

**Meeting: Board**

**Date: Tuesday 16 March 2021**

**Time: 10.00am**

**Place: Teams Virtual Meeting**

## **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

## **Government Special Representatives**

Andrew Gilligan

Clare Moriarty DCB

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).

To maintain social distancing in the current circumstances, the meeting will be held by videoconference or teleconference. The meeting remains open to the public, except for where exempt information is being discussed as noted on the agenda, as it will be webcast live on the [GLA website Mayoral Webcast page](#) and on the [TfL YouTube channel](#).

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## **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](mailto:ShamusKenny@tfl.gov.uk).

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

Howard Carter, General Counsel  
Monday 8 March 2021

**Agenda  
Board  
Tuesday 16 March 2021**

**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 3 February 2021**

(Pages 1 - 12)

General Counsel

**The Board is asked to approve the minutes of the meeting of the Board held on 3 February 2021 and authorise the Chair to sign them.**

**4 Matters Arising, Actions List and Use of Delegated Authority**

(Pages 13 - 20)

General Counsel

**The Board is asked to note the updated actions list and the use of authority delegated by the Board and to delegate authority to Anne McMeel, as Chair of the Audit and Assurance Committee, in consultation with the Interview Panel, to approve the appointment of the Director of Risk and Assurance.**

**5 Commissioner's Report (Pages 21 - 62)**

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 3 February 2021 and updates Members on significant projects and initiatives.**

**6 Elizabeth Line Operational Readiness and Crossrail Update**

(Pages 63 - 66)

Managing Director London Underground and TfL Engineering and Chief Executive, Crossrail

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

**7 TfL Budget 2021/22 - To Follow**

Chief Finance Officer

**The Board is asked to note the paper and approve the TfL Budget for 2021/22.**

**8 TfL Scorecard 2021/22 - To Follow**

Chief Finance Officer

**The Board is asked to note the paper and approve the TfL Scorecard for 2021/22.**

**9 Finance Report (Pages 67 - 90)**

Chief Finance Officer

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

**10 TfL Investment Strategy 2021/22 - Non-Financial Assets**

(Pages 91 - 100)

Chief Finance Officer

**The Board is asked to note the paper, the views of the Finance Committee and to delegate authority to the Finance Committee to approve the TfL Investment Strategy – Non-Financial Assets 2021/22 and for future years.**

**(The Finance Committee meets on 10 March 2020, after the papers for this meeting are published.)**

**11 TfL Prudential Indicators 2021/22 and 2023/24 - To Follow**

Chief Finance Officer

**The Board is asked to approve: the TfL Prudential Indicators for 2021/22 and the following two years; the Treasury Management Indicators for 2021/22 and the following two years; and the Annual TfL Policy Statement on Minimum Revenue Provision.**

**12 Report of the meeting of the Safety, Sustainability and Human Resources Panel held on 10 February 2021 (Pages 101 - 104)**

Panel Chair, Kay Carberry CBE

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

**13 Report of the meeting of the Customer Service and Operational Performance Panel held on 24 February 2021 (Pages 105 - 110)**

Panel Chair, Mee Ling Ng OBE

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

**14 Report of the meeting of the Programmes and Investment Committee held on 3 March 2021 (Pages 111 - 116)**

Committee Chair, Prof. Greg Clark CBE

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

**15 Report of the meeting of the Finance Committee held on 10 March 2021 (Pages 117 - 122)**

Committee Chair, Ron Kalifa OBE

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

**16 Report of the meeting of the Remuneration Committee held on 11 March 2021 (Pages 123 - 126)**

Committee Chair, Ben Story

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

**17 Any Other Business the Chair Considers Urgent**

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

**18 Date of Next Meeting**

Wednesday 9 June 2021 at 10am.

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## Transport for London

### Minutes of the Meeting

#### Teams Virtual Meeting

10.00am, Wednesday 3 February 2021

#### Members

Sadiq Khan (Chair)  
Heidi Alexander (Deputy Chair)  
Cllr Julian Bell  
Kay Carberry CBE  
Prof. Greg Clark CBE (present up to Minute 07/02/21 (part))  
Ron Kalifa OBE  
Dr Alice Maynard CBE (present from Minute 05/02/21 (part))  
Anne McMeel  
Dr Mee Ling Ng OBE  
Dr Nelson Ogunshakin OBE  
Mark Phillips  
Dr Nina Skorupska CBE  
Dr Lynn Sloman  
Ben Story

#### Government Special Representatives

Andrew Gilligan  
Clare Moriarty DCB

#### Executive Committee

Andy Byford	Commissioner
Howard Carter	General Counsel
Michèle Dix CBE	Managing Director, Crossrail 2
Vernon Everitt	Managing Director, Customers, Communication and Technology
Stuart Harvey	Director of Major Projects
Andy Lord	Managing Director, London Underground and TfL Engineering
Lilli Matson	Chief Safety, Health and Environment Officer
Gareth Powell	Managing Director, Surface Transport
Shashi Verma	Chief Technology Officer and Director of Strategy
Alex Williams	Director of City Planning
Mark Wild	CEO, Crossrail Limited
Tricia Wright	Chief People Officer

#### Staff

Andrea Clarke	Director of Legal
Patrick Doig	Divisional Finance and Procurement Director
Jackie Gavigan	Secretariat Manager
Joanna Hawkes	Corporate Finance and Strategy Director
Kate Keane	Chief of Staff to Commissioner
Shamus Kenny	Head of Secretariat
Tony King	Group Finance Director and Statutory Chief Finance Officer
Emma Lucas	Chief of Staff, Chief Finance Officer
Rachel McLean	Chief Finance Officer Crossrail and Finance Director London Underground
Clive Walker	Director of Risk and Assurance

## **01/02/21 Apologies for Absence and Chair's Announcements**

The Chair welcomed everyone to the meeting, which was being broadcast live on the Greater London Authority (GLA) website and on YouTube. An apology for absence had been received from Bronwen Handyside. Dr Alice Maynard CBE had given an apology for lateness. Simon Kilonback, Chief Finance Officer, was also unable to attend the meeting and the Chair, on behalf of the Board and the Executive, wished him a speedy recovery.

The Chair informed the Board that he had made a Direction to TfL in relation to fares increases (see Minute 04/02/21 below). Since becoming Mayor in 2016, he had done everything possible to make public transport more affordable, including introducing the unlimited Hopper bus fare and freezing all TfL fares, which had saved the average London household over £200. The impact of the global coronavirus pandemic had a catastrophic impact on TfL's finances, as it was so heavily reliant on fares income. As part of the agreement to secure emergency Government support, Ministers had insisted that the Mayor impose an RPI+1 per cent fares increase, though he had resisted Government proposals to scrap free travel for under 18s and concessions for over 60s, as well as bigger fare increases. Despite some increases, he had kept some fares frozen (including some single pay as you go Tube, DLR, London Overground and TfL Rail fares) which would help to encourage people back into central London, when the time was right, and aid the capital's recovery.

TfL's over dependence on fares income demonstrated the need to secure a sustainable funding plan going forward. TfL had published a Financial Sustainability Plan to inform detailed discussions with Government. It focused on a green recovery and set out how TfL could achieve financial sustainability – covering costs of day-to-day operations, maintenance and financing by 2023/24. As all transport systems around the world relied on government capital investment, TfL was requesting Government investment and continued, longer-term support: this would provide certainty to its supply chain and enable it to support jobs across the UK, to continue to run safe and reliable services and to support the Government's own aims on decarbonisation. The Mayor thanked all staff involved in the production of such a well thought out plan, in such a short space of time, led by Andy Byford and Simon Kilonback.

The Mayor's Transport Strategy included ambitious plans to improve London's air quality. The Chair was pleased to confirm that in January 2020, from work started in 2017, TfL's entire fleet of 9,000 plus buses now met or exceeded the cleanest of the Euro IV emission standards. This had reduced bus NOx emissions London-wide by an average of 90 per cent. TfL now had over 400 electric buses and planned to introduce another 300 zero-emission buses by the end of 2021, with a target of 2,000 electric buses in operation by 2025.

The Chair thanked staff, both frontline and behind the scenes, who had gone above and beyond throughout the pandemic to keep TfL's services running. TfL continued to do all it could to keep its staff, contractors and customers safe and, in conjunction with its policing partners, had stepped up enforcement to ensure face coverings were worn while travelling on its services.

At the time of the meeting, there had been 69 deaths of staff and contractors, of which 43 were bus drivers. The thoughts of the Chair, Members and all present were with their families and friends.



The provision of PPE was essential to ensure public transport was as safe as possible. The Chair was delighted that a further two staff, Sharon Sear and Mat Sullivan, were recognised by the award of British Empire Medals by the Queen for their work in sourcing and distributing vast quantities of face coverings, hand sanitiser and other protective equipment to TfL's frontline staff, while ensuring this did not impact on the supply of equipment to the NHS. They were both examples of the tireless and often unsung work that went on behind the scenes to ensure Londoners that had to travel were able to do so safely. Sharon and Mat had also acknowledged the contributions of their colleagues and teams across TfL.

The Board noted the sad news that Sir Keith Bright, former chairman of London Transport, has died from Covid-19, aged 89. He had chaired London Transport for six years and under his leadership it became a leaner and more customer-friendly organisation with night buses, weekly passes and a crackdown on fare dodging.

The Chair highlighted recent appointments relating to Members and staff. Greg Clark CBE was now the Chair of the UK Government External Advisory Board on Smart Cities and Connected Communities, which would oversee a programme of work on the use of digital technologies in cities and was organised by the Department for Digital, Culture, Media and Sport. He had been appointed as a member of the UK Urban Centre Recovery Task Force, organised by the Ministry of Housing, Communities and Local Government and Cabinet Office, to produce policy and market proposals on the recovery of city centres within three months. He was also chairing an Expert Advisory Panel on the Future of London's global business, commercial and cultural centre, known as CAZ, for the GLA. Ron Kalifa OBE had been appointed to the Build Back Better Council, a new Business Council chaired by the Prime Minister, established to work with Government to promote coronavirus pandemic economic recovery. Lilli Matson, Chief Safety, Health and Environment Officer, had been appointed to the Board of the Environment Agency.

Members noted that TfL's Director of Diversity, Inclusion and Talent, Staynton Brown, would leave TfL at the end of March 2021, to take up a new role in a global organisation. Since joining TfL in 2017, he had increased TfL's focus on making the transport network more accessible and inclusive for all, driving the improvements required to serve London now and in the future. He had played a vital role in making TfL more representative of the diverse city it served and had put in place a clear strategy to develop the talent of staff. On behalf of the Board, the Chair thanked Staynton for his contribution to TfL and wished him every success in the future. Work was underway to appoint a successor.

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.

## **02/02/21    Declarations of Interests**

Howard Carter noted that Board Members' individual register of interests were published on the TfL website and were up to date.

Since the last meeting of the Board the following appointments had been notified and the website would be updated accordingly:

- (a) Greg Clark CBE's appointments as the Chair of the UK Government External Advisory Board on Smart Cities and Connected Communities, as a member of the

UK Urban Centre Recovery Task Force and as Chair of the Expert Advisory Panel on Future of CAZ for the GLA;

- (b) Ron Kalifa OBE's appointment as a member of the Build Back Better Council; and
- (c) Mark Phillips's appointment as a Trustee of Saffron Walden Choral Society.

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

### **03/02/21 Minutes of the Meeting of the Board held on 9 December 2020**

**The Board approved the minutes of the meeting held on 9 December 2020 as a correct record. The minutes would be provided to the Chair for signature at a future date.**

### **04/02/21 Matters Arising, Actions List and Use of Delegated Authority**

Howard Carter introduced the paper. There had been no use of specific authority delegated by the Board to a Committee since the last meeting. Technical issues with the live broadcast of the last meeting meant that all the decisions on the agenda were taken under Chair's Action and recorded in the minutes, which were approved elsewhere on the agenda. There had been no other use of Chair's Action since the last meeting.

There had been one Mayoral Direction to TfL, in relation to implementing March 2021 fares changes (MD2730).

Members noted the progress against the actions from previous meetings, set out in Appendix 1 to the paper.

**The Board noted the paper, the use of Chair's Action and the Mayoral Direction received since the last meeting.**

### **05/02/21 Commissioner's Report**

Andy Byford introduced the report, which provided a review of the major issues and developments since the last meeting, and updated Members on significant projects and initiatives.

The key issues arising from the overview and discussion were:

- 1 Since starting in his role as Commissioner, Andy Byford's priorities continued to be: to lead TfL through the coronavirus pandemic; to rebuild its finances and the organisation's morale; to look after the safety of customers and colleagues; and to finish the Crossrail project and deliver the Elizabeth line railway.
- 2 Every tragic death in service was felt very strongly throughout TfL and its contractors and dominated their thoughts. The top priority was given to protection measures being taken for colleagues and employees. TfL would shortly finalise plans for a memorial to commemorate the service and sacrifice made by transport

workers who had died as a result of Covid-19, which would complement the Mayor's Cherry Blossom memorial to be located in the Olympic Park in Stratford.

- 3 Under the third England-wide lockdown, TfL continued its relentless focus on providing a safe and controlled environment for its colleagues and customers through face covering, hand washing and maintaining social distancing. Enforcement staff and police partners were actively enforcing the requirement for everyone to wear a face covering when using public transport unless they were exempt.
- 4 Extensive cleaning continued across the network with cleaning contractors maintaining hospital grade levels of cleanliness. A further round of testing through Imperial College London on touch points and air sampling did not find a single trace of coronavirus for the fourth month running, which was testament to the work of the cleaning teams and TfL staff.
- 5 Lilli Matson confirmed that the delay with the phase two report from the University College London study into bus driver deaths from coronavirus was due to delays in obtaining ethics approval and resampling over the Christmas period. The final report was expected to be published in early March 2021.
- 6 The Chair reassured Members that City Hall was working closely with Public Health England, the NHS, Nadhim Zahawi MP and Matt Hancock MP on piloting lateral flow tests and getting as many people vaccinated as possible. More than a million Londoners had received the first dose so far and the Mayor had written to the Joint Committee of Immunisations and Vaccines in relation to the next phase, lobbying collegiately for keyworkers in the frontline to be vaccinated.
- 7 Gareth Powell confirmed that TfL was working with individual bus companies to develop local bus driver fatigue management plans to ensure management recognised the signs of fatigue, understood the systemic analysis and ensured actions were followed through. Learnings would be shared across TfL.
- 8 Three operational incidents had occurred on the tram network in 2020. Whilst none of these resulted in any injuries to customers or staff, TfL had conducted extensive investigations and was following up with the operator and regulator urgently to fully understand the reasons for the incidents and to put the necessary steps in place to prevent any future reoccurrence. A comprehensive update would be provided to the Safety, Sustainability and Human Resources Panel on 10 February 2021.
- 9 On 11 January 2021, TfL submitted its Financial Sustainability Plan to the Government, as part of its commitments within the H2 funding agreement. Good progress was being made in discussions with the Department for Transport (DfT) on the financial support TfL required over the coming years. The focus was on a long-term financial deal that reduced TfL's reliance on fares income and how proper funding would directly support the Government's levelling up and green agendas.
- 10 Clare Moriarty DCB advised that, while she could not comment on the negotiations specifically, she endorsed the constructive nature of the discussions with the DfT, who were focussed on the necessary timings and the co-ordination of a variety of different government departments in the conversations. The Financial Sustainability Plan was a thorough piece of work that developed one scenario in detail, based on the complexity of the scenarios involved and where TfL saw its value. There would

be a desire by Government to test stress the value assigned to different levels of expenditure.

- 11 The Crossrail project continued to make good progress, moving through system integration dynamic testing to approach the key milestone of trial running and testing the systems in totality, prior to trial operations. The target date for opening the central section remained as the first half of 2022, although TfL was pushing to improve upon that schedule.
- 12 The results of the recent Viewpoint staff survey showed an increase in staff engagement scores, which was a great achievement during the pandemic. The survey results were being worked up into an action plan, in parallel with a further priority to set a compelling internal vision and values for TfL going forward, which staff bought into and felt part of. The visions and values would be anchored in diversity and inclusion and ensuring TfL was representative of the city it served.
- 13 In response to requests from Members relating to diversity and inclusion, the following information would be provided:
  - (a) the diversity breakdown of the new intake of TfL graduates and apprentices, including the number of women; and
  - (b) a technical briefing note on the underlying workings of the anonymous recruitment software system, and the recruitment process undertaken prior to the use of the system. **[Action: Tricia Wright]**
- 14 Major projects were continuing at pace, with the Northern Line Extension on track for opening in autumn 2021, with the first passenger trains already being tested through the system; this would be the first addition to the Tube network in many years. Good progress continued on the modernisation of the Circle, District, Hammersmith & City and Metropolitan lines signalling. Amersham station became step-free, bringing the total of step-free access stations to 81.
- 15 Contractors were starting investigative work on repairs to Hammersmith Bridge. TfL was prioritising procurement of a new temporary ferry service to assist travel in the affected boroughs, alongside improvements to bus services, traffic lights and road monitoring to help keep traffic flowing.
- 16 TfL was disappointed with the outcome of the Judicial Review, issued by the taxi trade, which had quashed the Bishopsgate Streetspace plan, and intended to appeal the judgment.
- 17 TfL met its target of 300 electric vehicle rapid charge points by the end of 2020 and 99 per cent of its core 9,000-strong bus fleet now met the cleanest Euro VI engine emission standard.
- 18 Lilli Matson confirmed that the Vision Zero dashboard was an interactive tool that enabled users to enter postcode details to see road network activity in the local area. The open source data was very useful to the boroughs, who ran the road networks, to help improve road safety. A link to the Vision Zero dashboard on [tfl.gov.uk](https://tfl.gov.uk) would be circulated to Members. **[Action: Lilli Matson/Howard Carter]**
- 19 Vernon Everitt confirmed that the TfL Go Travel app was a core product that enabled better journeys and would form a key part in recovery plans in the short

and medium term. Information on progress and plans for the TfL Go Travel app would be provided to the next meeting of the Board. **[Action: Vernon Everitt]**

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

## **06/02/21 Elizabeth Line Operational Readiness and Crossrail Update**

Andy Byford introduced the item, which provided an update on the status of the Crossrail project and the readiness of the Infrastructure Managers (IM) for the operations and maintenance of the railway after handover from Crossrail. A summary report from the meeting of the Elizabeth Line Committee, held on 29 January 2021, was included elsewhere on the agenda.

Mark Wild provided a further update on progress. Typically, 50 people on the project were impacted by coronavirus at any time, which was lower than the general population and within the mean for other major programmes. Production rates and safety levels remained high over the Christmas period.

All shafts and portals had been handed over for care and maintenance. Dynamic testing continued and had been very successful, with no major software issues found. The software for trial running was finished and ready to go, and Farringdon station was about to be handed over to London Underground.

The two critical paths ahead were: the countdown to trial running and completing the safety assurance processes; and stations and reliability growth, which would inform the integration of the other major stations. The opening window remained the first half of 2022.

Andy Lord reported that there was strong collaborative working with the Crossrail team and the transfer of the project to TfL had made decision making easier and more agile. The final Stepney Green shaft and portal was handed over in December 2020. Network Rail works continued to progress well on the east and west side of the railway. MTR completed the first stage of works at Liverpool Street station platforms to accommodate full length nine car trains. TfL Rail continued to perform very well.

The new version of Bombardier software was rolled out and implemented, so full length trains could go back into full service to Reading and Heathrow. A second software update was delivered on schedule and was going through the safety approval process, which was critical in fixing previous issues to enable a high frequency service to run.

Dynamic testing at Romford control centre had gone well, simulating trains running at high frequency and close together. Collaborative engagement continued with the Office of Rail and Road, who regularly visited the sites and had not raised any concerns from a construction or operational perspective.

Preparations were being made for the handover of Farringdon station and good progress continued to be made on overall training in preparation for the acceptance of the railway. The most critical issue was the safety and quality assurance process to confirm and affirm that the railway was safe for trial running. Additional expertise and resource had been moved from TfL Engineering to assist with that process.

**The Board noted the paper.**

## 07/02/21 Finance Report

Tony King introduced the report, which set out TfL's financial results to the end of Quarter 3 (Period 9), the year-to-date ending 12 December 2020, and its Financial Sustainability Plan to achieve financial sustainability in the medium to long term, which was submitted to Government on 11 January 2021.

On 9 December 2020, the Board reviewed and approved TfL's contribution to the consolidated draft GLA Budget, which was now its Business Plan and Budget for the next two financial years. This forecast included funding for H2, 2020/21 agreed with Government in October 2020. The Budget would operate as TfL's reporting baseline for the remainder of 2020/21. The presentation provided a summary of year-to-date financial performance against the Revised Budget and last year.

The Budget included up to £1.8bn H2 funding and financing agreement with Government, covering the six months from 31 October 2020 to 31 March 2021. It was updated for the latest assumptions on revenue and demand and included the additional £160m savings TfL committed to making as part of the H2 funding agreement.

The Quarter 3 reporting period covered the national lockdown from early November 2020, and London entering Tier 3 restrictions in mid-December 2020. The results therefore did not include the financial impacts from the further Tier 4 restrictions from late December 2020, or the new national lockdown from January 2021. Journeys up to January 2021 were shown to provide a sense of the changes following the new restrictions.

Passenger journeys and income remained significantly lower than last year, with income 66 per cent down (almost £2.3bn). In the last Quarter, London entering Tier 2 restrictions as well as the national lockdown in November 2020 resulted in a drop in journeys, with some rebound at the end of the Quarter as restrictions lifted. Throughout most of November 2020, under the 4-week national lockdown, journeys on the Tube fell to almost 80 per cent lower than last year and buses to almost 55 per cent lower.

Overall, demand was slightly better than expected compared to target. Quarter 4 figures were impacted by the new lockdown measures put in place over Christmas and the current lockdown, while necessary to manage the pandemic, it created a great deal of uncertainty on journeys and the economy. The latest figures showed Tube journeys were 83 per cent lower than last year and bus journeys 60 per cent lower. The financial risk from lower journeys was substantially mitigated through the new funding agreement, which effectively topped up revenue losses.

Core operating costs were almost £80m lower than last year. TfL continued to keep costs low through savings such as: reducing staff, the long term savings programme which included London Underground supply chain savings and savings from bus contracts; and one off savings from lower network costs at the height of the coronavirus pandemic.

Cash balances remained in line with planning, closing at £1.7bn at the end of Period 9, before the H1 funding true up of £260m. This included the £1.6bn of funding and financing from the H1 agreement, as well as £485m base funding and £63m revenue top up from the new H2 agreement. Without the funding and financing package, TfL was losing almost £300m cash every period.

At the end of Quarter 3, the net cost of operations, excluding extraordinary revenue grant from Government, was a deficit of £2.5bn, an improvement on the Budget of £139m. With the extraordinary revenue grant, the deficit was £1bn, an improvement on the Budget of £30m. Compared to the earlier Revised Budget, the deficit before extraordinary grant was £450m better, from higher income and further reductions in operating costs.

Year to date figures reflected higher passenger demand than expected, with actuals on passenger income £108m better than Budget, due to the release of £100m revenue contingency carried from H1 should journeys fall below levels expected. There was also a small upside of £8m in buses, Elizabeth line, Rail and Oyster write-off income.

As part of the H2 funding agreement, TfL received funding for losses in passenger revenue up to an agreed level. Higher than expected journeys and income in the Quarter, including the release of the contingency, had been offset through a reduction in the funding support to date by £109m.

Other income was £8m lower than target, driven mainly by lower Congestion Charge and Ultra Low Emission Zone (ULEZ) volumes, although volumes were trending better than expected since the end of the Quarter, and were expected to hit target by year end.

Operating costs were £29m lower than Budget, partly due to a reduction in bad debt due to lower Congestion Charge and ULEZ volumes, lower bus costs, lower consultancy costs, and coronavirus related costs. Holding core costs at around £80m lower than last year had partially offset the additional cost pressures related to the pandemic, such as enhanced cleaning, PPE and social distancing measures, which stood at around £130m.

TfL was continuing to operate a recruitment freeze for non-critical roles, had stepped up financial oversight through weekly Financial Commitment Oversight Group meetings, and deferral of non-safety or priority critical renewals work and opex investment costs.

Journeys held broadly flat for the first half of Quarter 3, with Tube journeys at around 66 per cent lower than last year and buses around 45 per cent lower. Going into the second national lockdown in November 2020, Tube journeys fell by over 10 percentage points to almost 80 per cent lower than last year. On bus journeys the drop was around 10 percentage points to almost 55 per cent lower than last year. Compared to last year, weekly passenger income was around £55m lower. Passenger journeys on both the Tube and bus returned to levels seen at the beginning of the Quarter once lockdown lifted in December 2020.

Congestion Charge volumes remained higher than last year for most of the Quarter, with an average of around 24 per cent in October 2020, reaching a peak of 30 per cent. With the second lockdown, volumes fell to below last year, picking back up in December 2020. This higher volume was largely due to the temporary changes introduced in June 2020, which saw an increase in the charge price as well as operating hours of the scheme. Overall road volumes remained down on last year. The temporary changes had increased income by around £2m per week. There was a similar pattern for ULEZ volumes with an average reduction of around 43 per cent compared to last year during October 2020, falling several percentage points in the second lockdown before picking back up in December 2020 to levels earlier in the Quarter.

On total income, discounting the release of the revenue contingency, underlying passenger income was broadly in line with target. Income did not decline to quite the extent expected in Period 9, but a different picture was expected next period, based on current journey volumes. The risk around passenger income was mitigated by the top-up mechanism in the H2 funding agreement but there was a risk around road user charging and the impact of a prolonged lockdown.

As well as the cost control measures enforced in response to the pandemic, TfL continued to progress an extensive savings programme. Plans were forecast to achieve £325m of savings this year, with savings from London Underground supply chain, bus contracts, Finance and Human Resources functions, as well as one off savings of £119m as a result of the pandemic from running fewer services, and indirect savings from furloughed bus staff and volume-based savings from lower bank charges.

Staff levels were now 824 FTE, or three per cent lower than at the end of 2019/20. At the end of Period 9, there were no staff on furlough which stopped at Period 8 following the new agreement with Government. Staff reductions across all business units reflected the additional cost and commitment control measures that had been instituted, in particular reducing agency staff and non-permanent labour by over 500 in this financial year. Against the original Budget from March 2020, staff numbers were almost 1,500 lower.

The latest full-year forecast for 2020/21 was updated for TfL's submission to the GLA Budget and forecasted a net deficit of £4.2bn, not including the funding and financing support from Government. With the support, the net deficit was £1.6bn. The £4.2bn deficit was an improvement on the Revised Budget by £400m. This was due to higher passenger income and road user charging volumes, as well as lower operating costs, largely a result of project deferrals and slower ramp up in spend.

The significant contrast to last year's figures put into sharp focus the devastating impact of the pandemic on TfL's finances with a net deficit £3.7bn bigger than last year; with passenger income £3.3bn or almost 70 per cent and costs over £200m driven by the additional direct costs of responding to the pandemic, which were partly offset by holding core costs down and lower costs when fewer services were running at the start of the pandemic. This forecast highlighted that, while the medium to long-term impact of the pandemic on travel demand was unknown, a significant financial gap would remain over the next few years.

Spend on capital renewals and new capital investment was around £27m, or four per cent lower than the Budget for TfL (excluding Crossrail), and significantly below last year's levels with £225m or 24 per cent lower spend. The capital account budget included the savings in the Investment Programme, including a review for deliverability, sequencing, efficiencies and scope of major projects.

The current variance was driven by a slower ramp up on London Underground renewals, as well as lower costs across property development as a result of lower equity contributions on development properties, and some slippage on property development and smaller variances across most programmes. On capital income, property and asset receipts were £44m lower than Budget, due largely to the delayed disposal of Davies Street as a result of Crossrail timings. Work on Crossrail was broadly in line with Budget, though over £200m lower than last year.



There were relatively minor variances across the programmes. In September 2020, the Four Lines Modernisation programme was reviewed to assess and challenge both cost and schedule, following which the branches west of the District line would not be re-signalled as part of this programme. Sections of the District line south of Fulham Broadway and west of Barons Court would remain under the existing signalling. While this change meant journey times in these sections would remain unchanged, frequencies could still be increased up to 16 trains per hour as originally planned.

In October 2020, a key milestone was achieved on the Barking Riverside Extension project, when all the piling activities were completed. Some uncertainty remained and the estimated service start date was now forecast for autumn 2022 and the detail was being worked through to give greater programme confidence. The Bank Station Upgrade project was well into the fit-out phase and the overall project was due for completion in 2022.

Cash balance at the end of Quarter 3 stood close to £1.7bn, around £90m higher than Budget due largely to favourable movements in our working capital, and included the £1.6bn received for H1 plus £548m in grant funding from Government for H2. It was crucial to preserve liquidity and hold the minimum cash threshold of £1.2bn to ensure TfL met its commitments, such as bus and other contracts, operational costs to run services, payroll and interest payments. Without the Government funding support, TfL would have breached its minimum cash threshold and run out of cash earlier. The total cash impact from lost income from the pandemic so far had been close to almost £2.5bn, after excluding the impact of Government support.

Looking forward, based on latest journey trends, passenger journeys over the last financial year showed Tube and National Rail journeys follow a broadly similar trajectory, with buses seeing higher journeys as well as less sharp reductions. The latest figures in the third lockdown showed journeys were higher than under the first national lockdown, with bus journeys almost double and Tube journeys almost three times higher. Restrictions were slightly less tight during the current lockdown, with a wider definition of essential shops, more take away provision, schools opened for critical workers, and the continuation of much construction work. While the Revised Budget included a contingency in H1 to cover revenue uncertainties, this contingency may now be required to help mitigate a more prolonged second spike in H2.

Consideration would be given to the inclusion of more detail on emerging risks, such as the consequences of Brexit and recession, in future Finance Reports to the Board.

**[Action: Simon Kilonback/Tony King]**

**The Board noted the report.**

## **08/02/21 Report of the meeting of the Programmes and Investment Committee held on 11 December 2020**

In the absence of the Chair, the Vice-Chair of the Committee, Dr Nelson Ogunshakin OBE, introduced the item. He highlighted the Committee's consideration of three items.

He congratulated staff on the good progress made in the Investment Programme, despite the impact of the coronavirus pandemic, which showed it was being very carefully managed. The Committee welcomed the deep dive reviews by the Independent Investment Programme Advisory Group on TfL's commercial strategy, risk management

and value for money, which provided the Committee with a lot of assurance. The Committee also discussed the progress of the complex Barking Riverside Extension project, with a focus on commercial management.

**The Board noted the summary report.**

### **09/02/21 Report of the meeting of the Elizabeth Line Committee held on 29 January 2021**

The Chair of the Committee, Heidi Alexander, introduced the item. Many of the issues considered had been covered in the Elizabeth Line Operational Readiness and Crossrail Update earlier on the agenda (see Minute 06/02/21 above).

The Committee had reviewed the report of the Project Representative, particularly around risks and cost pressures. Jacobs had agreed that the Project Representative would participate in the public part of meetings in future. The Committee also agreed the Terms of Reference for an Independent Investment Programme Advisory Group sub-group, which would provide third-line assurance for the project.

**The Board noted the summary report.**

### **10/02/21 Any Other Business the Chair Considers Urgent**

There was no other urgent business.

### **11/02/21 Date of Next Meeting**

The date of the next meeting was scheduled for Wednesday 16 March 2021 at 10.00am. The original date of 24 March 2021 had changed due to the deferment of the May 2020 Mayoral elections, as that date now fell within the May 2021 pre-election period. Members unable to attend the revised date were invited to submit any comments on the papers, once published, to the Deputy Chair or General Counsel.

The meeting closed at 12.45pm.

Chair: \_\_\_\_\_

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

**Board**



**Date:** 16 March 2021

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

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## **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 3 February 2021.
- 1.2 There has been no use of Chair's Action and no Mayoral Direction to TfL.
- 1.3 The Finance Committee, on 10 March 2021, is asked to exercise specific authority delegated by the Board to approve the Treasury Management Strategy and related Treasury Management Policies. As the Committee meets after the papers for this meeting are published, a verbal update will be provided at this meeting.
- 1.4 The paper also seeks a delegation of authority to the Chair of the Audit and Assurance Committee to approve the appointment of the Director of Risk and Assurance, which is a matter reserved to the Board.
- 1.5 Appendix 1 sets out the progress against actions agreed at previous meetings.

### **2 Recommendation**

- 2.1 **The Board is asked to:**
  - (a) **note the paper and the use of delegated authority; and**
  - (b) **delegate authority to Anne McMeel, as Chair of the Audit and Assurance Committee, in consultation with the Interview Panel, to approve the appointment of the Director of Risk and Assurance.**

### **3 Use of Chair's Action and Delegated Authority**

- 3.1 Under Standing Order 114, in situations of urgency, the Board delegates to each of the Chair and the Chairs of any Committee or Panel the exercise of any functions of TfL on its behalf. Any use of Chair's Action is reported to the next ordinary meeting. The Board on occasion will also make specific delegations to its Committees which, when exercised, are reported to the next ordinary meeting of the Board.

- 3.2 There has been no use of Chair's Action since the last meeting.
- 3.3 On 29 July 2020 (Minute 39/07/20), the Board delegated to the Finance Committee approval of the following strategies and policies:
- (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.
- 3.4 At its meeting on 10 March 2021, the Finance Committee is asked to exercise that authority in relation to the strategies and policies for 2020/21. As that meeting takes place after the papers for this meeting are published, the Chair of the Finance Committee will provide a verbal update.
- 3.5 There has been no other use of specific authority delegated by the Board to a Committee since the last meeting.

#### **4 Actions List**

- 4.1 Appendix 1 sets out the progress against actions agreed at previous meetings.

#### **5 Delegation of Authority Request**

- 5.1 Under Standing Order 100(c)(iv), the appointment of the Director of Risk and Assurance is a matter reserved to the Board. A new appointment to that role is required following the retirement of Clive Walker, with effect from 9 April 2021.
- 5.2 The position will initially be filled through an internal secondment of up to 12 months. Board Members Anne McMeel and Lynn Sloman have been kept informed of the recruitment process given their roles as the Chair and Vice-Chair of the Audit and Assurance Committee and therefore the Members with the closest relationship with the postholder. They, along with Dr Nelson Ogunshakin OBE as Vice-Chair of the Programmes and Investment Committee, will be on the Interview Panel.
- 5.3 The recruitment process has begun but the interview stage will not take place before this meeting of the Board. To ensure a timely appointment, it is requested that the authority be delegated to Anne McMeel to approve the appointment, in consultation with the Interview Panel. The Remuneration Committee has approved, through Chair's Action (reported to the meeting of that Committee on 11 March 2021), the potential salary of £100,000 or more.
- 5.4 If agreed, the exercise of the delegated authority will be reported to the next meeting of the Board, along with the details of the successful candidate.

## **6 Mayoral Directions to TfL**

- 6.1 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.
- 6.2 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.
- 6.3 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>.
- 6.4 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.
- 6.5 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.
- 6.6 A summary of current Mayoral Directions to TfL is 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.
- 6.7 There have been no Directions issued to TfL since the last meeting.

### **List of appendices to this report:**

Appendix 1: Actions List

### **List of Background Papers:**

Minutes from previous meetings.

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## Board Actions List (to be reported to the meeting on 16 March 2021)

## Actions from the meeting held on 3 February 2021

Minute No.	Item/Description	Action By	Target Date	Status/Note
05/02/21 (1)	<b>Commissioner's Report – New Graduates and Apprentices Breakdown</b> The diversity breakdown of the new intake of graduates and apprentices, including the number of women, would be provided to Members.	Tricia Wright	February 2021	<b>Completed:</b> A link to the data in the HR report to the Safety, Sustainability and HR (SSHR) Panel was sent to Members.
05/02/21 (2)	<b>Commissioner's Report – Anonymous Recruitment</b> A technical briefing note on the underlying workings of the anonymous recruitment software system, and the recruitment process undertaken prior to the use of the system.	Tricia Wright	February 2021	<b>Completed:</b> A note was provided to Members.
05/02/21 (3)	<b>Commissioner's Report – Vision Zero Dashboard</b> A link to the Vision Zero dashboard on tfl.gov.uk would be circulated to Members.	Lilli Matson/ Howard Carter	February 2021	<b>Completed:</b> The <a href="#">link</a> was circulated to Members on 3 February 2021.
05/02/21 (4)	<b>Commissioner's Report – TfL Go Travel App</b> Information on progress and plans for the TfL Go Travel app would be provided to the next meeting of the Board.	Vernon Everitt	March 2021	<b>Completed:</b> Information included in the Commissioner's Report.
07/02/21	<b>Finance Report – Emerging Risks</b> Consideration would be given to the inclusion of more detail on emerging risks, such as the consequences of Brexit and recession, in future Finance Reports to the Board.	Simon Kilonback/ Tony King	From March 2021	Agreed

## Actions arising from previous meetings

Minute No.	Item/Description	Action By	Target Date	Status/Note
07/01/19 (1)	<b>HSE Annual Report – Reducing Road Injuries</b> Members suggested that the SSHR Panel look at how local borough strategies were performing against the Mayor’s Transport Strategy.	Gareth Powell	June 2021	On the forward plan for the SSHR Panel as part of the next update on Vision Zero.
07/01/19 (2)	<b>HSE Annual Report – Waste Strategy</b> 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 SSHR Panel.	Lilli Matson	June 2021	The waste strategy is being developed as part of the Corporate Environment Strategy which will be presented to the SSHR Panel.
79/09/19 (1)	<b>Tram Overturning at Sandilands, Croydon on 9 November 2016 - Update – pan-TfL Lessons Learnt</b> Members also agreed that a report would be considered by the 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 2021	On the forward plan for the SSHR Panel.
05/01/20 (2)	<b>Commissioner’s Report – Bus Safety Standard Visit</b> Members would be offered a visit to see a bus that met the new Bus Safety Standard.	Gareth Powell	Impacted by lockdown	Members will be asked again about availability when lockdown measures are relaxed.
05/01/20 (6)	<b>Commissioner’s Report – Corporate Environmental Plan</b> 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	Winter 2021	On the forward plan.
05/01/20 (7)	<b>Commissioner’s Report – Northern Line Extension Visit</b> Members would be offered a visit to view the Northern Line Extension work.	Stuart Harvey	Impacted by lockdown	Members will be asked again about availability when lockdown measures are relaxed.



<b>05/01/20 (8)</b>	<b>Commissioner's Report – Future Affordable Homes</b> 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	TBC	On the forward plan for Finance Committee, date to be scheduled.
<b>08/01/20 (3)</b>	<b>TfL Viewpoint Survey Results 2019 – Pay Feedback</b> 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	March 2021	<b>Completed.</b> This issue has been discussed informally by the Committee and was considered by the meeting on 11 March 2021.
<b>19/06/20 (1)</b>	<b>Commissioner's Report – Response to Covid-19 – UCL</b> The University College London (UCL) Institute of Health Equity had been asked to provide independent advice as part of a two-part study to better understand the pattern of coronavirus infections and deaths amongst London's bus workers. This study would help ensure that all possible measures were taken to protect the health, safety and wellbeing of those working to keep the bus network moving. The work was due to start shortly and would take between three and four months to complete. The Board would be updated on any findings from the studies.	Lilli Matson	Ongoing	Updates are provided to the Board (via the Commissioner's Report) and to the SSHR Panel. The SSHR Panel considered the latest update on 4 November 2020.
<b>31/07/20 (2)</b>	<b>Commissioner's Report – Changes to work patterns</b> Increased remote working had provided an opportunity for TfL to assess how work might be done differently in the future. Assessments were being done on the percentage of staff that could continue to work from home in the long term, the tools and technology required and the impact on the operational model and accommodation strategy. The outcomes from that work would be reported to a future meeting.	Tricia Wright	TBC 2021	An update on the planned return to offices was considered by the SSHR Panel on 9 September 2020. Further updates will be provided as the impact of the coronavirus pandemic on future work and accommodation progressed.

38/07/20	<p><b>Slavery and Human Trafficking Statement 2019/20 – Update</b></p> <p>A paper would be presented to the SSHR Panel, providing details on what TfL had identified and the actions taken as a result of work undertaken in this area, including the consideration of purchases from China and labour exploitation issues.</p>	Simon Kilonback	June 2021	On the forward plan for the SSHR Panel.
67/12/20	<p><b>Commissioner's Report – Staff Viewpoint Survey Results</b></p> <p>The key results and trends would be brought back to the next meeting of SSHR Panel. An informal briefing session for Members would also be arranged for January 2021.</p>	Tricia Wright	January/February 2021	<b>Completed.</b> Briefing held in January 2021 and results discussed by the SSHR Panel on 10 February 2021.
70/12/20	<p><b>Annual Travel in London Report – Central London Activities Zone</b></p> <p>Greater London Authority commissioned research into the future of the central London activities zone would be informative and illuminating, with Prof. Greg Clark CBE on the steering group. The research report would be shared with the Board in March 2021.</p>	Alex Williams	March 2021	On the forward plan.

**Board**



**Date:** 16 March 2021

**Item:** Commissioner's Report

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**This paper will be considered in public**

## **1 Summary**

1.1 This report provides a review of major issues and developments since the meeting of the Board on 3 February 2021.

## **2 Recommendation**

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

**List of appendices to this report:**

Commissioner's Report – 16 March 2021

**List of Background Papers:**

None

**Andy Byford**  
**Commissioner**  
**Transport for London**

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# Commissioner's report

16 March 2021

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# I Introduction

This report provides a review of major issues and developments since the Board meeting on 3 February 2021.

Like many others, I was pleased to see the Government publish its plans to gradually ease lockdown over the coming months, subject to a number of tests. As the stages unlock, we will still be here for Londoners to help them see the people and places they have missed. The first big milestone will be the return of all school children from 8 March and, as before, we will do everything to get them back into the classroom safely through our dedicated school services.

With restrictions remaining for some time, our focus remains on protecting our people and our customers and ensuring services run for those who need them. We are still in the midst of a global pandemic, and I am deeply saddened that 87 of our colleagues have now tragically passed away from COVID-19. They and their families are in my thoughts every day as we continue to fight this pandemic and keep London moving through these tough times.

It is clear that the future of our organisation, our city and our world will be markedly different to what it once was. The recent Independent Panel Review and Financial Sustainability Plan provided us with options and considerations about how we may move forward and continue providing a world-class transport service for London. We are, and will continue to be, a cornerstone for London and the UK's recovery from the pandemic and I am committed to doing everything I can to lead and support our organisation through the next chapter in the Capital's history.

As part of this, I am delighted that we have confirmed our five, equally weighted, priorities for the year ahead. These are:

- Securing a long-term sustainable financial deal
- Completing the Northern Line Extension, finishing Crossrail and opening the Elizabeth line
- Safely supporting and driving forward London's post-pandemic recovery and winning back our customers
- Creating a people-centric vision and a more diverse and inclusive organisation, informed by and for our colleagues
- Improving London's air quality and accelerating decarbonisation

By working together as one team, we will be able to achieve these and help to rebuild a brighter future for our organisation and our city.

Along with the rest of the country, I am delighted with the incredible speed at which the NHS are vaccinating the UK's population against coronavirus. Our dedicated staff have worked tirelessly throughout the pandemic, serving customers and enabling our key workers to access much-needed transport services. I would like to thank everyone across TfL once again for everything you have done and continue to do for London.

## 2 Safety and security

### Deaths in service

Our sincere condolences remain with the families and loved ones of the 87 colleagues who have sadly passed away from COVID-19. Everyone at TfL pays tribute to the vital role they played in our fight against the pandemic. Our Employee Assistance Programme is available to all employees and their dependents and provides support, guidance and information on a range of topics, including bereavement. As Commissioner, the safety of all our staff and customers continues to be my top priority, and I am absolutely committed to doing everything in my power to keep you safe on our network.

### Latest advice on shielding

On 16 February 2021, the Government announced that GPs will start using a new model to help identify people with multiple risk factors, such as age, medical conditions and body mass index, which combined make them at higher risk if they catch COVID-19. Anyone in this new group will be asked to shield until at least 31 March.

This new group will be entitled to the same support as those classified as clinically extremely vulnerable. We are advising staff in this new group who are currently attending work to continue to do so until they receive a letter or email telling them to shield, in line with Government advice. We are committed to supporting anyone who needs to shield and continue with our protective measures to keep those who can stay at work safe.

### Bus driver deaths from COVID-19

In May 2020, we commissioned the University College London Institute of Health Equity to study the pattern of

infection and deaths from COVID-19 among London's bus workers, owing to the tragic loss of a number of bus worker colleagues, predominantly drivers. The findings of the first phase were published in July 2020 and the recommendations are either complete or under way.

The aim of phase two was to understand the pattern of infections in bus workers to inform recommendations on any additional occupational health measures that should be put in place. All London bus drivers were invited to complete a survey that examined their non-occupational and occupational risk factors for coronavirus and their response to the measures taken by bus operators to reduce their risk. University College London also sought information from bus operators on the demographics of their drivers.

The draft report is now in the process of being finalised alongside the study's recommendations and will be published shortly.

### Face covering enforcement

Our enforcement officers continue to enforce the mandatory wearing of face coverings on all public transport modes, unless a passenger is exempt. This work is being supported by our policing partners, the British Transport Police and the Metropolitan Police (MPS) Roads and Transport Policing Command (RTPC).

Customer compliance remains generally very high, particularly during peak travel times. Customer research shows that 91 per cent of customers say they are always wearing a face covering while using our transport services, six per cent are wearing it on some journeys, and four per



We have an extensive cleaning regime in place



cent are not wearing a face covering at all. Of those not wearing a face covering while using public transport or just on some journeys, more than half claim to have an exemption or valid reason for not complying.

Up until 7 March 2021, our enforcement officers have intervened with 142,473 passengers who were not wearing a face covering or not wearing it correctly. Of these, 9,988 were refused travel and 2,394 Fixed Penalty Notices have been issued. A Fixed Penalty Notice starts at £200 for a first offence. A total of 974 of these were paid within 14 days, at a reduced level of £100 for early payment and 52 were paid within 28 days. Where these remain unpaid, we will pursue offenders through the courts.

On 1 March 2021, 84 cases were listed in court, with 16 defendants pleading guilty to the offence of not wearing a face covering, resulting in fines ranging from £0 (Conditional Discharge) to £600 (amount dependant on the individuals' circumstances, which the court needs to

take into consideration). Of those 84 cases, 65 defendants had their case proved in their absence due to not responding to the court summons. This resulted in a fine of £660 each.

On 4 March 2021, 75 cases were listed in court, with 11 defendants pleading guilty to the offence of not wearing a face covering, resulting in fines ranging from £0 (Conditional Discharge) to £300 (amount dependant on the individuals' circumstances, which the court needs to take into consideration). Of those 75 cases, 57 defendants had their case proved in their absence due to not responding to the court summons. This resulted in a fine of £660 each.

To help support our messaging, we have ongoing radio advertising and posters across the network to encourage Londoners to wear a face covering at all times on public transport unless exempt. We have also developed new communications to target the stubborn minority who are still not wearing a face covering. This includes promoting video

content of our enforcement officers stopping people not wearing face coverings and reiterating that if you do not wear one you could be turned away from our services or fined up to £6,400. The video runs on paid social media and predominantly targets 16 to 34-year-old males, as research and enforcement team feedback tells us this group is least likely to comply.

In addition to this, we are using Instagram to target 12 to 18-year-old children ahead of schools restarting. We used trusted peer-to-peer voices to help change behaviours and persuade young people that wearing a mask on public transport is the caring and vital thing to do.

### **Extensive cleaning regime**

Our extensive anti-viral cleaning regime continues across the transport network and includes using hospital-grade cleaning substances that kill viruses and bacteria on contact and provide ongoing disinfection. The testing by Imperial College London continues, with sampling finding no traces of COVID-19 present on our system. More than 1,000 hand sanitiser units have been installed across the network for everyone to use and we have now used 33,885 litres of hand sanitiser. Our cleaning contractors continue to focus on customer touch points, such as card readers, handrails and help points.

### **University College London VIRAL research programme**

We are working with UCL to better understand how the risk of microbial pathogen transmission can be minimised on the transport network.

Initial findings from UCL VIRAL research project's sampling on buses in November 2020 have now been highlighted to us. This work has identified the importance of good ventilation in the passenger saloon, particularly on busier services. The researchers measured CO2 levels to give an indication of fresh air ventilation, which was therefore used as a proxy to the risk of viral transfer from stagnant air.

Opening windows was proven to sufficiently increase ventilation in a range of scenarios. Following this advice, we have introduced additional customer messaging to advise them to leave the windows open and added instruction stickers to all windows across the fleet. This is in addition to limits on passenger numbers and face covering measures, which are already in place and will also limit potential viral particle build up.

Additional research and testing is planned with UCL to further understand air quality on our vehicles. Engineering work is now also in progress to consider potential further risk mitigations and future vehicle designs.

### **Croydon tram overturning**

On 9 November 2016, seven people died when a tram derailed and overturned on a curve as it approached Sandilands junction in Croydon. The Rail Accident Investigation Branch (RAIB) 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. All recommendations have now been actioned and confirmed as implemented by the ORR.

At the pre-inquest review hearing (PIRH) on 28 January 2021, the Senior Coroner confirmed her commitment to starting the Sandilands Inquests on 17 May 2021 for 13 weeks. The provisional timetable was amended and a further witness statement giving an update on the implementation of the RAIB recommendations as well as the incidents on the tram network that occurred between August and October 2021 will be provided to the Senior Coroner on 31 March 2021.

The sixth and last PIRH prior to the Inquests commencing will take place 30 April 2021. The Senior Coroner directed TfL, Tram Operations Limited (TOL), a subsidiary of FirstGroup, which operates the tram service, and the Office of Rail and Road (ORR) to provide further

disclosure by 12 March 2021. TfL continues to support the Senior Coroner in these Inquests and provide relevant information.

The victims and all others affected by this incident remain in our thoughts. We continue to offer support to those directly affected, as well as the wider community, and encourage anyone who needs support at this time, or in the future, to contact the Sarah Hope Line where help can be provided.

### **Incidents of note on the tram network**

As mentioned in my update to the Board in December, we note with concern that there have been three operational incidents across the tram network in a short period of time. These took place on 5 August 2020, 14 September 2020 and 21 October 2020, and all have been reported to the ORR. A full paper and discussion on the incidents was included as part of our Safety, Sustainability and HR Panel on 10 February.

While none of these instances resulted in injury or harm to our staff or customers, they are being taken very seriously. We are in regular dialogue with the ORR with regards to jointly working through the incidents with Tram Operations Limited (TOL), a subsidiary of FirstGroup, who operate the tram service under a 30 year contract, to ensure no further incidents occur in future and appropriate reporting to TfL and the ORR is undertaken.

We continue to work collaboratively with TOL and the ORR and progress has been made in a number of areas including preparing a joint statutory reporting procedure with TOL, reviewing the Risk Model, and work to put in place the Joint System Safety Improvement Plan which needs to be submitted to the ORR by 31 March 2021.

### **Tackling hate crime**

We stand together with our police partners and communities across London against hate crime on our network. On 17 February 2021, officers from the RTPC

held a day of action that focused on hate crime towards the LGBT+ community, to coincide with LGBT+ history month. Officers used online forums to raise awareness about hate crime and how to report it, as well as the work we do to tackle it and keep our customers safe.

There were two deeply concerning hate crime incidents on our network in February 2021. On 8 February, an older Jewish couple, including a disabled man on a 253 bus at Manor House were verbally abused for 10 minutes. The police have now made an arrest. On 9 February, an 80-year-old Holocaust survivor and her son were verbally abused on a number 76 bus in Stoke Newington by a woman, who also punched the son in the head and threw his hat to the floor. Police enquiries are ongoing regarding this case.

We categorically do not tolerate any form of hate crime on our network and will continue to work with our policing partners to identify perpetrators and bring them to justice.

### **Work-related violence and aggression**

A year after the launch of our first Work-Related Violence and Aggression strategy, we have made excellent progress in many important areas, despite the financial impact and restrictions imposed by the coronavirus pandemic.

These include completing the first phase roll out of body-worn cameras, rolling out our new transport support and enforcement officers, creating a workplace violence unit that combines the teams in London Underground and Surface Transport, and customer communications outlining the consequences of assaulting our people.

While some projects had to be paused, our priority to do more to protect our frontline teams meant the roll out of body-worn cameras was given 'safety critical' status, enabling the work to continue. All surface sites in this phase are complete, and more than 210 Underground stations already have the

full complement of cameras on site, with the remaining stations due to be completed by 31 March 2021. When this phase is complete, around 6,000 colleagues will have access to a body-worn camera while they are on duty. We are also assessing the possible roll out of body-worn cameras to other frontline colleagues.

Despite the restrictions of social distancing, we have recruited and trained 33 new transport support and enforcement officers, with a further 22 due to complete training by the end of March. These officers provide a highly visible and reassuring presence on our network, tackling the triggers of work-related violence and aggression and dealing with anti-social behaviour through engagement and enforcement. They also enforce our byelaws, health regulations and other offences using a variety of powers. We will be continuing with our plans to recruit more officers over the coming year.

While developing the Work-Related Violence and Aggression strategy, frontline teams told us they wanted more communication to show customers the consequences of assaulting them. We are now in the process of creating a multi-channel campaign, which will launch later this year.

### **Police activity to support Vision Zero**

Together with the MPS, we continue to support the Mayor's Vision Zero target to eliminate all deaths and serious injuries on London's roads by 2041, with a range of initiatives to make our roads safer.

In the first week of February 2021, officers were deployed to the A10, A11, A214, A235, A24, A314, A4180/Ruislip Road to crack down on key causes of road danger, such as speeding and using a mobile phone while driving. The campaign saw 86 traffic offence reports issued, and 13 cars were seized for dangerous behaviours such as speeding, drink or drug driving, no insurance and driving without a seatbelt.

Between 3-9 February, 730 traffic offence reports were issued for behaviours such as speeding (173), no insurance (86) and driving without a seatbelt (21). In addition, 79 arrests were made, and 89 vehicles were seized.

Tackling speeding on the Capital's roads remains a top priority. In the first week of February, the RTPC issued 357 traffic offence reports for speeding. The Command has also continued to respond to speeding concerns on borough roads as part of our work to support boroughs in tackling excessive speeds. Between 3 February and 4 March, 189 traffic offence reports were issued for speeding offences on borough roads.

Between 21-27 February, the RTPC ran an operation to tackle mobile phone use while driving in support of the National Police Chiefs' Council mobile phone campaign. This resulted in 436 traffic offence reports being issued for mobile phone usage and an additional 116 reports for dangerous or careless driving.

### **Bus Safety Standard**

We now have 445 buses that meet the first generation of the Bus Safety Standard and from late 2021, new vehicles will start meeting the next generation. The tighter second generation requires new buses to have camera monitoring systems in place of side mirrors, offering a wider field of view and clearer visibility in low light. It also includes toggling to help drivers identify the brake pedal and its relative position from their feet. There will be new safeguards to the brake system to prevent buses rolling away without a driver in the cab and enhancements to the interiors to reduce the risks of passenger injuries. These changes will help us eliminate all deaths and serious injuries from London's roads by 2041.

Of the 445 buses that meet the first generation of the safety standard, 305 are equipped with the Acoustic Vehicle Alerting System (AVAS) to alert vulnerable road users to much quieter buses, such as

pure electric vehicles, which would otherwise be virtually silent in busy traffic. Our AVAS system will automatically adjust its volume to be heard over noisier shopping centres and be less intrusive in quieter suburban districts. The new technologies are part of a concerted campaign to get closer to our Vision Zero target.

### **Preventing slips, trips and falls**

Work continues to reduce customer slips, trips, and falls on buses. While these incidents are not a new occurrence, they have become more frequent since the start of the pandemic, relative to the number of people travelling.

In the short term, we are trialling posters on stairways and new announcements to encourage passengers to hold on to rails and poles inside the buses. We have also reissued guidance to drivers on allowing customers ample time to settle on board following calls at bus stops.

A longer-term strategy is being developed to identify further action and will consider vehicle improvements, such as to flooring and lighting, and outcomes from predictive technology being trialled that warns a driver of hazards to help ensure they have enough time to brake smoothly. We are also reviewing research, evidence and best practice from other transport authorities.

### **Taxi operator compliance**

On 3 October 2020, Ola UK Private Limited (Ola) was notified that it would not be granted a new London private hire vehicle operator's licence at the expiry of its licence on 3 October 2020. We concluded that Ola was not fit and proper to hold such a licence after discovering a number of failures that could have risked public safety.

On 20 October 2020, Ola appealed our decision. The case management hearing will take place between 8 and 9 March 2021. The App Drivers and Couriers Union has indicated its intention to apply to intervene in the appeal. Pending the

outcome of the appeal, Ola may continue to operate, and we will closely scrutinise Ola and its compliance with the conditions attached to its licence for the duration of any appeals process.

Ola has also been charged with 21 offences for failing to comply with statutory record keeping obligations, allowing drivers in charge of a private hire vehicle without a private hire driver's licence and causing or permitting drivers to use a private hire vehicle on a public road without the required motor vehicle insurance. Summonses have been issued and the first hearing took place on 9 March.

# 3 Restart and recovery

## School restart

Following the Government's announcement on 22 February that schools would return on 8 March, we have been working hard to prepare for the reintroduction of our enhanced school bus services.

We are reintroducing similar measures to those we put in place during the autumn term. These include providing hundreds of extra buses, reintroducing the signed 'School Service' buses, and encouraging walking and cycling where possible. These measures will help ensure children can travel to school safely, and on time - with free travel for children and young people still in place. Our extensive efforts to reduce the risk of infection on the network are also continuing, including the enhanced cleaning regime deployed at the start of the pandemic and the enforcement of face coverings.

We have developed pan-London and targeted communications to support the reintroduction of our enhanced school buses and highlight that children could travel to school safely on our services. This has included engaging with more than 3,000 schools, London's boroughs and the Government to prepare for the increased demand on the transport network, where capacity remains reduced because of social distancing. Schools are also being asked to stagger start and end times to help manage demand on services. The latest advice and resources for schools to encourage safe and sustainable school travel can be found on our dedicated webpage, and we continue to support borough delivery of School Streets. A campaign will run across London on radio, outdoor and digital advertising to advise children to walk or cycle to school and remind them of the School Services.

## Managing demand on our services

With the UK under lockdown since 4 January, the Government's guidance makes it clear that everyone must stay at home wherever possible unless there's a legally permitted reason to travel.

For those who need to travel for legally permitted reasons, we are working hard to keep services running. We are running as near to a full service as possible to help those who do need to travel to maintain social distancing. The Waterloo & City line and Night Tube remain closed due to limited customer demand and staff availability.

We are closely monitoring COVID-19 related absences and any implications these may have for our operations, with mitigations in place where possible. Those who must travel can take simple steps to do so safely, such as using our travel tools to plan for the quiet times and routes.

Weekday demand on the Tube has risen to around 17 per cent of pre-pandemic levels. This compares to around five per cent in the first lockdown, and around 25 per cent in the second lockdown.

A key part of our Travel Demand Management strategy has been identifying and communicating hotspots, as well as busy and quiet times. We review data and operational intelligence on hotspot locations and times on a weekly basis, adapting our communications and outputs, including updating our website. We use data from across the business to identify where journeys start and end, and the interchanges and lines used. We issued specific customer and stakeholder messaging to address crowding at Canning Town and West Ham Tube stations, including bespoke quiet times and high-

level advice on using other routes and modes, to ease pressure at these hotspot locations.

We have overlaid journey data with site location data from Build UK, which has confirmed operational observations relating to the localised intermittent crowding at Canning Town, West Ham and Vauxhall stations, as well as travel by the construction sector's workforce. We are using data to target simple action-orientated messaging for the construction sector. We continue to work with the sector to encourage staggered operating and shift times, including closer engagement with sites in the Vauxhall area where many journeys travel through Canning Town and West Ham stations.

We continue to monitor journey data alongside other drivers of demand, such as vaccination and testing centres, and supply issues, including staff shortages, service reliability and bad weather. Using this data, we are exploring potential alternative interchange locations to provide customers with more specific advice on using other routes or modes. The outcome of this will determine further activity through customer channels.

### **Responding to winter weather**

One of our focuses over recent weeks has been on ensuring our network has been ready for severe weather. In the first week of February, we activated our Weather Plan for Snow/Ice. Proactive planning and mitigation took place, including gritting our roads, strategic bus routes, Tube and railway platforms, access to bus stations and garages, Cycleways and around vaccination sites. All areas in Surface were involved in the planning to ensure they were prepared, and this was coordinated through the Network Management Control Centre (NMCC).

### **Vaccination rollout**

We have been working closely with operational teams and the NHS to support the rollout of the NHS's public COVID-19 vaccination programme and provide travel advice for people travelling to London's

seven major vaccination centres. A suite of information has been developed including walking maps, station posters, bespoke way-finding signage in stations, PA announcements and a dedicated page on our website.

Targeted customer information has been delivered to provide our customers with advice if they are using stations that are busier during the morning peak. A new suite of whiteboard posters has been developed advising customers to travel during quieter times, along with new PA announcements to remind people about these times. A targeted email was sent to around 80,000 customers who used these stations in the morning peak to encourage them to use our travel tools to find more information on the quieter times to travel.

### **COVID-19 testing of TfL staff**

As reported previously, we have set up a number of rapid testing sites at Pier Walk, Kings Cross and Palestra, with more to follow, to enable regular asymptomatic COVID-19 testing for staff. To date, we have tested over 3,400 staff with the number testing positive at less than 0.8 per cent. In addition, we are running a pilot to deliver daily contact testing to staff in the NMCC to help reduce absence rates by enabling regular testing as an alternative to self-isolation under the terms of the pilot. We tested more than 20 people in the first three weeks, and we continue to discuss ways to expand this facility to other control centres.

Our Compliance, Policing and On-Street Service team also started asymptomatic testing on 8 February, to further mitigate and reduce risk to staff by identifying those who are positive but not presenting symptoms, based on the learnings and plan designed by NMCC.

### **Engagement with businesses**

Our engagement with London's business community has continued as we look ahead to support the Capital's emergence from the pandemic. On 24 February, I joined the Central London Alliance to discuss London's recovery from

coronavirus and I had similar meetings with the Confederation of British Industry on 23 February.

The monthly Business Organisation Working Group and quarterly Business Advisory Group continue to offer us excellent insight into the priorities of London's business community. I also continued my wide-ranging discussions with businesses themselves and hosted a session with London First members. The team continued to run our Streetspace Advisory Group, Youth Panel and Accessibility Forum offering feedback and understanding of our work and how we can shape it for the better in future. In addition, the team continues its regular engagement with stakeholders, such as Transport for All, London TravelWatch, London Cycling Campaign and the Central London Alliance.

### **Central Activities Zone research**

Research to understand the implications of the pandemic and the recovery of the Central Activities Zone (CAZ) is progressing well. Arup, Gerald Eve and the London School of Economics were appointed by the Mayor to carry out this research, have jointly prepared an interim report that was published in early February. This report is the first stage of work that looks at the baseline of the CAZ, with an emphasis on office trends, interdependencies within it, and the interaction of the CAZ with the rest of London and the UK. City Planning is fully involved in this study and have submitted evidence to the consultants and are represented on the steering group.

The second stage of this research will build three scenarios, which will test the scale of the economic impact of the CAZ over the medium- and long-term cycles and provide recommendations to support a strong recovery. Once this work is complete, a final report is expected to be published in the spring.

### **Supporting our employees**

#### **Sleep Clinics**

Fatigue and poor sleep can lead to health and safety risks and can have a negative

impact on the immune system. The Sleep Health Assessment tool, which was recently made available to staff, has provided people with a personalised sleep report, which provides tips and guidance on how to improve sleep.

To further support those who have completed the assessment and help those who are concerned about their sleep, the Mental Health team is offering a series of Sleep Clinics, which last for 45-minutes and provide one-to-one support from a counsellor. The counsellor will discuss sleep habits and difficulties and help come up with different options and techniques to improve the quality of sleep.

#### **Time to Talk day**

The 4 February was national Time to Talk Day. This annual event seeks to raise awareness of mental health, get people talking about it and ultimately begin to break down any stigma still attached to it. Our network of volunteer peer supporters, including Health & Wellbeing Champions, the Supporting Colleagues Network, Trauma Support volunteers and Time to Change agents, really got behind the event and the result was a wide range of activity catering for both operational staff and colleagues who are working from home.

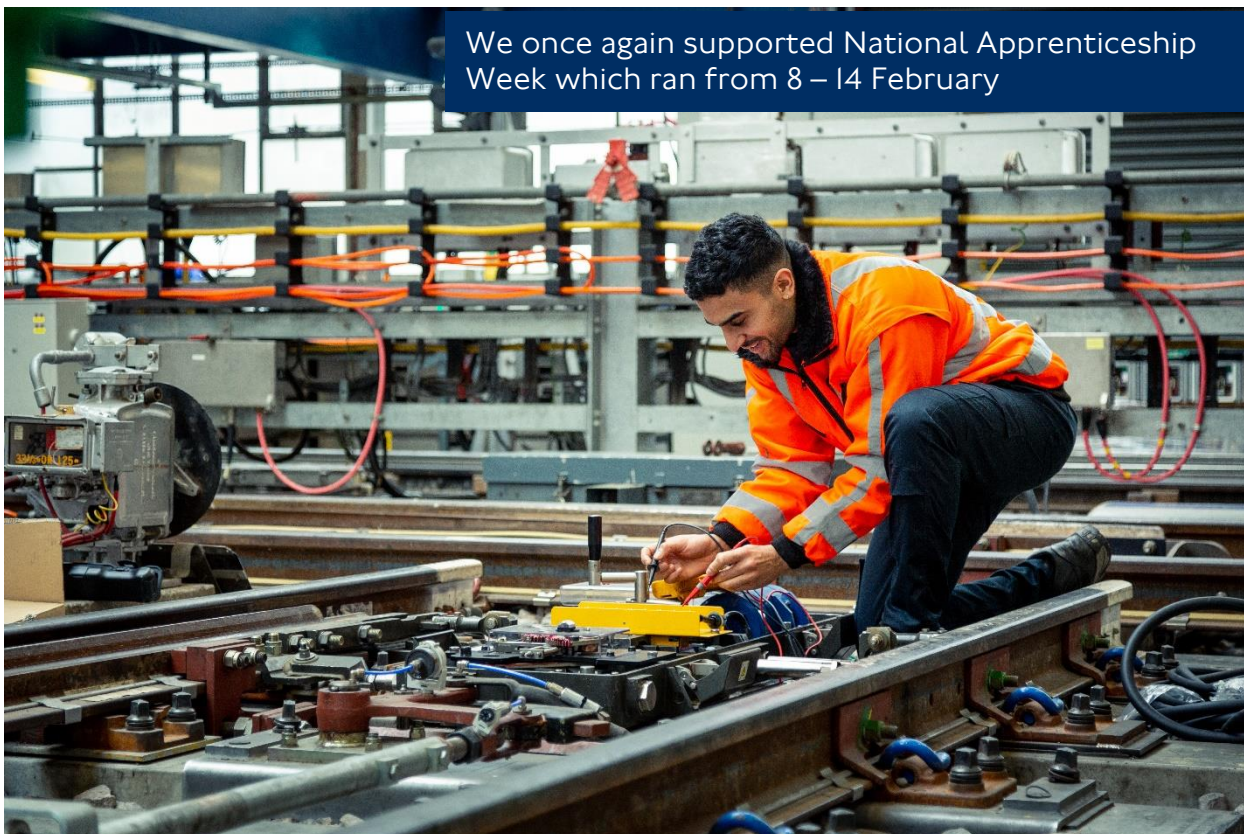
Within our Safety, Health and Environment team, for example, there was a full programme of events, including talks on showing kindness, seasonal affective disorder, healthy eating and on providing ways to support your own mental health and improve resilience. Operational staff organised local events, including sharing personal stories and discussions. There was also a Tea and Talk session, which was open to all colleagues and a meditation session to help calm the mind.

#### **Women's Health**

In March, our focus is on supporting the health of women, including virtual talks from subject matter experts on breast cancer, strengthening the pelvic floor and menopause. We are also providing



We once again supported National Apprenticeship Week which ran from 8 – 14 February



information and resources on conditions such as ovarian cancer, cervical cancer and endometriosis.

### Coronavirus pandemic Resourcing Recovery

With demand for our services fluctuating during 2020 and the start of 2021, so too has demand for our people resources. While we were able to utilise the Government Job Support Scheme last year, we are reimagining our resourcing to ensure we have the right people in the right places at the right time and can be as agile as possible. We have established a TfL-wide resourcing group, which is working to ensure all resourcing policies, procedures and systems support any new ways of working that are created as part of the coronavirus recovery.

### COVID-19 Special Recognition Awards Scheme

In November 2020, we launched the COVID-19 recognition scheme, with a special award to specifically recognise those who have made exceptional contributions that had a significant impact

on London's response to the pandemic. This initiative gives those nominated for the existing Make a Difference award the chance to be nominated for the special award.

The recipients of the awards are decided by diverse business panels, which include representatives from different levels of the organisation to ensure it truly represent our workforce. The first panels took place at the end of January 2021, with 40 individual and 14 team awards being awarded. From its launch at the end November 2020 to mid-February 2021, there have been 250 individual nominations and 30 team nominations. These nominations will continue to be reviewed by panels across our business areas.

We have also fully integrated and synchronised this special recognition scheme with our Thank You campaign to all staff, which uses various internal and external media to celebrate the contribution our staff have made to London. Internally, this recognises that

everyone has played their part, including those on furlough, and includes a thank you video from me. There will also be special edition On the Move and Upfront magazines showcasing employees' different contributions to our organisation and the surrounding communities throughout the pandemic. An additional Upfront magazine for Professional Services will also be produced. This is planned to include a thank you letter from the Mayor, as well as myself. Magazines will be sent to employees' home addresses in April.

### **Graduate and Apprenticeship roles launched**

On 22 February 2021, we went live with 114 vacancies for our graduate and Level 4-6 apprenticeship roles, ready for intake in September 2021. Following the pause and subsequent change of requirements for the graduate and apprentice assessment centres in 2020, the Skills and Employment team will continue with its redesigned, virtual approach to assessment this year if required. The team did an excellent job in 2020 to ensure that the change from face-to-face assessment to virtual did not create barriers to entry or disproportionately impact different groups.

We introduced virtual TfL events for the first time to promote our graduate schemes, rather than join campus-based and university-led events. Three specific events took place covering Engineering, Technology and Professional Services. These were also promoted to our operational colleagues, recognising the talent and potential we have internally.

In addition, the switch by universities to virtual careers events this year has enabled us to target a wider range of universities with higher numbers of underrepresented groups inside and outside of London.

### **National Apprenticeship Week 2021**

The 8 February marked the beginning of National Apprenticeship Week 2021. The Skills and Employment team organised a

series of virtual events for potential candidates, parents, carers and teachers, with 370 attendees.

These virtual sessions took place in the morning, afternoon and evening to increase accessibility for participants, with events continuing for a further three weeks. For many potential candidates, the virtual format has enabled a less pressurised environment and we found many more questions were raised via the online chat function than we would see at equivalent face-to-face events.

We also took part in the 2021 Virtual Supply Chain Apprenticeship Fair, led by our Procurement and Supply Chain colleagues. More than 100 potential candidates met Engineering, Quantity Surveying and Project Management apprentices who presented their experience and the benefits of apprenticeships. The apprentices helped dispel myths and gave a first-hand insight into careers in disciplines that candidates may not have considered, or previously been aware of.

The team and apprentices also supported a number of targeted school and borough events to help increase the diversity of our next intake and engage the communities we serve.

### **Welcoming back our Steps into Work students**

The economic impact of coronavirus means that groups who already faced barriers into employment are at risk of being further away from work. Our Skills and Employment team prioritised restarting Steps into Work, our 12-month training programme for those with learning disabilities and/or on the autistic spectrum.

Following staggered start dates in March, the redesigned programme saw 16 students restart virtual work placements with the business for the first time. Their physical placements were paused as result of the pandemic and we are delighted to see the students virtually return.

### **TfL anti-racism charter**

In February, as part of our commitment to fighting racism in all its forms, we launched our anti-racism leadership charter, which has been endorsed and signed by members of the Executive Committee. The charter sets out the steps we can take as leaders to support our organisation in being an anti-racist organisation. In signing up to the five commitments in the charter and our anti-racism manifesto, we are demonstrating our commitment to diversity and inclusion, and are taking collective action to address the inequalities that exist.

Following the endorsement and sign-off from our Executive Committee, the charter has been shared across a range of internal channels to help promote it across the organisation. Our Diversity & Inclusion team will continue to work with a range of stakeholders to implement and embed the charter into our everyday ways of working, to ensure it is viewed on the same level of importance as our other priorities, such as safety. Colleagues have been encouraged to read the charter and discuss how their teams can support the commitments and get involved in actions.

We are already taking action, such as introducing anonymous CVs and developing diversity and inclusion plans in many departments. Our diversity and inclusion listening sessions, which started last year, are ongoing, with a key commitment of the charter being for leaders to take time to listen, acknowledge, understand and empathise with our colleagues' experiences of racism.

These listening engagement sessions provide a safe space for our Black, Asian and minority ethnic colleagues to share their experiences of how their race has impacted their lives. Leaders will commit to appointing a dedicated diversity and inclusion workstream lead, who will be responsible for delivering the action plans, and leaders will report on progress and barriers to a newly formed race equality board.

Following the listening sessions, leaders will feedback the key themes and issues to their teams. Leaders will be check in to see if these themes are correct, and if so, provide opportunities for employees to suggest actions and solutions, taking a consultative approach. Following this, leaders will work with the Diversity and Inclusion and HR teams to create and deliver local race equality action plans, which will help improve workplace race equality.

There is still some way to go and we must all continue to take action to become truly inclusive and diverse at every level. The signing of the charter is just the beginning of this shift in culture.

### **LGBT+ History Month**

Throughout the month of February, we celebrated LGBT+ History Month. The theme for 2021 in the UK was Body, Mind, Spirit. Although events had to be scaled back this year due to the pandemic, the OUTbound Staff Network Group organised and coordinated a wide range of virtual events for colleagues. These ranged from informative sessions to discuss topics such as mental health and disclosure, as well as social events including 'social chat' sessions and a light-hearted game of Bingo with the OUTbound group

# 4 Improving transport and generating growth

## **Northern Line Extension**

The Northern Line Extension project includes a twin-tunnelled extension from Kennington station to a new terminus at Battersea Power Station, via a new station at Nine Elms. The project is scheduled for completion this autumn.

At Battersea, the architecture and finishes to the eastern entrance to the station continue, as do tiling and the installation of mechanical equipment. Gateline and ticketing equipment has been delivered to Battersea and await installation.

At Nine Elms, we are installing the flooring and providing the assets for the gateline assistance point. Skirting and tiling works are in the final stages of completion.

Hard landscaping continues at both Kennington Park and Kennington Green. Ventilation, firestopping, stair pressurisation and various snagging works continue. Following the successful testing and commissioning of tunnel ventilation fans at Kennington Park in December, they have now been commissioned at Kennington Green. Testing of circuits and electrical submains is ongoing across all sites. Distribution board energisation activities are also progressing. The project is focused on works to support the start of trial operations in June.

## **Silvertown Tunnel**

The new twin-bore tunnel, within the extended Ultra Low Emission Zone (ULEZ), will effectively eliminate congestion and improve air quality around the Blackwall Tunnel approach, with no increase in carbon emissions. It will also provide a transformative new cross-river bus

network for east London, with plans for up to 37 buses per hour in each direction, all of which are expected to be zero emission from launch. The tunnel will connect Silvertown and the Greenwich Peninsula, and support significant planned redevelopment in the coming years, aiding London's recovery.

We have now served temporary possession notices and taken possession of land from several tenants to facilitate handover of 32 sites to date to our contractor, Riverlinx. Three continuous air-quality monitoring stations have been installed near the new tunnel's portals, two of which have been commissioned with one more to follow. A further 29 nitrogen dioxide diffusion tubes are monitoring air quality in the boroughs of Greenwich, Newham, Tower Hamlets, Southwark and Lewisham.

Following conclusion of the ground investigation and surveys, utility works are progressing on cabling and diversions to enable the power supply for the tunnel boring machine (TBM). Site works continue in both Greenwich and Silvertown, including where the launch chamber for the TBM will be constructed, with demolition and clearance of existing buildings, guide wall construction and extraction of existing piles. Construction of the launch chamber has begun, with more than 15 per cent of the total number of piles required for the chamber now in place.

Our procurement planning for the TBM is progressing well and sample testing of tunnel lining segments is also under way, with fire resistance tests with potential

suppliers having started and expected to run through to May.

### **Barking Riverside Extension**

We are delivering a new rail link that will unlock and support 10,800 new homes planned for the Barking Riverside development area. We will build a spur on the London Overground east of Barking to extend the Gospel Oak to Barking service to a new station at Barking Riverside. The extension is around 4.5km from Barking station. It includes modifications to the existing Network Rail infrastructure and new lines running on a viaduct of around 1.5km. A four-carriage London Overground service running at 15-minute intervals is planned.

Construction of a ramp and viaduct is taking place north of Choats Road, linking to existing Network Rail infrastructure. To the south of Choats Road, the viaduct runs through the Barking Riverside development to the terminus station near the Thames. Ramp and viaduct piling activities have been completed and the final pier walls, at Piers 13 and 14 where the north and south viaducts will meet, were poured in December. The final deck span over Choats Road will be lifted and installed in April 2021. Concrete works on the south viaduct were completed in December 2020 and works to install the drainage and fit handrails are progressing. On the north viaduct, works are ongoing to finish the ramp, complete installation of the last deck spans and pour the remaining deck slabs.

At the new station, we have completed the main roof and platform canopy cladding and glazing and have started to install the mechanical and electrical equipment, including the permanent power supply to the station. Following the completion of a major signalling stage over New Year, there have been several successful weekend possessions to deliver further track, signalling, telecoms and overhead line works. Design for the final signalling stages is also progressing on plan after securing approval for the points operating equipment that will be used.

Following the disruption and re-planning required as a result of the pandemic, the delivery programme has now stabilised, and we are working with Network Rail to confirm the additional possessions needed to complete the works. Our most likely start of service remains autumn 2022.

### **Bank station**

We are boosting capacity at Bank station by 40 per cent. This 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.

We have awarded all the main subcontracts for fitout work and they continue to progress. Having completed the installation of new power supplies to the new entrance building, the focus now turns to the installation of cable management systems and cabling for the electrical distribution system that will feed the many services and systems necessary to safely operate and maintain the new station and tunnel areas.

The telecommunications subcontractor has begun works. This is the last main subcontract to start work onsite and will be critical in preparations for the temporary closure of the Northern line Bank branch.

Planning for the temporary closure of the Northern line Bank branch and some associated Northern line stations continues. A new tunnel connecting the new and existing Northern line southbound running tunnels has been excavated to enable early delivery of rail for the new track installation. Preparations for work on the installation of the track bed have begun.

### **Bakerloo Line Extension**

On 1 March 2021, the Secretary of State for Transport issued Statutory Safeguarding Directions for the proposed Bakerloo Line Extension from Lambeth North to

Lewisham. This will protect the land we require to build the extension, including the tunnels, new stations along Old Kent Road, New Cross Gate and Lewisham, as well as key operational infrastructure and construction sites. This is a major milestone for the project that recognises the very strong case for the scheme and the many benefits it would bring.

Alongside the planned Statutory Safeguarding Directions, there has been further development of the Strategic Outline Business Case. The business case will address the affordability challenge in terms of the scheme design, as well as highlight the importance of all elements of the Bakerloo Line Extension to London's recovery and growth. This work is under way and is due to be completed by May 2021.

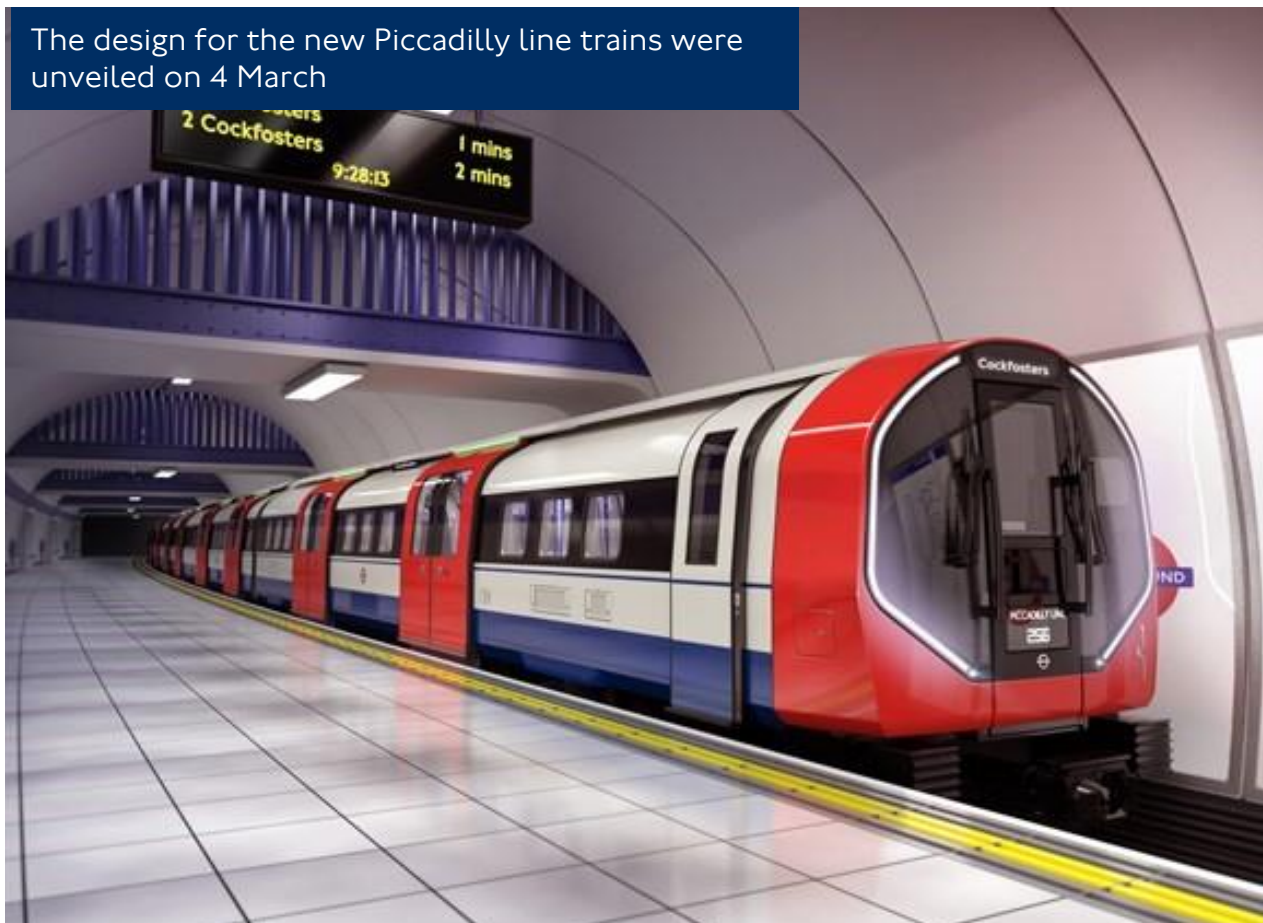
### **Piccadilly Line Upgrade**

Phase one of the Piccadilly Line Upgrade will introduce 94 new generation, high-capacity, walk-through, air-conditioned trains and supporting infrastructure. These will replace some of the oldest trains on

our network and will enable a peak frequency increase from 24 to 27 trains per hour. The design for the new Piccadilly line trains were unveiled on 4 March in a joint webcast with Siemens. The new trains optimise space to boast 10 per cent more capacity, as well as being significantly lighter than existing designs, meaning energy efficiency is increased and damage to tracks is reduced. This is achieved by using an innovative articulated design, meaning fewer bogies (the structures containing the wheels, motors and suspension to support and power the train) are required per full-length train. This provides the additional benefit of a smoother ride. The new trains have also been designed with sustainability in mind. They are 95 per cent recoverable and also offer regenerative braking capability, cutting-edge traction systems, LED lighting throughout and advanced energy management. This means energy consumption is reduced by 20 per cent compared with the existing fleet.

Siemens has also begun to mobilise its train assembly facilities in readiness for

The design for the new Piccadilly line trains were unveiled on 4 March



the start of manufacture at Siemens Mobility's new £200m rail manufacturing site in Goole, East Riding of Yorkshire. As part of Siemens Mobility's commitment to driving the local economy and supporting the Government's levelling up ambitions, the first phase of investment has seen contracts worth £50m going to UK companies, with the majority to local businesses. Siemens Mobility's Goole development will create up to 700 direct jobs, with a further 250 roles created during the construction phase and an additional 1,700 indirect supply chain opportunities. It is scheduled to open in 2023. The company also plans to create an associated rail supplier village and innovation centre with co-located suppliers, making Goole a rail 'centre of excellence' for the UK.

To enable the introduction of the new fleet of trains, South Harrow sidings need enlarging. We began site works in December 2020 and are currently in dialogue with Harrow Borough Council in preparation for beginning phase one works as planned by mid-March.

We continue to collaborate closely on three innovation projects with our partners in the Transport Infrastructure Efficiency Taskforce, whose members include the Department for Transport (DfT), HS2 Ltd, Network Rail and Highways England. These include a new cooling technology that will help manage the temperature on station platforms, and scalable offsite-constructed equipment rooms, which are cheaper, more sustainable and safer to install.

Design and site investigation works have started, as well as procurement of key components, so we remain on track for proof of concept to be delivered, including site trials, in late 2021.

### **New DLR rolling stock**

This programme is to manufacture and supply 43 new DLR trains, 33 to replace the life expired B92 fleet and 10 to increase capacity. It will also include an expanded depot to stable and service the new fleet

and signalling modifications to the Thales Automatic Train Operation system, to support the new trains and functionality. There will also be telecoms system modifications to provide enhanced customer facing information and traction power capacity works.

The final design phase has been completed and manufacturing has now commenced with Construcciones y Auxiliar de Ferrocarriles (CAF). The final design for the Thales signalling has been accepted by the project team.

The next phase of contracts have been awarded for Beckton Depot and, following tender evaluations, we expect to award the contract for the northern sidings works soon. Works to bring in a new traction power supply by UK Power Networks have started on site.

Authority to enter into the grant agreement for the Housing Infrastructure Fund works to deliver 14 additional trains and stabling capacity was approved in December 2020 and the grant agreement has now been signed. There is a break clause in this agreement in July 2021 should Government not provide the funding certainty needed to proceed with this vital project.

### **Amersham station becomes step-free**

On 4 February, Amersham became the 81st step-free Tube station on the London Underground network, helping those with accessibility needs to access the station and the wider transport network and significantly improving their journeys. New lifts installed at Amersham give step-free access from the street to the Metropolitan line.

Step-free access at the station also includes a bridge linking the platforms, and improved signage. Level access between the train platform for Metropolitan line services and a manual boarding ramp will be available to assist customers wishing to access National Rail trains at Amersham.

In an overnight operation, the lift shafts were craned into position with the lifts themselves built onsite. The new bridge and lifts will improve access within the station and wider transport network for people with mobility needs, heavy luggage or with children in buggies.

The completion of accessibility work at Amersham means that 30 per cent of the Tube network is now step-free, with more than 200 step-free stations across our network. Work continues on six more stations which are scheduled to be made step-free: Debden, Harrow-on-the-Hill, Ickenham, Osterley, Sudbury Hill and Wimbledon Park.

### **Elephant & Castle station**

A new station entrance and Northern line ticket hall will be provided as part of a private sector redevelopment of the Elephant & Castle shopping centre, significantly increasing station capacity to meet future demands. The developer, Delancey, will construct a new station box as part of its scheme. We will provide the fitout 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 developer continues with its demolition of the existing Elephant & Castle shopping centre. Meanwhile, our negotiations with the developer are now at a detailed stage. We have received a favourable offer on our contribution to the station box. Affordability remains essential for us and requires a decision before the development agreement, currently planned for spring this year. Discussions are ongoing to identify and secure the necessary funds to enable us to commit to the new station.

Surveys and detailed design will follow, with prioritised enabling works delivered in 2021/22. Tunnelling will start once the station box has been handed over by the developer in 2024. In the meantime, we continue to look for ways to reduce costs,

as well as making logistical planning and other preparations.

### **South Kensington station**

On 27 February, we began essential work to replace the escalators at South Kensington station. This means that Piccadilly line trains are non-stopping at the station until early spring 2022. Circle and District line services continue to operate through the station.

The vital replacement programme will see all five Piccadilly line escalators at South Kensington station replaced. The escalators, which were installed in 1973 and are at the end of their lifespan, have become unreliable and are the highest priority escalators for replacement on the Tube network.

The work will mean that the station, which before the pandemic saw almost 34 million customer journeys each year and provides an important gateway to the world-famous cultural attractions in the area, will have five new high-performing escalators for decades to come. All work will be carried out according to the latest social distancing guidelines for staff and customers.

The new escalators will be installed with UV light sanitising devices, building on our ongoing efforts to keep services safe for customers with an extensive anti-viral cleaning regime. A successful trial has shown that these devices improve sanitisation levels on escalator handrails by at least 50 per cent.

### **Waterloo station**

The London Borough of Lambeth has entered into an agreement with developer HB Reavis on its proposed demolition of Elizabeth House and an associated contribution towards step-free access to the Northern line at Waterloo station.

Subject to the necessary legal agreements being entered into with us, HB Reavis will provide a new lift shaft, constructed from within its development site, which will make it possible to create a step-free



connection between the Northern line platforms and the concourse above. Before the pandemic, Waterloo station was one of the busiest stations on the Tube network.

The redevelopment of Elizabeth House is of strategic importance to Lambeth, and will provide flexible new office accommodation, a bustling new street with retail offerings, improved public space and pedestrian links between Waterloo station and the Southbank area. It is hoped works may start in 2022.

### **Walthamstow Central station**

We have received planning permission for a new entrance at Walthamstow Central station that would increase capacity and provide step-free access to the Victoria line. The new station entrance is part of a wider development by Capital and Regional, including a new shopping mall and new homes.

Walthamstow Central station has seen customer growth of 25 per cent over five years, causing queues during the weekdays. The development would address these congestion issues.

The impact of the pandemic has meant funds we previously committed are no longer available, and we are working hard to secure alternative funding to contribute towards progressing this scheme.

### **Acton Depot**

Construction work at our new train maintenance depot building in Acton reached a green milestone at the end of January, as 598 solar panels and a green lawn were installed on the roof.

The building will be used by our train modification unit. The green roof is a big step towards meeting our renewable energy target for the building and will return a staggering 152,300kwh to the grid every year. This is enough energy to power 37 detached houses for a year and underlines London Underground's commitment to the environment and sustainability. The return of green energy

will also offset the carbon footprint of the building during its use.

### **Hammersmith Bridge**

As part of the DfT funding settlement for the second half of 2020/21, £4m has been allocated to the repairs at Hammersmith Bridge. Our officers are working closely with borough colleagues in Hammersmith & Fulham, Richmond, the Port of London Authority and the DfT to further develop the structural designs and plans that would stabilise the bridge and enable it to re-open to pedestrians and cyclists, before the full strengthening phase of the works allowed road traffic to use the crossing again.

The exploratory works, which involve taking off the pedestal casings and blast cleaning to investigate the structural cracks in detail, restarted in December 2020. All four sets of casing panels will have been removed by April 2021 with the blast cleaning also having been completed. Discussions are ongoing with the DfT Taskforce on funding for the next stages of repair, together with options for refining the delivery programme and contractual arrangements, and potential advance works to de-risk the construction schedule.

We understand the significant disruption caused by the bridge closure and have worked hard to mitigate the impact. We have increased the service frequency on bus route 533, between Hammersmith Bus Station and Lonsdale Road, and on route 378, between Mortlake Bus Station and Putney Bridge station. We continue to work with various stakeholders, including state and private schools on both sides of the river, to see how we can further help local customers and pupils. We also continuously monitor the road network and change traffic signal timings to alleviate any local congestion.

### **Hammersmith Ferry**

We started the procurement process in November 2020 to appoint a contractor to run a temporary ferry service close to Hammersmith Bridge while plans for

repair are finalised. We have concluded initial shortlisting and have invited bidders to tender full submissions, which were received in mid-February. The winning bidder is due to be announced by the end of March.

To ensure a high-quality submission, some of the firms taking part in the procurement process requested additional time, which means it is unlikely that the ferry will begin operating before the summer. When an operator is chosen to run the ferry this month, it will be possible to set out the programme in more detail.

The contract award and delivery of the ferry service is also dependent on us securing agreement from Government that financial support will be provided for the delivery and operation of the ferry.

### **London rental e-scooter trials**

Following public consultation, on 4 July 2020, the DfT introduced new regulations to allow trials of rental e-scooters as part of the Government's response to the coronavirus pandemic.

Our early engagement with London Boroughs and with e-scooter Operators demonstrated that there was strong interest in hosting trials across London and as such this could have created a patchwork of trials which could have had potentially significant impacts on safety.

Safety remains our top priority, and we have worked closely with London Councils and participating London Boroughs to deliver a co-ordinated single rental e-scooter trial across London. The trial will promote safety at its core and help us achieve a consistent approach for the benefit of London. This trial will also help us to understand if and how e-scooters can be safely accommodated in London.

A significant programme of engagement has been underway with London's stakeholders to inform plans and a trial is expected to start in spring 2021, lasting for 12 months. Following a market sounding questionnaire in June 2020 an open and

transparent selection process for Operators launched in November 2020 and is now drawing to a conclusion. Further announcements in relation to the selected operators will be made in due course.

### **The TfL Go app**

We launched our TfL Go app, a real-time travel assistant, on iPhones in August 2020. An Android version followed in December, which was a key deliverable in the H2 settlement. Several adjustments were made at the time of this launch to meet our pandemic response, including messaging around face coverings, promoting walking and cycling routes for shorter journeys, and quiet times at stations.

Since its launch, we have built and released new features and functionality, including nearby bus information, live step-free status, Thameslink on the Tube map, and live rail times (including London Overground and TfL Rail) in Journey Planner. We have continued to support our open data policy by releasing new accessibility data used in the app to third-party developers.

Our focus is now on account and payment integration and ensuring the Android version has a comparable set of features with iPhones. We will also be looking to trial 'promoted locations' to support London as it emerges from lockdown.

The app has been downloaded 78,000 times and will be promoted as part of our restart and recovery activity. It aims to set a new benchmark for us in terms of inclusive digital design, making the most of native app technologies like VoiceOver (iPhones) and TalkBack (Android).

### **London Plan formally published**

The Mayor received a letter from the Secretary of State on 29 January 2021 formally agreeing to the publication of the Mayor's new London Plan, with no further modifications required. On 2 March 2021, the London Plan was published on the GLA website, and is a major step forward for the Capital. The plan sets out a

framework for the future of London, ensuring that London's growth will be Good Growth; growth that is sustainable and improves the quality of lives for all Londoners.

Under the new plan, new developments will continue to contribute to the delivery of the Mayor's Transport Strategy, especially regarding mode shift as homes and jobs are located in places that are well connected by public transport. The city will develop in ways that tackle the climate emergency and improve air quality, as well as health and wellbeing. The plan also provides the framework for the economic recovery of the Capital from the impacts of coronavirus, supporting SMEs, creative businesses and grassroots venues. It will also help London become more accessible and inclusive, creating places that are more welcoming and designed for people.

### **New Homes**

#### **Elizabeth line over-station development**

We completed our deal with Galliard Homes on 10 February to develop above and around the new western entrance to Tottenham Court Road station. The new development will help provide new construction job opportunities and deliver 92 new homes alongside recently built retail space on Oxford Street. This forms part of a programme of 12 major development opportunities above and around Elizabeth line stations and Crossrail construction sites.

#### **Bow Church**

On 12 January, we selected the housing association Optivo as our partner to help us deliver more than 150 new homes at a site next to Bow Church DLR station. The scheme will include at least 50 per cent affordable housing as well as improving the public realm and providing new commercial space to support the local economy.

#### **High Speed 2**

HS2 Limited's construction activity has continued across all sites in London under COVID-19 secure conditions. This includes

the continuation of site clearance and mobilisation at Euston, including preparatory works for the new London Underground substation and ventilation building, and utilities diversions along Hampstead Road and across Euston Road. Enabling works for the interim taxi rank at Euston station began in February. Enabling works are also ramping up at Old Oak Common in readiness for piling and excavation for the main station box, which is expected to start by April/May 2021, pending resolution of ground monitoring requirement issues.

We are working with the DfT to assess the preferred option from the Senior Responsible Owner Study, especially with regards to our infrastructure, operations and passengers. This work includes other key stakeholders, including HS2 Ltd, Network Rail, London Borough of Camden and Lendlease, under the umbrella of the newly formed Euston Partnership. Collectively, we are working to refine early scheme designs, as well as input into affordability, to ensure investment delivers best value. A decision on the high-level proposals is currently anticipated in April 2021, following review through the Euston Partnership.

We have continued work on the Euston Healthy Streets project with funding from London Borough of Camden. This is taking a strategic view of the highways surrounding Euston to inform future aspirations in line with the Mayor's Healthy Streets principles. This includes developing a joint vision with stakeholders, as well as identifying short-term improvements for pedestrians. We are also working with Camden and the Euston Partnership to explore a restart of wider design work on the project.

We continue to work collaboratively with HS2 Ltd and its supply chain in reviewing and assuring designs and works where there is a potential impact on our assets or our operations.

## **New crane trains**

Track work on our network is set to be made safer and more efficient thanks to a pair of new cranes we are bringing into use. The Kirow cranes can be transported through our tunnels and are designed so the lifting arms can work while parallel to the ground. This makes them particularly suited to our space-constrained environments.

The cranes are complemented by eight new tilting wagons, the first of their kind to run on the network. They can transport whole sections of prefabricated track up to 18 metres long. The wagons are loaded and unloaded flat but tilted up to 60 degrees to fit through tunnels on our sub-surface lines.

Traditionally, all the components to renew a section of track, particularly points and crossings, arrived separately and were assembled onsite. Now the panels are pre-built at the manufacturer's location and brought onsite on the tilting wagons, where the crane lifts them off and slots them in. The new method will improve track quality and installation rates, and has the potential to reduce closure durations, which is good news for customers.

Our cranes can lift up to 25 tonnes individually or up to 50 tonnes when working in tandem. They can also lift panels in front of their wheels, which is particularly helpful when working in a subsurface environment.

## **Bus services update**

On 13 March, we are introducing a new bus route, 456, following strong support during consultation. Route 456 provides much requested new links between areas in the north and west of the borough of Enfield and North Middlesex Hospital. It will operate between Crews Hill and North Middlesex Hospital via Enfield town centre, World's End, Grange Park and Winchmore Hill. The service will run every 30 minutes between 07:00 and 20:00 on weekdays and Saturdays, and an hourly service on Sundays between 07:00 and 20:00. It also provides a bus service for the

first time to residential areas around Winchmore Hill.

The new route replaces the limited and infrequent route W10 in the north of the borough, on which we have already introduced a more direct routing in the Carterhatch Lane area in north Enfield, through a new traffic management scheme. It will cut journey times on public transport by around 15 minutes (from 40 to 45 minutes currently) between destinations such as Winchmore Hill and North Middlesex Hospital.

In other changes, following customer requests, we have altered the times of the first bus on route 164 to give better connections to trains at Wimbledon station. We have also introduced a diversion on route 92 (in the borough of Ealing) to serve the large new development at Greenford Quay.

We have been providing customers with regular travel advice following strikes in late February and March on some RATP bus services, accounting for around 80 of the capital's 700 bus services. We contacted all our registered Oyster card users on these routes in west London advising them to check their journeys before travelling, with real-time updates provided on the TfL website and TfL Go app and travel information posted at most affected bus stops and bus stations to help customer re-plan their journeys. RATP continues to work through the industrial relations issues with Unite the Union to seek agreement and avert further action.

## **New Tube map cover art**

Phyllida Barlow's helter skelter is the cover for the 33rd edition of the pocket Tube map series, commissioned by Art on the Underground. Made during lockdown, helter skelter comprises Barlow's signature bold colours and shapes in a tower of platforms and tubes, balanced precariously on top of one another. The ramp, barrier and tower are forms that have appeared repeatedly in Barlow's work throughout her 50-year career.

Art on the Underground began commissioning artists to create works for the Tube map in 2004, with two artists commissioned each year. The map has featured artists including Yayoi Kusama, David Shrigley and Barbara Kruger. With millions of copies printed each year, the pocket Tube map is among the most significant series of art commissions in the world.

### **Poems on the Underground**

In February, we launched a new series of Poems on the Underground to celebrate the bicentenary of the death of poet John Keats, considered one of the greatest English poets. The six poems include two works by Keats, a poem by Percy Bysshe Shelley to commemorate Keats and three poems by contemporary authors that reflect on nature, one of Keats' favourite themes.

# 5 Healthy Streets

## Streetspace for London

The Streetspace for London programme continues to deliver at pace. So far, more than 82.2km of strategic cycle routes have been completed, with a further 12.8km under construction. Through the programme of temporary schemes, we are working with the London boroughs to deliver at least 30km of new or upgraded cycling infrastructure between November 2020 and March 2021. As we recover from the pandemic, we will continue to monitor the impacts of Streetspace for London schemes on cycling and other modes, as well as engaging local communities and stakeholders, to inform which schemes could be made permanent.

Construction of a one-kilometre extension of Cycleway 4 between Aldeburgh Street and Anchor and Hope Lane in Southwark is under way, and works have also started on two sections of the CS8 upgrade between Macduff Road and Wandsworth Road in Wandsworth.

Borough delivery continues to make good progress, with construction of Streetspace for London routes taking place across seven London boroughs. Enfield has recently extended its Ponders End to Edmonton route to connect with the North Middlesex Hospital. This route will eventually extend into Haringey and connect with Cycleway 1.

## Bishopsgate judicial review

A judicial review claim was brought by two taxi organisations against a scheme in Bishopsgate and against the interim Streetspace for London guidance that we issued to boroughs in May 2020. On 20 January 2021, the court quashed the

Streetspace Plan, our interim borough guidance and the A10 Bishopsgate Order, but has stayed the effect of these orders until 21 days after the final determination of any appeal. This means that the plan, guidance and Order can remain in place pending any appeal. We are disappointed with the judgement and submitted an application for leave to appeal on 10 February 2021.

No findings were made about the lawfulness of other borough schemes, which can also remain in place as boroughs consider appropriate. The judgment does not prevent any decisions on schemes being taken going forward and these should be taken having regard to the judgment as appropriate. There have been some separate challenges to some borough projects, which the courts are yet to decide upon.

## Santander Cycles

Our Santander Cycles continue to play a crucial role in supporting key workers during the pandemic, as more people have turned to cycling for exercise and journeys. Since March 2020, free cycle-hire access codes have been provided for NHS staff and other key workers. So far, there have been 217,710 hires and almost 18,000 people have benefited from this offer. The busiest location for NHS code redemption is the docking station on Lambeth Palace Road in Waterloo, near St Thomas's Hospital.

In addition, 24-hour membership registrations rose by 167 per cent in the year to December 2020, representing the largest increase in the scheme's 10-year history. Meanwhile, registrations for new annual memberships increased by 26 per cent. Total hire numbers for 2020 were

10,434,167, an increase of around 6,000 from 2019, despite a significant overall reduction in journeys across London during the pandemic.

Over the course of last year, the previous maximum daily hire number of 50,000 was surpassed on 14 separate days as record numbers of people tried Santander Cycles for the first time. New memberships have also risen by 157 per cent over the last year compared to 2019, providing a lifeline to tens of thousands of Londoners by enabling them to safely make essential journeys.

This year we have seen two consecutive record-breaking weekends in the month of February since the schemes launch on 30 July 2010. The weekend of Saturday 20 and Sunday 21 February saw over 73,400 hires to only then be surpassed the following weekend with over 83,400 hires across Saturday 27 and Sunday 28 February.

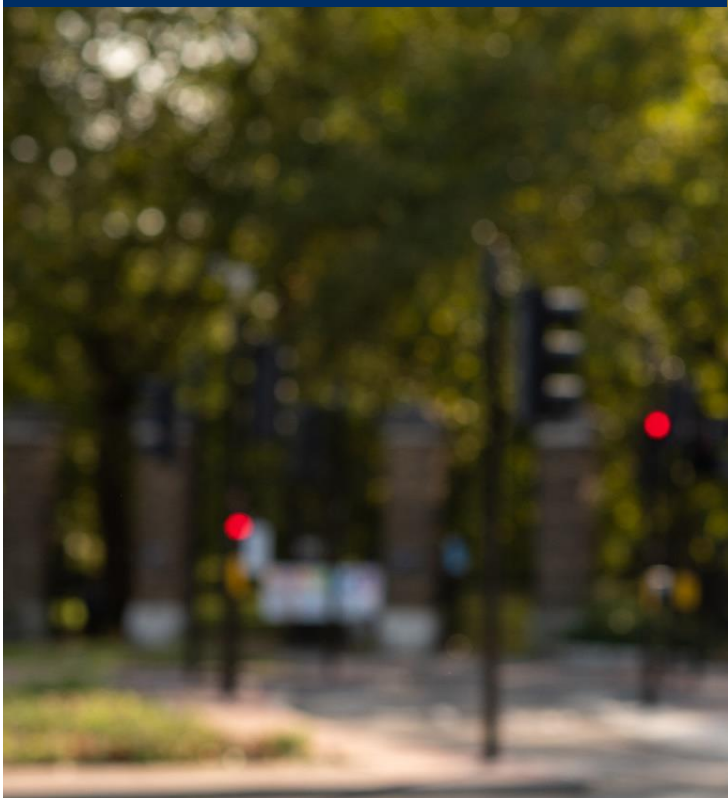
Work to modernise Santander Cycles continues as planned. This initiative aims

to broaden and increase Santander Cycles usage, drive revenue, ensure operating costs deliver value for money and adapt to the requirements of the latest applicable regulations. It will improve the customer offering through measures to ensure Santander Cycles benefit from the latest market functionality for bicycle sharing systems, including an upgraded back-office solution with the ability to offer flexible fare models.

### Cycleways Cycleway 9

Works on Kew Bridge and Chiswick High Road to construct the new Cycleway 9 are progressing well. The BT utility diversion works on Kew Bridge are now complete and the footway cutback works to add an extra lane of road capacity southbound is progressing well. Works for the eastern arm of Kew Junction towards Chiswick Roundabout are almost 50 per cent complete. Carriageway resurfacing works for these sections is planned for late March 2021, with completion of the works planned for early April 2021.

Use of Santander Cycles is at a 10-year high



Works on the western arm of Kew Junction towards Brentford are subject to funding approval but are expected to start in the new financial year.

#### **Cycleway 4**

The works to construct the new Cycleway 4 in Greenwich along Creek Road, from Deptford Church Street to Norway Street, are progressing well and are planned to be completed by summer 2021. The Evelyn Street section in Lewisham, which will now be delivered as a permanent cycle track, is planned to start construction in early spring 2021.

#### **Cycleway 7**

We have set out plans to support safer essential journeys by bike in Lambeth and Southwark, and construction work is scheduled to start on 15 March. The trial changes, along the A23 between Oval and Streatham and on the CS7 cycle route between Oval and Elephant and Castle, will open up these two key cycling corridors in southwest London, enabling more cycle journeys and giving people confidence that they can travel safely along these busy roads.

The changes are a vital part of our response to the pandemic and we asked people for their initial feedback on the plans before construction started. These changes are being delivered as trials and we will ask people for further feedback once they are in place.

We will also be moving forward with further upgrades to the key CS7 cycle route, which is one of the most heavily used routes in London. The latest changes, between Oval and Elephant and Castle, will include new cycle wands to segregate the existing cycle lanes on the westbound and southbound approaches to the Camberwell New Road/ Kennington Park Road junction, and wider bus lanes to make it easier for people to cycle in them.

#### **Mini-Hollands**

Both Waltham Forest and Enfield have now completed their Mini-Hollands

funded Cycling programmes. We continue to make good progress in Kingston, with completion scheduled for summer 2021. Schemes currently under construction include protected cycleways between Kingston Vale and Kingston, and between Kingston and Surbiton.

#### **Active Travel Fund**

We successfully submitted a bid for the second tranche of the DfT's Active Travel Fund. The submission was compiled from borough bids in August 2020 and we have since gone back to boroughs to review the schemes. This was completed in January 2021 and the £20m of funds are now allocated. This includes £12.4m of temporary cycle schemes, with the rest allocated to Low Traffic Neighbourhoods and School Streets, including some changes to existing temporary schemes.

The timeframes for delivery of these schemes have been extended into 2021/22. We will engage and consult on these schemes as part of our new consultation guidance issued in December 2020.

#### **Air quality and the environment**

##### **Ella Adoo Kissi-Debrah**

On 15 February 2013, Ella Adoo-Kissi-Debrah (aged nine) suffered a severe asthma attack and tragically died shortly after. Ella lived 25 metres from the South Circular Road in Lewisham. An inquest took place into her death on 26 September 2014. The Coroner concluded the cause of death was acute respiratory failure and severe bronchial spasm. In June 2018, Ella's family applied to the Attorney General for his consent to make an application to the High Court to quash the original inquest. This followed a report from Professor Holgate, which concluded it was likely that unlawful levels of air pollution contributed to Ella's fatal asthma attack. The Attorney General consented to this application and in May 2019, the High Court quashed the original inquest and ordered a fresh inquest take place.

TfL and the Mayor were designated as Interested Persons for the fresh inquest.



The Coroner directed that the inquest would consider whether air pollution caused or contributed to Ella's death, how air pollution levels were monitored in 2013 and what steps were taken to reduce air pollution. The fresh inquest took place between 30 November and 11 December 2020. The Coroner concluded on 16 December 2020 that Ella died of asthma contributed to by exposure to excessive air pollution. There had also been a recognised failure to reduce levels of nitrogen dioxide to within EU limits during 2010-2013, which possibly contributed to her death. The Coroner is expected to issue a prevention of future deaths report in the coming weeks.

### **Low Emission Zone and Direct Vision Standard**

On 1 March 2021, as part of our efforts to clean up London's air and make our streets safer, tougher Low Emission Zone (LEZ) emissions standards for heavy vehicles came into force, as well as the enforcement of the Direct Vision Standard (DVS), which is now operating 24 hours a day, seven days a week and is enforced on all roads in London, with standards set to tighten further in 2024.

The DVS requires operators of heavy goods vehicles (HGVs) more than 12 tonnes to obtain a free HGV safety permit to enter or operate in London. The safety permit system assigns vehicles a star rating based on how much the driver can see directly through their cab windows. HGVs that do not meet the minimum one-star rating will have to fit additional vehicle safety features.

The LEZ standards HGVs, vans and other specialist vehicles more than 3.5 tonnes and minibuses, buses and coaches more than five tonnes will increase from Euro IV to Euro VI. This brings the LEZ standards for these vehicles into alignment with the ULEZ standards.

### **Rapid charging points**

To support the growing number of zero-emission capable taxis and wider take up

of electric vehicles, we have invested £18m to build a network of electric vehicle rapid charging points. Despite delays caused by the pandemic, we still achieved our original target of installing 300 rapid charging points by 31 December 2020, with this figure met by 17 December. We have now installed 305 rapid charging points, with work continuing on a small number of additional sites that are nearing completion, as well as on two multiple rapid charging point hub sites at Baynard House in the City of London and Glass Yard in Greenwich.

While the pace of recent electric-vehicle (EV) infrastructure delivery has been impressive, current public funding streams are coming to an end and we need to set out what needs to happen to move the agenda forward. The Government's intention to end new car sales for petrol and diesel cars and vans by 2030 will further accelerate the switch to EVs and therefore mean increased demand for infrastructure.

As such, we are now developing a new strategy outlining our updated forecasts for the London's EV infrastructure needs by 2030, how the public sector can further support this and remove barriers for the private sector, and what Government funding or support is required to achieve this.

### **Scrappage schemes**

We have been operating the Mayor's £48m scrappage schemes, with an additional £4.2m contributed from the GLA budget to help drivers scrap their older, more polluting vehicles to meet required emissions standards. The grants have been targeted at small businesses, charities, and people on low income and with disabilities. After 18 months of operation, the van and charity minibus scrappage scheme was suspended to vans, due to high demand and limited funds. The scheme remains open to charities. To date, the scheme has supported the scrapping of more than 4,000 vehicles, with more than £25m of grant payments being issued.

We also continue to make grant payments to applicants of the Heavy Vehicle Scrappage Scheme, with 42 heavy vehicles scrapped to date, with three retrofitted to become compliant. While the Heavy Vehicle Scheme was only available for a short period due to high demand, we recently secured an additional £344,000 of funding via underspend from the GLA's Good Growth Air Quality Fund, to enable a total of 156 heavy vehicles to be scrapped.

The ULEZ Car and Motorcycle Scrappage Scheme (UCMSS) remains open to applicants, and we intend to divert any funds returned from expired van scrappage offers to the scheme. This will enable us to continue supporting those on low income and with disabilities, as a mitigation to the impact of the ULEZ expansion. The UCMSS has supported the scrapping of more than 3,400 vehicles, with a significant rise in applications in recent months.

### **ULEZ expansion**

In 2019, we introduced the world's first 24-hour ULEZ in central London. This has had a transformational impact on air pollution, contributing to a 44 per cent reduction in roadside nitrogen dioxide levels within its boundary. From 25 October 2021, the existing central London ULEZ will be expanded up to the North Circular Road (A406) and South Circular Road (A205), creating a much larger zone that will help improve air quality for millions of Londoners. Cars, motorcycles, minibuses (up to five tonnes), vans (up to 3.5 tonnes) and other specialist vehicles driving within the boundary will need to meet the required ULEZ emissions standards or pay a daily charge.

A key element of this expansion is to migrate the existing operational systems to a cloud-based platform to be able to deal with the increased volumes of data that the larger zone will bring. We have completed the first key testing activities and have successfully migrated the first tranche of systems to the cloud platform.

We have also continued with the installation of new cameras across the expanded zone, with more than 400 installed to date. Cameras are located in line with privacy agreements and new camera numbers balance such considerations with the effectiveness required. We have also continued installation of foundation sockets for the new boundary signs that will be installed closer to the launch date in October 2021.

Work continues on the marketing campaign to raise awareness of the ULEZ expansion and educate drivers on how and where the scheme will operate, encouraging them to check their vehicles and plan their options ahead of October. This campaign includes posters, radio adverts, press and online advertising, leaflets for residents living along the boundary, press activity and stakeholder engagement, and will run until the scheme launches.

### **Zero-emission buses**

We currently have 437 zero-emission buses in our fleet and will be increasing this to 700 by the end of 2021, subject to no further lockdowns or delays to vehicle delivery and roll out. Our plan is to seek continued funding from central Government to increase this total to 2,000 vehicles by 2025 to further improve air quality in London and help tackle climate change. Ultimately, we plan to have an entirely zero-tailpipe emission fleet by 2037 at the latest with the ambition to accelerate this to 2030 to help the Government with carbon reduction targets.

### **Safer streets**

Resurfacing at Dalston Junction resurfacing commenced on 8 March, with the scheme's completion making it the 41st Safer Junction, after which the Safer Junctions programme will come to a close.

Recent monitoring of collision data for the Safer Junctions programme indicates that the programme has reduced the total

number of collisions by 25 per cent at sites where Safer Junctions measures have been completed and where 36 months of collision data, before March 2020, is available. It is estimated that a total of 150 fewer collisions occurred at the improved junctions.

Construction work started on a new pedestrian crossing scheme at Camden Road/Camden Street on 15 February 2021. We are working with Camden Council to ensure synergy with recent borough-led Streetspace for London improvements, and to address concerns raised by some local residents during consultation.

Footway works on Holloway Road have started in advance of a new scheme being delivered in 2021/22. These are expected to be completed in April.

Safer streets improvements planned for delivery in 2021/22 include:

- Holloway Road/Drayton Park – 10 new and improved crossings
- York Road Roundabout – safety improvements for motorcyclists
- Upper Richmond Road by East Putney station – first phase of improvements, including 20mph limits up to the junction with the A3
- A217 junction with Lumley Road – mitigation measures for right turn collisions
- A3 Robin Hood Way service road – improved lighting and speed reducing features to reinforce the 20mph speed limit
- A10 junction with Edmonton County School – mitigate the impact of right turning traffic

### **New pedestrian crossing at Battersea Bridge**

On 19 February 2021, we confirmed plans to make crossing Battersea Bridge safer, in line with our Vision Zero goal of eliminating death and serious injury on the road network.

The proposed changes include a new signalised pedestrian crossing on the north side of the bridge, which will make it much safer to cross the road here. We will begin engagement with the local community in the coming weeks and work to deliver these safety critical changes as quickly as possible. This work has been brought forward after a man was tragically killed on the bridge earlier this year following a collision with a vehicle.

### **Lowering speed limits**

Phase two of the Lowering Speed Limits programme has restarted, with survey and design work currently under way. The programme will reduce the mandatory speed limit by 10mph on more than 140km of our roads in high-risk areas, including 37 town centre locations across London. Where opportunities exist, we will integrate 20mph speed limits into social distancing schemes delivered under the Streetspace for London programme.

We recently introduced 20mph speed limits on the A21 Rushey Green to Lewisham High Street and in Peckham town centre, alongside pedestrian improvements. A 20mph speed limit has been introduced on around 5.5km of our road network since summer 2020. Other areas included in the programme are:

- A3 and A23 corridors as part of the CS7 improvement works
- A3212 and A3205 corridors as part of the CS8 improvement works
- A1203 Burdett Road in Tower Hamlets
- A102 Homerton High Street, due to go live at the beginning of March 2021
- Chelsea Embankment due to go live later this year
- Our remaining roads within the City of Westminster

### **Old Street**

Construction is progressing well at Old Street Roundabout, where a new layout will improve safety for cyclists and

pedestrians by providing new and improved crossings, fully segregated cycle lanes and a new public space with an accessible main entrance to Old Street Tube station and the subsurface shopping arcade.

The main works are continuing with construction of the new station entrance at Cowper Street, which is set to be completed and opened in August 2021. Excavation works have been completed and the breakthrough to the below surface shopping arcade area has been achieved. Progress continues with construction of the precast walls and stairs before the glass cladding and canopy roof are installed from May 2021.

Following the successful traffic management switch on the roundabout in January 2021, the northwest arm is now permanently closed, and the junction is now in its final configuration. This traffic switch has enabled construction for the new main station entrance, new goods and passenger lifts, and the new public space to start. Demolition works to create the opening in the peninsula for the new main station entrance were completed as planned in February 2021. Construction is now under way on the new main station entrance substructure with the superstructure works scheduled to start in July 2021. Refurbishment works to the stairs on Subway 4 on the northwest side of the junction are also under way.

Installation of the critical fire safety systems works in the below surface shopping arcade area will begin in April 2021, following completion of the fabrication and installation designs by the specialist supplier. Due to the reduced number of customers currently using Old Street Tube station because of the pandemic, the station is operating normally, and we have not needed to implement an exit-only operation as previously planned, but this is being monitored. Completion of the project is scheduled for autumn 2022.

### **A40 Westway**

The concept design work for the critical renewal of the roller shutter joint has progressed well and will be completed by the end of March. The start of construction is planned for late summer 2021. We have started engagement with boroughs and other stakeholders, to carefully plan the traffic management and project delivery.

### **Carriageways**

Ten schemes were completed during February and early March, with 91,000 square metres of carriageway resurfaced. This includes significant sections of A214 Trinity Road and A312 The Parkway. Work continues to mobilise the new highways contractors to ensure a smooth transition into the new financial year.

### **Surface technology**

We are leading the way in delivering innovative new road traffic management systems to make journeys by walking, cycling and bus, as well as essential emergency services and freight trips, as efficient as possible. Delivery of elements of the Surface Intelligent Transport Systems (SITS) programme remains on track. We are working to confirm the procurement strategy for the predictive element of SITS, which aims to predict impacts of unplanned incidents on the road network and respond automatically, in real time. This innovative approach could deliver up to 30 per cent of the overall benefits of SITS, helping to address congestion in London, which is estimated to cost more than £1bn annually.

We are also consolidating our approach to create a more versatile compliance, policing and on-street services operation. This will help people feel safer, support reliable journeys and generate efficiency savings. Procurement of deployable enforcement cameras (DECs) is continuing. Each year, more than 4,000 people are killed or seriously injured in collisions on London's roads, with 76 per cent of collisions happening at junctions – many of which involve moving vehicles

contravening road traffic rules. DECAs will be flexibly deployed at locations not covered by existing CCTV cameras, which will greatly improve enforcement coverage and improve safety.

We are maintaining and developing technology to operate our public transport networks and improve customer experience. This includes upgrading the technology systems that underpin the bus network, such as the iBus system, which provides real-time information on bus locations. It also includes replacing the booking and scheduling system for Dial-a-Ride, which will enable us to book and deliver more trips with the same number of vehicles. Procurement for this system is progressing well, following the start of the tender process in October 2020.

### **New Lane Rental Scheme approval**

We are planning to launch a modified Lane Rental Scheme in May 2021 following governmental approval on 4 February 2021. As is the case with the current scheme, regulations require that any net proceeds generated by the scheme are reinvested back into London's roadworks industry to improve the adverse effects that roadworks often have on journeys.

To date, and since the launch of our inaugural Lane Rental Scheme on 11 June 2012, we have seen more than £20m awarded towards innovative projects to develop new technology and modernise operational practice to reduce disruption from roadworks. The cost benefits to society for reducing delay from this investment is estimated to be worth more than £100m.

The new scheme will build on this solid foundation, and include enhancements around Vision Zero, network coverage and further incentives to minimise roadwork disruption. In line with Vision Zero for example, the modified scheme reinvests attention on achieving excellence in safety and will increase network coverage from 56 per cent to 69 per cent. It will see more charging

locations put in place for works, particularly along cycle routes and includes proposals for footway charges. Alongside this, and to support economic recovery and development, we are proposing to give discounts where major infrastructure improvement works are being done. This includes increased opportunities for works promoters to complete work in the evening without incurring a charge.

We gave all affected stakeholders the required three months' notice of these changes and are working closely with them as they prepare for them to come into effect.

### **Rotherhithe Tunnel refurbishment**

The project to refurbish the 112-year-old tunnel will bring it in line with current safety standards and ensure its continued use for decades to come. The concept design has progressed as planned and, together with the value engineering exercise, will be completed as scheduled by the end of March 2021. Works to replace some of the systems that are nearing the end of their useful life and are critical to the tunnel are on track to be completed before the full refurbishment by the end of April 2021.

### **Contracts awarded to deliver walking and cycling schemes**

On 19 February, we confirmed five new contracts have been awarded as part of our Surface Transport Infrastructure Construction framework, which will help ensure walking and cycling projects continue to be delivered to a high standard and that the capital's road network has safe and well-maintained infrastructure for years to come.

The new contracts will be used to deliver schemes to boost walking and cycling across our road network, including future projects to expand London's growing network of high-quality Cycleways. These projects will be vital to enabling more people in the Capital to make journeys by bike and on foot, which will help cut

congestion, air pollution and road danger across London.

The new contracts also cover renewals work on much of the infrastructure that our road network depends on, including our bridges, road tunnels and river assets. Renewals work typically takes place every few years and is more significant than day-to-day maintenance, for which separate contracts are awarded. The contracts also cover the construction of enhancements to these assets where needed. Contractors will be asked to deliver early input, design and construction work through the framework.

The five companies awarded contracts as part of the framework are Costain Limited, Eurovia Infrastructure Limited, Tarmac Kier and VolkerFitzpatrick Limited. The framework runs from April 2021 until March 2027, for use by us, the London Boroughs and other authorities whose developments impact on our road network.

### **Bus priority schemes**

Construction has begun on the Wealdstone town centre bus priority scheme, which will improve bus journey times through a change to one-way operation, a new 24-hour bus lane, and improvements to traffic signals – as well as improvements to pedestrian and cycling facilities. The project is expected to complete in March 2022.

Three new pairs of bus stops on the A316 in Richmond are being constructed to facilitate changes to the 110 bus route. The new bus stops will support a route change that creates operating efficiencies and brings buses into a new area of London.

Detailed design of three new bus lanes in Central London, which will see one kilometre of new bus lane across Vauxhall Bridge Road, New Kent Road and Tower Bridge Road is nearly complete, with construction due to begin in March 2021.

All 84km of bus lanes in the Bus Lane Hours programme have been converted to operate at all times, which means all bus lanes across London now operate 24/7. Monitoring of the 84km has begun to decide whether they will operate this way permanently.

Detailed design of a scheme to remove a notable pinch-point at West End Gate, Edgware Road is due to complete in March and enabling utility diversions are already under way. This location serves one of the worst performing bus routes in London, impacting on 37 buses per hour. This project will increase bus speeds and provide 30 seconds of journey time savings per bus, resulting in some £80,000 of operational cost savings per year, as well as passenger benefits. The main construction works are being co-ordinated with a third-party developer and are expected to start in April 2021.

Following the review of eight new bus corridor projects – which are now in feasibility design – a further five bus corridors have been identified for project mobilisation. Small-scale improvements will be designed and delivered in 2021/22, with a rolling programme of medium and ambitious bus priority interventions throughout the next Mayoral term.

### **Construction deliveries by cargo bike**

We are working with the City of London and London boroughs to reduce the adverse impacts of freight and service vehicles on our road network by finding more efficient ways to manage construction site traffic.

Many companies in London are now having their goods delivered by cargo bike, which has opened up an opportunity for the construction industry to get involved. Cargo bikes have the capability to pull a trailer and can use cycle lanes, which reduces the carbon footprint of construction deliveries.

We have formed London's first cargo bikes in construction working group,

which meets every five to six weeks and discusses what cargo bikes are, where they can be used, how to set up trials and the best practice approaches required to ensure safety. Members of the working group include numerous London borough councils, highway contractors, developers and constructors, logistics companies, planning consultants, couriers, suppliers and campaigners.

## 6 Crossrail

Health and safety remain our top priority and we constantly scrutinise our overall performance. Accident performance has remained stable, though there has been a recent increase in the number of high-potential near miss incidents.

Crossrail is in the complex final stages of delivering the Elizabeth line. Work across the project continues at pace and it is still anticipated that the line will open for passenger services in the first half of 2022. It is currently anticipated that the project will enter trial running in spring 2021, but it will take time before it can then enter trial operations – the final stage before the Elizabeth line opens. Trial running will mark the project's key transition from construction to an operational railway.

Reliability continues to be built and mileage accumulated through System Integration Dynamic Testing of the central operating section. The upgraded software has been uploaded and will be used in trial running.

Custom House, the first station in the central section to be handed over to us, is in the final stages of testing and will soon be fully integrated into the network. In early March, Farringdon station was also handed over to us, following the successful completion of testing and integration work. Tottenham Court Road and Paddington stations are next in line to be handed over in the coming months.

TfL Rail services continue to deliver excellent performance, with 95.6 per cent of trains meeting the reliability target in the four-week period from 10 January to 6 February 2021. This continues the trend for services performing above target for the year.

Training for Incident Response, Service and Traffic Managers continues, and new training requirements are being finalised ahead of trial running, with the training plan for the Route Control Centre having also been agreed. Maintenance training is nearly complete with the remaining elements relating to competence assessment, following a period of mentoring and learning. The assessment plan is scheduled to align with trial running to ensure the retention of skills as the system goes live.



# 7 Finance

## **Our 2020/21 financial performance**

Our latest financial report covers the period from 1 April to 6 February, which is to the end of period II, 2020/21. Our financial performance is measured against our Budget submission to the GLA, as presented to Board on 9 December 2020, and includes up to £1.8bn of government funding for H2, after including £160m of additional savings and income required as part of the H2 funding agreement.

Our year to date position on the net cost of operations, our day-to-day operating deficit including capital renewals and financing costs, before the Extraordinary revenue grant, was a deficit of £3,084m. This is £293m better than the GLA Budget submission. This improvement is mainly due to better than forecast passenger income as we had included a revenue contingency to reflect the high degree of uncertainty in social restrictions and consequent journey levels. However, passenger income remains significantly below last year with revenue reduced by 67 per cent, or almost £2.8bn at the end of Period II.

Both Tube and bus journeys saw some decline following the introduction of Tier 4 restrictions in December 2020 coupled with the Christmas holiday period. Journeys have been flat since the third national lockdown in January 2021, and below the levels of the second national lockdown in November 2020. Tube journeys were around 85 per cent lower than last year and bus journeys around 70 per cent lower at the end of Period II. Weekly passenger income is around £65m lower than last year.

Under the H2 funding agreement with government, we do not carry financial risk from lower passenger journeys as we

receive a revenue top up to a predetermined level. Up to the end of PII, we have received cash of £765m in grant funding in H2, 2020/21, and £278m of revenue top up. The revenue top up amount is around £170m less than what was anticipated when we signed the H2 funding deal, with underlying journeys better than expected.

Operating costs are £89m lower than expected, with over half of this driven by lower core costs. We continue to enforce the spend control measures implemented last year, and which we have been reviewing and tightening as needed since. Up to Period II, our spend on capital renewals and new capital investment is £57m, or six per cent lower than the GLA Budget submission. The spend to date is significantly lower than last year, by around 24 per cent. An element of the underspend we are now seeing relates to greater caution on capital spend approvals due to funding uncertainty beyond 31 March.

Our cash balances have remained broadly stable since the H2 funding agreement with government. Our balances were £1,634m at the end of Period II, which is £85m lower than target – this is driven by working capital which will unwind by year end. Our cash balances also include £260m of 'excess' funding provided in HI, 2020/21 which it is intended to be repaid to government when the current funding agreement expires at the end of 2020/21.

As part of the H2 funding agreement with government we committed to making £160m of savings, compared to the earlier Revised Budget. We are currently expecting to make £235m by year end. This is from higher Road User Charging income, further reductions in operating

costs, and savings and deferrals of capital spend. As above, funding uncertainty for next year is reducing our ability to commit on investing for the long term.

### **Our 2021/22 Budget**

We undertake an annual budget setting process to ensure we meet our legal requirement to set a balanced budget and present this to our Board for approval before the start of the new financial year. While we are presenting a draft 2021/22 budget with a forward look to 2022/23, our process this year takes into consideration that we are in discussions with Government on our funding requirement for 2021/22 and beyond, as our current funding and financing agreement expires on 31 March.

Our draft 2021/22 budget will be an update to our submission to the consolidated GLA budget on 30 November 2020, which was approved as our updated budget by our Board on 9 December. The TfL (GLA) budget expected the funding requirement for 2021/22 to be £3.1bn, broadly in line with our earlier Revised Budget expectation and £1.8bn for 2022/23. This reflected the latest modelling which predicted passenger revenues will be at around 80 per cent of pre-coronavirus pandemic projections by the end of 2021/22 and throughout 2022/23.

Our updates will include known top-level material changes such as Business Rates Retention and Council Tax and incorporate assumptions, from our Financial Sustainability Plan, as submitted to Government and published on 11 January in line with our commitments within the H2 Funding Agreement. This includes assumptions around achieving recurring savings of £730m between 2019/20 and 2024/25; the phasing in of service reduction on our bus network

from July 2021 to achieve a four per cent reduction by 2024/25, and an assumption of either the retention of Vehicle Excise Duty or a Greater London Boundary Charge as a new source of income from 2022/23.

Our discussions with Government are based on our Financial Sustainability Plan, which describes in detail how we can achieve financial sustainability: covering costs of day-to-day operations, maintenance and financing by 2023/24 while still requiring government support for major investments. It considers a range of possible scenarios which look at demand, additional revenue sources and capital investment.

It recommends the existing 2020 H2 funding arrangements continue through 2021/22 but also recognises that revenue support will be needed for 2022/23. In addition, it makes the case for annual Government funding of £1.6bn for capital investment which will enable us to decarbonise by 2030. This will allow the acceleration of plans to fully electrify London's bus fleet by 2030 and deliver operating cost efficiencies through fuel savings and efficient upgrades to garage power supplies, as well as deliver improvements such as modern trains and signalling. Once a new funding agreement for 2021/22 is signed and the implications worked through, a revised budget for 2021/22 will be brought back to the Finance Committee and the TfL Board.

### **New fares**

As a result of the pandemic and our financial settlements with the DfT, our fares increased in line with the retail price index plus one per cent on 1 March 2021. This was our first major change on fares since 2016.

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March 2021

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**Board**



**Date:** 16 March 2021

**Item:** Elizabeth Line Operational Readiness and Crossrail Update

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## **This paper will be considered in public**

### **1 Summary**

- 1.1 This paper provides an update on the status of the Crossrail project (or Crossrail) and the readiness of the Infrastructure Managers (IM) for the operations and maintenance of the railway after handover from Crossrail.

### **2 Recommendation**

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

### **3 Crossrail Update**

- 3.1 Health and safety remains a top priority, overall performance is kept under constant scrutiny and the accident performance has remained stable though there has been a recent increase in the number of High Potential Near Miss incidents.
- 3.2 The Crossrail Gold Command has recently reviewed the suspension of all non-essential visits to projects. With risk assessment and strict controls in place, a very small number of Executive and Senior Leaders are attending sites to conduct safety engagement visits. The purpose of these visits is to support the projects as they progress towards entry into Trial Running and a focus on maintaining overall safety performance in pursuit of Target Zero.
- 3.3 Crossrail is in the complex final stages of delivering the Elizabeth line. Work continues across the project at pace and it is still anticipated that the line will open for passenger services in the first half of 2022.
- 3.4 It is currently anticipated that the project will enter Trial Running in spring 2021 and it will take a period of time before it can then enter Trial Operations. Entering Trial Running will mark the project's key transition from construction to an operational railway. This is the point at which the Railways and Other Guided Transport Systems (Safety) Regulations 2006 (ROGs) apply for the first time in the Central Operating Section. In support of these changes an extensive Health and Safety campaign was launched in February with the aim of briefing every person involved on the detail of what it is that they need to know for their roles and responsibilities at the transition to ROGs and the start of Trial Running.
- 3.5 With the project now entering the final countdown for entry into Trial Running, progress is being made in completing the outstanding works. There is now a full complement of central section stations ready to support Trial Running after both

Tottenham Court Road and Paddington stations achieved this milestone in February.

- 3.6 Reliability continues to be built and mileage accumulated through System Integration Dynamic Testing (SIDT) of the central operating section. The upgraded software has been uploaded and it is the software that will be used in Trial Running. During the testing there have not be any significant issues identified that cannot be incorporated into future software updates, however, it is only in Trial Running that the system will be tested with a full service frequency running in the central section.
- 3.7 There remains a huge focus and effort across the programme to progress the necessary assurance documentation and to close out the outstanding assurance work (dependencies) required for entry into Trial Running. The completion of this work is essential for the vital safety and assurance documentation to achieve 'accepted' status. There is significant work involved and it is not without challenge, but there is an agile, daily management process in place between the technical and delivery teams. Entry into Trial Running is vital but must be completed diligently and to the highest safety standards.
- 3.8 Completion of this assurance work culminates in the acceptance of the Safety Justification assurance documents for each asset which will enable the handover of the routeway assets to TfL when the railway transitions to an environment governed by the ROGs.
- 3.9 Work has commenced to refine and further strengthen the Delivery Control Schedule (DCS) which constitutes the Crossrail delivery plan being managed to and reported against. This review will build upon the existing logic, enabling more granular information to be incorporated for upcoming phases reflecting on work that has been undertaken to further define the conditions required for effective delivery of Trial Running as well as successful transition into Trial Operations and Revenue Service. It will also provide an opportunity to consider lessons learnt in the build up to Trial Running, strengthening previous planning assumptions on assurance processes.
- 3.10 The stations need to achieve a number of additional, interim states of completion in order to support Trial Operations and entry into revenue service. These works continue, notably with five stations having achieved their Substantial Completion 3 (SC3) state which represents the substantial completion of construction works, enabling the final complex systems integration and assurance activities.
- 3.11 Custom House, the first of our central section stations to be handed over to TfL, is in the final stages of testing and will shortly be fully integrated into the network. Earlier this month, Farringdon station joined Custom House in being handed over to TfL, following the successful completion of testing and integration work.
- 3.12 Tottenham Court Road and Paddington stations have recently achieved the T-12 milestone. This means that the stations are considered to be 12 weeks away from being ready for handover to TfL. Work at the stations is now primarily focused on the extensive testing and commissioning of systems ahead of the Elizabeth line opening.

3.13 Network Rail's major upgrade works to surface stations on the eastern and western section of the railway continue to progress, with step-free access being prioritised where possible. Acton Main Line and West Ealing will become step-free by spring this year and will be followed by Ealing Broadway, Southall, Hayes and Harlington, West Drayton, Romford and Ilford in intervals over the next 12 months.

## **4 Elizabeth Line Readiness**

- 4.1 TfL Rail services continue to deliver excellent performance with 95.7 per cent of trains meeting their reliability target in Period 11, the four-week period between 10 January to 6 February 2021. The most significant service impacting failures related to infrastructure issues on the western service. Overall the Moving Annual Average trend continues to improve and now at 95.8 per cent, is the highest since TfL Rail took over operations.
- 4.2 The full length nine-car trains introduced in December 2020 to the Reading route continue to perform well. The software update to address failures within the on-train European Train Control System signalling system has been delivered and will be rolled out across the train fleet during March 2021.
- 4.3 As reported previously, we successfully commenced SIDT on 3 December 2020, since then we have seen mileage increase by 25,000 miles bringing the cumulative total SIDT mileage to over 58,000 miles.
- 4.4 SIDT is enabling our colleagues to continue to gain experience managing the train operations from the Route Control Centre as part of the ongoing preparations for entry into trial running under ROGs.
- 4.5 We are very pleased to report that we have taken over responsibility for Farringdon station, the first central London station to be transferred from Crossrail – this is a significant milestone. The station has completed extensive testing and commissioning of systems in advance of Trial Operations later this year. This is the second station we have taken ownership of, with the first being Custom House during 2020. As Tottenham Court Road and Paddington stations move towards handover we are working with our colleagues across Crossrail to embed the lessons learnt from Farringdon, with focus on ensuring robust asset data is available.
- 4.6 Training for Incident Response, Service and Traffic Managers continue with the Refresh, Update and new training requirements being finalised following confirmation of the Trial Running configuration. The training plan for the Route Control Centre has also been agreed, a positive step towards readiness for entry into Trial Running.
- 4.7 Maintenance training is nearly complete with the remaining element relating to competence assessment following a period of mentoring. The assessment plan is scheduled to align with Trial Running to maximise the retention of skills as the system goes live.

- 4.8 Although good progress is being made, the impact of the coronavirus pandemic is still being felt with absence of specialist trainers, trainees and availability of training facilities. There has been a number of positive Covid-19 cases at the Tunnelling and Underground Construction Academy, which has increased the pressure on training but we do remain on track. To mitigate the risk of coronavirus, we have commenced lateral flow coronavirus testing at Route Control Centre and our training academy to bring an additional level of confidence for our colleagues.
- 4.9 Work continues agreeing the most efficient way to deliver the residual works for the post revenue service scope. Discussions to finalise scope, organisational and commercial arrangements to enable this are progressing.

**List of Appendices:**

None

**List of Background Papers:**

None

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**Board**

**Date: 16 March 2021**

**Item: Finance Report – Period 11, 2020/21**

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**This paper will be considered in public**

## **1 Summary**

- 1.1 The Finance Report included at Appendix 1 sets out TfL's financial results to the end of Period 11, 2020/21 - the year-to-date ending 6 February 2021.
- 1.2 The Finance Report will be reviewed by the Finance Committee on 10 March 2021. A verbal update will be provided by the Chair of the Finance Committee as it 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 On 9 December 2020, the Board reviewed and approved the new Budget for 2020/21 and 2021/22 (the TfL (GLA) Budget), which replaced the Revised Budget. The TfL (GLA) Budget reflected updated passenger journey and income modelling, as well as cost savings and changes to capital programmes. It is also based on the new funding and financing agreement with Government for H2, 2020/21 which provides up to £1.8bn of financial support.

## **4 Financial Reporting to the Committee**

### **Finance Report – Period 11, 2020/21**

- 4.1 The Finance Report provides a summary of year-to-date financial performance against the Revised Budget and last year. The presentation is consistent with how we have presented the TfL (GLA) 2020/21 Budget.

### **List of appendices to this report:**

Appendix 1: Finance Report

[The appendix was reprinted after initial publication as the conversion of the file to pdf obscured text at the left and right margins. No changes to the text have been made.]

### **List of Background Papers:**

None

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# Finance Report

## Period 11, 2020/21

*Management results from 1 April 2020 – 6 February 2021*

### Board

### 16 March 2021



# Section I

## Period 11, 2020/21 results

Period 11, 2020/21 results	1
Divisional summaries	2



# Headlines

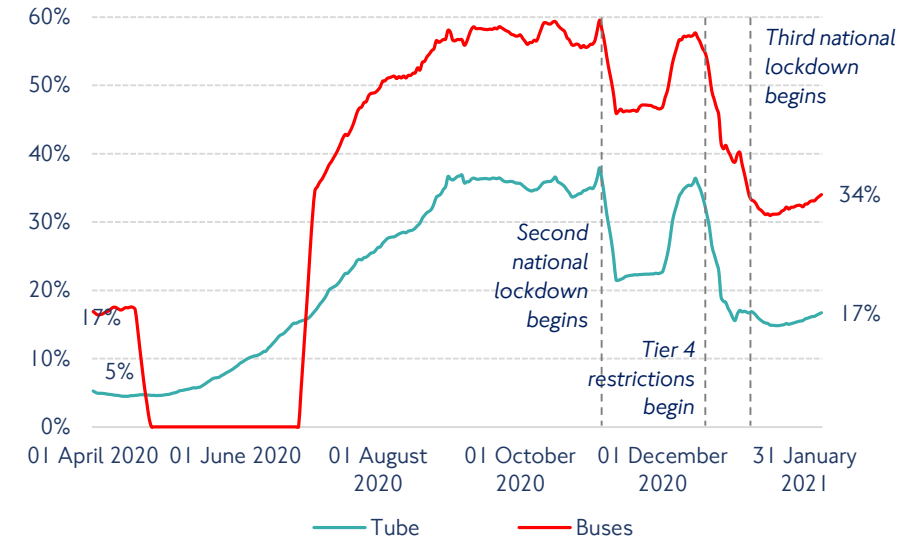
Passenger journeys and income have seen significant decline since mid-December 2020, with London entering Tier 4 restrictions, third national lockdown from early January. Weekly income is now over £65m lower compared to last year. Journeys are up on the first lockdown in 2020: Tube journeys almost three times higher, with Bus journeys almost double

Operating costs are lower than target and down on last year. We have kept costs down through our planned savings programme, lower network costs in the first wave of the pandemic, and other one off savings this year.

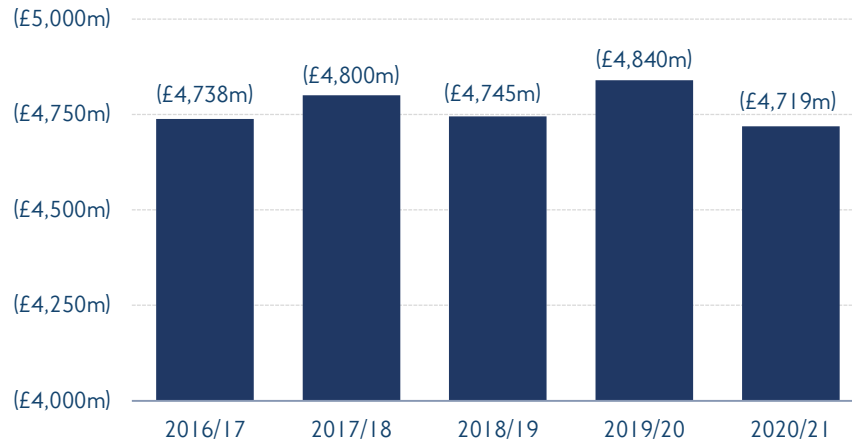
Cash balances are broadly stable, with the agreement with government for H2 providing a base level of funding as well as funding for losses in passenger revenue (up to an agreed level).

## Headlines

Decline in journeys before Christmas 2020 – current levels broadly in line with June/ July 2020

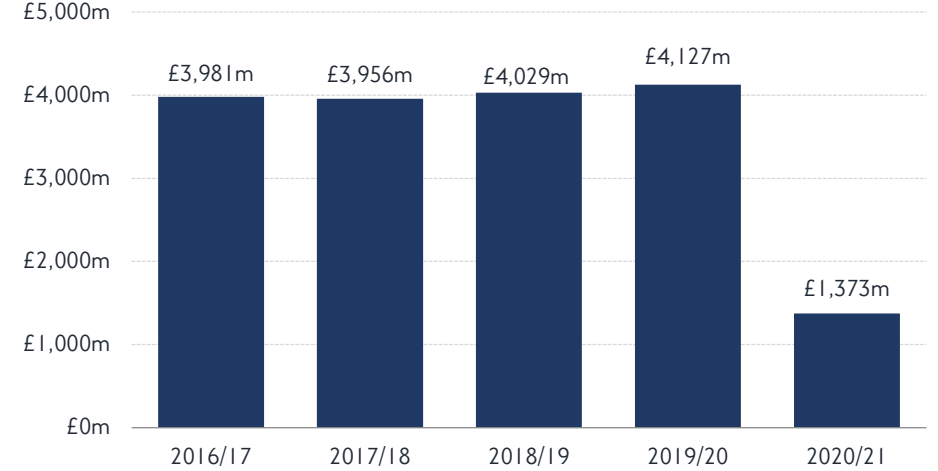


Core operating costs just over £120m lower than last year, from savings, and one offs during the first wave of the pandemic



Individual years show to date core operating costs to end of Period I I

Passenger income up on earlier in the year, but almost 70% lower than last year



Individual years show year to date passenger income to end of Period I I

Cash balances broadly stable following H2 agreement with Government



--- Minimum cash reserve

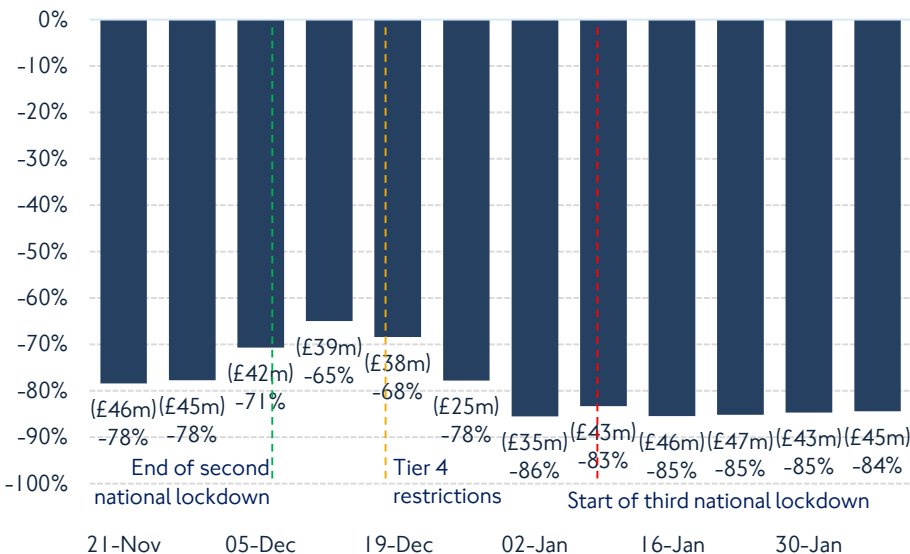
# Passenger journeys and other operating income

Both Tube and bus journeys saw some decline following the introduction of Tier 4 restrictions in December 2020 coupled with Christmas holiday period. Journeys have been flat since the third national lockdown in January 2021, with weekly passenger income around £65m lower than last year.

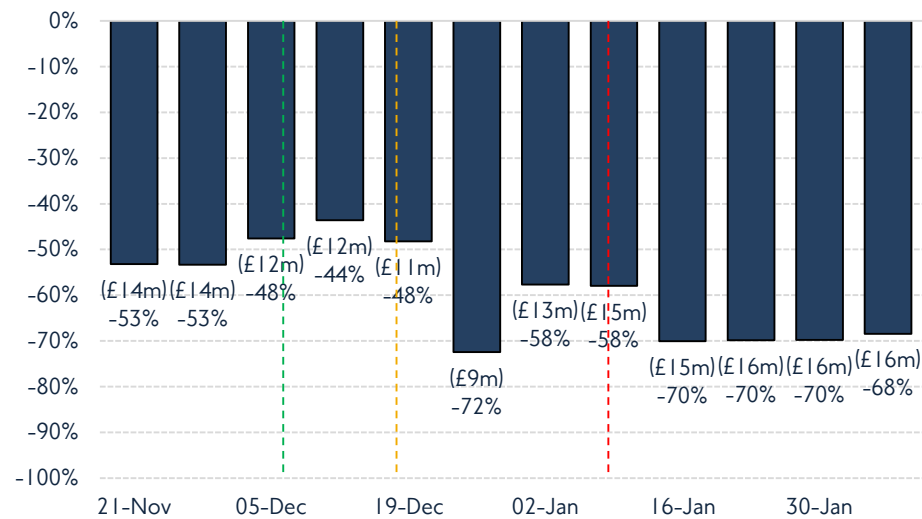
Congestion Charge volumes are broadly in line with last year for most of the period. The temporary changes to the scheme meant we charged in the period between Christmas and New Year, when the charge is normally suspended. Weekly income is just over £1m higher than last year, driven by the increase in daily charges from June 2020.

## Passenger journeys and income

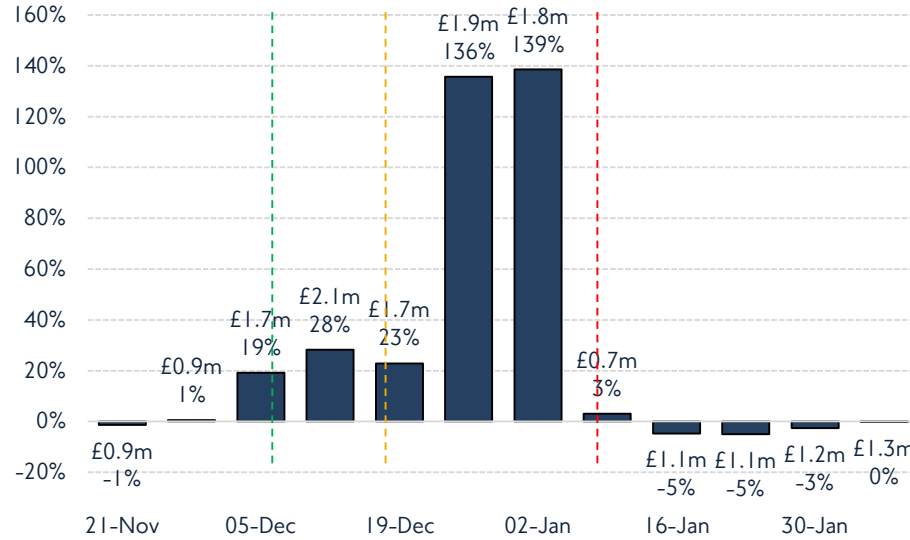
Tube journeys and income: % year-on-year change



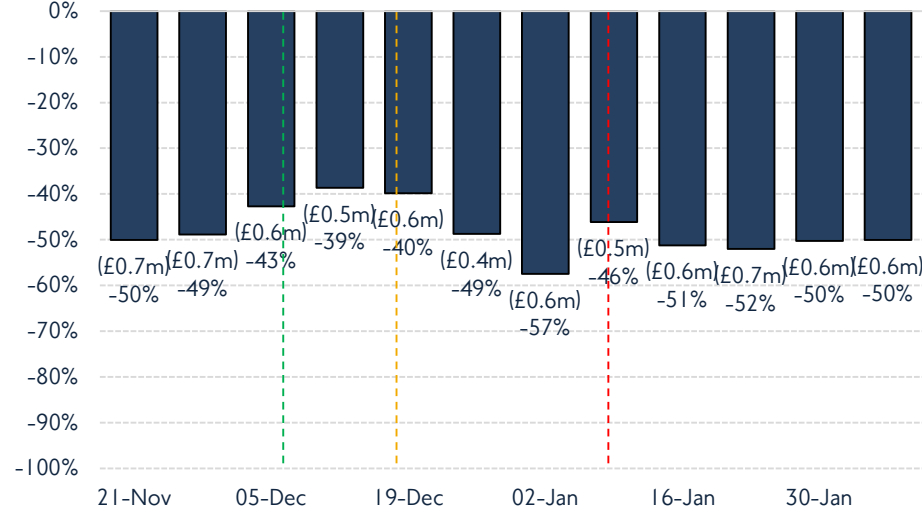
Bus journeys and income: % year-on-year change



CC volumes and income: % year-on-year change



ULEZ volumes and income: % year-on-year change



# Operating account

Net cost of operations is £122m better than target, driven by higher journey volumes (offset by revenue top up funding included in extraordinary revenue grant), cost reductions, contingency release and lower coronavirus related costs.

## Operating account

Operating account (£m)	Year to date, 2020/21				Year to date, 2019/20		
	Actuals	TfL (GLA) Budget	Variance to TfL (GLA) Budget	% variance to TfL (GLA) Budget	Last year	Variance to last year	% variance to last year
Passenger income	1,373	1,212	161	13%	4,127	(2,754)	-67%
Other operating income	641	644	(3)	0%	851	(210)	-25%
<b>Total operating income</b>	<b>2,014</b>	<b>1,856</b>	<b>158</b>	<b>9%</b>	<b>4,978</b>	<b>(2,964)</b>	<b>-60%</b>
Business Rates Retention	814	814	0	0%	802	12	2%
Revenue grant	50	21	29	138%	71	(21)	-30%
Government furlough grant	58	60	(3)	-4%	0	58	N/A
<b>Total income</b>	<b>2,935</b>	<b>2,751</b>	<b>184</b>	<b>7%</b>	<b>5,850</b>	<b>(2,915)</b>	<b>-50%</b>
Operating costs <sup>1</sup>	(5,376)	(5,466)	89	-2%	(5,353)	(23)	0%
Coronavirus direct operating costs	(46)	(56)	9	-17%	0	(46)	N/A
Coronavirus safe stop and stranded labour costs <sup>2</sup>	(99)	(106)	6	-6%	0	(99)	N/A
<b>Net operating surplus</b>	<b>(2,441)</b>	<b>(2,715)</b>	<b>273</b>	<b>-10%</b>	<b>497</b>	<b>(2,938)</b>	<b>-591%</b>
Net financing costs	(375)	(376)	1	0%	(357)	(18)	5%
<b>Net cost of operations after financing</b>	<b>(2,816)</b>	<b>(3,091)</b>	<b>274</b>	<b>-9%</b>	<b>140</b>	<b>(2,956)</b>	<b>-2112%</b>
Capital renewals	(268)	(287)	19	-7%	(372)	103	-28%
<b>Net cost of operations</b>	<b>(3,084)</b>	<b>(3,378)</b>	<b>293</b>	<b>-9%</b>	<b>(232)</b>	<b>(2,853)</b>	<b>1231%</b>
Extraordinary revenue grant	2,031	2,203	(172)	-8%	0	2,031	N/A
<b>Net cost of operations after extraordinary revenue grant</b>	<b>(1,053)</b>	<b>(1,175)</b>	<b>122</b>	<b>-10%</b>	<b>(232)</b>	<b>(821)</b>	<b>355%</b>

<sup>1</sup> - 2020/21 operating leases presented on IFRS 16 basis; accounting basis for PFI changed in P11, 2020/21 – year to date and prior year costs have been restated

<sup>2</sup> - Stranded labour costs are staff costs for capital projects – we have paused some non-safety critical capital projects, which means these costs do not currently appear in the capital account

# Total income

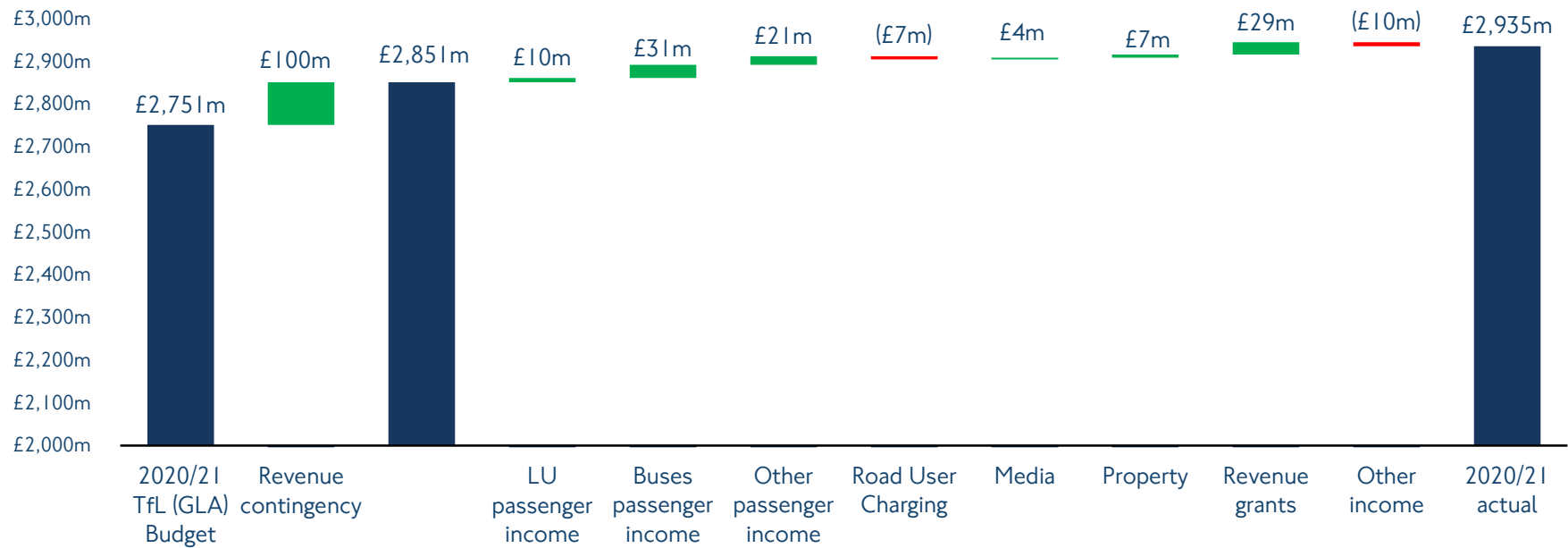
Underlying income – after adjusting for £100m revenue contingency – is £84m higher than target.

Underlying passenger income (excluding contingency) was £54m better than target, driven by upsides on all services.

Road User Charging income (including income from the Congestion Charge and ULEZ schemes) was (£7m) lower than target, with volumes lower than expected.

Other revenue grants are £29m higher than target, a result of Emergency Active Travel funding from the DfT (£20m) as well as £5m for school transport funding.

## Total income: year to date, 2020/21



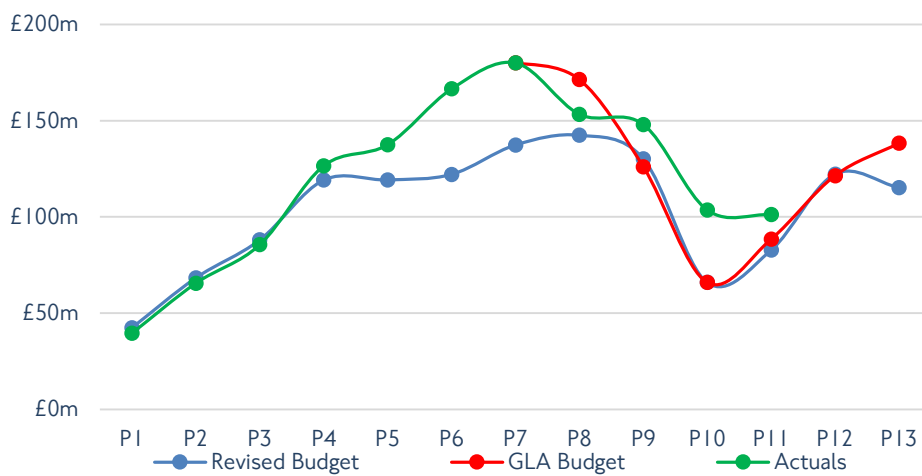
# £84m

higher than target

Underlying passenger income £54m up on target with P11 journeys better than expected. Some risk over remaining periods if journeys remain flat, but minimised through H2 agreement with government.

Risk on Road User Charging income, but partly offset from improved bad debt rates.

Passenger income: actuals, TfL (GLA) Budget and Revised Budget (excl. revenue contingency and Oyster write off income)





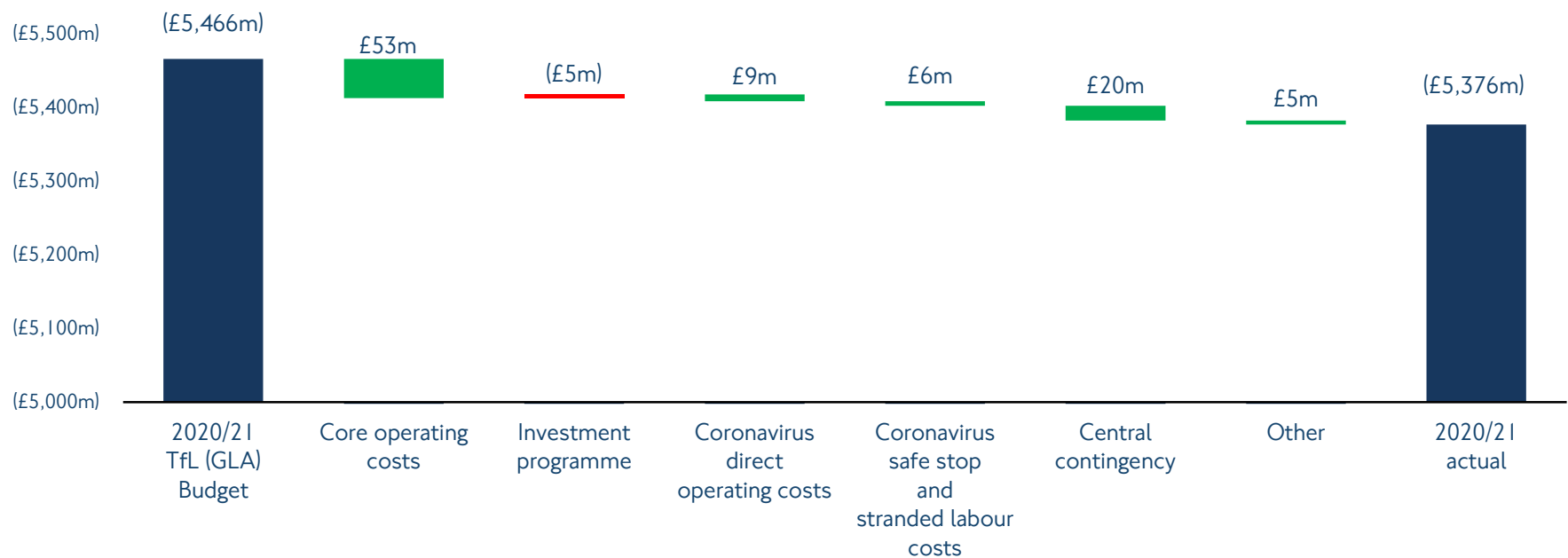
# Operating costs

Operating costs £89m lower than target, driven by lower core costs – partly from lower bad debt as a result of lower Road User Charging volumes – and contingency release.

Coronavirus costs – including cleaning, PPE, social distancing as well as stranded labour costs\* – are £145m in the year to date.

Our savings programme remains on track to deliver £325m of savings this year. This includes £150m of recurring savings, which we will also see the benefit of in future years. As set out in our Financial Sustainability Plan, we are targeting to make savings of £730m from 2019/20 to 2024/25.

## Operating costs: year to date, 2020/21

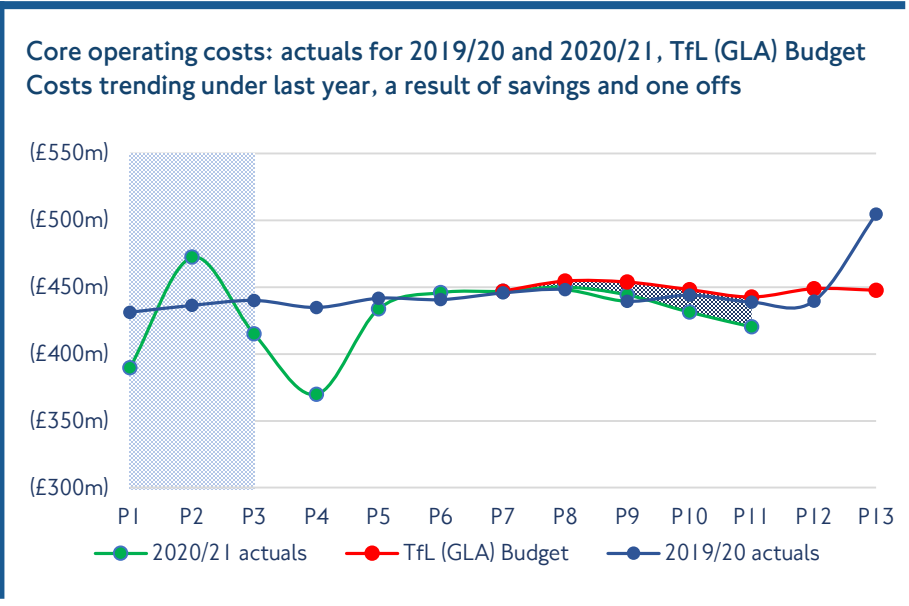


# £89m

## lower than target

Lower costs from combination of lower bad debt (driven from lower RUC volumes and improved rates with PCNs), further savings, and contingency release.

\* Stranded labour costs are staff costs for capital projects – we have paused some non-safety critical capital projects, which means these costs do not currently appear in the capital account



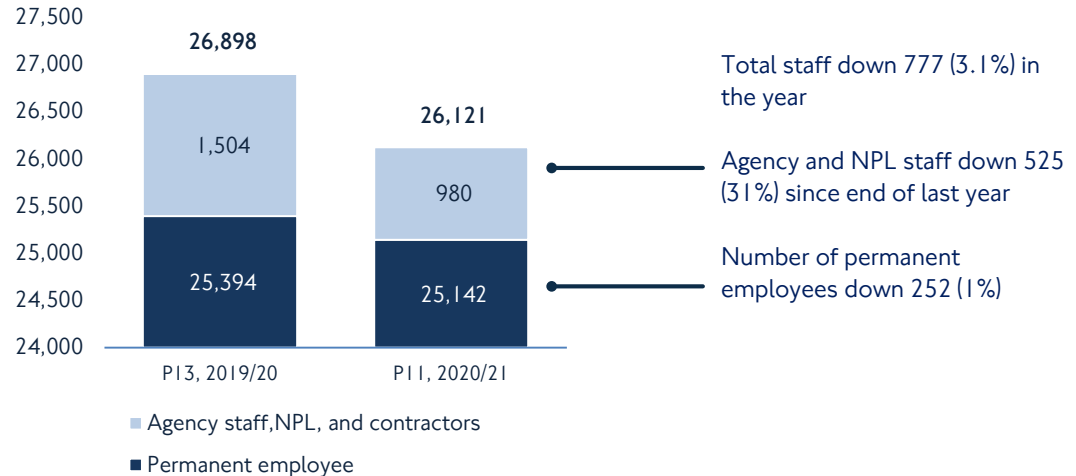
# Staff

We have reduced total headcount by 777 (3%) since the end of last year, with almost two-thirds of the reduction through lower agency staff and non-permanent labour.

Compared to our original Budget, staff numbers are down by almost 1,500.

## Staff excl. Crossrail construction

Headcount trends since the end of last year



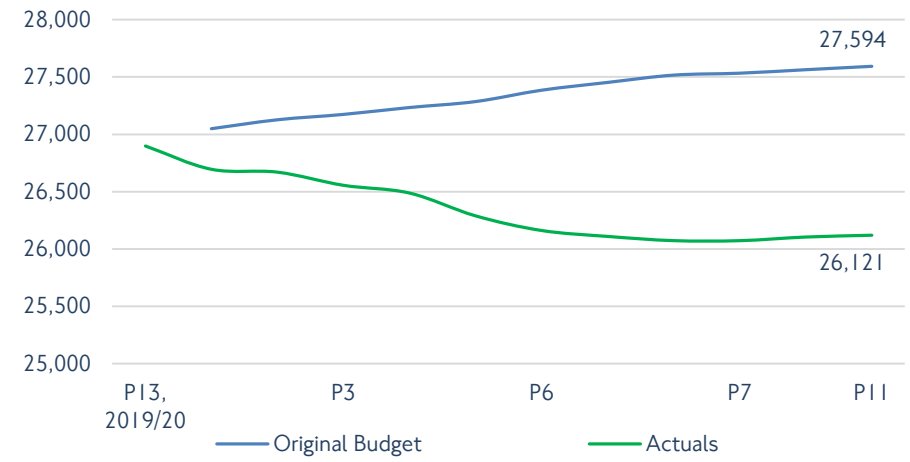
# 777

reduction in staff since end of 2019/20

# c.£4m

additional savings per period compared to end of last year

Total staff (FTE): Actuals and original TfL Budget 2020/21



# 1,472

reduction in staff compared to our original Budget

# Capital account

Total capital expenditure £57m lower than target, driven by slower ramp up in capital renewals and lower property investment spend.

Property and asset receipts are £94m down on target, mainly driven by the delayed disposal of Tottenham Court Road and Davies Street. Since the end of P I I, we have completed the sale of Tottenham Court Road.

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## Capital account: year to date, 2020/21

Capital account (£m)	Year to date, 2020/21				Year to date, 2019/20		
	Actuals	TfL (GLA) Budget	Variance to TfL (GLA) Budget	% variance to TfL (GLA) Budget	Last year	Variance to last year	% variance to last year
New capital investment	(653)	(691)	38	-5%	(835)	181	-22%
Crossrail	(620)	(666)	47	-7%	(880)	260	-30%
<b>Total capital expenditure</b>	<b>(1,273)</b>	<b>(1,357)</b>	<b>84</b>	<b>-6%</b>	<b>(1,715)</b>	<b>442</b>	<b>-26%</b>
Financed by:							
Investment grant	764	764	0	0%	750	14	2%
Property and asset receipts	8	102	(94)	-92%	150	(143)	-95%
Borrowing	602	602	0	0	(249)	851	(3)
Crossrail borrowing	564	629	(65)	-10%	0	564	N/A
Crossrail funding sources	71	69	2	3%	803	(731)	-91%
Other capital grants	117	110	6	6%	161	(45)	-28%
<b>Total</b>	<b>2,127</b>	<b>2,278</b>	<b>(151)</b>	<b>-7%</b>	<b>1,615</b>	<b>511</b>	<b>32%</b>
<b>Net capital account</b>	<b>854</b>	<b>920</b>	<b>(67)</b>	<b>-7%</b>	<b>(99)</b>	<b>953</b>	<b>-960%</b>
Capital renewals	(268)	(287)	19	-7%	(372)	103	-28%
New capital investment	(653)	(691)	38	-5%	(835)	181	-22%
<b>Total TfL capital expenditure</b>	<b>(921)</b>	<b>(978)</b>	<b>57</b>	<b>-6%</b>	<b>(1,206)</b>	<b>285</b>	<b>-24%</b>

# Capital expenditure

Total capital expenditure is £57m lower than target; spend to date this year is over £285m lower than this time last year, reflecting safe stop of non-critical projects at the height of the pandemic, and planned deferrals in H2, 2020/21.

## Capital expenditure by programme: year to date, 2020/21

Capital renewals and new capital investment (£m)	Year to date, 2020/21				Year to date, 2019/20		
	Actuals	TfL (GLA) Budget	Variance to TfL (GLA) Budget	% variance to TfL (GLA) Budget	Last year	Variance to last year	% variance to last year
<b>Major projects</b>	<b>(404)</b>	<b>(412)</b>	<b>9</b>	<b>-2%</b>	<b>(502)</b>	<b>99</b>	<b>20%</b>
Northern Line Extension	(91)	(91)	0	0%	(141)	50	35%
Four Lines Modernisation	(81)	(86)	5	-5%	(210)	128	61%
Major Stations	(58)	(62)	4	-7%	(74)	16	22%
Railway Systems Enhancements	(9)	(9)	0	-3%	(12)	3	27%
Piccadilly line trains	(79)	(82)	2	-3%	(52)	(28)	-54%
DLR Rolling Stock	(37)	(38)	1	-1%	(18)	(19)	-107%
Barking Riverside	(41)	(37)	(4)	12%	(32)	(8)	-26%
Silvertown Tunnel	(7)	(8)	1	-12%	37	(44)	118%
Elizabeth line - infrastructure	<b>(30)</b>	<b>(31)</b>	<b>1</b>	<b>-3%</b>	<b>(16)</b>	<b>(13)</b>	<b>-82%</b>
<b>LU</b>	<b>(173)</b>	<b>(189)</b>	<b>17</b>	<b>-9%</b>	<b>(297)</b>	<b>125</b>	<b>42%</b>
Capital renewals	(146)	(159)	13	-8%	(257)	111	43%
New capital investment	(26)	(30)	4	-13%	(41)	14	35%
<b>Surface Transport</b>	<b>(231)</b>	<b>(232)</b>	<b>1</b>	<b>0%</b>	<b>(246)</b>	<b>15</b>	<b>6%</b>
Healthy Streets	(38)	(42)	4	-10%	(86)	48	56%
Surface - assets	(65)	(59)	(5)	9%	(42)	(23)	-56%
Surface Tech	(12)	(12)	0	0%	(7)	(5)	-79%
Public Transport	(50)	(57)	7	-13%	(72)	22	31%
Air Quality and environment	(66)	(67)	1	-1%	(39)	(27)	-68%
Surface Deliverability overlay	-	6	(6)	-100%	-	-	N/A
<b>Corporate programmes</b>	<b>(53)</b>	<b>(68)</b>	<b>14</b>	<b>-21%</b>	<b>(81)</b>	<b>28</b>	<b>34%</b>
Professional Services	(63)	(75)	12	-15%	(78)	14	18%
Media	10	7	3	42%	(4)	13	375%
<b>Commercial Development</b>	<b>(29)</b>	<b>(45)</b>	<b>16</b>	<b>-35%</b>	<b>(62)</b>	<b>33</b>	<b>53%</b>
Estates and facilities	(0)	(2)	2	-90%	(2)	2	92%
Property development	(29)	(44)	14	-33%	(60)	31	52%
<b>Total TfL</b>	<b>(921)</b>	<b>(978)</b>	<b>57</b>	<b>-6%</b>	<b>(1,206)</b>	<b>285</b>	<b>24%</b>

# Cash balances

Cash balances are £1,634m at the end of the Period, (£85m) lower than forecast. This was driven by unfavourable working capital movements that will reverse by year end.

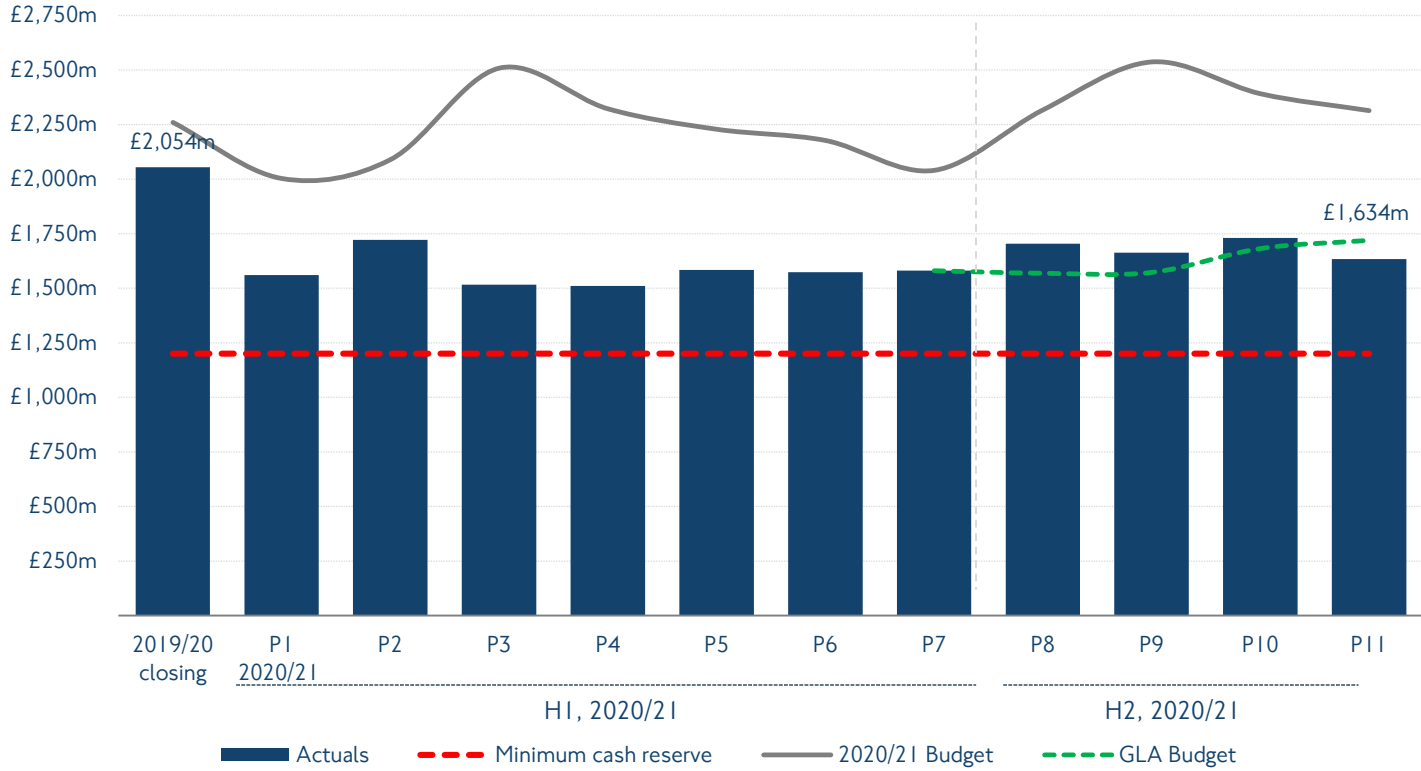
As part of the H2 agreement with government, we have so far received £765m of base funding from government, as well as £278m revenue top up funding.

As part of the new funding agreement, we are required to return the 'excess' funding provided in H1, 2020/21 (£260m). This will be repaid to government when the new funding agreement expires at the end of 2020/21.

## Cash balances and latest forecast

£m	2019/20 closing balances	Prior periods' movement	P11 movement	P11, 2020/21 closing cash	TfL (GLA) Budget	Variance to TfL (GLA) Budget
TfL cash balances (excl. Crossrail)	2,054	(324)	(96)	1,634	1,719	(85)

TfL cash balances since end 2019/20



# 2020/21 full-year outturn

Our expected full-year outturn is a deficit of almost £3.8bn before funding and financing support from Government.

Compared to our forecast in December 2020, this is an improvement of just over £420m, driven by higher passenger income, and lower operating costs.

Against last year, our expected deficit will be just over £3.3bn worse, with total income £3.4bn lower. Total operating costs are expected to be almost £60m lower, despite additional coronavirus related costs (£160m) this year; underlying core costs are expected to outturn almost £180m lower than last year, a result of our savings programme and one off upside this year.

## Operating account

Operating account (£m)	Full year, 2020/21				Full year, 2019/20		
	Latest forecast	TfL (GLA) Budget	Variance to TfL (GLA) Budget	% variance to TfL (GLA) Budget	Last year	Variance to last year	% variance to last year
Passenger income	1,606	1,480	126	8%	4,751	(3,145)	-66%
Other operating income	755	768	(13)	-2%	1,023	(268)	-26%
<b>Total operating income</b>	<b>2,361</b>	<b>2,248</b>	<b>113</b>	<b>5%</b>	<b>5,774</b>	<b>(3,413)</b>	<b>-59%</b>
Business Rates Retention	969	969	0	0%	988	(19)	-2%
Revenue grant	55	27	27	50%	117	(63)	-53%
Government furlough grant	58	60	(3)	-5%	0	58	N/A
<b>Total income</b>	<b>3,442</b>	<b>3,305</b>	<b>138</b>	<b>4%</b>	<b>6,879</b>	<b>(3,437)</b>	<b>-50%</b>
Operating costs <sup>1</sup>	(6,414)	(6,678)	264	-4%	(6,473)	59	-1%
Coronavirus direct operating costs	(61)	(71)	10	-16%	(9)	(52)	560%
Coronavirus safe stop and stranded labour costs <sup>2</sup>	(101)	(118)	18	-18%	(19)	(81)	421%
<b>Net operating surplus</b>	<b>(2,971)</b>	<b>(3,373)</b>	<b>402</b>	<b>-14%</b>	<b>407</b>	<b>(3,378)</b>	<b>-831%</b>
Net financing costs	(440)	(442)	2	-1%	(411)	(29)	7%
<b>Net cost of operations after financing</b>	<b>(3,411)</b>	<b>(3,815)</b>	<b>404</b>	<b>-12%</b>	<b>(4)</b>	<b>(3,407)</b>	<b>85067%</b>
Capital renewals	(348)	(366)	18	-5%	(453)	105	-23%
<b>Net cost of operations</b>	<b>(3,759)</b>	<b>(4,181)</b>	<b>422</b>	<b>-11%</b>	<b>(457)</b>	<b>(3,302)</b>	<b>722%</b>
Extraordinary revenue grant	2,447	2,589	(142)	-6%	0	2,447	N/A
<b>Net cost of operations after extraordinary revenue grant</b>	<b>(1,312)</b>	<b>(1,592)</b>	<b>280</b>	<b>-21%</b>	<b>(457)</b>	<b>(855)</b>	<b>187%</b>

<sup>1</sup> - 2020/21 operating leases presented on IFRS 16 basis; accounting basis for PFI changed in P11, 2020/21 – year to date and prior year costs have been restated

<sup>2</sup> - Stranded labour costs are staff costs for capital projects – we have paused some non-safety critical capital projects, which means these costs do not currently appear in the capital account



# £160m of additional savings in H2, 2020/21

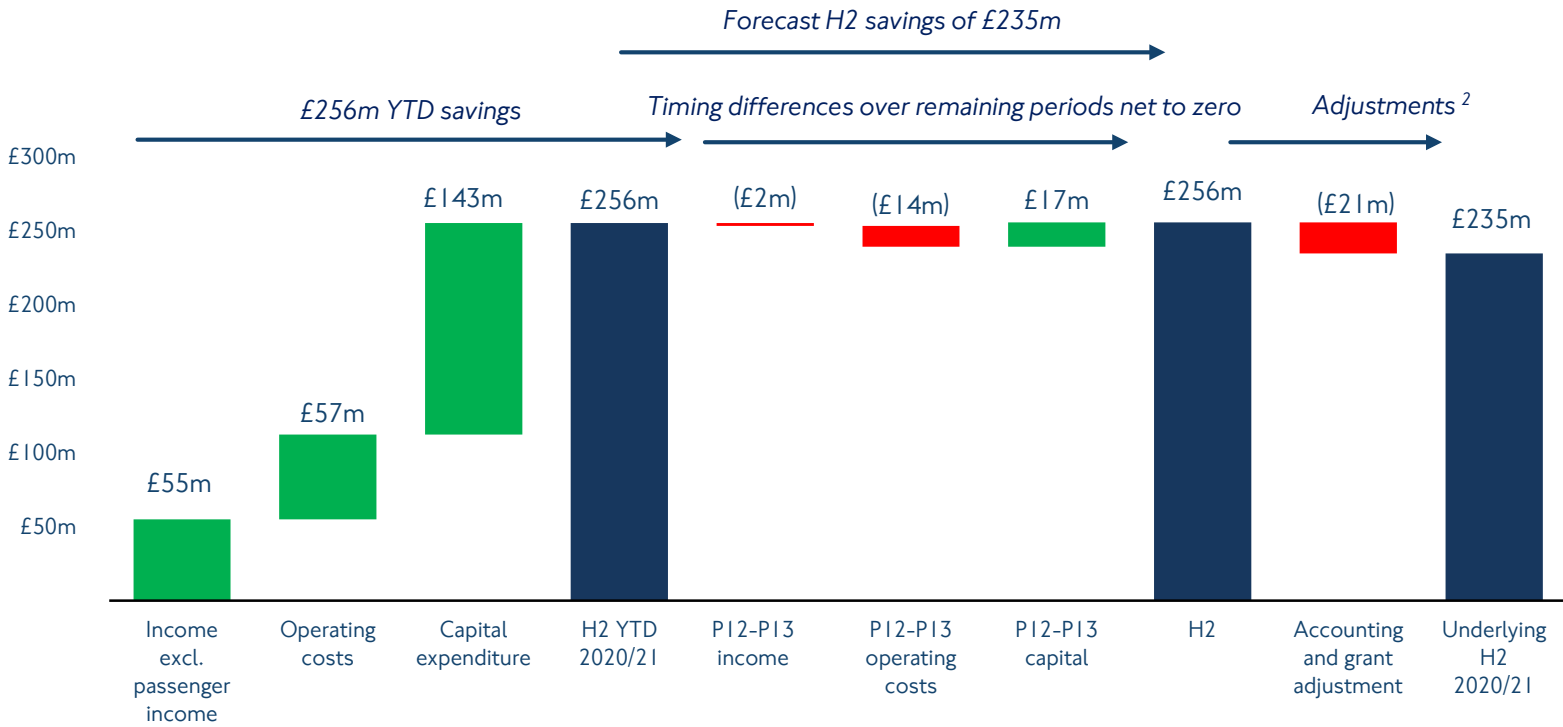
As part of the H2 funding agreement with the DfT, we have committed to making net savings – from income and capital – of £160m against the H2 Revised Budget.

We have made savings of £256m so far in H2. After adjusting for timing differences and accounting and grant changes, we expect this to reach £235m by year end. On top of this, we are improving our working capital and expect to see a one off cash upside from this.

## Additional savings of £160m

We are committed to making £160m of net savings in H2, 2020/21, against the Revised Budget

	H2 year to date, 2020/21			H2, 2020/21				
	H2 actuals	Variance to RB	Target savings: TfL (GLA) Budget	H2 latest forecast	H2 Revised Budget	H2 savings	Adjustments	H2 net savings
Income incl. other revenue grants, excl. BRR	296	55	32	415	362	53	(13)	40
Operating costs	(1,939)	57	3	(2,951)	(2,994)	43	(8)	35
Capital expenditure incl. capital grants	(367)	143	80	(663)	(823)	160	-	160
<b>Net savings <sup>1</sup></b>	<b>(2,011)</b>	<b>256</b>	<b>114</b>	<b>(3,199)</b>	<b>(3,455)</b>	<b>256</b>	<b>(21)</b>	<b>235</b>



<sup>1</sup> - Savings exclude property and asset receipts

<sup>2</sup> - Adjustments: a) GR/IR corrections in P10-P11 of £8m (no cash impact); b) removal new Emergency Active Travel funding (£20m), less £8m expenditure to be incurred this financial year

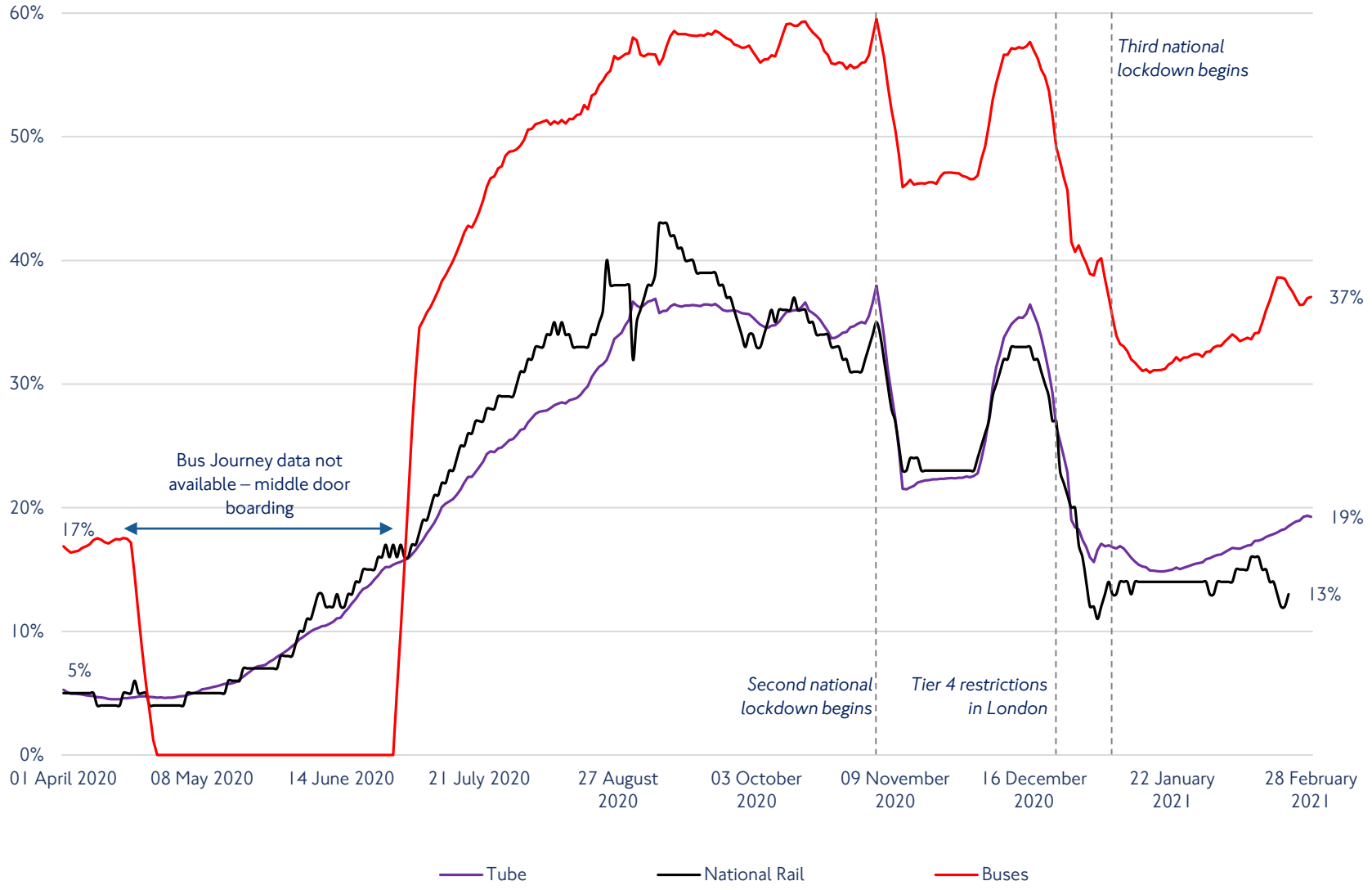
# 2020/21 full year outlook

## Latest journey trends

Tube, Bus and National Rail journeys saw sharp drop following introduction of national lockdown on 5 January 2021. Tube journeys are now 19% of last year's demand, while bus journeys are around 37%. Tube journey demand patterns are mirrored by those on the National Rail network.

We are seeing higher journeys than during the first national lockdown in March 2020. Tube journeys are over three times higher, while bus journeys have doubled.

Latest trends  
Latest journey trends to 28 February 2021



Source: TfL (7 day rolling average compared to last year); DfT Transport use during the coronavirus pandemic. Trends to 28 Feb 2021 for TfL services; to 22 Feb for National Rail.



# Key issues and risks

We have a number of risks at year end, including uncertainty on government funding going into 2021/22, impacts of Brexit on our supply chain, as well as the end of year audit.

## Key issues and risks



### 2021/22 Funding agreement

Our current H2 funding agreement with government expires on 31 March 2021.

This means for the new financial year 2021/22, beginning on 1 April 2021, there is no certainty on maintaining our cash position until a satisfactory agreement is concluded.

Negotiations with government are ongoing. However, based on current progress it is unlikely these will be concluded in time to publish a new 2021/22 Budget in the current financial year.

Without agreed funding for 2021/22, our cash balances will decrease rapidly. In April 2020, during the first wave of the pandemic, cash balances reduced by almost £500m.



### Brexit impact

TfL's Procurement & Supply Chain (P&SC) continue to monitor the impacts of Brexit on our supply chain. 71 key risks are currently being actively managed.

22 of these risks have been classified as high risk, with the key issues being:

- Delays to import of goods from the EU
  - Increase in tariffs/ costs
- Shortages in non-UK labour and services sourced from the EU
  - FOREX/ current inflation
- Supplier failure and resulting impact on TfL's operations, assets or network



### Year end audit

The interim audit for 2020/21 is progressing smoothly with no issues identified as yet from the auditors. The auditors are in the process of reviewing our Financial Sustainability Plan and forecasts to inform their work on Going Concern in relation to the 20/21 audit. They are also aiming to prepare a report on our Climate Change reporting for the Audit and Assurance Committee in June 2021.

Key risks to the 2020/21 audit include:

- Ongoing uncertainty re TfL's longer term funding position – our audit opinion is likely to need to include a 'Material Uncertainty' clause re going concern (as per the 2019/20 audit)
- Lower level of audit materiality, and increased audit requirements in relation to Value for Money and Going concern will increase workload pressures on TfL Staff
- Increased focus on judgement areas (e.g. impairment provisions, property valuations, expected credit loss provisions) as a result of coronavirus pressures

# Section 2 Period 11, 2020/21 results: Divisional performance

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Period 11, 2020/21 results	1
Divisional summaries	2



# London Underground

Tube journeys 85% lower than last year in the period, significantly down from the pre-Christmas period. Passenger income is now over £1.8bn lower than this time last year.

Continued cost control and savings have helped keep costs down; core operating costs are almost £60m lower than last year. Overall operating costs are £25m higher than last year, a result of £94m additional costs arising from coronavirus (PPE, new cleaning regimes, social distancing as well as stranded labour costs).

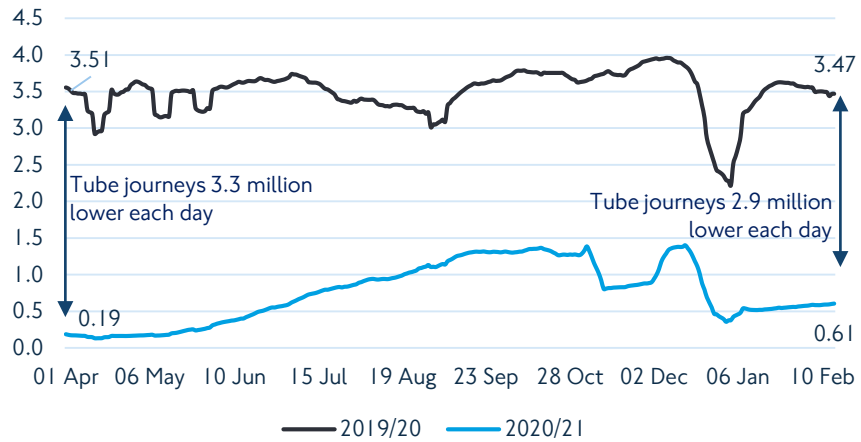
## London Underground

Operating account (£m)
Passenger income
Other operating income
<b>Total operating income</b>
Government furlough grant
<b>Total income</b>
Operating costs
<b>Net operating surplus</b>
Indirect costs
Net financing costs
Capital renewals
<b>Net cost of operations</b>
<b>New capital investment</b>

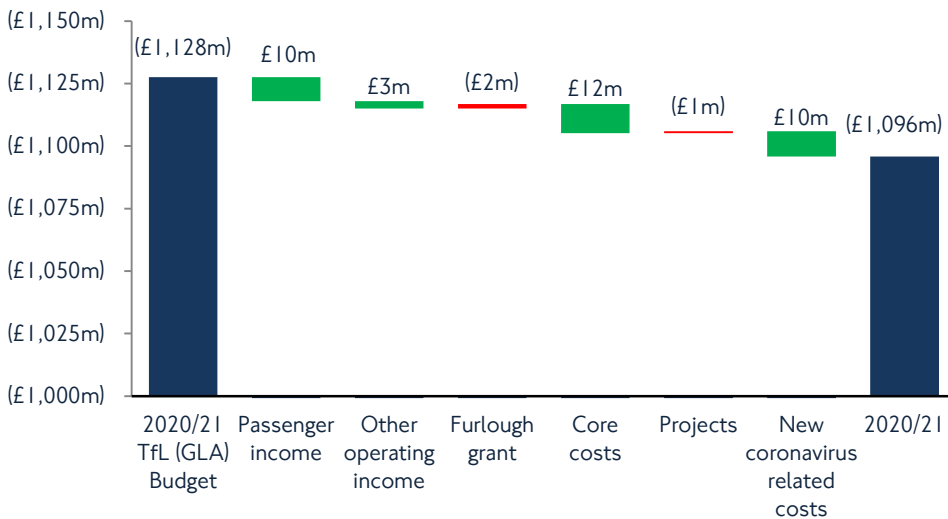
Actuals	Year to date, 2020/21		
	TfL (GLA) Budget	Variance to TfL (GLA) Budget	% variance to TfL (GLA) Budget
560	551	10	2%
16	13	3	21%
<b>576</b>	<b>564</b>	<b>13</b>	<b>2%</b>
37	39	(2)	-4%
<b>614</b>	<b>603</b>	<b>11</b>	<b>2%</b>
(1,710)	(1,730)	21	-1%
<b>(1,096)</b>	<b>(1,128)</b>	<b>32</b>	<b>-3%</b>
(240)	(346)	106	-31%
(238)	(239)	1	0%
(146)	(159)	13	-8%
<b>(1,720)</b>	<b>(1,871)</b>	<b>152</b>	<b>-8%</b>
(26)	(30)	4	-13%

Year to date, 2019/20		
Last year	Variance to last year	% variance to last year
2,386	(1,826)	-77%
29	(13)	-45%
<b>2,415</b>	<b>(1,839)</b>	<b>-76%</b>
0	37	N/A
<b>2,415</b>	<b>(1,801)</b>	<b>-75%</b>
(1,685)	(25)	1%
<b>730</b>	<b>(1,826)</b>	<b>-250%</b>
(280)	40	-14%
(227)	(11)	5%
(257)	111	-43%
<b>(33)</b>	<b>(1,686)</b>	<b>5044%</b>
(41)	14	-35%

Daily Tube journeys (millions, 7-day rolling average)



Net operating surplus compared to TfL (GLA) Budget



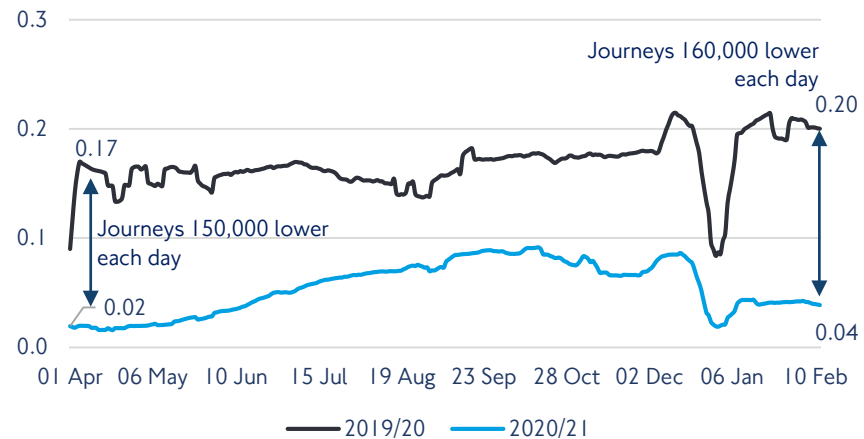
# Elizabeth line

Passenger journeys broadly in line with target, but passenger income over 60% lower than this time last year.

## Elizabeth line

Operating account (£m)	Year to date, 2020/21				Year to date, 2019/20		
	Actuals	TfL (GLA) Budget	Variance to TfL (GLA) Budget	% variance to TfL (GLA) Budget	Last year	Variance to last year	% variance to last year
Passenger income	34	31	4	12%	98	(64)	-65%
Other operating income	6	7	(0)	-5%	8	(2)	-22%
<b>Total operating income</b>	<b>40</b>	<b>37</b>	<b>3</b>	<b>9%</b>	<b>106</b>	<b>(66)</b>	<b>-62%</b>
Government furlough grant	0	1	(0)	-2%	0	0	N/A
<b>Total income</b>	<b>41</b>	<b>38</b>	<b>3</b>	<b>8%</b>	<b>106</b>	<b>(65)</b>	<b>-62%</b>
Operating costs	(277)	(277)	0	0%	(294)	17	-6%
<b>Net operating surplus</b>	<b>(236)</b>	<b>(240)</b>	<b>4</b>	<b>-2%</b>	<b>(188)</b>	<b>(48)</b>	<b>25%</b>
Indirect costs	(6)	(15)	9	-60%	(8)	2	-25%
Net financing costs	(74)	(74)	0	0%	(71)	(4)	5%
<b>Net cost of operations</b>	<b>(316)</b>	<b>(329)</b>	<b>13</b>	<b>-4%</b>	<b>(267)</b>	<b>(49)</b>	<b>19%</b>
New capital investment	(30)	(31)	1	-3%	(16)	(13)	82%
Crossrail construction	(620)	(666)	47	-7%	(880)	260	-30%
<b>Total capital investment</b>	<b>(649)</b>	<b>(697)</b>	<b>48</b>	<b>-7%</b>	<b>(896)</b>	<b>247</b>	<b>-28%</b>

Daily Elizabeth line journeys (millions, 7-day rolling average)



Net operating surplus compared to TfL (GLA) Budget



# Buses, Streets & Other operations

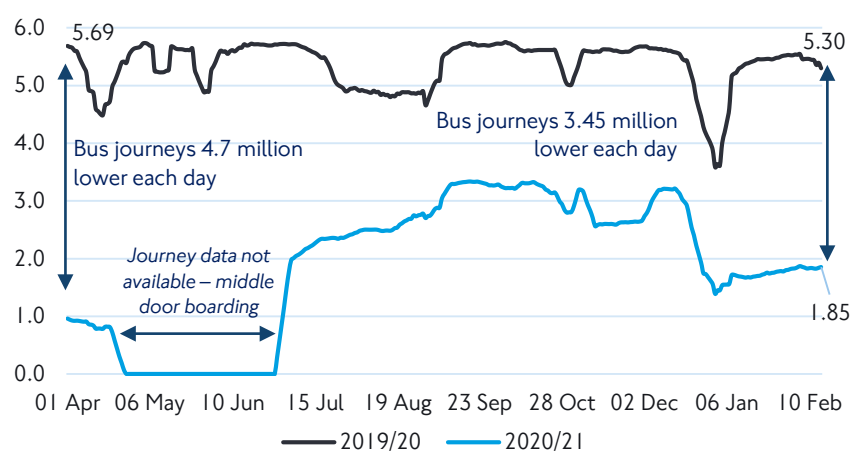
Bus journeys down since December, and are now around 35% of last year's levels. Congestion Charge (CC) and ULEZ income was higher than last year in Quarter 3; since December, income is trending down, but we expect to hit target by year end.

Operating costs lower than target, a result of lower bad debt – driven by lower Road User Charging volumes, as well as improved payment rates on PCNs – and lower bus costs. Total operating costs slightly up on last year, as a result of new coronavirus related costs, including new bus driver protection screens.

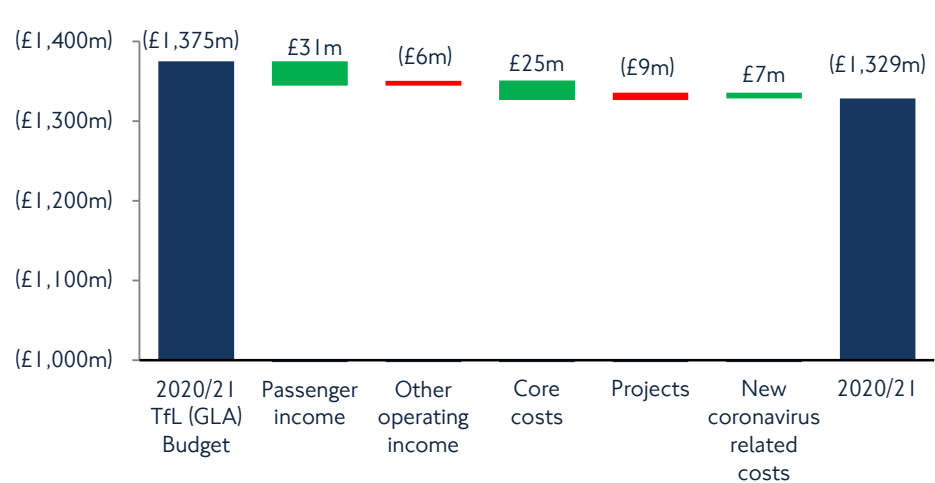
## Buses, Streets & Other operations

Operating account (£m)	Year to date, 2020/21				Year to date, 2019/20		
	Actuals	TfL (GLA) Budget	Variance to TfL (GLA) Budget	% variance to TfL (GLA) Budget	Last year	Variance to last year	% variance to last year
Passenger income	595	565	31	5%	1,238	(642)	-52%
Other operating income	435	441	(6)	-1%	468	(33)	-7%
<b>Total operating income</b>	<b>1,031</b>	<b>1,006</b>	<b>24</b>	<b>2%</b>	<b>1,706</b>	<b>(675)</b>	<b>-40%</b>
Government furlough grant	9	9	(0)	-3%	0	9	N/A
<b>Total income</b>	<b>1,040</b>	<b>1,016</b>	<b>24</b>	<b>2%</b>	<b>1,706</b>	<b>(666)</b>	<b>-39%</b>
Operating costs	(2,368)	(2,391)	23	-1%	(2,355)	(13)	1%
<b>Net operating surplus</b>	<b>(1,329)</b>	<b>(1,375)</b>	<b>47</b>	<b>-3%</b>	<b>(650)</b>	<b>(679)</b>	<b>104%</b>
Indirect costs	(94)	(116)	21	-18%	(101)	7	-7%
Net financing costs	(35)	(35)	0	0%	(33)	(2)	5%
Capital renewals	(79)	(72)	(7)	10%	(49)	(30)	60%
<b>Net cost of operations</b>	<b>(1,537)</b>	<b>(1,598)</b>	<b>61</b>	<b>-4%</b>	<b>(834)</b>	<b>(703)</b>	<b>84%</b>
<b>New capital investment</b>	<b>(109)</b>	<b>(109)</b>	<b>(1)</b>	<b>1%</b>	<b>(129)</b>	<b>20</b>	<b>-15%</b>

Daily bus journeys (millions, 7-day rolling average)



Net operating surplus compared to TfL (GLA) Budget



# Rail

Rail journeys – from London Overground, DLR and Trams – around 25% of last year, down from 50% at the end of Quarter 3.

Operating costs are broadly in line with last year and target.

## Rail

Operating account (£m)

Passenger income

Other operating income

**Total operating income**

Government furlough grant

**Total income**

Operating costs

**Net operating surplus**

Indirect costs

Net financing costs

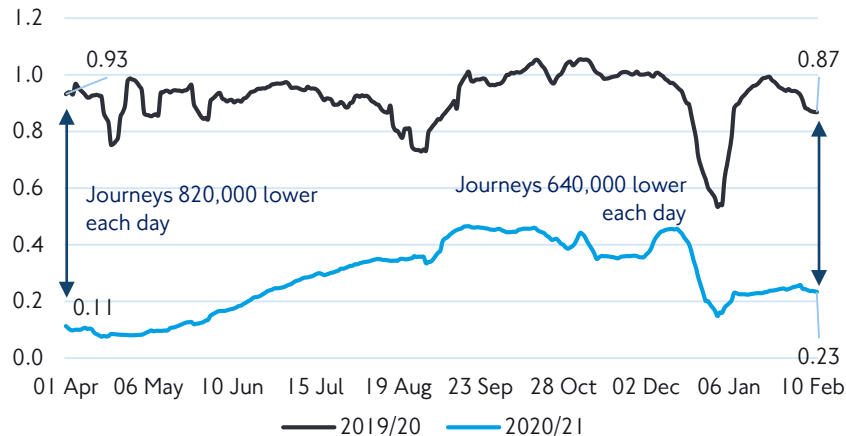
Capital renewals

**Net cost of operations**

**New capital investment**

	Year to date, 2020/21				Year to date, 2019/20		
	Actuals	TfL (GLA) Budget	Variance to TfL (GLA) Budget	% variance to TfL (GLA) Budget	Last year	Variance to last year	% variance to last year
Passenger income	118	108	10	9%	359	(241)	-67%
Other operating income	5	6	(1)	-19%	21	(16)	-77%
<b>Total operating income</b>	<b>123</b>	<b>114</b>	<b>9</b>	<b>8%</b>	<b>380</b>	<b>(257)</b>	<b>-68%</b>
Government furlough grant	0	0	(0)	-7%	0	0	N/A
<b>Total income</b>	<b>124</b>	<b>115</b>	<b>9</b>	<b>8%</b>	<b>380</b>	<b>(256)</b>	<b>-67%</b>
Operating costs	(390)	(394)	3	-1%	(393)	3	-1%
<b>Net operating surplus</b>	<b>(267)</b>	<b>(279)</b>	<b>12</b>	<b>-4%</b>	<b>(13)</b>	<b>(254)</b>	<b>2018%</b>
Indirect costs	(15)	(17)	2	-11%	(17)	2	-12%
Net financing costs	(23)	(23)	0	0%	(22)	(1)	5%
Capital renewals	(24)	(33)	8	-26%	(36)	11	-32%
<b>Net cost of operations</b>	<b>(329)</b>	<b>(352)</b>	<b>23</b>	<b>-6%</b>	<b>(87)</b>	<b>(242)</b>	<b>278%</b>
<b>New capital investment</b>	<b>(19)</b>	<b>(19)</b>	<b>(1)</b>	<b>3%</b>	<b>(33)</b>	<b>13</b>	<b>-40%</b>

Daily Rail journeys (millions, 7-day rolling average)



Net operating surplus compared to TfL (GLA Budget)



# Major Projects Directorate

Year to date capital spend lower than target. Deferrals and some slippage across Four Lines Modernisation and Bank. Cost increase on Barking Riverside extension following VOWD assessment, but no impact on cash or final cost.

## Major Projects Directorate

Operating account (£m)	Year to date, 2020/21				Year to date, 2019/20		
	Actuals	TfL (GLA) Budget	Variance to TfL (GLA) Budget	% variance to TfL (GLA) Budget	Last year	Variance to last year	% variance to last year
Other operating income	6	8	(2)	-21%	16	(10)	-63%
<b>Total operating income</b>	<b>6</b>	<b>8</b>	<b>(2)</b>	<b>-21%</b>	<b>16</b>	<b>(10)</b>	<b>-63%</b>
Government furlough grant	2	3	(0)	-6%	0	2	N/A
<b>Total income</b>	<b>8</b>	<b>10</b>	<b>(2)</b>	<b>-17%</b>	<b>16</b>	<b>(8)</b>	<b>-48%</b>
Operating costs	(36)	(39)	4	-9%	(10)	(26)	271%
<b>Net operating surplus</b>	<b>(27)</b>	<b>(29)</b>	<b>2</b>	<b>-6%</b>	<b>6</b>	<b>(34)</b>	<b>-526%</b>
Indirect costs	(27)	(26)	(1)	4%	(32)	5	-16%
Net financing costs	0	0	0	N/A	0	0	N/A
Capital renewals	(3)	(3)	0	-6%	(16)	14	-85%
<b>Net cost of operations</b>	<b>(57)</b>	<b>(58)</b>	<b>1</b>	<b>-1%</b>	<b>(42)</b>	<b>(15)</b>	<b>35%</b>
<b>New capital investment</b>	<b>(402)</b>	<b>(410)</b>	<b>8</b>	<b>-2%</b>	<b>(486)</b>	<b>84</b>	<b>-17%</b>

### DLR Rolling Stock



The final design phase has been completed and manufacturing has now commenced. The Beckton Depot enabling package has been awarded and tender evaluation has been completed for the Beckton Depot northern sidings works, with approval given to award this contract. Authority to enter into the grant agreement for the Housing Infrastructure Fund works to delivery 14 additional trains and stabling capacity was approved in December 2020, and the grant agreement has now been signed.

### Northern Line Extension



The first passenger test trains ran successfully on the new extension on the 19 and 25 December 2020. The extension remains on track to be available for revenue service in autumn this year. The focus going forward will be on the work packages and resources required for supporting the start of trial operations planned for summer 2021.

### Barking Riverside Extension



On 3 January 2021, we completed the major signalling stage (stage nine of 16) that was cancelled at Easter 2020 due to the first wave of the coronavirus pandemic. It had not been possible to undertake this work any earlier because the entire rail systems plan needed to be reworked and new possession requirements, including for this extended closure, arranged with Network Rail and the operators.

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**Board**

**Date: 16 March 2021**

**Title: Investment Strategy 2021/22 – Non-Financial Assets**

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**This paper will be considered in public**

## **1 Summary**

- 1.1 The purpose of this paper is to set out the proposed Investment Strategy for Non-Financial Assets 2021/22 set out in Appendix 1 ('the Strategy') and to seek authorities in relation to its approval.
- 1.2 The Strategy sets out how we plan to manage and grow our various commercial assets.
- 1.3 The Strategy will be reviewed by the Finance Committee on 10 March 2021. A verbal update will be provided by the Chair of the Finance Committee as it meets after the papers for this meeting are published.
- 1.4 Each year, the Finance Committee considers this Strategy in detail, using the knowledge and expertise of its Members. It then recommends its approval to the Board. In line with the authority previously delegated to the Committee to approve the Treasury Management Strategy and related Treasury Management Policies, it is suggested that the decisions on the Strategy should be taken by the Committee as it has the required knowledge and expertise to provide the challenge and scrutiny to the proposals.

## **2 Recommendations**

- 2.1 **Subject to the recommendation of the Finance Committee, the Board is asked to note the paper and:**
  - (a) **delegate approval of the Investment Strategy for Non-Financial Assets (IMS) for 2021/22 and future years, and any changes to the IMS during the course of any year to the Finance Committee; and**
  - (b) **note that subject to the Board approving the delegation of authority above, the Finance Committee is asked to approve the Investment Strategy 2021/22 – Non-Financial Assets, attached at Appendix 1.**

## **3 Investment Strategy**

- 3.1 Statutory guidance on Local Government Investments requires that TfL's Investment Strategy should include reference to "other non-financial assets that the organisation holds primarily for or partially to generate a profit".
- 3.2 The Strategy sits alongside TfL's Treasury Management Strategy, which addresses financial investments, the latest version of which is elsewhere on the agenda for approval at this meeting.

3.3 The Secretary of State recommends that the strategy should be presented for approval before the start of the financial year.

**List of appendices to this report:**

Appendix 1 – Investment Strategy for Non-Financial Assets 2021/22

**List of Background Papers:**

None

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# TRANSPORT FOR LONDON

## INVESTMENT MANAGEMENT STRATEGY 2021/22 FOR NON-FINANCIAL ASSETS

### 1 SUMMARY

- 1.1 This Investment Management Strategy (IMS) 2021/22 describes the objectives of TfL's programme of investment in commercial assets, the associated sources of funding, the approach to managing risks arising from it and the relevant key performance indicators.

### 2 BACKGROUND

- 2.1 The IMS 2021/22 has been prepared having regard to the Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) Regulations 2003 (as amended), as well as the key recommendations of:
- (i) the Prudential Code for Capital Finance in Local Authorities (the 'Prudential Code') issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and last updated in 2017;
  - (ii) the Statutory Guidance on Local Authority Investments (the '2018 Investments Guidance') issued by the Ministry of Housing, Communities and Local Government (MHCLG) in 2018; and
  - (iii) the Code of Practice and Cross-Sectoral Guidance Notes for Treasury Management in the Public Services (the 'Treasury Management Code') issued by CIPFA and last updated in 2017.
- 2.2 As recommended by the 2018 Investments Guidance, this strategy will be updated at least annually and submitted for approval.
- 2.3 The IMS 2021/22 will be implemented, operated and administered under delegations of authority established in TfL Standing Orders.

### 3 STRATEGIC OBJECTIVES

- 3.1 The objectives underpinning the IMS 2021/22 are to:
- (i) protect the income streams post the coronavirus pandemic and plan for growth – the long-term goal remains unchanged, that is, to produce a growing, sustainable operating surplus for TfL from its commercial assets;
  - (ii) fund the capital investment programme needed to achieve growth – this will continue our existing approach of funding expenditure from capital receipts (in the form of land sales, asset disposals and development returns);

- (iii) establish new sources of funding through structural aspects of commercial property holdings in TfL – this will maximise the opportunity to enhance returns and value as well as enable future transactions; and
- (iv) in line with the Mayor’s Transport Strategy, deliver 10,000 new homes with at least 50 per cent affordable housing on projects brought to market since May 2016, as well as improve the accessibility of the transport system, including through incorporating additional step-free access as part of development schemes.

#### 4 INVESTMENT PROGRAMME

4.1 The IMS 2021/22 is forward looking with substantial capital expenditure anticipated over a 10-year period. The main programmes of capital expenditure within the plan are listed in Table 1. While some of these investments aim to deliver capital income returns, the majority is set to deliver an ongoing rental stream and associated asset value.

**Table 1 – Main programmes of capital expenditure 2020/21 to 2029/30**

	<b>Capital Plan Ranking by Expenditure (largest to smallest)</b>
Residential – For Sale Joint Ventures	1
Retail Expansion and Estate Improvement	2
Residential – Build to Rent	3
Digital Media	4
Commercial Office Development	5
Telecoms	6

#### Residential – For Sale Joint Ventures and Build to Rent

- 4.2 The majority of the capital investment proposed in the IMS relates to real estate, with the largest sums directed to Residential – both For Sale projects and Build to Rent (BtR). TfL’s development land is often in areas considered well located for residential development, and this investment aligns with our target in the Mayor’s Transport Strategy to deliver 10,000 homes on our land. BtR has a track record of delivering real growth in rental income – that is, matching or exceeding inflation – and has remained a strong segment during the coronavirus pandemic.
- 4.3 TfL plans to invest in the development of for-sale residential units on land that is deemed suited to this purpose. Such development will deliver future profits, providing cash flow to reinvest, whilst contributing to new home delivery in London. In 2021/22, TfL will progress delivery on site of existing schemes, take others through planning and undertake the marketing of others.
- 4.4 Data from the independent real estate research consultancy Property Market Analysis (PMA) shows that from 2003 to 2018, when compared with the Consumer

Price Index (CPI), BtR delivered a 1.0 per cent real growth rate per annum for rental values in outer London and zero per cent growth per annum in inner London. This data includes a period of economic downturn during the 2007 global financial crisis. We propose to target outer London for BtR. In addition to resilience during downturns, BtR has low exposure to obsolescence.

- 4.5 The Residential Build to Rent (BtR) sector has been resilient in the face of the coronavirus pandemic. According to MSCI Inc. (formerly Morgan Stanley Capital International), total residential returns for the year to Q3 2020 were 2.4 per cent. This compares with 2.7 per cent for industrial, (0.7) per cent for office and (10.4) per cent for retail.
- 4.6 According to valuation data from global real estate practice CBRE, residential rent collection and occupancy rates have remained robust, averaging 97 per cent (Apr-Aug 2020) and 83 per cent respectively (Apr-Sept 2020). BtR schemes also appear to be benefiting from a 'Flight to Quality' as tenants seek high quality homes that offer designated workspace and amenities, a priority for those expecting to continue working from home in the future.
- 4.7 Forecasts from PMA project rental value growth of 3.4 per cent per annum for the period from 2020-2030 for residential BtR in outer London. Given these characteristics we will continue to invest in the sector, supporting the supply of housing whilst benefiting from the longer term, less volatile, rental growth prospects.
- 4.8 In order to deliver the BtR programme, TfL will invest in new site developments with selected partners. Building stock through new development delivers property at a discount to purchasing completed units, which enhances income yields and capital returns. A competitive tender process led to Grainger Plc being selected in 2019 as TfL's BtR delivery partner.
- 4.9 TfL's largest and most valuable site remains Earls Court. TfL will continue to progress our investment in Earls Court during 2021/22 with the aim of unlocking the site and enabling the future delivery of homes. Good progress has been made with our majority partner Delancey (acting on behalf of its client fund and APG).
- 4.10 In 2021/22, notable activity will include working towards consolidating the existing joint venture land with the adjoining Lillie Bridge Depot to create a 40-acre development site, progressing works to submit new plans, and commencing delivery of homes with a first phase at 344-350 Old Brompton Road. These activities will protect our investment holding, which has decreased substantially in recent years below the original investment value due to market changes, planning and other deliverability issues.

#### Retail Expansion and Estate Improvement

- 4.11 TfL will invest in new retail expansion on our current estate, and in line with a revised customer experience strategy, target investment in improving the existing retail portfolio. The wider environment for retail remains challenging, with PMA forecasting average annual falls in rental value in both central (3.2 per cent) and outer (5.7 per cent) London over the next five years.
- 4.12 TfL's assets are generally however in prime locations and have been traditionally resilient to economic upset. There is an opportunity to capitalise on the localisation agenda post the coronavirus pandemic and shift into growth areas such as logistics.

4.13 Historic investment has been limited, and there is an imperative to bring assets up to the required standard and reshape our offer for the new social environment. This investment will help protect our income streams, and, over time, drive higher average asset values and yields throughout the portfolio. TfL will utilise assets in new ways through more effective data analysis and targeting of suitable brands to enhance retail offerings. Programmes have been delayed due to the coronavirus pandemic but delivery will commence as conditions allow, supported by targeted reviews.

#### Digital Media

4.14 TfL has invested significantly in digital advertising assets in line with market developments. Returns across all media (digital and traditional posters) have been severely disrupted through the current pandemic, but there is expected to be a return which our assets will support. Over the plan period, there will be further digital investment in line with a need to refresh assets every six to seven years. Without such investment, revenue streams would decline. All capital expenditure will be carefully assessed based on expected returns.

#### Commercial Office Developments

4.15 Ownership of land around transport modes creates ancillary delivery options, such as office use. TfL will carefully consider its interests in sites suitable for office development. The market remains strong for prime assets, with a so-called 'flight to quality' seeing the most sustainable and best-located assets enjoying a significant premium over other stock. TfL's options include maximising proceeds for sale or developing and holding for long-term income.

#### Telecoms

4.16 In 2021/22, TfL will conclude proposals to deliver public cellular services and a fibre optic data network across its tunnels and land. Our intention is to partner with established market players to deliver and manage these services. Levels of investment will be determined based on anticipated returns and risk level.

### **5 SOURCES OF FUNDING**

- 5.1 Capital investment to generate operating income growth will mainly be funded out of capital receipts over the life of the Business Plan. There will be capital investment year on year across a programme allowing individual projects to develop and then achieve future projected returns.
- 5.2 Capital receipts from disposals and sales will be used to fund property developments. Income-generating assets with weak long-term income prospects, properties currently producing no income and sites with development potential will be identified and assessed. This process has commenced and, although slowed through the current pandemic, will continue in 2021/22.
- 5.3 Due to the relatively illiquid nature of the portfolio of property assets, the timing of receipts is not certain. Due diligence via forecasting will be undertaken to ensure future timings of investment commitments on development sites can be met.
- 5.4 TfL will use joint ventures as a primary delivery route for significant real estate projects where land interests will be sold into the joint venture, followed by investment in an equity interest in the joint venture. This method enables TfL to be

flexible on capital investment levels and brings in skill sets and market specialisms to limit risk and improve return.

- 5.5 As set out in its Financial Sustainability Plan, TfL is also investigating alternative ways of funding real estate through consolidating our commercial property assets into a portfolio. Consideration will be given to the impact on TfL group activities, including borrowing limits and credit ratings in establishing the structures. Any funding will be conducted under Standing Orders delegation and working with TfL's Corporate Finance team.

## **6 RISK MANAGEMENT**

- 6.1 The level of risk associated with non-financial investments described above will vary. This section seeks to address how this risk will be minimised to ensure good stewardship of public funds.
- 6.2 TfL will not enter into long-term project commitments until funding arrangements are clear, whether through disposals or other funding options. Investment will be limited dependent on funding capacity.
- 6.3 TfL will seek to minimise risk to assets and loss of capital value. Control will be retained over assets through ownership retention, step-in rights and other legal protections up to completion and payment. Credit and reputational risks will be assessed and monitored. Long-term contractual commitments will be fully assessed and reviewed.
- 6.4 TfL will manage real estate scheme risks through assessments of sustainability of income stream, planning risks, construction risks, stakeholder risks and political risks. In addition, two risks are considered in further detail:
- (i) market / sales risk – development value across all joint ventures primarily focuses on the residential sector – TfL will manage risk levels through prudent assessment of sales values and likelihoods; and also through forward sales of affordable housing to Registered Providers who have a strong appetite to purchase stock; and
  - (ii) credit risk – there is a risk on availability of credit on a site-by-site basis and impact of long-term interest payments if sales demand is weak - TfL will not progress schemes unless funding sources are confirmed.
- 6.5 TfL will monitor and set appropriate levels of gearing across the real estate development portfolio to manage risk exposure. Prudent assumptions of 50 per cent gearing within development phases (loan to cost) and 40 per cent within the income-generating investment phase (loan to value) have been set as a benchmark. Alternative funding options will be carefully assessed as needed. Structures will be managed to ensure debt in Joint Ventures is within overall TfL borrowing limits. Interest cover ratios (rental values relative to interest to service debt) will be agreed in advance and tested to ensure they can be met prior to finalising any debt packages.
- 6.6 Measuring and managing forward commitments will be a key part of overall programme management, along with forecasting scheme outcomes regularly and testing for market conditions. TfL will manage exposures by reducing equity share in

joint ventures, thus lowering investment requirements, and will cancel or defer projects as needed, should there be indications of a property downturn.

- 6.7 When assessing projects TfL will take a prudent approach to cost growth and value growth.
- 6.8 The investment programme focuses on markets where we have a natural advantage, namely our land holdings. This puts us in a strong position to invest capital compared with other operators in the market and minimises risk. It also means we can “hold” if market conditions are not conducive.
- 6.9 Investing in our property estate provides liquidity options in the form of underlying asset value which can be traded to manage overall risk. This is particularly relevant within the BtR portfolio where there is significant investor demand. TfL will manage exit options as part of its risk approach.
- 6.10 Valuations will be important factors in ensuring real estate investment decisions are justified. TfL will regularly assess fair value of assets relative to capital investment and loans to ensure informed decisions are made and compliance with loan terms is assured.
- 6.11 TfL will use independent experts as required to inform investment decisions. These will be procured on a case-by-case basis around the specific activity. Procurement will occur through TfL frameworks, where a competitive process ensures the most technically competent and most economical advisors are available as required.
- 6.12 Due diligence and competitive procurement processes are in place for our investment decision making. Suppliers will undergo a rigorous process including credit checks to demonstrate TfL is achieving best value and have financial indicators to protect our interests. Commercial contracts giving us ability to monitor and assess suppliers throughout the life of any project will be part of standard operational practice.
- 6.13 TfL will also use experts in property in its real estate governance process. The Commercial Development Advisory group (CDAG) consisting of property industry experts from a range of backgrounds, ensures all our property investment projects can be challenged and scrutinised.
- 6.14 As set out in TfL’s Financial Sustainability Plan, the governance structures for TfL property will be kept under review. Should new funding sources allow a significant increase in activity, the governance of TfL property will be strengthened in line with any commensurate increase in risk.

## 7 KEY PERFORMANCE INDICATORS

- 7.1 Subject to meeting security and liquidity requirements, yields and returns on capital investment will drive all decisions. Specific Key Performance Indicators (KPIs) will be used by TfL to assess and monitor investments:
  - (i) all projects will be expected to produce a positive **net present value** discounted at TfL’s standard rates;
  - (ii) all projects delivering rental income will be expected to achieve **yields** in excess of our cost of borrowing;



(iii) target geared **Internal Rate of Return (IRR)** will be measured - this will be based on market testing of development schemes as well as internal experience on schemes to date, and will vary according to the project taking into account the following considerations:

- delivery requirements within the Mayor’s Transport Strategy (e.g. step free access as part of a development scheme, delivery of affordable housing) could reduce the IRR on specific schemes; and
- different market segments have different risk profiles and the IRR expectation will reflect this; and

(iv) TfL will measure **Return on Equity (ROE)**, showing levels of profit compared to TfL capital invested.

7.2 Third-party debt and capital investment will be utilised by TfL as required to promote growth. If the interest rate available is greater than the net yield on the property investment, TfL will review dilution of returns in assessing viability. Consideration will be given to the impact of debt on the group, specifically around financial ratios, as well as the impact on other investments in transport and infrastructure.

7.3 There is recognition that introduction of third-party capital does not in itself boost income returns – indeed, it may dilute income returns after allowance for any management fees introduced with the third-party capital. The introduction of investment partners will be driven more by the skills they bring, with the expectation of improvements in delivery and increases in income returns. Proposals for introduction of third-party capital will be tested against the requirement for liquidity. TfL will make an assessment as to whether a stake in an investment vehicle is likely to be more or less liquid than direct ownership of the properties.

7.4 TfL will have regular reviews of global innovation in terms of new sources of income around transport nodes.

7.5 A summary of key investment areas and rationale is set out below.

Investment Area	Overview	Rationale
Residential – For Sale Joint Ventures	Establish joint ventures with private sector companies to deliver capital receipts from land plus profits and deliver in excess of 2,700 homes.	Supports homes target. Sites typically have best sales potential with good residential values and strong market interest.
Residential – Build to Rent	Major investment on identified BtR sites, delivering over 3,000 homes. We expect to become one of London’s leading operators and owner of BtR.	Delivers long term recurring rental stream and asset value growth. Demand and supply dynamic favours rented product in London.

Investment Area	Overview	Rationale
Earls Court Development	The largest single development contributing to TfL's homes target, working with our joint venture partner. Creating a new district and supporting thousands of jobs.	Largest single contributor to homes target.
Retail Enhancement and Estate Improvement	Create new commercial assets and invest in existing assets through asset management initiatives, including exploiting opportunities of long leasehold interests. Investment plans include enhanced maintenance of existing portfolio.	Delivers rapid increase in net income, makes best use of existing assets, and delivers enhanced customer experience.
Digital Media	Replacing life-expired assets and deliver new digital formats.	Investment in digital required to protect and grow revenues with consumer expectation of digital product, in conjunction with traditional media.
Commercial Office Developments	Opportunity to create prime commercial office space through over-station developments. Options exist to support rationalisation of TfL's office facilities	Station environment enhancement and delivering Grade A office space in attractive locations. Support cost savings for TfL

**Board**



**Date:** 16 March 2021

**Item:** Report of the Meeting of the Safety, Sustainability and Human Resources Panel held on 10 February 2021

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**This paper will be considered in public**

## **1 Summary**

- 1.1 This paper provides a summary of the items considered by the Safety, Sustainability and Human Resources Panel at its meeting on 10 February 2021.

## **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 10 February 2021 were published on 2 February 2021 and are available on the TfL website: <https://tfl.gov.uk/corporate/publications-and-reports/safety-sustainability-hr>. A link to a video recording of the meeting can also be found on the page.
- 3.2 The main matters considered by the Panel were:
- (a) Quarterly Safety, Health and Environment Performance Report;
  - (b) Operational Incidents on the Tram Network: August - October 2020;
  - (c) Elizabeth Line Safety Update;
  - (d) Bus Driver Welfare;
  - (e) Bus Safety Programme and Driver Health and Wellbeing;
  - (f) Sustainability in TfL Buildings;
  - (g) TfL Carbon Reduction Priorities;
  - (h) Human Resources Quarterly Report;
  - (i) TfL Viewpoint Survey Results 2020; and
  - (j) Enterprise Risk Update – Inability to support new ways of working (ER10).

- 3.3 A summary of the items considered at the meeting is provided below. The more detailed minutes of the meeting will be published ahead of the meeting of the Panel on 30 June 2021.

## **4 Issues Discussed**

### **Quarterly Safety, Health and Environment Performance Report**

- 4.1 The Panel noted the safety, health and environmental performance for London Underground (LU), TfL Rail, Surface Transport (including London Overground) for Quarter 3 2020/21 (20 September – 12 December 2020). As of 10 February 2021, 76 transport workers had lost their lives to Covid-19. TfL continued to work hard to support all those affected by the pandemic.
- 4.2 The Customer Injury Rate had declined and was at the lowest rate for the last five quarters. TfL was sharing information with the Office of Rail and Road (ORR) and the British Transport Police, as well as reopening its own investigation, on a passenger train interface incident at Bank / Monument station on 28 September, as it was notified on 15 December that the passenger had subsequently died on 21 October 2020. Customer injuries on buses remained stable and at a similar level to the previous quarter. On London's roads, 28 people had been killed and 823 seriously injured during the quarter. Against a background of reduced road usage, due to the coronavirus pandemic, the overall road risk had increased.
- 4.3 Workforce injury rates had not changed significantly since the previous quarter. There had been a decrease in work-related violence and aggression offences and planning was underway to manage risk as lockdown restrictions were eased. Actions would be dependent on how the lifting of restrictions was scheduled and the effect it had on demand for services.
- 4.4 The Rail Accident Investigation Branch was continuing its investigation into the incident on Chiltern Railways on 21 June 2020. LU had conducted its own review into the management of interfaces and was acting on the findings.

### **Operational Incidents on the Tram Network: August - October 2020**

- 4.5 The Panel noted the update on three recent safety incidents on the tram network, the status of the investigations and the follow up actions. The operational incidents had taken place at: New Addington on 5 August; Mitcham on 14 September; and Addiscombe on 21 October 2020. Tram Operations Limited (TOL) had undertaken its own investigations, in addition to the independent investigation commissioned by TfL and ToL. A number of actions identified have been completed or are underway. This includes developing a Joint Safety System Plan, which had been requested by the ORR.
- 4.6 A contract notice was issued to TOL, highlighting the serious nature of the Mitcham incident and the breach of subsequent provisions regarding regulatory reporting.

### **Elizabeth Line Safety Update**

- 4.7 The Panel noted the update on Elizabeth line health and safety matters. Trial Running was the next phase of the Programme and would see a change in the risk profile, as Crossrail moved from a construction environment to an operational environment. This resulted in the new focus around electrical safety, safe and controlled access to the railway, culture and safe behaviour.

### **Bus Driver Welfare**

- 4.8 The Panel noted the update on workstreams to improve the provision of toilets and bus driver welfare facilities. Facilities for 50 routes from the priority list had been delivered and a further 10 facilities had been delivered on routes that had been subject to change. Welfare facilities, such as mess rooms, had also been reviewed to ensure they were fit for purpose in the current public health environment.

### **Bus Safety Programme and Driver Health and Wellbeing**

- 4.9 The Panel noted the update on the progress of the Bus Safety Programme and the emerging work on driver health and wellbeing. Work was underway to extend the Bus Safety Standard to existing buses in the fleet. Fatigue management continued to be a key area of focus, with the University College London's Institute of Health Equity report highlighting the health and wellbeing of drivers in the longer term. Slips, trips and falls on buses had increased over the summer and actions to mitigate risk were taking place.

### **Sustainability in TfL Buildings**

- 4.10 The Panel noted activity in relation to sustainability in TfL's property development portfolio. A Sustainable Development Framework was due to be launched in spring 2021. The Framework comprised multiple dimensions and core key performance indicators to address various sustainability requirements and aspirations.

### **TfL Carbon Reduction Priorities**

- 4.11 The Panel noted the update on TfL's work and future priorities on carbon reduction. Over the previous 12 months, significant work had taken place on reducing carbon. The expectation for the future was more ambitious and a major task was to continue to tackle road traffic emissions through mode shift and implementing plans for a fully electric bus fleet by 2030, if possible. Reducing infrastructure carbon was also a priority. The Corporate Environment Plan was currently under development and would be published later this year.

### **Human Resources Quarterly Report**

- 4.12 The Panel noted the overview on key Human Resources led activities and statistics for Quarter 3 2020/21 (20 September – 12 December 2020). TfL had supported colleagues and their families throughout the pandemic and ensured families of staff had access to the Employee Assistance Programme. The Diversity and Inclusion team had facilitated over 100 listening sessions, which

created a safe space for employees to share experiences of inequality. The Graduate and Apprentice recruitment schemes and the Steps into Work programme had all been restarted.

### **TfL Viewpoint Survey Results 2020**

- 4.13 The Panel noted the results of the 2020 Viewpoint staff engagement survey. The Total Engagement Score had increased to 62 per cent, with favourable feedback from staff who had been on furlough. Work was underway to develop the People Vision and extensive engagement with staff and the trade unions would take place.

### **Enterprise Risk Update – Inability to support new ways of working (ER10)**

- 4.14 The Panel noted an overview of the risk of the inability to support the ‘New Ways of Working’ programme for office-based staff, focussing on technology, people and facilities.

### **List of appendices to this report:**

None

### **List of Background Papers:**

Papers submitted to the meeting of the Safety, Sustainability and Human Resources Panel on 10 February 2021

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**Board**

**Date: 16 March 2021**

**Item: Report of the Meeting of the Customer Service and Operational Performance Panel held on 24 February 2021**

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**This paper will be considered in public**

## **1 Summary**

- 1.1 This paper provides a summary of the items considered by the Customer Service and Operational Performance Panel at its meeting on 24 February 2021.

## **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 24 February 2021 were published on 16 February 2021 and are available on the TfL website: <https://tfl.gov.uk/corporate/publications-and-reports/customer-service-op-performance>. A link to a video recording of the meeting can also be found on the page.
- 3.2 The main matters considered by the Panel were:
- (a) Communication and Stakeholder Engagement during Covid-19;
  - (b) Insights from TfL's Data during Covid-19;
  - (c) Assisted Transport Services Update;
  - (d) Strategic Overview of Cycling in London – Annual Update 2021;
  - (e) Public Engagement and Consultation: a focus on the London Streetspace Programme;
  - (f) Enterprise Risk Update: Major Service Disruption (ER3);
  - (g) Enterprise Risk Update: Loss of Stakeholder Trust (ER6); and
  - (h) Enterprise Risk Update: Disparity Leading to Unequal or Unfair Outcomes (ER11).

- 3.3 A summary of the items considered at the meeting is provided below. The more detailed minutes of the meeting will be published ahead of the meeting of the Panel on 14 July 2021.

## **4 Issues Discussed**

### **Communication and Stakeholder Engagement during Covid-19**

- 4.1 Members noted an update on TfL's extensive communication and stakeholder engagement, to help London's recovery from the coronavirus pandemic.
- 4.2 TfL's performance against core customer metrics remained very strong and continued to exceed the core metric on the TfL scorecard relating to customer care and metrics relating to providing support, communicating and making Londoners feel safe remained robust. Where performance against metrics saw a decline, this coincided with heightened media interest in TfL's finances and operations. Members thanked staff for their work in ensuring strong performance against these metrics.
- 4.3 Changing demand patterns were being monitored and scenarios were being developed to enable TfL to help with the recovery. A hybrid of the scenarios was used as the central planning assumptions for finance and demand.
- 4.4 In addition to using anti-viral cleaners on touch points, ventilation was an important tool against coronavirus. On the Underground, TfL was assuring customers that inbuilt ventilation systems on Tube carriages filtered the air. On buses, depending on the model, customers were encouraged to open windows. Bus drivers were also encouraged to give social distancing advice within the bus, where they felt safe to do so (this was not a requirement).
- 4.5 Around 500 TfL staff, along with British Transport Police and Metropolitan Police colleagues, were deployed in response to intelligence on where resource was needed to maintain compliance with the face covering requirement. This was welcomed by drivers and frontline staff and had seen 135,000 individuals stopped from accessing services and over 2,000 penalties issued for non-compliance.
- 4.6 Thameslink services had been added temporarily to London Underground maps, within carriages, to give customers as much transparency on the options available to continue their journeys.

### **Insights from TfL's Data during Covid-19**

- 4.7 Members noted an update on the how TfL analysed transport data throughout the coronavirus pandemic, to support decision making by TfL and Government. Since March 2020, TfL had reviewed travel levels to monitor compliance with Government restrictions, identifying hot spots on the network (for example at stations close to hospitals) and to help TfL support essential journeys.



- 4.8 Existing and new measurement tools were used to identify where passengers were likely to be essential workers travelling to conduct shift work, including hospital staff and construction workers. This was used to help TfL's travel demand messaging and engagement with stakeholder groups. These tools also inferred where bus journeys may have been replaced by a switch to active travel or by private vehicles. There were significant differences between boroughs and analysis would continue when schools returned in March 2021.
- 4.9 Station busyness data was available on the TfL website and TfL Go and work was ongoing on how to measure occupancy and busyness of a given bus or route. TfL was exploring how to capture non personalised data for those using non-active travel modes, instead of the network, for example through Vivacity cameras.
- 4.10 Members praised the innovative thinking on capturing and analysing data, which was being used to make an active contribution to London's recovery. The data and analysis methods would also provide helpful insight after the coronavirus pandemic.

#### **Assisted Transport Services Update**

- 4.11 Members noted an update on the Assisted Transport Services (ATS) strategy. Those present expressed their condolences to friends and families of three Dial-a-Ride colleagues who had recently passed.
- 4.12 Work on the ATS strategy had progressed well. London Councils had given its support to start work to formalise TfL's governance role in Taxicard, which was 100 per cent funded by TfL. TfL was conducting analysis on the Taxicard entitlement, recognising the important role taxis played as part of public transport, particularly within the context of ATS.
- 4.13 In the operation of the new booking and scheduling system, staff would be retrained to offer travel advice to help customers to be confident with travelling. As many people would not have used the services for over a year, a renewed and increased demand for Travel Mentors was anticipated.
- 4.14 The contract award was planned for December 2021. TfL had worked to give opportunity for smaller organisations to respond to the Invitation to Tender. A cautious approach had been taken, as to not lose potential customers.
- 4.15 Members thanked staff for the work that had been done in building relationships with stakeholders to provide better services and for maintaining services through the coronavirus pandemic.

#### **Strategic Overview of Cycling in London – Annual Update 2021**

- 4.16 Members noted an update on the latest cycling trends and progress against the Cycling Action Plan, which was key to achieving several Mayor's Transport Strategy objectives. The Plan aimed to double the number of cycling trips made in London by 2024 and increase the number of Londoners within 400m of the cycle network to 28 per cent.

- 4.17 Cycling was the fastest growing mode of transport in recent years; in 2019 over 700,000 cycling journeys were made per day, equivalent of nearly 20 per cent of daily Tube journeys. During the coronavirus pandemic there had been a seven per cent increase in cycling. As commuter journeys had decreased, this was driven by weekend and leisure journeys, particularly along newly installed cycle infrastructure.
- 4.18 Progress had been made on increasing the number of women and over 45-year olds taking up cycling. Cycle training, community engagement and grants were in place to encourage uptake in groups that were traditionally less likely to cycle, for example teenage girls, BAME Londoners and those in low income households.
- 4.19 Another barrier to cycling was concerns about safety. Cycling in London was becoming safer; five people were killed or seriously injured in 2019, compared to an average of 17 per year from 2005-2009. A strong focus on safer junctions and safer streets had resulted in a 38 per cent reduction involving cyclists at junctions. In 2020, 82km of temporary cycle infrastructure had been installed by TfL and the boroughs; a further 13km was under construction, with a focus on high quality routes.
- 4.20 Many of the cycling schemes were implemented using temporary traffic orders, which would expire after 18 months. Any scheme that was proposed to be made permanent would go through appropriate consultation processes and the lessons learned would be applied.
- 4.21 Work on improving consistency in wayfinding was progressing. Data would be shared with third parties to incorporate cycle wayfinding into their services, in addition to the production of a cycling map and through TfL Go.

#### **Public Engagement and Consultation: a focus on the London Streetspace Programme**

- 4.22 Members noted an update on the steps taken to engage and consult with the public and stakeholders on the London Streetspace Programme. The need to deliver schemes quickly, to enable people to make active travel choices, had caused challenges. Government guidance had since changed and now required consultation prior to implementation. TfL continued to work closely with the boroughs to ensure that work was aligned with guidance.
- 4.23 TfL was committed to engaging with stakeholders from an earlier stage. There would be a statutory consultation phase prior to the temporary traffic order being put in place and a public consultation, for the first six months following the scheme's introduction. This allowed greater involvement from stakeholders throughout the scheme's development and ensured the scheme remained relevant to communities. Schemes already installed on a temporary basis could be amended through the active listening processes.

- 4.24 In addition to one-to-one surgeries and local consultation, online surveys were being filled out by people using schemes, irrespective of where they lived, to capture a wide range of views. It had not been possible to talk to businesses during the coronavirus pandemic, but this would continue when it was safe to do so. TfL continued to engage with taxi drivers.
- 4.25 An appropriate consultation process would be undertaken to inform any decision to make a scheme permanent.

#### **Enterprise Risk Update: Major Service Disruption (ER3)**

- 4.26 Members discussed how TfL responded to the coronavirus pandemic in respect of the Enterprise Risk (ER) relating to major service disruption. Several events identified as causing this risk to materialise had occurred over the previous 12 months, including: change in Government guidance, significant absence of front-line staff, significant changes to operational requirements and the Safe Stop/safe restart.
- 4.27 Good levels of overall performance had been maintained throughout the year, in relation to service levels and reliability. TfL had identified things it could learn and build on, including the importance of good governance in rapid decision making and building up resilience processes. There remained risks that could cause further issues in the future, such as a driver training backlog and the deferral of some projects.

#### **Enterprise Risk Update: Loss of Stakeholder Trust (ER6)**

- 4.28 Members discussed how TfL responded to the coronavirus pandemic in respect of the ER relating to a loss of stakeholder trust. Stakeholder relationships were fundamental to the success of TfL but were particularly pertinent given the current circumstances.
- 4.29 Since the introduction of this ER, improvements had been made to help manage stakeholder relations, including earlier engagement and bolstering the government relations function. TfL recognised that some stakeholders did not feel adequately listened to and was working to uphold high standards of public consultation and engagement.

#### **Enterprise Risk Update: Disparity Leading to Unequal or Unfair Outcomes (ER11)**

- 4.30 Members discussed how TfL responded to the coronavirus pandemic in respect of the ER relating to disparity leading to unequal or unfair outcomes. TfL was uniquely placed to address inequalities in getting Londoners to work and assist in an inclusive recovery. Greater consideration of equality implications was being included in work across TfL. There was a need to ensure a consistent approach as this risk cut across other ERs.

**List of appendices to this report:**

None

**List of Background Papers:**

Papers submitted to the Customer Service and Operational Performance Panel on 24 February 2021

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**Board**



**Date:** 16 March 2021

**Item:** Report of the Meeting of the Programmes and Investment Committee held on 3 March 2021

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**This paper will be considered in public**

## **1 Summary**

- 1.1 This paper provides a summary of the items considered by the Programmes and Investment Committee at its meeting on 3 March 2021.

## **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 3 March 2021 were published on 23 February 2021 and are available on the TfL website: <https://tfl.gov.uk/corporate/publications-and-reports/programmes-and-investment-committee>. A link to a video recording of the meeting can also be found on the page.
- 3.2 The main matters considered by the Committee were:
- (a) Use of Delegated Authority;
  - (b) Investment Programme Report – Quarter 3 2020/21;
  - (c) Independent Investment Programme Advisory Group Quarterly Report;
  - (d) TfL Project Assurance Update;
  - (e) London Underground Renewals Programme;
  - (f) London Underground Fleet and Access Programmes;
  - (g) Surface Transport Asset Renewals Programme;
  - (h) Surface Technology Programme 2021/22 and 2022/23; and
  - (i) Technology and Data 2021/22 and 2022/23.

- 3.3 A summary of the items considered, 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 19 May 2021.

## **4 Issues Discussed**

### **Use of Delegated Authority**

- 4.1 The Committee noted the paper on the use of delegated authority. Since the meeting on 11 December 2020, there had been one use of Chair's Action, in relation to the Surface Transport Infrastructure Construction Framework;
- 4.2 The Commissioner had approved Procurement Authority for the Taxi and Private Hire Re-let and Modernisation programme, and for the DLR Beckton Depot Upgrade (Northern Sidings). The Chief Finance Officer had approved Procurement Authority for the Digital Traffic and Parking Enforcement Agreement, and for the purchase of components for the London Underground Fleet Heavy Overhaul.
- 4.3 There had been no Mayoral Directions to TfL within the Committee's remit.

### **Investment Programme Report – Quarter 2 2020/21**

- 4.4 The Committee noted the update on the progress and performance in Quarter 3, 2020/21 of a range of projects that will deliver world-class transport services to London.
- 4.5 It noted that in-year performance against 2020/21 strategic milestones remained strong, with all complete and either green or amber rated. Members were informed that both the Barking Riverside Extension and Bank Station Capacity Upgrade projects were progressing well.
- 4.6 As part of the discussion on the decision items elsewhere on the agenda, the Committee noted that the organisational and governance changes in programmes was helping to align asset strategies across TfL to ensure there were synergies and appropriate investment decisions. Benchmarking was being reviewed as part of the Efficiency pillar of the Value for Money work. In addition to the focus on safety and health, greater consideration was also being given to environmental considerations.
- 4.7 Members also discussed the importance of planned renewals to ensure both safety and the efficient use of resources, as deferral often built up greater costs. Members requested an informal Board briefing on the potential outcome of some of the capital funding scenarios being raised in the discussions with Government on TfL's long-term funding.

### **Independent Investment Programme Advisory Group (IIPAG) Quarterly Report**

- 4.8 The Committee noted the update on the work undertaken since the last report. Members noted the IIPAG recommendation that submissions to the

Committee report how scope, schedule, cost and outcomes compared with what was forecast and approved at the previous annual submission and how any changes affect the expected time and cost to complete the programme. This was being considered as part of the current management review of the submissions to the Committee, which sought to ensure they provided useful information and included a clear focus on demonstrating value for money. A table would show in-year and lifecycle changes to costs and milestones in projects.

- 4.9 IIPAG's scope now covered third line assurance for Crossrail and it was making appointments to a Sub-Group to lead this work. In the meantime, a review of Crossrail's first and second lines of defence has been initiated, and targeted enquiries were being made on preparedness for Trial Running.
- 4.10 Cross-cutting work progressed. The outcome of a review of the TfL Programme Management Office (PMO) and the plans for completing the PMO change programme would be reported to the next meeting. The review of Procurement and Supply Chain was being finalised. IIPAG was also finalising the scope of a review on the form of contract choice, tender outcomes and issues with contractors as part of contract management post award, with the aim of starting fieldwork in the next month.
- 4.11 The recruitment of IIPAG members was moving ahead. Members were invited to submit nominations.
- 4.12 The IIPAG work programme for 2021/22 would be submitted to the meeting of the Audit and Assurance Committee in June 2021, when the funding position and investment programme should be clearer. Suggestions from both the Audit and Assurance and the Programmes and Investment Committees on areas for our cross-cutting work were welcomed. In a response to questions from Members, they were advised that benefits management was part of the Effectiveness pillar of the Value for Money workstream; work was underway to look at how benefits from delivered programmes were monitored and assessed and how this could better inform future business cases and forward planning. The Director of Investment Planning would talk to Alison Munro to determine how IIPAG could support the development of this approach.
- 4.13 The positive outcome and suggestions from the IIPAG survey of its stakeholders, including members of the Committee and the Audit and Assurance Committee was noted.

#### **TfL Project Assurance Update**

- 4.14 The Committee noted the update on the Project Assurance work undertaken between 15 November 2020 and 23 January 2021 and the key findings from the reviews. Members noted the good progress made in reducing the number of overdue recommendations from the IIPAG and Project Assurance. Two of the three outstanding critical recommendations had been addressed since the publication of the papers and the final one was progressing.

## **London Underground Renewals Programme**

- 4.15 The Committee approved the creation of the Programme, which would deliver essential renewals across Buildings, Civils, Power and Electricals to ensure London Underground (LU) assets remained safe and operable through the delivery of prioritised workbanks to improve asset condition.
- 4.16 The Committee approved the transfer of the relevant existing Programme and Project Authorities from the LU Station Renewals and Enhancements and Power Cooling and Energy Programmes to the new LU Renewals Programme and additional Programme and Project Authority. The LU Signalling and Control Programme would become part of the LU Renewals Programme at the next annual submission.
- 4.17 The Authority approvals included commitments that extend beyond the period of the Business Plan and Budget approved by the Board on 9 December 2020 and provision would, therefore, need to be made for those commitments in future Business Plans and Budgets.

## **London Underground Fleet and Access Programmes**

- 4.18 The Committee noted the submission of the LU Renewal and Enhancements Fleet and Access Programmes (with the Access Programme incorporating projects from the previous Engineering Vehicles Programme). The Committee approved additional Programme and Project Authority for the Programmes, which ensure compliance of passenger trains and engineering vehicles with safety standards and legislation, securing expected reliability and availability levels, and the capability to cater for future forecast demands of the network.
- 4.19 The Authority approvals included commitments that extend beyond the period of the Business Plan and Budget approved by the Board on 9 December 2020 and provision would, therefore, need to be made for those commitments in future Business Plans and Budgets.

## **Surface Transport Asset Renewals Programme**

- 4.20 The Committee noted the progress of the Programme since the last submission and future outcomes and approved Programme and Project Authority. The Programme maintains the safety, operability and reliability of highway, traffic, bus, coach and river assets through a prioritised programme of planned and reactive renewals.
- 4.21 The Authority approvals included commitments that extend beyond the period of the Business Plan and Budget approved by the Board on 9 December 2020 and provision would, therefore, need to be made for those commitments in future Business Plans and Budgets.



## **Surface Technology Programme 2021/22 and 2022/23**

- 4.22 The Committee noted the activity in the Programme and the proposed activity in the coming years and approved Programme and Project Authority. Over 75 per cent of the Authority will fund renewals of existing systems used across Surface Transport with the remainder funding new systems in priority areas like staff safety and road safety. The Committee also approved the transfer of the iBus2 project into the Programme from the Technology and Data Programme, with related Programme and Project Authority.
- 4.23 The Authority approvals included commitments that extend beyond the period of the Business Plan and Budget approved by the Board on 9 December 2020 and provision would, therefore, need to be made for those commitments in future Business Plans and Budgets.

## **Technology and Data 2021/22 and 2022/23**

- 4.24 The Committee noted the case for the overall Programme and approved an increase in unbudgeted Financial Authority (relating to anticipated income) and an increase in Programme and Project Authority (due to the cumulative impact of previous deferrals in investment).
- 4.25 The total Programme and Project Authority temporarily exceeds Financial Authority for financial year 2021/22, due to changes to the phasing of the Programme since the 2020 TfL Budget was approved in December 2020; this was corrected in the 2021/22 Budget (elsewhere on the Board agenda for approval). Alignment of authorities will be achieved before entering the financial year 2021/22 and prior to drawing down any of the Programme and Project Authority approved for that year. The Authorities approved will be revisited if the 2021/22 Budget is not approved by the Board.
- 4.26 The Authority requests excluded: activities where Technology and Data was accountable for delivery but where authorities were secured separately; and the Home Office funded Emergency Services Network programme and TfL's Public Cellular Network project, which were approved separately by the Committee in December 2020.
- 4.27 The Authority approvals included commitments that extend beyond the period of the Business Plan and Budget approved by the Board on 9 December 2020 and provision would, therefore, need to be made for those commitments in future Business Plans and Budgets.

### **List of appendices to this report:**

None

### List of Background Papers:

Papers submitted to the Programmes and Investment Committee on 3 March 2021.

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**Board**



**Date: 16 March 2021**

**Item: Report of the Meeting of the Finance Committee held on 10 March 2021**

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**This paper will be considered in public**

## **1 Summary**

- 1.1 This paper provides a summary of the items to be considered by the Finance Committee at its meeting on 10 March 2021 (after the date that the papers for this meeting of the Board are published).

## **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 10 March 2021 were published on 2 and 9 March 2021 and are available on the TfL website: <https://tfl.gov.uk/corporate/publications-and-reports/finance-committee>. A link to a video recording of the meeting can also be found on the page.

- 3.2 The main matters to be considered by the Committee are:

- (a) Use of Delegated Authority;
- (b) Finance Report; \*
- (c) 2021/22 Budget and Funding Discussion; \*
- (d) Treasury Management Strategy 2021/22; \*
- (e) Treasury Management and Derivative Investments Policies; \*
- (f) Treasury Activities;
- (g) Investment Strategy 2021/22 - Non-Financial Assets; \*
- (h) Financing New Equity in TTL Properties Limited;
- (i) RideLondon Cycling Event Delivery Partner Agreement;
- (j) GLA Collaborative Recruitment Services;
- (k) Capita Access and WAN Contract: Procurement Authority Uplift; and

(l) Enterprise Risk Update – Changes in Customer Demand (ER9).

3.3 The items marked with an \* appear elsewhere on the agenda for this meeting, either as agenda items or in the Matters Arising, Actions List and Use of Delegated Authority paper.

3.4 A summary of the items to be considered and decisions to be taken at the meeting is provided below. A verbal update will be provided at the meeting of the Board, either as part of this report or, for the those marked with an \* as part of that discussion of that item elsewhere on the agenda.

3.5 The more detailed minutes of the meeting of the Committee will be published ahead of its meeting on 23 June 2021.

## **4 Issues To Be Discussed**

### **Use of Delegated Authority**

4.1 The Committee is asked to note the paper on the use of delegated authority, since the meeting on 25 November 2020. There had been one use of Chair's Action, in relation to the award of the Maintenance and Management Contract for TfL Road Tunnels and Pumping Stations. There had been no use of authority delegated by the Board and no use of Procurement and Land Authority granted by the Commissioner or the Chief Finance Officer.

4.2 There had also been two Mayoral Directions to TfL, both previously reported to the Board in December 2020 and February 2021 (respectively), in relation to implementing financial support fund for Seven Sisters Market traders (MD2724) and March 2021 fare changes (MD2730).

### **Finance Report \***

4.3 The Committee is asked to note TfL's financial results to the end of Period 11, 2020/21 – the year-to-date period ending 6 February 2021.

4.4 The Finance Report appears elsewhere on the agenda for this meeting and any views from the Committee will be discussed during the consideration of that item.

### **2021/22 Budget and Funding Discussion \***

4.5 The Committee is asked to note the latest position on the preparation of the Budget and funding discussions. The Budget appears elsewhere on the agenda for this meeting and any views from the Committee will be discussed during consideration of that item.

### **Treasury Management Strategy 2021/22 \***

4.6 The Committee is asked to exercise the authority delegated by the Board on 29 July 2020 (Minute 39/07/20) to approve the Treasury Management Strategy (TMS) for 2021/22 including the Investment Strategy, the Borrowing

Strategy, the Liquidity Strategy, the Risk Management Strategy and the Counterparty Exposure Limits, and subject to approval of the TMS 2021/22 and the Derivatives Policy, approve TfL Finance Limited entering into the Derivative Investments.

- 4.7 Any exercise of this delegated authority will be considered in the Matters Arising and Use of Delegated Authority item that appears elsewhere on the agenda for this meeting. Any views from the Committee will be discussed during the consideration of that item.

#### **Treasury Management and Derivative Investments Policies \***

- 4.8 The Committee is asked to exercise the authority delegated by the Board on 29 July 2020 (Minute 39/07/20) to approve the Treasury Management Policies and the TfL Group Policy relating to the use of Derivative Investments.
- 4.9 Any exercise of this delegated authority will be considered in the Matters Arising and Use of Delegated Authority item that appears elsewhere on the agenda for this meeting. Any views from the Committee will be discussed during the consideration of that item.

#### **Treasury Activities**

- 4.10 The Committee is asked to note the update on the key treasury activities for the period from 12 September 2020 to 19 February 2021.
- 4.11 During that period, TfL has always complied with the TMS, the Treasury Management Policies and the TfL Group Policy relating to the use of Derivative Investments.

#### **Investment Strategy 2021/22 - Non-Financial Assets \***

- 4.12 The Committee is asked to recommend that the Board delegates approval of the Investment Strategy for Non-Financial Assets for 2021/22 and future years to the Committee and, subject to the delegation of authority, approve the Strategy for 2021/22 before the start of the financial year.
- 4.13 The Strategy sets out how TfL plans to manage and grow its various commercial assets and sits alongside TfL's TMS, which addresses financial investments. The Board has previously delegated authority to the Committee to approve the TMS and related policies.
- 4.14 The Secretary of State recommends that the strategy be presented for approval before the start of the financial year.

### **Financing New Equity in TTL Properties Limited**

- 4.15 At its meeting on 1 April 2019, the Committee approved the consolidation of commercial and other property assets from across the TfL Group into TTL Properties Limited (TTLP). The consolidation of assets is a key component in the creation of a ring-fenced, self-financing property company within TfL.
- 4.16 The Committee is asked to consider the financing requirement of Transport Trading Limited (TTL) in relation to the equity funding issue of TTLP, approved by the Committee on 25 November 2020.
- 4.17 The Committee is asked to approve the issue of an intragroup interest-bearing loan of £1.5bn by London Underground Limited to TTL to facilitate the investment, by TTL, in newly issued share capital of TTLP.

### **RideLondon Cycling Event Delivery Partner Agreement**

- 4.18 The Committee is asked to approve Procurement Authority to enter into a Delivery Partner Agreement (DPA) with London Marathon Events (LME) to deliver the annual RideLondon cycling event from 2022 to 2031.
- 4.19 In August 2019, the Committee approved entering a DPA with LME for the RideLondon events from 2021 to 2030. As a result of the coronavirus pandemic negotiations did not conclude and the new request will supersede the previous authority granted. Extensive discussions and negotiations have been held with LME for the staging of future RideLondon events from 2022 to deliver the same strategic objectives for the event.

### **GLA Collaborative Recruitment Services**

- 4.20 The Committee is asked to note the proposed award of the contract for the supply of contingent labour to TfL over the next four years by means of a collaborative framework agreement across the Greater London Authority (GLA) Group. It is anticipated that approval of Procurement Authority to enter into the contract will be required before the next meeting of the Committee and so approval will be sought by Chair's Action.
- 4.21 The contingent labour contract is required to maintain delivery for staffing for critical engineering, IT, financial and other projects to enable TfL to fulfil statutory duties and ensure a safe, reliable and resilient service is provided to customers across London.

### **Capita Access and WAN Contract: Procurement Authority Uplift**

- 4.22 The Committee is asked to approve an uplift to Procurement Authority for the Capita Access and Wide Area Network (WAN) contract.
- 4.23 TfL's Telecommunications and Data Network Strategy, sets out a high-level approach to rationalising and consolidating TfL's data networks to realise a range of benefits, including: cost savings through removing complexity and duplication and consolidating network contracts; reducing time to market for

new and changed services through the use of standardised network services; and presenting new opportunities to generate revenues through the exploitation of TfL's data network infrastructure and rights of way across London.

- 4.24 The Strategy describes four portfolios of network services used by TfL. The approach to the commodity outsourced networks portfolio is to consolidate the multiple service contracts onto a single, pan-TfL network service contract. In December 2017, the Committee approved Procurement Authority to enter into an initial five-and-a-half-year term contract with Capita Business Services Limited (Capita) to August 2023 (the Access & WAN Contract) for this purpose.
- 4.25 The original estimates for the contract did not include spend for two major projects, which are now being delivered under the contract. There is therefore a requirement to increase the Procurement Authority approved in relation to the initial term of the Capita Access & WAN Contract.

#### **Enterprise Risk Update – Changes in Customer Demand (ER9)**

- 4.26 The Committee is asked to discuss the current understanding and control measures on Enterprise Risk 9 – Changes to customer demand. This is a very broad risk, with huge financial and strategic implications. The coronavirus pandemic has seen this risk realised in an unprecedented way and created large-scale uncertainty for the medium and long term. The paper set out some of the major issues around the risk and how it is controlled.

#### **List of appendices to this report:**

None

List of Background Papers:

Papers submitted to the Finance Committee on 10 March 2021.

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**Board**



**Date:** 16 March 2021

**Item:** Report of the Meeting of the Remuneration Committee held on 11 March 2021

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**This paper will be considered in public**

## **1 Summary**

- 1.1 This paper provides a summary of the items to be considered by the Remuneration Committee at its meeting on 11 March 2021 (after the date that the papers for this meeting of the Board are published).

## **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 11 March 2021 were published on 3 March 2021 and are available on the TfL website: <https://tfl.gov.uk/corporate/publications-and-reports/remuneration-committee>. A link to a video recording of the meeting can also be found on the page.

- 3.2 The main matters to be considered by the Committee are:

- (a) Matters Arising, Actions List and Use of Delegated Authority;
- (b) Senior Management Performance Awards Update;
- (c) A New Integrated Approach to Talent; and
- (d) Pay Outcomes of +£100k Approvals.

- 3.3 A summary of the items to be considered and decisions to be taken is provided below. A verbal update will be provided at the meeting of the Board. The more detailed minutes of the meeting of the Committee will be published ahead of its meeting on 16 June 2021.

## **4 Issues To Be Discussed**

### **Matters Arising, Actions List and Use of Delegated Authority**

- 4.1 The Committee is asked to note four uses of Chair's Action, in consultation with the Committee, to approve salaries of £100,000 or more.

## **Senior Management Performance Awards Update**

- 4.2 The Committee is asked to note its decision, on 24 June 2020, to defer the pay-out of all the approved 2019/20 senior management performance awards for 12 months and to suspend any payments from the scheme for the 2020/21 performance year.
- 4.3 The decision was taken due to the significant financial challenges faced by TfL, arising from the loss of revenue from the Government imposed lockdown to manage the coronavirus pandemic, ongoing discussions with Government on longer-term funding requirements and the future revenue risk. The Committee was clear that its decision was not a reflection on the hard work and commitment of staff, who it recognised had made, and continued to make, an exceptional contribution to London, particularly in response to the pandemic.
- 4.4 The deferred 2019/20 performance awards would be paid to eligible staff in June 2021. Despite the suspension of the payments element of the Senior Management Performance Award Scheme for 2020/21, performance against scorecard measures and personal objectives continued to be measured. The Committee would consider the performance of staff within its remit at its meeting on 16 June 2021.

## **A New Integrated Approach to Talent**

- 4.5 The Committee is asked to note the new, integrated strategy for talent identification, performance management and critical roles and succession planning that is to be rolled out in 2021.
- 4.6 The new approach is focused on how TfL will identify talent, develop its people and create a more inclusive culture that recognises everyone's strengths. This will develop a workforce with the skills and experience required for TfL to deliver its current and future business priorities against the backdrop of the significant changes and financial challenges facing TfL.

## **Pay Outcomes of +£100k Approvals**

- 4.7 The governance process for appointments with a full-time equivalent salary of £100,000 or more per annum requires Committee approval for each appointment. Following a report to the meeting in November 2020 (covering permanent and fixed term contract roles), the Committee is asked to note a comparison of the salaries it approved for Non-Permanent Labour roles with that on actual appointment, for the period that the governance process has been operational.

## **List of appendices to this report:**

None

**List of Background Papers:**

Papers submitted to the Remuneration Committee on 11 March 2021

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