

# **Transport *for* London**

Minutes of a meeting of the Board  
held on Tuesday 29<sup>th</sup> May 2001, commencing at 10.00 a.m.  
in Room AG16, Romney House, Marsham Street, London SW1P 3PY

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**Present:** Ken Livingstone (Chair)  
**Board Members:** Dave Wetzel (Vice-Chair)  
Sir Christopher Benson  
Stephen Glaister  
Kirsten Hearn  
Mike Hodgkinson  
Oli Jackson  
Susan Kramer  
Joyce Mamode  
Paul Moore  
David Quarmby  
Tony West

**Special Advisor  
in attendance:** Bryan Heiser

**Others  
in attendance :** Robert Kiley  
Valerie Chapman  
Nicky Gavron  
Peter Hendy  
Maureen Nolan  
Richard Smith  
Michael Swiggs  
Derek Turner  
Jay Walder

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## 22/01 **APOLOGIES FOR ABSENCE**

Apologies for absence had been received from David Begg, Jimmy Knapp, Steven Norris and Lynn Sloman.

## 23/01 **PRELIMINARIES**

The Chair welcomed Sir Christopher Benson to his first Board meeting. It was **noted** that Sir Christopher had replaced Rob Lane, who would now be assisting the GLA team developing the Mayor's Spatial Development Strategy. It was **agreed** that the Chair should send a letter to Rob Lane on behalf of the Board, thanking him for his contribution over the previous year.

## 24/01 **DECLARATION OF INTERESTS**

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

## 25/01 **MINUTES OF PREVIOUS MEETINGS**

The minutes of the previous meeting held on 13<sup>th</sup> March were **agreed** as a true record.

## 26/01 **MATTERS ARISING**

There were no matters arising.

## 27/01 **PPP UPDATE**

The Commissioner gave a brief oral update on the PPP negotiations. He reported that he had been appointed Chair of London Regional Transport with effect from May 8<sup>th</sup> 2001, with the remit of concluding the negotiations with the PPP bidders. The ongoing discussions were progressing reasonably well, but it was recognised that it would be very difficult to conclude the matter successfully.

## 28/01 **COMMISSIONER'S REPORT**

The Commissioner gave a presentation, highlighting key points from his written report. It was noted that: this was the first Board meeting held under the new organisational structure; the meetings of the Committees and Advisory Panels had gone well, but it would take time to refine the structure; and the new Standing Orders required that a full review of the new structure should take place one year after implementation.

It was also noted that:

- TfL had inherited predecessor organisations which need to be integrated. The Executive Management Group will focus on achieving this, particularly with regard to: the Transport Strategy; the Business Plan; allocation of resources across TfL activities; performance management; and a corporate commitment to social inclusion;
- The Executive team will refine performance indicators during the remainder of the year;
- TfL must have a good working relationship with the Boroughs, in particular with regard to the allocation of funding and co-operating on initiatives such as taxi-card;

- A critical part of TfL's future is the advancement of major rail initiatives which will require a close relationship with the Strategic Rail Authority;
- The following points will be significant over the next few months:
  - The Mayor's Transport Strategy was almost finalised and will be published in early July;
  - Effective relationships must be built with the Metropolitan Police and the British Transport Police; and
  - The profile of congestion charging will be raised over the next few months.

During discussion, the following points were **noted**:

- Co-ordination with the Boroughs currently lies with the Integration directorate, though every directorate within TfL is affected by relationships with the Boroughs. It was anticipated that by the July Board meeting, the Public Affairs Unit within the Communications Directorate will play a more significant part in forming a corporate view of relationships with the Boroughs;
- The suggestion of using the new concept of Community Safety Wardens, to assist with enforcement of security at stations, will be pursued;
- Derek Smith, the Managing Director of LUL, leaves on 1 October 2001. It was recognised that it is important for LUL to find someone to fill the position in the interim before the transfer to TfL.
- The Judicial Review date had been adjourned to the week commencing 23<sup>rd</sup> July;
- A multifaceted campaign for bus lane enforcement will take place in the Summer, when the majority of cameras will be in operation in bus lanes. An aggressive recruitment campaign by contractors was already in place for new bus drivers; and
- The Cycling Centre of Excellence represented a significant step forward, but it should be recognised that TfL needs to co-operate with the Boroughs to obtain the necessary resources. Recruitment was underway for the Centre and it was intended to recruit a total of nine people. Rose Ades from the London Cycling Campaign had been appointed Head of the Unit.

## 29/01 **FINANCE AND PERFORMANCE**

### 29.1/01 Finance and Performance Report

Jay Walder made a presentation reviewing current financial issues.

It was **noted** that:

- 2000/01 had been a start up year for TfL with several practical implications, including: inherited budgets from predecessor bodies; accounting policies that are not consistent; and a lack of provision in budgets for accommodation and administration costs;
- Total TfL income was broadly on budget at £484m. Revenues from Buses were £8m higher than budget and Street Management income was £8m less than budget.
- Total TfL revenue costs were £740m, compared with a budget of £720m. Buses were broadly on budget, but contract prices continued to increase.
- Capital expenditure was £235m, compared with a budget of £214m. The main variances included: increased investment by Buses on Countdown, shelters and other bus infrastructure projects; a move from cash to accruals accounting in Street Management; and slower financial progress on the DLR City Airport Extension.
- Working capital at the year-end was £53m higher than budget and cash balances invested increased by £18m over the year.
- Service performance for each business area is now reviewed at the Advisory Panel meetings. TfL's performance information is still under development but is currently summarised in the finance report in six key areas.
- Growth in year-on-year demand had increased for all TfL services and traffic levels on TfL road network had increased at all times of the day. There was an increase in scheduled services on LUL, DLR and bus services during 2000/01 but the percentage of the schedule mileage operated continued to fall for both LUL and Buses combined with a deterioration in service reliability.

29.2/01 Budget

29.3/01 TfL Business Plan 2002/03 onwards

Jay Walder gave a presentation which covered Agenda items 6.2 and 6.3. He was congratulated on his comprehensive business planning and budgeting process and Board Members expressed their support for these developments.

The following points were **noted**:

- The 2001/02 Budget contains £830m of net programme spend against which, TfL has grant and precept funding of £731m;
- Initial budget reviews had been carried out with each business unit and corporate department within TfL and follow up work has been identified;

- TfL had received legal advice which restricts its position to borrow as intended;
- TfL had a legal responsibility to manage within its available resources and not to incur unfunded expenditure;
- The budget includes a commitment to achieve efficiency savings of £10m and several areas, for example, IT and Travel Information systems, may require more funding;
- Performance measurement will be integrated into the business plan and business units will propose business plans to respond to corporate priorities.

During the discussion following the presentation, the following points were **noted**:

- The performance indicators had not been finalised and suggestions for refining the indicators from Board Members would be welcomed;
- TfL's headcount was within budget, but the number of agency staff was double that budgeted. There was a need to move away from such a high use of agency staff and build skill levels within TfL so that work could be undertaken by in-house staff;
- Control of expenditure in relation to priorities has to be handled carefully. Some programmes currently starting may incur delayed expenditure;
- TfL is examining potential income from the disposal of surplus properties, taking into account general market conditions.

The Board **noted** the current position in implementing the 2001/02 Budget and **agreed** the following actions:

- Strengthening of the process of financial oversight, control and adherence to project milestones and budget. Milestones and deliverables for all key projects will be presented to the next meetings of the Finance and Audit Committee and Advisory Panels. Thereafter, these milestones will be used for monitoring purposes and variance reporting;
- TfL finance and legal departments will continue to work with Counsel to determine a clear position on TfL's position to borrow;
- Other areas of financial flexibility will be explored to increase the limit on TfL's borrowing capacity, and the financial arrangements and phasing of major project schemes;
- A list of uncommitted spending or enhancements where physical work has not started is under development, to ensure that the budget is balanced and that spending is directed towards priorities and managed within available resources.

- a constrained spending programme for 2002/03 will be developed as one of the initial steps in the business planning process and it would also have a consequential impact on the 2001/02 budget.
- Specific actions will be identified to meet the efficiency savings target of £10m;
- Progress against each of these actions will be put to the next meeting of the Advisory Panels, Finance and Audit Committee and the TjL Board in the next cycle of meetings.

The recommendations for the development and implementation of a revised business planning process to produce a full six year Business Plan and proposed 2002/03 Budget (as outlined in the Board paper headed Agenda item 6.3) were **noted** and **endorsed**.

### 30/01 **UPDATE ON MAJOR RAIL SCHEMES**

A paper summarising the current position on the major rail schemes involving the National Rail Network was considered.

It was **noted** that the report contained some negative outcomes and it was suggested that mechanisms to ameliorate outcomes be considered. The development of projects should be argued within the context of the Spatial Development Strategy and the development of London. TjL needs to gain the support of the community as a whole when implementing these schemes.

The commuter rail service was considered to be in a very poor condition. Re-franchising is a critical factor, but it was **noted** that the franchise process had largely stalled. The SRA had agreed to share the bids with TjL on a confidential basis and issues such as overcrowding, unreliability and standards of national rail will be addressed.

It was **agreed** that the report entitled Thameslink 2000, commissioned by Halcrow Fox, should be distributed to Board Members.

The paper was **noted**.

### 31/01 **REPORTS FROM COMMITTEES**

#### 30.1/01 Safety, Health and Environment Committee

David Quarmby gave an oral report on the Safety, Health and Environment Committee, which met on 11<sup>th</sup> May.

The following points were **noted**:

- A four point plan had been adopted for safety performance reporting, including: accident statistics; the health of safety management systems in each part of TfL; progress of safety action plans; and key issues emerging;
- The status of safety management systems within TfL had been reviewed and the status of risk assessment across each business area had been collected and summarised;
- Counsel's opinion had been sought on the issue of contractors' health and safety liabilities and a report will be made to the next Committee meeting.
- The Committee had reviewed two issues concerning the Road Safety Plan: the need to promote and encourage full support by the Boroughs to promote road safety education; and the desirability of more emphasis in the Road Safety Plan on measures designed to address high risk traffic users, particularly two wheelers (both cyclists and powered two wheelers). The use of two wheelers was likely to increase in London following the introduction of congestion charging.
- The introduction of diagonal crossings and an all red pedestrian phase at traffic crossings were discussed. It was **agreed** that a report on the level of accidents at junctions where a normal two way road was not in operation should be prepared.

## 32/01 ANY OTHER BUSINESS

### 32.1/01 Standing Orders

At the Board meeting on 13<sup>th</sup> March 2001, the Board agreed the new Standing Orders and delegated to the Commissioner the power to make minor drafting amendments. The amended Standing Orders (including the Terms of Reference of the Committees and Advisory Panels), which had been circulated to Board Members on April 12<sup>th</sup> with a note of the amendments, were **noted**.

One amendment which comprised more than a minor drafting change was the alteration in paragraph 26 of Standing Order 2 to include the Chief Finance Officer as a person who, in the absence of the Managing Director, Finance and Performance, can discharge TfL's functions relating to revenue agreements with train operating companies, bus companies and others. The Board **agreed** this amendment.

### 32.2/01 UITP

TfL was congratulated for hosting a successful UITP conference and for producing an innovative stand. Thanks were expressed by the

Chair to Peter Ford for the work he put in when bidding for participation several years ago.

It was also **noted** that Women in Transport, the International Women's network aimed at improving transport for women, was launched at the conference.

It was **noted** that feedback from overseas visitors reinforced the fact that years of underinvestment in transport had resulted in London standing still compared with the rest of the world. This served as a timely reminder of the importance of TfL's agenda and the Mayor's Transport Strategy.

32.3/01 Director of Communications

Bob Kiley introduced Colin Douglas, the recently-appointed Director of Communications. Colin Douglas joined the meeting and, after a brief summary of his career to date, said how much he was looking forward to the challenges ahead.

There being no further business, the meeting closed at 12.25 p.m.

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Chair

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Date