommendation

- 2.1 **The Board is asked to note the paper and approve the 2020/21 TfL Scorecard.**

3 Background

- 3.1 The scorecard continues to show how the measures align to the themes and outcomes of the MTS and it retains the four balanced scorecard categories of safety and operations, customer, people and financial. Each of these categories receives a 25 per cent weighting, reflecting their equal importance to our business.
- 3.2 The scorecard focusses on the shorter term, in-year objectives and the measures identified against these. An annual update will be provided to the Board outlining progress towards meeting the longer-term objectives of the MTS.
- 3.3 As outlined in previous years there is framework in place which ensures the scorecard aligns with the MTS, Business Plan and the Budget and key objectives are cascaded through the business.

4 Development work undertaken

4.1 This section describes the scorecard development work undertaken during 2019/20.

Environment

- 4.2 We are proposing to introduce a carbon measure, given the increasing focus on climate change and the fact the Mayor has declared we are in a climate emergency. Carbon is a common measure on corporate scorecards, and as a public authority we aim to be leading the way.
- 4.3 This will replace our current environmentally-focused measure “Number of Euro VI buses”, which is due to complete mid-way through 20/21. Our new measure acts as an incentive to employees across the business, not just those working on buses.
- 4.4 The recommended measure is “Reduction in CO₂e Emissions from TfL Operations & Buildings” (equivalent CO₂). We want this measure to be all-encompassing while still being measurable and actionable. As our data capturing and monitoring matures, we will consider widening the definition as appropriate. Currently this measure:
- (a) **includes:** both direct emissions we generate from burning fuel (scope 1), and our direct electricity use (scope 2) from Buses, London Underground, Rail, buildings, Surface direct ops and our support fleet. Being energy efficient is embedded into all aspects our ways of working, culture and behaviours.
 - (b) **does not include:** scope 3 emissions e.g. water use and our supply chain, emissions associated with project delivery
- 4.5 Our longer-term ambition is to widen this definition to include the elements identified above, and as part of ongoing scorecard development we will seek to proactively capture them. We are looking at ways in which we can capture emissions from our projects - whilst these are not currently measured on the scorecard, the environmental impact of our projects are considered at each stage of the lifecycle and any negative impacts are reduced as far as reasonably practicable.
- 4.6 We are currently modelling the forecast for TfL emissions - this is based on inputs from our electricity usage, the services we'll run, and the composition of the bus fleet and our estate. It will take into account the Elizabeth line opening, bus electrification and service increases from investment in our assets such as Four Lines Modernisation and the new Piccadilly line fleet.
- 4.7 We propose targeting a percentage reduction in CO₂e compared to 2019/20 outturn and we estimate this to be around a 3 per cent reduction.

Housing

- 4.8 Last year our measure was, “The cumulative percentage of affordable homes on TfL land with planning applications submitted (post May 2016)”.
- 4.9 To reflect the progress made on our housing development projects in the past year, with many now ready to start on site we have replaced the existing measure with “Start on sites of new homes”, with an ambitious target of 10,000. Any site where we have already started before the financial year has begun will be included in our actual as 10,000 is the total target, not just referring to those in-year. The target aligns with

the commitment of providing 50 per cent affordable housing as set out in the MTS.

Net Operating Surplus (NOS)

- 4.10 Net Operating Surplus is defined as the sum of operating income, business rates retention, revenue grants and operating costs. Passenger income is subject to wider economic factors and there is a limit to what we can control. Operating costs are much more within our control and should be managed closely.
- 4.11 For the NOS weighting to be achieved the following conditions must be met:
- (a) passenger income should be within +/-2 per cent of Budget;
 - (b) operating costs must be in line with Budget or better; **and**
 - (c) NOS must be higher than Budget (£430m) **or** no more than £100m below it. This £100m floor allows some leeway if passenger income were to be lower than Budget and we have not been able to fully mitigate the income downside through reductions in our cost base.

Investment Programme

- 4.12 The Investment Programme must run on time and to budget. These two elements are already on the scorecard, but they are not presented alongside each other. “Deliver key investment milestones” measures whether our in-year milestones are being met and this was previously presented in the section “A good Public Transport experience”. We recommend that this measure is moved to the finance section alongside the Investment Programme measure.
- 4.13 These measures only consider in-year performance. We must ensure overall Estimated Final Cost (EFC) is controlled and managed to Business Plan, and that the end date of a project is not delayed. We are exploring ways in which we can capture the long-term performance of the Investment Programme as part of the scorecard.

Elizabeth line milestone

- 4.14 Last year’s measure was the start of TfL Rail services between Paddington and Reading, which was achieved (on target) in December 2019. The new target will be the start of trial running by Autumn 2020. If this milestone is achieved, 100 per cent of the weighting will be awarded. If the target is missed but delivered by the end of the calendar year, 50 per cent of the weighting will be awarded. Any date beyond December will receive no award.

Killed and seriously injured measures

- 4.15 “Reduction in people killed and seriously injured on roads, from 2005-2009 baseline (incidents involving buses)” has been removed. This is a subset of the measure “Reduction in people killed and seriously injured on roads” and it is duplicative to have both. We will continue to monitor and report incidents involving buses.
- 4.16 “Reduction in customers and workforce killed and seriously injured” appearing in “A good public transport experience” was misaligned. This has now been moved under “Healthy Streets and Healthy People” alongside the other safety measure.
- 4.17 Table 1 shows the proposed TfL scorecard for 2020/21.

	Theme	Outcome	Measure	Target	Weighting
Mayor's Transport Strategy	Healthy streets and healthy people	London's public transport will be on track to be zero emission by 2030 ¹ NEW	Reduction in CO ₂ e emissions from TfL Operations (including fleet) & Buildings (from 19/20)	3 %	Safety & Operations 25%
		London's streets will be used more efficiently and have less traffic on them	Additional time saved for pedestrians, cyclists and buses at traffic lights	16,500 Additional (50,985 hours cumulative)	
		London's streets will be healthy, and more Londoners will travel actively	Healthy Streets Check for Designers (average improvement delivered by schemes against the 10 Healthy Streets indicators)	10 %	
		London's streets will be safe and secure	Reduction in people killed and seriously injured on roads, including by buses	287 fewer people ² than 2019	
	Reduction in customers and workforce killed and seriously injured (across all our services)		81 fewer than people 19/20 3.5 %		
	A good public transport experience	Public transport will be safe, affordable and accessible to all	Additional time to make step-free journeys (average additional time to make a step free journey between any two points)	7.6 mins 1.2 min reduction on 19/20	
			Journeys by public transport will be pleasant, fast and reliable	Tube excess journey time 4.90 mins Bus journey time 33.2 mins	
		Journeys by public transport will be pleasant, fast and reliable	Percentage of Londoners who agree we care about our customers	54 %	
		The public transport network will meet the needs of a growing London	Elizabeth line – start trial running	Autumn 2020	
	New homes and jobs	Transport investment will unlock the delivery of new homes and jobs NEW	Start on sites of new homes by March 2021	10,000 homes	
80% of trips will be made by active, efficient and sustainable modes by 2041			Public transport trips	4,024 m	
	Mode Share		Average kilometres cycled per day	560 k *	
People			A capable and engaged workforce representative of London	Representativeness – all staff	72.1 % ^
	Representativeness – director / band 5	39.3 % ^			
	Inclusion index	50 % *			
	Total engagement	58 % ^			
Financial	We cover our costs and we are prudent	Net operating surplus	£430m	Finance 25%	
		Investment programme Deliver key milestones on time Deliver programmes to budget	90 % £1,866m		

Table 1: Proposed 2020/21 TfL Scorecard

NB: ^ target is +1% on 2019/20 outturn, * target is +3% on 19/20 outturn. Figures in table based on 19/20 forecast

¹ Our plans to reduce our emissions include bus electrification, energy efficiency measures (such as LED lighting), and generating our own renewable energy (such as introducing solar panels). Further expansion of ULEZ to the North and South circular by October 2021 will help reduce London-wide emissions, as will further investment in intensifying and extending public transport capacity and connectivity

² This is a 42.6% reduction from the 2005-09 baseline

5 Specific measures and targets on 2020/21 scorecard

- 5.1 As in 2019/20, the following principles have been adhered to for the 2020/21 scorecard:
- (a) measures are reflective of where we need to make progress in-year, either because performance is of high importance or because it allows a future outcome to be achieved, particularly keeping us on trajectory to achieve the MTS objectives;
 - (b) there are clear deliverables for TfL to achieve in-year aligned to the Business Plan, or actions within our control to influence the achievement of the target; and
 - (c) there is data available allowing us to measure progress regularly over the year, ideally at least quarterly, ensuring the measure can be tactically managed in-year.
- 5.2 Following the changes outlined in section 4, we have revised the weightings so that the scorecard remains balanced across the four quadrants: Safety & Operations, Customer, People and Finance.

6 Using the scorecard to drive performance

- 6.1 Scorecards are a tool to drive performance, enabling us to set out to our people the required level of improvement and where our focus lies for the year ahead.
- 6.2 Performance awards for senior managers are also based, in part, on achieving the scorecard targets. Each scorecard measure is weighted to determine its contribution to the overall score.
- 6.3 For some targets it is appropriate that no reward is given unless the target is met. In other cases, a proportion of the weighting is given if the target is narrowly missed but is above a minimum performance level.
- 6.4 Appendix 1 gives the rationale for how each target and floor was set as well as a comparison of weightings.

List of appendices to this paper

Appendix 1: Proposed targets, floor targets and weightings

List of Background Papers

2020/21 Budget (elsewhere on the agenda for this meeting)
27 March 2019 Board paper on 2019/20 Scorecard

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Appendix 1: Proposed targets, floor targets and weightings

	MTS Outcome	Measure	2019/20 forecast	2020/21 Target	Rationale for target	Floor Target	Rationale for floor target	2019/20 Weighting	2020/21 Weighting	Rationale for weighting
Safety & Operations 29%	London's public transport will be on track to be zero emission by 2030 (2.5%)	Reduction in CO ₂ e emissions from TfL Operations (including fleet) & Buildings	c950 ktonnes	3%	We are currently modelling the forecast for TfL emissions - this is based on inputs from our electricity usage, the services we'll run, and the composition of the bus fleet and our estate. It will take into account the Elizabeth line opening, bus electrification and service increases from investment in our assets such as Four Lines Modernisation and the new Piccadilly line fleet. This will be updated after year end when we have the full year actuals for 2019/20 emissions.	2019/20 end of year result	Performance no worse than 2019/20.	1.5% (previous measure)	2.5%	Reflects the increasing urgency for action on emissions and climate change.
	London's streets will be used more efficiently & have less traffic on them (1%)	Time saved for pedestrians, cyclists and buses at Traffic Lights (cumulative saving since 2018/19)	17,500 hours (34,485 hours)	16,500 Additional hours (50,985 hours)	It will be more challenging to realise time savings going forward, as locations with high bus users, pedestrians and cyclists have already been improved – this still represents a 10% increase from the 15,000 target for 2019/20. Since the measure was introduced in 18/19, a total of 34,485 hours will have been saved for pedestrians, cyclists and buses at traffic lights by the end of 2019/20. If the annual target of 16,500 is met in 2020/21 this will rise to 50,985 hours.	15,000	Floor set at 2019/20 target, reflecting that it's more challenging to realise time savings, as highest impact locations with high bus users, pedestrians and cyclists have already been improved	2%	1%	These measures have a lower weighting, reflecting the fact that fewer people in the organisation can influence them.
	London's streets will be healthy and more Londoners will travel actively (1.5%)	Healthy Streets Check for Designers <i>(average percentage point improvement delivered by schemes against the 10 Healthy Streets indicators)</i>	10%	10%	Widening the baseline programme in 2019/20 means that we now include smaller value schemes which are likely to produce a smaller uplift (the value related to scope of improvement on the street environment). This impacts the overall average uplift. In 2019/20 the target of an average 10 percentage point uplift has been challenging to achieve, and this is deemed a similarly challenging target for 2020/21.	9%	Target and floor maintained as 2019/20. If the 10% target is met this will equate to 100% achievement, if the floor target of 9% is met this will be a 50% achievement. Any score of 8% or less will attract 0 weighting.	1.5%	1.5%	
	London's streets will be safe & secure (12.5%)	Reduction in people killed and seriously injured on roads, including by buses <i>Reduction from 2005-09 baseline</i>	38.1%	287 fewer people than 2019 42.6%	The 2020 target is a 7.2% improvement on the forecast 2019 end of year position (measure runs calendar year). Target considers road safety interventions to date and planned future road danger reduction. The Business Plan includes funding for a series of targeted interventions, set out in the Vision Zero Action Plan. These include: Direct Vision Standard, lowering speed limits to 20mph on the TfL network inside the inner ring road, Safer Junctions programme, fitting buses with blind spot mirrors and camera monitoring systems. These are designed to deliver further reductions to be on track to achieve the Mayor's target of a 65% reduction by 2022, against the 2005-09 baseline.	38.1%	Performance no worse than 2019.	5%	6.25%	Safety is a primary organisational priority; therefore, the safety measures have an overall weighting of 12.5 per cent. The bus KSI measure has been removed recognising that there is an element of duplication with the overall measure for people killed and seriously injured on the roads. The remaining two safety measures have been given equal weighting.
		Reduction in customers and workforce killed and seriously injured	1%	81 fewer people than 19/20 <i>(3.5%)</i>	The target reflects the programme of interventions planned for 2020/21 which are aimed at reducing the number of incidents where our customers or our workforce are killed or seriously injured. It aligns with the targeted reduction for the roads-based safety measures.	2019/20 end of year result	Performance no worse than 2019/20.	5%	6.25%	
	Public transport will be safe, affordable and accessible to all (1.5%)	Additional time to make step-free journeys	8.8 minutes	7.6 mins 1.2 min reduction on 19/20	The target reflects the programme of delivering 10 additional step free LU stations and 12 additional TfL rail stations by the end of 2020/21.	2019/20 end of year result	Performance no worse than 2019/20.	1.5%	1.5%	This measure has a lower weighting, because it is mainly influenced by delivery teams on step-free projects.
	Journeys by public transport will be pleasant, fast and reliable (16%)	Tube excess journey time	4.94 minutes	4.90 mins	2019/20 performance has been hit by several issues such as the continued increase in customer demand, cracking and hence unavailability of Jubilee Line fleet, 4LM reliability issues and operator unavailability. The target for 2020/21 is a robust position based on the forecast impact of known events, such as 4LM implementation & assumed improvement in operator availability, while the biggest single reason for performance	4.96	Risk that the budgeted increase in demand, will drive crowding levels up prior to the delivery of 4LM. The forecast for the remainder of the Business Plan period is to maintain EJT under 5 mins	3%	3%	Improving reliability has an overall 6 per cent weighting across LU and buses, reflecting the focus of the business on driving performance improvements and the need to ensure revenue income.

	MTS Outcome	Measure	2019/20 forecast	2020/21 Target	Rationale for target	Floor Target	Rationale for floor target	2019/20 Weighting	2020/21 Weighting	Rationale for weighting	
Customer 25%					continues to be increased passenger demand. The tube is getting busier and no long-term certainty over funding means we cannot invest in our network to fully mitigate this. Until funding is secured our network will continue to get busier.						
		Bus journey time	32.6 minutes	33.2 mins	Includes full year impact of central London service changes increasing crowding and wait times. Targeting performance as per 2019/20 outturn, with minor downside reflecting performance affected from deferred road schemes and a number of Healthy Streets road improvement schemes in the 2020/21 investment programme e.g. Waterloo. Planned road schemes will impact 60% more routes in 2020/21 compared to 2019/20 thus impacting bus performance. It should be noted that the 2019/20 target was 33.5 minutes – we have outperformed this because some of the schemes that were planned for 2019/20 have been deferred into 2020/21.	33.5	Allows for full year impact of central London service changes plus projection of current trends in performance and speed	3%	3%		
		Percentage of Londoners who agree we care about our customers	53%	54%	We are on track to meet our 2019/20 target of 53%. A one percentage point increase in the TfL Care score across the year represents a challenging but achievable target. Note: any further delays to the Elizabeth line, or a change in priorities post-election could pose a risk to achieving this.	53%	Performance no worse than 2019/20. If the 54% target is met this will equate to 100% achievement, if the current score is maintained and the floor target of 53% is met this will be a 50% achievement. Any score of 52% or less will attract 0 weighting.	10%	10%	A high weighting has been assigned to this measure, because it can be influenced by staff across the business.	
		The public transport network will meet the needs of a growing London (5%)	Elizabeth line – start trial running	n/a	Autumn 2020	The target for 2020/21 is to begin trial running on the Elizabeth line by Autumn 2020. This is a key milestone which would keep the project on track for delivery of the central section 'as soon as practically possible in 2021'.	December 2020	Full weighting will be given if target is met. If the target is met by December 2020 a 50% award will be given. Beyond December, no award.	1.5%	5%	This has increased to reflect the importance of the Elizabeth line being delivered as soon as is safely possible.
		Transport investment will unlock the delivery of new homes and jobs (5%)	Start on sites of new homes by March 2021	n/a	10,000	The target aligns with that set in May 2016 to build 10,000 new homes on TfL land by March 2021.	9,000	Full weighting will be given if target is met. 50% of weighting awarded for 9,000 up to 9,999. Anything less than 9,000 will achieve zero weighting.	2.5%	5%	This weighting has been increased to reflect the importance of this Mayoral priority.
		80% of trips will be made by active, efficient and sustainable modes by 2041 (5%)	Public transport trips	4,035m	4,024m	The 2020/21 target for the number of public transport trips aligns with the Budget forecast. It reflects a modest reduction in passenger amidst challenging macroeconomic conditions.	3,823	Allows for a 5% slippage against the 2020/21 target.	5%	4%	As the weightings for Elizabeth line and new homes have increased, we have reduced the weighting of public transport trips and the impact from demand is captured in our financial measures.
			Average kilometres cycled per day	544k	560k	The target for cycling is based on past trends which show continued increases in cycling – the target represents a 3 per cent increase in cycling on the previous year.	544	Performance no worse than 2019/20.	1%	1%	
People 25%	A capable and engaged workforce representative of London (25%)	Representativeness – all staff	71.1%	72.1% +1% on 19/20	The targets represent a 1%pt improvement versus 2019/20 outturn. It is difficult to predict how the index will be affected by people leaving the business through transformation. This may give rise to a greater challenge in meeting the 2020/21 targets as people leave during the year.	70.9%	Performance no worse than 2019/20.	5%	5%	The measures relating to having a representative workforce and an inclusive culture have an overall weighting of 15 per cent, reflecting the importance of these measures, with equal weighting applied across the three measures.	
		Representativeness – director / band 5	38.3%	39.3% +1% on 19/20		38.3%	Performance no worse than 2019/20.	5%	5%		
		Inclusion index	47%	50%	The Inclusion score in 2019/20 was 47%, which exceeded our target of 46%. The target for 2019/20 is to achieve a 3%pt increase in the score we achieved last year.	47%	Performance no worse than 2019/20. If the 50% target is met this will equate to 100% achievement, if the current score is maintained and the floor target of 47% is met this will be a 50% achievement. Any score of 46% or	5%	5%		

	MTS Outcome	Measure	2019/20 forecast	2020/21 Target	Rationale for target	Floor Target	Rationale for floor target	2019/20 Weighting	2020/21 Weighting	Rationale for weighting
							less will attract 0 weighting.			
		Total engagement	57%	58%	For the first time since 2015 we have seen an increase in our Total Engagement score, with a score of 57% in 2019/20. As we measure the whole employee experience, it takes a lot to move the dial by just 1%pt. For example, to increase Total Engagement by 1%pt we would need to see approximately 5,000 more positive responses to any one question.	57%	Performance no worse than 2019/20. If the target of 58% is met this will equate to 100% achievement, if the current score is maintained and the floor target of 57% is met this will be a 50% achievement. Any score of 56% or less will attract 0 weighting.	10%	10%	Total engagement has a weighting of 10 per cent reflecting that as we continue to transform and develop the business it is important to continue to engage and lead our staff to high performance.
Finance (25%)	We cover our costs and we are prudent (25%)	Net operating surplus	£729m	£430m	The targets will align with the Budget, subject to Board approval.	£330m	Allows some leeway if passenger income were to be lower than Budget and we have not been able to fully mitigate the downside through reductions in our cost base.	17.5%	15%	Around two thirds of our spending is operating expenditure, with one third to capital expenditure. To reflect this, the measure for total operating deficit has a weighting of 15 per cent and the investment programme measure has a total weighting of 10 per cent. Delivering to time and budget are deemed equally important, thus are weighted equally.
		<i>Investment programme</i>								
		Deliver key milestones on time	90%	90%	A target of 90% reflects the importance of achieving the milestones, with a sliding scale employed with a range between 0-90%. Any result 90% or above results in the full weighting being awarded. The targets will align with the Budget, subject to Board approval.	0%	As in previous years, a sliding scale methodology will be applied to milestone delivery to accurately reflect where delivery is slightly later than planned, with 0% being failure to achieve all budget milestones.	7.5%	5%	
		Deliver programmes to budget	£1,562m	£1,866m		+/- 3%	Ensures a focus on meeting the budget within a narrow variance	5%	5%	

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Board



Date: 18 March 2020

Item: **HGV Safety Permit Scheme – Approval of Joint Arrangements for administration and enforcement**

This paper will be considered in public

1 Summary

- 1.1 This paper seeks the Board's approval for TfL to enter into joint arrangements with London Councils' Transport and Environment Committee (TEC) for TfL to administer and enforce the London HGV Safety Permit Scheme (the Scheme) on its behalf.
- 1.2 The Scheme is the implementation mechanism for the world's first Direct Vision Standard (DVS), which TfL has created to improve the safety of all road users. It is a key measure supporting the Mayor's Vision Zero goal of eliminating all deaths and serious injuries from London's streets by 2041.
- 1.3 The HGV Safety Permit Scheme launched on 28 October 2019 with a 12-month pre-compliance period, within which hauliers/operators can apply for a permit. Enforcement of the Scheme will begin from 26 October 2020.
- 1.4 We expect the enforcement and administration of the HGV Safety Permit Scheme to be cost neutral over the life of the scheme. The net operational costs will be covered by the enforcement income that we collect, and no surplus is expected.

2 Recommendation

- 2.1 **The Board is asked to note the paper and approve entering into joint arrangements with the London Councils' Transport and Environment Committee (TEC) for TfL's administration and enforcement of the HGV Safety Permit Scheme by means of the delegation by the TEC of its functions to TfL, as set out in Appendix 1 to the paper.**

3 Background

Strategic context of project

- 3.1 The Scheme is the implementation mechanism for the Direct Vision Standard (DVS), which has been created to improve the safety of all road users, particularly vulnerable road users; pedestrians, cyclists and motorcyclists. It is a key measure supporting the Mayor's Vision Zero goal of eliminating all deaths and serious injuries from London's streets by 2041.

- 3.2 It supports the following MTS policies and proposals:
- (a) **Proposal 9.** The Mayor will seek to reduce danger posed by vehicles, by working to ensure that vehicles driven on London's streets adhere to the highest safety standards, starting with a new Direct Vision Standard for HGVs.
 - (b) **Proposal 10.** The Mayor, through TfL and the boroughs, will collaboratively set out a programme to achieve the Vision Zero aim of reducing the number of people killed or seriously injured on London's streets to zero.
- 3.3 It also supports the Business Plan by protecting vulnerable road users and making progress towards the target of reducing the number of people killed or seriously injured in London by 65 per cent by 2022 (against the 2005-09 baseline), as part of TfL's Vision Zero Ambition.
- 3.4 Between 2015 and 2017, HGVs were disproportionately involved in fatal collisions with people cycling (63 per cent) and walking (25 per cent) on London's streets, despite only making up four per cent of the miles driven in the Capital. Between 2014 and 2016, 149 pedestrians and cyclists were killed or seriously injured in collisions with goods vehicles over 3.5 tonnes.
- 3.5 Restrictions on the HGV drivers' field of vision or the 'blind spot' are a commonly cited cause of HGV incidents. To date the regulatory solution to this problem has been to add requirements for additional mirrors to vehicles (drivers now have six), increasing the amount of indirect vision afforded to the driver. However, with this have come concerns about quality and potential distortion of the indirect images and impact of such interventions on driver cognitive workload.
- 3.6 Research shows HGV drivers react quicker and are less likely to be involved in a collision when they can see vulnerable road users directly through the cab window. At a travelling speed of only 5mph, the 0.7 second faster reaction time equates to a shortened stopping distance of 1.5m, which can make the difference between a collision or not.
- 3.7 HGV safety needs to be significantly improved to reduce the number of pedestrian and cyclists being killed or seriously injured. To encourage a step change in ambition for safety within the HGV fleet, we have developed the world's first DVS. The DVS objectively measure the volume of space directly visible to the driver around the HGV cab; this measurement is then converted to a star rating from zero (poor) to five (excellent). A minimum safety standard of one star for 2020, rising to three stars in 2024, will be enforced through the issuing of HGV Safety permits.

Strategic impact of project

- 3.8 We are leading the way in developing the world's first DVS and implementing the associated HGV Safety Permit Scheme. Without our leadership the standards and requirements at international level would be low in ambition. Following extensive work by us and partners, the European Commission, Parliament and Council agree that satisfying a direct vision requirement will become a legal necessity for trucks sold in Europe.

- 3.9 The development of the technical standard behind this new regulation is led by the United Nations Economic Commission for Europe's (UNECE) working group on the awareness of vulnerable road users' proximity in low speed manoeuvres (UNECE VRU-Proxi). This group, of which we are a member, has set technical minimum requirements and developed a rating procedure based on the proposals developed by us and Loughborough University – our Scheme is leading the development of UN regulation.
- 3.10 Cities across the world including Copenhagen, Amsterdam, Vancouver, Montreal, a group of major US cities and others are watching our progress in London and have shown interest in learning more about our work to consider implementing similar schemes.
- 3.11 In addition, this Scheme is also leading in terms of best practice for the vehicle manufacturing industry. We are already seeing some vehicle manufacturers investing in research and development to make changes to their cab designs to improve the direct vision performance of vehicles.
- 3.12 However, timescales for international regulation are long; the requirements will be introduced in 2025 for all new models sold and in 2028 for all models sold. To meet our ambitious Vision Zero targets as set by the MTS, we are leading the way with the introduction of the DVS in London.

Project Implementation

- 3.13 The HGV Safety Permit Scheme launched on 28 October 2019 with a 12-month pre-compliance period, within which hauliers/ operators can apply for a permit. Enforcement of the Scheme will begin from 26 October 2020.
- 3.14 From that date all HGVs over 12 tonnes will be required to have obtained an HGV Safety Permit (Permit) to drive on any road in Greater London. Permits will be granted according to a rating system based on the DVS star rating of a vehicle:
- (a) the appropriate minimum acceptable DVS rating to operate a HGV over 12 tonnes in London, having regard to the potential dangers posed to vulnerable road users, is one star (from 26 October 2020) and three stars (from 26 October 2024). Permits will be granted through a web application process with submission of evidence as to the vehicle's DVS rating and current fitted safety features. Vehicles not meeting the minimum star rating, or which are un-rated under the DVS a Permit that is subject to conditions (the Safe System Conditions) requiring the fitting of additional safety features to the vehicle to increase its potential safety around vulnerable road users;
 - (b) these Safe System measures includes the use of indirect vision equipment (cameras, mirrors and sensors), the use of warning measures (audible and pictorial) and the fitting of appropriate side under-run protection (where practicable, sideguards). Driver training is recommended and will be promoted but will not be mandatory;
 - (c) certain types of HGV potentially within scope are completely exempt from the requirement to obtain a Permit (e.g. emergency service vehicles) and

others that are specialist vehicles (e.g. road sweepers) are exempt from fitting certain elements of the Safe System requirements;

- (d) the Safe System will be reviewed and revised in 2022 to identify any safety developments that can be incorporated into the Safe System. The minimum DVS star rating rises to three stars from October 2024, after which vehicles not meeting that threshold or unrated will be required to fit additional safety measures in accordance with the revised Safe System;
- (e) applications for Permits are free (the relevant road traffic legislation under which it is implemented does not allow charges to be made for permits¹) on submission of appropriate evidence. Fleet operators can apply for up to 3000 vehicles at one time through a multi permit application; and
- (f) contraventions of the Scheme – by either a failure to obtain a Permit when operating in London or a breach of applicable Permit conditions – will be enforced by issuing £550 penalty charge notices (PCNs) to operators (reduced by 50 per cent if paid within 14 days) through TfL’s Automated Number Plate Recognition (ANPR) camera system and through on-street enforcement. There is a right of appeal against a PCN to the Environment and Traffic Adjudicators, who form part of the London Tribunals adjudication service operated by London Councils.

Project Benefits and Disbenefits

3.15 The Scheme is expected to reduce the number of people killed or seriously injured by banning those HGVs with the poorest direct vision from entering or operating in London. This Scheme will allow freight operators to avoid the negative operational impacts and costs associated with these collisions. Furthermore, the increased perception of safety is likely to support an increase in walking and cycling journeys. Table 1 below summaries the main expected project benefits.

Objective	Benefit / Disbenefit
Safe – aim for there to be no deaths or serious injuries on London’s streets	Direct Vision Standard, HGV Safety Permit Scheme is a key contributor to Vision Zero. The Scheme is banning / restricting the most dangerous HGV’s with poor direct vision from entering or operating in London
Safe – Everyone will be able to feel safe and secure when travelling on a London street	With the introduction of the HGV Safety Permit Scheme London’s streets will be safer. With a perception of safer streets brings about increased levels of walking and cycling.

Table 1: Summary of project benefits

3.16 In addition to the above benefits, the Scheme will:

- (a) encourage a step change in the management of work-related road risk and improve overall road safety on London’s streets; and

¹ This is because charging for a permit would effectively amount to a road access charge which can only be done under road user charging scheme.

- (b) help enable fleet purchasers to buy safer vehicles and help manufacturers to design safer cabs for urban environments.
- 3.17 Whilst the Scheme is a world leading road safety initiative, the cost to HGV businesses associated with fleet compliance results in a disbenefit that should be recognised. This cost to business has been estimated to be between £200m and £700m (the higher end represents a worst-case sensitivity test accounting for a scenario in which vehicle production of 3+ star vehicles cannot meet demand).
- 3.18 When assessed alongside other quantified costs and benefits, this disbenefit results in an overall negative Net Present Value and so falls below the safety project benchmark expectation of net benefits at least equalling net costs.
- 3.19 However, when assessing value for money, we should also consider impacts that haven't been picked up within the quantified appraisal. For example, the Scheme will be expected to have impacts far beyond London, both as a direct result of newly compliant vehicles being used outside of London and the incentive the Scheme places on manufacturers to accelerate the development and introduction of safer vehicles.
- 3.20 When viewed more broadly, the Scheme sends a signal that London is taking road safety seriously, sets a course to delivering Vision Zero and the proposed safe system scheme is deemed the most appropriate and proportionate response to the challenge of improving HGV safety in London.

4 Implementation and operation of the Scheme

- 4.1 We have developed the Scheme with the active support and cooperation of the TEC and London Councils. The TEC acceded to TfL's request to promote changes to an existing traffic management order – the Greater London (Restriction of Goods Vehicles) 1985 (1985 Order, as amended) – to accommodate the requirements of the HGV Safety Permit Scheme. This has enabled the Scheme to have London-wide coverage and effective enforcement (de-criminalised enforcement with relatively high level PCNs capable of being issued through TfL's ANPR system).
- 4.2 The TEC operates the 1985 Order, originally made by the abolished Greater London Council, to establish the London Lorry Control Scheme (LLCS)². Amendments to the 1985 Order were proposed in a joint TfL and London Councils consultation (Stage 2c between 26 April and 23 May 2019). This covered the final policy proposals for the HGV Safety Permit Scheme, and statutory proposals to make the necessary changes to the 1985 Order to implement it. These changes were confirmed by the TEC in July 2019 so that the 1985 Order, its policy statement³ and permit conditions now incorporate the Scheme, alongside the LLCS which London Councils continue to operate.

² The LLCS is operated by London Councils for the TEC and imposes movement restrictions on the operation of HGVs over 18 tonnes at night and weekends by requiring them to have a permit to operate off certain approved routes.

³ As a result of TEC-approved changes permits for both schemes are now granted in accordance with a combined LLCS and HGV Safety Permit Scheme Policy Statement.

- 4.3 This was done by the TEC on the basis that we met all costs associated with the implementation and operation of the Scheme. Since October 2019, with the TEC's approval, we have been issuing Permits to HGV operators to give a 12-month lead-in period until enforcement starts from 26 October 2020. To date 14,049⁴ have been issued.
- 4.4 It is proposed that we will operate and administer the Scheme, including its enforcement from 26 October 2020. Again, this is on the basis that we meet all costs associated with its operation. For this to happen it is necessary for TEC and TfL to enter into joint arrangements under which the TEC delegates its administration and enforcement to TfL. Approval of the proposed arrangements is a matter reserved to the Board under Standing Order 99(k).

Terms of proposed TEC delegation

- 4.5 Appendix 1 contains the text of a proposed delegation by the TEC to TfL concerning the discharge of its functions under the 1985 Order in relation to the administration and enforcement of the Scheme by TfL. The main points are:
- (a) it covers all aspects of the administration and enforcement of the Scheme, including dealing with applications for Permits by operators, their grant (including subject to conditions concerning the Safe System) and refusal;
 - (b) it also covers enforcement through the suspension of Permits (including where an immediate suspension is warranted on public safety grounds) and their revocation;
 - (c) the determination of any representations or complaints concerning the above fall within the TfL Customer Complaints Policy;
 - (d) the issue and enforcement of PCNs to operators for contravention of the Scheme and Order and the consideration, internal review and determination of any representation, complaint or appeal against a PCN to the Environment and Traffic Adjudicators or subsequent appeal from them;
 - (e) the enforcement of unpaid PCNs by means of the issue of charging certificates and their enforcement in the County Court; and
 - (f) a catch-all provision that permits TfL to do anything it considers necessary or expedient to facilitate discharge the above functions or as otherwise required by the 1985 Order, including the issue of any related notice or other legal or administrative process required by the 1985 Order or otherwise.
- 4.6 The approval of changes concerning 1985 Order and key Scheme documents (the combined policy statement and standard conditions attached to the Permit, including safe System conditions) are reserved to the TEC itself.

⁴ As of 23rd February 2020

- 4.7 We will be responsible for all costs associated with the establishment and operation of the Scheme (including but not limited to the costs of undertaking the functions delegated). We will retain income from PCNs and must apply surplus PCN income (if any) towards implementing MTS policies and proposals and must provide to TEC and publish an annual statement of the Scheme's accounts after the end of each financial year, in accordance with the relevant legislation⁵. We are required to notify London Councils of anything regarding its administration that is novel contentious or repercussive and to provide regular updates and information and updates.

5 Legal Implications

- 5.1 TfL and the TEC have powers to enter into joint arrangements under section 101(5) (a) of the Local Government Act 1972 and paragraph 9 of Schedule 10 to the Greater London Authority Act 1999. These enable them to enter into arrangements under which the TEC appoints a TfL officer post which it authorises to discharge certain functions on its behalf under the 1985 Order in relation to the HGV Safety Permit Scheme.
- 5.2 The proposed delegation covers the issue of permits and enforcement of the Scheme by TfL. A breach of the Scheme's requirements is a contravention of the 1985 Order, enforcement of which is covered by the London Local Authorities and Transport for London Act 2003.

6 Financial Implications

- 6.1 We expect the enforcement and administration of the HGV Safety Permit Scheme to be cost neutral over the life of the scheme. The net operational costs will be covered by the enforcement income that we collect, and no surplus is expected. This is included in the Budget and the Business Plan.
- 6.2 We will publish a statement of accounts to the TEC and on our website stating how any surpluses have been applied in accordance with the requirements of Schedule 2 to the London Local Authorities and Transport for London Act 2003. In the event a surplus is made it will be invested in making London's streets safer in accordance with Vision Zero and the Mayor's Transport Strategy as permitted by the relevant legislation.

List of appendices to this report:

- Appendix 1: Proposed form of delegation by the London Councils Transport and Environment Committee to TfL concerning the administration and operation of the HGV Safety Permit Scheme.

List of Background Papers:

None

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⁵ Schedule 2 to the London Local Authorities and Transport for London Act 2003

Appendix 1

Proposed form of delegation by the London Councils Transport and Environment Committee to TfL concerning the administration and operation of the HGV Safety Permit Scheme

Subject to paragraphs (2) to (4) below, the Committee, under sections 101(5)(a) of the Local Government Act 1972 (as amended) and in accordance with paragraph 9 of Schedule 10 to the Greater London Authority Act 1999 (as amended), hereby delegates to the “Director Licensing, Regulation & Charging” of Transport for London (“TfL”) for the time being (or such other TfL officer’s post who is from time to time is responsible for undertaking the following functions in relation to the HGV Safety Permit Scheme) authority to:

1. *Discharge and undertake the following functions in relation to the administration and enforcement of the HGV Safety Permit Scheme (“Scheme”) under the Greater London (Restriction of Goods Vehicles) Traffic Order 1985 (“1985 Order”, as amended) and sections 4 to 6 and Schedules 1 and 2 of the London Local Authorities and Transport for London Act 2003 (“2003 Act”, as amended):*
 - a. *To consider, grant or refuse HGV Safety Permit (“Permit”) applications, and to issue Permits subject to such conditions (including safe system conditions) as are approved by TEC from time to time;*
 - b. *To grant any general or specific exemption from the requirement for a vehicle to obtain a Permit and to maintain a list of exempt vehicles categories on its website;*
 - c. *To consider, review and determine any representation, complaint or appeal against the refusal of a Permit in accordance with TfL’s Customer Complaints Policy (as amended by TfL from time to time);*
 - d. *To consider, review and determine the suspension and/or revocation of a Permit including immediate suspension on public safety grounds, including any related representation, complaint or appeal;*
 - e. *In accordance with sections 4 to 6 and Schedule 1 of the 2003 Act, as the enforcing authority, to issue and enforce a penalty charge notice (PCN) under section 4(2)(b)(i) of the 2003 Act on a person appearing to be the operator of a vehicle (an “operator’s notice”) in respect of a contravention of the Scheme under the 1985 Order’s requirements to (a) to obtain a Permit and/ or (b) to comply with any of its applicable conditions;*
 - f. *To consider, review and determine any representation, complaint or appeal against the issue of an operator’s notice by a recipient in accordance with Schedule 1 of the 2003 Act, including by any internal review under paragraphs 1 to 3 of that Schedule, and to deal with any appeal to the Environment and Traffic Adjudicators (“ETA”) under paragraph 4 of that Schedule or subsequent appeal from the ETA (whether by TfL or by the recipient) to the Lower or Upper Tribunals or to the courts;*

- g. To issue and serve a charge certificate under paragraph 5 of Schedule 1 and to undertake the enforcement of a charge certificate under paragraph 6 of that Schedule; and*
 - g. To do anything that TfL considers necessary or expedient to facilitate discharge the above functions or as otherwise required by the 1985 Order, including the issue of any related notice or other legal or administrative process required by the 1985 Order or otherwise.*
- 2. The above authorisation is subject to the following:*
- a. TfL shall be responsible for all costs associated with the establishment and operation of the Scheme (including but not limited to the costs of undertaking the functions delegated in paragraph 1 above);*
 - b. TfL may retain the income from any PCNs issued by it for a contravention of the Scheme under the 1985 Order and shall apply the provisions of Schedule 2 to the 2003 Act, in particular as regards:*
 - i. the keeping of accounts of income and expenditure under paragraph 1 of Schedule 2;*
 - ii. the making good of any deficit in the account in accordance with paragraph 2(1);*
 - iii. the application by TfL, in accordance with paragraph 2(2), of any surplus (if any) towards all or any of the purposes specified in paragraph 7; and*
 - iv. the carrying forward of any sum not so applied to the next financial year in accordance with paragraph 4.*
 - c. TfL shall submit to the Committee as soon as practicable after the end of a financial year a statement of accounts that:*
 - i. identifies the matters required by paragraph 1 of Schedule 2 to the 2003 Act;*
 - ii. identifies TfL application of any surplus in accordance with paragraphs 2(2) and 7 of that Schedule or carry forward of any sum not so applied under paragraph 4; and*
 - iii. shall publish that statement on its own website.*
 - d. TfL shall consult with London Councils Director, Mobility & Transport about matters that might reasonably be considered novel contentious or repercussive in relation to the Scheme; and*
 - e. TfL shall provide regular updates and information to London Councils Director, Mobility & Transport concerning its administration and enforcement of the Scheme as reasonably required.*
- 3. The Committee shall retain for its decision approval of any:*
- a. Changes to the 1985 Order itself;*

- b. *Changes to the combined Policy Statement for Granting Permits under the LLCS and HGV Safety Permit Scheme;*
 - c. *Changes to the conditions attached to an HGV Safety Permit; and*
4. *The Committee authorises any appeal against the issue by TfL of penalty charge notice in connection with a contravention of the Scheme under the 1985 Order to be considered and determined by the Environment and Traffic Adjudicators in accordance with paragraph 4 of Schedule 1 to the 2003 Act.*

Board

Date: 18 March 2020

Item: Appointment of the Commissioner of Transport for London

This paper will be considered in public

1 Summary

- 1.1 This paper informs the Board of the recruitment and selection process being undertaken to support the appointment of a Commissioner of Transport for London (the 'Commissioner'). The Board is asked to delegate to the Chair of Transport for London the appointment of the Commissioner and, should it prove necessary, the appointment of an interim Commissioner pending a permanent appointment to the role, following consultation with the Interview Panel.

2 Recommendation

- 2.1 **The Board is asked to note the recruitment and selection process for the appointment of a Commissioner of Transport for London and delegate that appointment and, should it prove necessary, the appointment of an interim Commissioner to the Chair of Transport for London, in consultation with the Interview Panel.**

3 Background

- 3.1 Under Standing Order 100(e)(i), the appointment of the Commissioner is a matter reserved to the Board. A new permanent appointment to that role is required following the resignation of Mike Brown MVO with effect from 8 May 2020 to take up the role of Chair of the Delivery Authority for the Restoration and Renewal of the Palace of Westminster.

4 Selection Process

- 4.1 The Chair nominated the following Members to assist in the shortlisting and interviewing process and to identify suitable candidates to be the next Commissioner: Heidi Alexander (Chair of the Interview Panel), Prof Greg Clark CBE, Ron Kalifa OBE and Anne McMeel.
- 4.2 Following a competitive procurement process, Egon Zehnder were engaged as the retained Executive search firm to undertake an international search to identify candidates and support the process. A shortlist of candidates for interview has been identified and interviews are currently being arranged.
- 4.3 It is anticipated that the Chair and the Interview Panel will be in a position to identify a suitable candidate for appointment in April 2020.

4.4 Dependent on the availability of the person identified for the permanent appointment to the role and the length of any notice period, there may be a gap between the departure of the current Commissioner and the commencement date for the next Commissioner. In this eventuality, it is proposed that the Chair, in consultation with the Interview Panel, has delegated authority to appoint a Commissioner on an interim basis pending the arrival of the new Commissioner.

List of appendices to this report:

None

List of Background Papers:

None

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Board

Date: 18 March 2020

Item: Report of the Meeting of the Safety, Sustainability and Human Resources Panel held on 12 February 2020

This paper will be considered in public

1 Summary

- 1.1 This paper provides a short summary of the items considered by the Safety, Sustainability and Human Resources Panel at its meeting on 12 February 2020.

2 Recommendation

- 2.1 **The Board is asked to note the report.**

3 Panel Agenda and Summary

- 3.1 The papers for the meeting of the Panel held on 12 February were published on 4 February 2020 and are available on the TfL website:
<https://tfl.gov.uk/corporate/publications-and-reports/safety-sustainability-hr>

- 3.2 The main matters considered by the Panel were:

- (a) Rail Accident Investigation Branch Update;
- (b) Quarterly Safety, Health and Environment Performance Report;
- (c) Bus Safety Programme;
- (d) Bus Driver Facility Improvements;
- (e) Work-related Violence and Aggression Strategy Update;
- (f) Human Resources Quarterly Report;
- (g) Update on Our Gender and Ethnicity Pay Gaps;
- (h) Sustainability in TfL Property Development; and
- (i) Transformation Programme Update.

- 3.3 A summary of the items discussed at the meeting is provided below. The more detailed minutes of the meeting will be published ahead of the meeting of the Panel on 10 June 2020.

4 Issues Discussed

Rail Accident Investigation Branch Update

- 4.1 The Panel noted the report, which provided an overview of the role of the Rail Accident Investigation Branch (RAIB) and its investigations into safety events on TfL's railways and tramway. The RAIB annual report set out key issues that the rail industry should focus on and the Panel agreed that it would receive reports on TfL's activities in these areas.
- 4.2 Panel Members also discussed how the work of the RAIB could be replicated in a body that investigated and had oversight of road accidents.

Quarterly Safety, Health and Environment Performance Report

- 4.3 The Panel noted the report, which provided an overview of safety, health and environment performance for London Underground (LU), TfL Rail, Surface Transport and Crossrail services for Quarter 3 2019/20 (15 September – 7 December 2019). There had been two accidents resulting in the deaths of Christian Tuuvi, a contractor working at Waterloo station on 18 September 2019, and Kenneth Matcham, a bus driver involved in a collision in Orpington on 31 October 2019. TfL was also working closely with the investigating agencies and was offering support to the families of Mr Tuuvi and Mr Matcham and to other staff affected.
- 4.4 Overall, there had been a reduction in the number of people killed or seriously injured on the roads, although there had been an increase in fatal incidents. Customer injuries on LU and buses were trending downwards and activities around alcohol awareness had gone well. The number of pedestrians and powered two-wheel vehicle users remained disproportionately represented in the killed or seriously injured statistics and mitigating activities were taking place.

Bus Safety Programme

- 4.5 The Panel noted the report, which provided an update on the progress of the programme and key future deliverables. To date, a reduction of 64 per cent in the number of people killed or seriously injured in or by buses (against a 2005-2009 baseline) had been achieved. Intelligent Speed Assistance technology was enabled on 1,100 buses in the fleet and retro-fitting work was taking place on the rest of the fleet.
- 4.6 Actions were underway to address the risk of fatigue, which had been identified in recent research. To date, 50 buses had been introduced into the fleet that met the 2019 requirements of the Bus Safety Standard.

Bus Driver Facility Improvements

- 4.7 The Panel noted the report, which provided an update on the programme and ongoing plans for renewals of relief facilities for bus drivers. The target of providing a facility on 42 priority routes by the end of July 2019 had been

exceeded and facilities had been delivered on 45 routes to date. Several temporary facilities were being upgraded to permanent with utilities connections.

Work-related Violence and Aggression Strategy Update

- 4.8 The Panel noted the report, which included the final draft of the TfL-wide Work-related Violence and Aggression Strategy. The strategy set ambitious and challenging targets to create an environment where violence and aggression were not tolerated. Strong support had been received from the Metropolitan Police and British Transport Police as well as the trade unions.

Human Resources Quarterly Report

- 4.9 The Panel noted the report, which provided an update on key Human Resources led activities for Quarter 3 2019/20 (15 September – 7 December 2019). The engagement target for our annual employee Viewpoint Survey had been met. Workforce representativeness was slightly ahead of target and reflected the pro-active approach to attracting a diverse range of candidates. Our Skills and Employability Early Years team won the award for best Diversity and Inclusion Strategy at the In-House Recruitment Awards on 5 December 2019.

Update on Our Gender and Ethnicity Pay Gaps

- 4.10 The Panel noted the report, which provided an update on the pay gaps and work taking place to reduce them. The Action on Inclusion programme was scheduled to be launched in summer 2020. The Diversity and Inclusion Dashboards were published on a quarterly basis and the introduction of a new reporting tool would make data more accessible to the business for better decision making.

Sustainability in TfL Property Development

- 4.11 The Panel noted the report, which provided an update on the Sustainable Development Framework. The Framework was a methodology for optimising economic, social and environmental targets. TfL was in the process of delivering 10,000 homes across 50 sites, in addition to a commercial office programme.

Transformation Programme Update

- 4.12 The Panel noted the update on progress of the Transformation Programme.

List of appendices:

None

List of Background Papers:

Papers submitted to the Safety, Sustainability and Human Resources Panel on 12 February 2020

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Board



Date: 18 March 2020

Item: Report of the Meeting of the Customer Service and Operational Performance Panel scheduled to be held on 27 February 2020

This paper will be considered in public

1 Summary

- 1.1 This paper provides a short summary of the items that were to be considered by the Customer Service and Operational Performance Panel at its meeting on 27 February 2020. As the meeting was inquorate, the Members present noted the papers as informal updates.

2 Recommendation

- 2.1 **The Board is asked to note the report.**

3 Panel Agenda and Summary

- 3.1 The papers for the meeting of the Panel scheduled for 27 February 2020 were published on 19 February 2020 and are available on the TfL website: <https://tfl.gov.uk/corporate/publications-and-reports/customer-service-op-performance>
- 3.2 The main matters to be considered by the Panel were:
- (a) Customer Service and Operational Performance Report – Quarter 3, 2019/20;
 - (b) Bus Strategy – Next Steps;
 - (c) Customer Journey Modernisation;
 - (d) Noise on Public Transport; and
 - (e) Accessibility and the Step Free Tube Challenge.
- 3.3 A summary of the items considered by the Members present is provided below.

4 Issues Discussed

Quarterly Customer Service and Operational Performance Report – Quarter 3, 2019/20

- 4.1 Vernon Everitt reflected on those colleagues who had sadly passed away recently and on incidents on the network, relating to an attack on a colleague and incidents involving knife crime. These were rare events and comprehensive work was undertaken to make the network as safe as possible.
- 4.2 There were three key areas of focus on prevention of injuries:
- (a) reducing the impact of alcohol related incidents;
 - (b) slips, trips and falls, primarily on escalators; and
 - (c) platform interface.
- 4.3 There was a rise in reported crime from October 2019, which has since plateaued. A major reason for this was the introduction of online crime reporting. TfL and British Transport Police were working closely to reduce crime on the network. In Quarter 3 there were 0.5 fewer incidents per million journeys, which was significant.
- 4.4 Members stated that research had shown that one of the most cost-effective ways of increasing walking trips was to increase the use of bus services. The impact of Mini Hollands on active travel was impressive and lessons should be carried over to the Liveable Neighbourhoods scheme. Promotion of active travel was one of the largest areas of promotional spend.
- 4.5 Members congratulated staff for their work on improving customer care and improving the experience of travelling by public transport.
- 4.6 Where services ended earlier than usual, or rail replacement buses were in service, care should be given to ensure that it is obvious to the customer what they need to do, as early into their journey as possible.

Bus Strategy – Next Steps

- 4.7 The paper provided an update on the Bus Strategy, detailing the importance of the bus network in meeting a range of Mayor's Transport Strategy (MTS) objectives.
- 4.8 The presentation detailed the six key priorities for the bus network:
- (a) **Leading Vision Zero.** Driver feedback on the Acoustic Vehicle Alerting System has been positive and Phase 2 of the Bus Safety Standard would be developed to focus on the interior of the bus.
 - (b) **Air Quality.** By October 2020 every vehicle will be at Euro VI standard. Retrofitting with operators has gone well and was ahead of schedule.

- (c) **Driver welfare.** ‘Destination Zero’ driver safety training had been rolled out, with a focus on fatigue management, and TfL was working with the unions on the welfare of drivers, particularly around rest facilities. All bus operators had signed up to Work-related Violence and Aggression Strategy.
- (d) **Focus on the customer.** The Bus Customer Journey Time Metric had been introduced, which better captured excess waiting time, putting a higher weighting on the time it took waiting for a bus, crowding, or in-journey wait times. The time metric was not clock time but perceived time. Customer satisfaction decreased slightly and weekly stand up meetings were held to look at data from complaints. Front boarding only on the new Routemasters had been well received by customers.
- (e) **Reshaping the network.** There was a fall of operating km within central London, which reflected the decrease in demand. Outer London had been more resilient.
- (f) **Bus speeds.** Steps were being taken to optimise signal timings to fit the bus network better and work was being undertaken on a central London bus lane grid, with extended length and opening hours.

4.9 TfL was working with manufacturers to improve the quality and reliability of electric fleets but some bus routes were too long for current electric buses to operate on, on a single charge.

Customer Journey Modernisation

- 4.10 The paper provided an update on the change of London Overground ticket office opening hours, which was now underway.
- 4.11 All ticket offices would be staffed during the morning peak. TfL and the unions were in discussions on grading and overtime opportunity for staff.
- 4.12 An update would be provided to a future meeting of the Panel.

Noise on Public Transport

- 4.13 The paper provided an update on the impact of noise generated by the public transport network, in terms of residential and in-carriage noise.
- 4.14 There were a relatively small number of complaints from residents near Tube lines, which were centred near a few hotspots. TfL recognised that it was an emotive issue and had set up a single database of complaints and visited properties to take noise readings. TfL would appoint a dedicated officer to oversee a noise and vibration strategy.
- 4.15 Various devices were in place to stop vibration, which would help residents near Tube lines, though this could increase noise within carriage. From a customer point of view, the noise was an irritant but did not pose a health risk. In the longer term, TfL would look to design out these issues.

4.16 TfL was working with drivers and unions on how to mitigate exposure to noise.

Accessibility and the Step Free Tube Challenge

4.17 The paper provided an update on London Underground's Accessibility Improvement Programme and shared insights from the Step Free Tube Challenge, in December 2019.

4.18 There was an ongoing focus on accessibility, particularly around trying to understand inconsistencies in the provision of service.

4.19 In December 2019, Alan Benson, Chair of Transport for All, and Dr Jon Rey-Hastie, CEO of DMD Pathfinders, took part in the Step Free Tube Challenge. Between them, all 78 step-free Tube stations were visited in one day. Area managers accompanied them to get a better understanding of customer experience. The insight gained would be shared across TfL to help inform strategy and staff training.

4.20 Members thanked Dr Jon Rey-Hastie and Alan Benson for taking part and sharing their experiences. Members suggested that the challenge could be repeated in future years, by people with different accessibility needs.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the Customer Service and Operational Performance Panel on 27 February 2020

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Board



Date: 18 March 2020

Item: Report of the Meeting of the Programmes and Investment Committee held on 5 March 2020

This paper will be considered in public

1 Summary

1.1 This paper provides a short summary of the items considered by the Programmes and Investment Committee at its meeting on 5 March 2020.

2 Recommendation

2.1 **The Board is asked to note the report.**

3 Committee Agenda and Summary

3.1 The papers for the meeting of the Committee held on 5 March 2020 were published on 26 February 2020, with the paper on the Elizabeth Line Operational Readiness and Crossrail Update accepted as a late item and published on 3 March 2020 and are available on the TfL website: <https://tfl.gov.uk/corporate/publications-and-reports/programmes-and-investment-committee>

3.2 The main matters considered by the Committee were:

- (a) Elizabeth Line Operational Readiness and Crossrail Update;
- (b) Crossrail Central Operating Section Traction Power;
- (c) Investment Programme Report – Quarter 3 2019/20;
- (d) Independent Investment Programme Advisory Group Quarterly Report;
- (e) TfL Project Assurance Update;
- (f) Use of Delegated Authority;
- (g) Crossrail 2;
- (h) London Underground Renewals and Enhancements Fleet Programme;
- (i) London Underground Signalling and Controls Programme;
- (j) Piccadilly Line Upgrade – Stage 1;

- (k) Surface Transport Asset Renewals Programme;
- (l) Public Transport Programme 2020/21-2022/23; and
- (m) Technology and Data Programme 2020/21 and 2021/22.

3.3 A summary of the items discussed and decisions taken at the meeting is provided below. The more detailed minutes of the meeting will be published ahead of the meeting of the Committee on 20 May 2020.

4 Issues Discussed

Elizabeth Line Operational Readiness and Crossrail Update

4.1 The Committee noted the paper, which provided an update on the status of the Crossrail project, and approved the changes proposed by Crossrail Limited (CRL) to the current Final Incentive Scheme. This paper appears elsewhere on the agenda for the Board.

Crossrail Central Operating Section Traction Power

4.2 The Committee noted the paper, which set out the proposed structure for ownership of the assets necessary for the provision of traction electricity to the Crossrail central operating section, between Westbourne Park Junction in the west to Abbey Wood in the south east and Pudding Mill Lane Junction in the east (CCOS) and approved Procurement Authority and the contractual arrangements for the utilisation of those assets in the supply of traction electricity to the CCOS.

4.3 CRL focus remained on completing any remaining construction work, integrating the train software and completing necessary assurance of all assets before handover to TfL.

4.4 The Elizabeth Line Readiness Group had been established to agree a completion and readiness plan between CRL, London Underground (LU) and TfL, and a Director of Operational Readiness had been appointed in LU.

4.5 Members were provided with copies of the Project Representative reports up to Period 10.

Investment Programme Report – Quarter 3, 2019/20

4.6 The Committee noted the paper, which set out the progress and performance in Quarter 3, 2019/20, on the major projects and sub-programmes.

4.7 Reliability issues on the Four Lines Modernisation (4LM) had been improved by recent communication software updates. Future updates would improve reliability further and allow 4LM to move into the growth phase. Good progress had been made on the Northern Line Extension and Battersea Power Station Tube station had been handed over to developers.

- 4.8 Mid-lift refurbishment of the Jubilee line fleet had been completed, including making the fleet compliant with accessibility regulations.
- 4.9 There had been 19 new bids to the Liveable Neighbourhoods Scheme. The Ultra Low Emission Zone and Direct Vision had been performing well.

Independent Investment Programme Advisory Group Quarterly Report

- 4.10 The Committee noted the Independent Investment Programme Advisory Group's (IIPAG's) Quarterly Report and the Review of the Effectiveness of First and Second Lines of Defence and the Management Response.
- 4.11 First and second line of assurance in TfL was good but could be improved further by consistently applying the same processes and governance. IIPAG had identified future areas of work and would work with TfL Project Assurance to ensure that issues raised in IIPAG's Annual Report were being addressed throughout the next year.

TfL Project Assurance Update

- 4.12 The Committee noted the paper, which provided an update on project assurance work undertaken between 30 November 2019 and 1 February 2020.
- 4.13 The number of overdue recommendations had reduced from 43 to 33 in the time between report publication and the meeting.

Use of Delegated Authority

- 4.14 The Committee noted the paper. Since the last meeting, the only use of delegated authority had been three approvals by the Chief Finance Officer, who approved Programme and Project Authority for the Custom House station capacity project and the Colindale station redevelopment; and Procurement Authority for the potential Hammersmith Temporary Bridge – contract for detailed design with option to build.

Crossrail 2

- 4.15 The Committee noted the paper, which provided an update on the project. It approved additional Programme and Project Authority of £13m, bringing the total Authority to £130.27m, to support planned work until the outcome of the Spending Review was known.
- 4.16 The authority requested would enable necessary work to be completed and prevent demobilisation of the team, prior to any Spending Review decision.
- 4.17 The Committee noted that Crossrail 2 was a scheme that would deliver benefits regionally and nationally, not just for London.

London Underground Renewals and Enhancements Fleet Programme

- 4.18 The Committee noted the paper, which provided an annual update on the Programme, including its achievements since March 2019 and summarised key planned delivery until 2028/29. The Committee approved Programme and Project Authority of £20.6m (outturn including risk), bringing the total Authority to 2028/29 to £709.0m.
- 4.19 The authority request was for passenger rolling stock, engineering vehicles and specialist trains, which would help adhere to current regulations and drive track costs down.

London Underground Signalling and Controls Programme

- 4.20 The Committee noted the paper, which provided an annual update on the Programme, including its achievements since March 2019 and summarised key planned delivery until 2024/25. The Committee approved Programme and Project Authority of £47.9m (outturn including risk), bringing the total Authority to 2024/25 to £196.1m to extend the life of Central line signalling and control systems and to progress depot signalling upgrades.
- 4.21 The authority request would help LU address issues of obsolescence and maintain safety. Lessons had been learned on the phasing of works, which would give a better degree of certainty of the Estimated Final Cost (EFC).

Piccadilly Line Upgrade – Stage 1

- 4.22 The Committee noted the paper, which provided an update on progress with the delivery of Stage 1 of the project.
- 4.23 The EFC was being consistently driven down and good progress was being made on gaining back time. Fifty per cent of the rolling stock would be built in Goole.

Surface Transport Asset Renewals Programme

- 4.24 The Committee noted the paper, which provided an annual update on the Programme, including its achievements since 2019 and summarised key planned delivery. The Committee approved additional Programme and Project Authority of £311m for delivery of the Programme – including £8m in 2019/20, £122m in 2020/21 and £180m in 2021/22.
- 4.25 Good progress had been made over the previous year, particularly on major road over rail renewals and bus driver facilities. A risk for the Programme was that the highways maintenance contract ended in 2021 and there could be a period of handover of contracts.
- 4.26 The approach was consistent with expectations and would ensure that assets could be used safely.

Public Transport Programme, 2020/21-2022/23

- 4.27 The Committee noted the paper, which provided an annual update on the Programme, including its achievements since December 2018 and summarised key planned delivery in 2020/21 to 2022/23. The Committee approved additional Programme and Project Authority of £99m, giving a total of £387m for the continuation of the Programme and approved the transfer of specified projects and related authorities between this and other Programmes.
- 4.28 Significant progress had been made over the last year and TfL had improved the way it was able to leverage third party funds. A number of projects had been transferred into or out of the Programme to keep comparable projects in one place.

Technology and Data Programme 2020/21 and 2021/22

- 4.29 The Committee noted the paper, which presented the strategic case for the overall Technology and Data Investment Programme. The Committee approved a reduction in Programme and Project Authority of £20.1m for the financial year 2020/21 and additional Authority of £67.4m for the financial year 2021/22, resulting in net additional Programme and Project Authority of £47.3m, giving a total of £145.4m.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the Programmes and Investment Committee on 5 March 2020

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Board



Date: 18 March 2020

Item: Report of the Meeting of the Finance Committee held on 11 March 2020

This paper will be considered in public

1 Summary

- 1.1 This paper provides a short summary of the items to be considered by the Finance Committee at its meeting on 11 March 2020. As that meeting is held after this paper was published, a verbal update on the issues raised by the Committee will be provided to the Board.

2 Recommendation

- 2.1 **The Board is asked to note the report.**

3 Committee Agenda and Summary

- 3.1 The papers for the meeting of the Committee held on 11 March 2020 were published on 3 March 2020 and are available on the TfL website:
<https://tfl.gov.uk/corporate/publications-and-reports/finance-committee>
- 3.2 The main matters to be considered by the Committee are:
- (a) Use of Delegated Authority;
 - (b) Finance Report – Period 11, 2019/20;
 - (c) Treasury Activities;
 - (d) Treasury Management Strategy 2020/21;
 - (e) Treasury Management and Derivative Investments Policies;
 - (f) Investment Strategy 2020/21 – Non-Financial Assets;
 - (g) 2020/21 TfL Scorecard;
 - (h) General Fund Balance;
 - (i) Telecoms Commercialisation Project;
 - (j) Strategic Risk Update – Inability to Meet Changing Demand (SR9); and
 - (k) TfL Energy Purchasing.

- 3.3 A summary of the items to be considered at the meeting is provided below. The more detailed minutes of the meeting will be published ahead of the meeting of the Committee on 24 June 2020.

4 Issues Discussed

Use of Delegated Authority

- 4.1 The Committee is asked to note the paper, which sets out that since the last meeting of the Committee, there had been no use of authority delegated by the Board, and no decisions taken under Chair's Action. There had been no use of Procurement or Land Authority granted by the Commissioner or the Chief Finance Officer.
- 4.2 There has been one Mayoral Direction since the last meeting of the Committee, relating to implementing a bus driver retention scheme. The Direction is reported elsewhere on the agenda for this meeting.

Finance Report – Period 11, 2019/20

- 4.3 The Committee is asked to note the report, which sets out TfL's financial results to the end of Period 11, 2019/20 - the year-to-date period ending 1 February 2020. That report appears elsewhere on the agenda for this meeting.

Treasury Activities

- 4.4 The Committee is asked to note the paper, which provides an update on the key treasury activities for the period from 20 September 2019 to 21 February 2020.

Treasury Management Strategy 2020/21

- 4.5 The Committee is asked to note the paper and recommended that the Board delegate the approval of the proposed Treasury Management Strategy , comprised of the Investment Strategy, the Borrowing Strategy, the Liquidity Strategy, the Risk Management Strategy and the Counterparty Exposure Limits to the Committee for 2020/21 and future years. This appears elsewhere on the agenda for this meeting.

Treasury Management and Derivative Investments Policies

- 4.6 The Committee is asked to note the paper and recommended that the Board delegate the approval of the proposed Treasury Management Policies and the proposed Group Policy relating to the use of Derivative Investments to the Committee for 2020/21 and future years. This appears elsewhere on the agenda for this meeting.

Investment Strategy 2020/21 – Non-Financial Assets

- 4.7 The Committee is asked to note the paper and approve the Commercial Development Investment Strategy 2020/21 – Non-Financial Assets.
- 4.8 The Investment Strategy sets out how we plan to manage and grow our various commercial assets.

2020/21 TfL Scorecard

- 4.9 The Committee is asked to note the paper and approve the 2020/21 TfL Scorecard.
- 4.10 The TfL Scorecard provides information to track business performance against the in-year objectives derived from the Mayor’s Transport Strategy, the Business Plan and the Budget.
- 4.11 The Remuneration Committee on 11 March 2020 is asked to approve overall floor and target thresholds for scorecard remuneration.

General Fund Balance

- 4.12 The Committee is asked to note the paper and approve the increase in the target General Fund balance to £500m.
- 4.13 Within the existing statutory and regulatory framework, it was the responsibility of the statutory Chief Finance Officer to advise the Board about the level of reserves that should be held and to ensure there were clear protocols for their establishment and use. Reserves should not be held without a clear purpose.
- 4.14 The paper sets out the purpose of the General Fund reserve and sought approval for the increase in its target balance to £500m in light of the current and future risks (both operational and financial) faced by the TfL Group.

Telecoms Commercialisation Project

- 4.15 The Committee is asked to note the paper and approve Land Authority and Financial Authority.
- 4.16 The paper describes the approach and process undertaken to identify a new commercial partner to: (i) fund, build, operate and monetise telecommunications infrastructure using TfL assets; and (ii) generate a long-term revenue stream for Transport Trading Limited through the delivery of telecommunications services.

Strategic Risk Update – Inability to Meet Changing Demand (SR9)

- 4.17 The Committee is asked to note the paper, which sets out our current understanding and control measures on Strategic Risk 9: Inability to meet changing demand.

TfL Energy Purchasing

- 4.18 The Committee is asked to note the paper, which provides an update on the progress of activities to procure renewable, grid-supplied energy to the TfL network, in support of the ambition for TfL's rail services to be zero carbon by 2030.
- 4.19 A full procurement strategy and authority request for renewable energy purchasing would be submitted to the Committee in due course.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the Finance Committee on 11 March 2020.

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Board



Date: 18 March 2020

Item: Report of the Meetings of the Remuneration Committee held on 5 February and 11 March 2020

This paper will be considered in public

1 Summary

- 1.1 This paper provides a short summary of the items considered by the Remuneration Committee at its meeting on 5 February 2020, including a recommendation to update its terms of reference.
- 1.2 The paper also provides a short summary of the items to be considered by the Committee at its meeting on 11 March 2020. As that meeting is held after this paper was published, a verbal update on the issues raised by the Committee will be provided to the Board.

2 Recommendation

- 2.1 **The Board is asked to note the report and approve a change to the Committee's terms of reference to add under list of officers in section 3, the Chief Safety, Health and Environment Officer.**

3 Committee Agenda and Summary

- 3.1 The papers for the meetings of the Committee held on 5 February and 11 March were published on 28 January and 3 March 2020 (respectively) and are available on the TfL website: <https://tfl.gov.uk/corporate/publications-and-reports/remuneration-committee>
- 3.2 The main matters considered by the Committee on 5 February 2020 were:
 - (a) Use of Chair's Action;
 - (b) Amendment to Terms of Reference; and
 - (c) Performance Award Scheme for Senior Management Review.
- 3.3 A summary of the items considered is provided below. The more detailed minutes of the meeting held on 5 February 2020 were published on 3 March with the papers for the meeting on 11 March 2020.

- 3.4 The main matters to be considered by the Committee on 11 March 2020 are:
- (a) Use of Chair's Action;
 - (b) Performance Awards 2019-2020;
 - (c) 2020/21 TfL Scorecard and Performance Award Thresholds; and
 - (d) Salaries of £100,000 or More.
- 3.5 A summary of the items to be considered is provided below. As the meeting will be held after this paper is published, a verbal update on any significant issues raised will be provided at the meeting. The more detailed minutes of the meeting held on 11 March 2020 will be published ahead of the meeting of the Committee on 11 June 2020.

4 Issues Discussed by the Committee on 5 February 2020

Use of Chair's Action

- 4.1 The Committee noted the use of Chair's Action to approve salaries of £100,000 or more for 58 roles, since its last meeting on 6 November 2019.
- 4.2 Members requested a forward plan of roles that may be submitted to the Committee recognising that some requests would be ad hoc. This is addressed in the papers for the meeting on 11 March 2020.

Amendment to Terms of Reference

- 4.3 The Committee agreed to recommend to the Board that its terms of reference be amended to add the new role of Chief Safety, Health and Environment Officer, which reports directly to the Commissioner.

Performance Award Scheme for Senior Management Review

- 4.4 The Committee had requested a review of the Scheme and the alignment between scorecard results and performance award thresholds for the 2020/21 performance year.
- 4.5 The Committee agreed that the proposed Performance Award Scheme for senior managers be considered and agreed by the Committee in March 2020, whereby full details of the measures and their weightings and associated scoring mechanisms to be used in the Scheme are set out based on the finalised Business Plan for 2020. This is on the agenda for the meeting on 11 March 2020.

5 Issues to be considered by the Committee on 11 March 2020

Use of Chair's Action

- 5.1 The Committee is asked to note that there had been no use of Chair's Action since its last meeting on 5 February 2020.

Performance Awards 2019-2020

- 5.2 The Committee is asked to approve performance awards in respect of the Commissioner, Managing Director and specific Director roles in relation to the overall performance delivery for the year ending 31 March 2020 as measured against the TfL and delivery business scorecards. The Committee is also asked to note the performance award arrangements for other TfL staff (including Directors and senior managers).

2020/21 TfL Scorecard and Performance Award Thresholds

- 5.3 On 5 February 2020, the Committee agreed its preferred option for the setting of thresholds. It determined that using the existing methodology was appropriate but that the thresholds adjusted for 2018/19 and 2019/20 should be reviewed to ensure that they are fully calibrated with the 2020/21 Scorecard.
- 5.4 The Committee is asked to approve the proposed thresholds for performance awards for the performance year 2020/21.

Salaries of £100,000 or More

- 5.5 The Committee's terms of reference include the approval of salaries of £100,000 per annum or more.
- 5.6 The Committee is asked to approve the salaries for five positions (seven individuals) and to note the pipeline of current applications, which may be submitted to the Committee (including through Chair's Action) for approval.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the Remuneration Committee on 5 February and 11 March 2020

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Board



Date: 18 March 2020

Item: Report of the Meeting of the Audit and Assurance Committee held on 16 March 2020

This paper will be considered in public

1 Summary

- 1.1 This paper provides a short summary of the items to be considered by the Audit and Assurance Committee at its meeting on 16 March 2020. As that meeting is held after this paper was published, a verbal update on the issues raised by the Committee will be provided to the Board.

2 Recommendation

- 2.1 **The Board is asked to note the report.**

3 Committee Agenda and Summary

- 3.1 The papers for the meeting of the Committee to be held on 16 March 2020 were published on 6 March 2020 and are available on the TfL website: <https://tfl.gov.uk/corporate/publications-and-reports/audit-committee>
- 3.2 The main matters to be considered by the Committee are:
- (a) Strategic Risk Update – Protective Security (SR17);
 - (b) Personal Data Disclosure to the Police and Other Statutory Law Enforcement Agencies (2019);
 - (c) Independent Investment Programme Advisory Group Quarterly Report;
 - (d) Risk and Assurance Quarter 3 Report 2019/20;
 - (e) Integrated Assurance Plan 2020/21;
 - (f) Lessons Learned from the First Full Year of the Enterprise Risk Framework;
 - (g) External Audit Services Policy; and
 - (h) Register of Gifts and Hospitality for Members and Senior Staff.

- 3.3 A summary of the items to be considered at the meeting is provided below. The more detailed minutes of the meeting will be published ahead of the meeting of the Committee on 8 June 2020.

4 Issues Discussed

Strategic Risk Update – Protective Security (SR17)

- 4.1 The Committee is asked to note the paper, which provides an update on activity underway to reduce and control the risk from terrorism and other security threats.

Personal Data Disclosure to the Police and Other Statutory Law Enforcement Agencies (2019)

- 4.2 The Committee is asked to note the report, which provides the annual update on the disclosure of personal data to the police and other Statutory Law Enforcement Agencies for the prevention and detection of crime in London.

Independent Investment Programme Advisory Group Quarterly Report

- 4.3 The Committee is asked to note the quarterly report for February 2020, which describes the work undertaken since the last report presented to the Committee on 3 December 2019, and to note the Management Response.

Risk and Assurance Quarter 3 Report 2019/20

- 4.4 The Committee is asked to note the quarterly report setting out work completed by the Risk and Assurance Directorate during Quarter 3 of 2019/20, work in progress and planned to start, and other information about the Directorate's activities.

Integrated Assurance Plan 2020/21

- 4.5 The Committee is asked to approve the 2020/21 Integrated Assurance Plan, which sets out the Internal Audit work planned for 2020/21 and also highlights areas where there will be second line of defence audit or review activity carried out by other assurance teams.

Lessons Learned from the First Full Year of the Enterprise Risk Framework

- 4.6 The Committee is asked to note the report on the lessons learned following the first full year of reporting to the Board, Committees and Panels, on Enterprise Risk Management.

External Audit Services Policy

- 4.7 The Committee is asked to approve the draft revised Policy on External Audit and Non-Audit Services.

Register of Gifts and Hospitality for Members and Senior Staff

- 4.8 The Committee is asked to note the standing item on gifts and hospitality declared by the Board and senior staff.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the Audit and Assurance Committee on 16 March 2020.

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