

TRANSPORT FOR LONDON

AGENDA

BOARD MEETING

**TO BE HELD ON WEDNESDAY 29 OCTOBER 2003
IN THE CHAMBER, CITY HALL, THE QUEEN'S WALK, LONDON SE1 2AA
COMMENCING AT 10.30 A.M.**

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

Procedural Business

- 1.1 Apologies for absence
- 1.2 Minutes of the previous meeting held on 29 July 2003
- 1.3 Matters arising, not covered elsewhere

2. Commissioner's Report

3. Finance and Performance Report

4. TfL Business Plan

5. TfL Fare Proposals

6. A406 Bounds Green

Procedural Items:

7. Variation of the ALG TEC Agreement

8. Future of the Safety, Health and Environment Committee

9. Proposed Revisions to TfL Standing Orders

10. Scheme of Delegation for the London Regional Transport Staff Welfare Fund

11. Appointment of Company Secretary of TfL

12. Documents Sealed on behalf of TfL

13. Any Other Business

Date of next meeting: Wednesday 3 December 2003 at 10.00 a.m.

Transport for London

Minutes of a meeting of the Board
held on Tuesday 29 July 2003, commencing at 10.30 a.m.
in the Chamber, City Hall, the Queen's Walk, London, SE1 2AA

Present:

Board Members: Dave Wetzel (in the Chair)
Stephen Glaister
Kirsten Hearn
Oli Jackson
Susan Kramer (for min nos 41/07/03 – 50/07/03)
Paul Moore
Murziline Parchment
David Quarmby
Tony West

In attendance:

Special Advisor Bryan Heiser

TfL Officers: Robert Kiley
Maggie Bellis
Ian Brown
Stephen Critchley
Isabel Dedring
Mary Hardy
Peter Hendy
Pip Hesketh
Betty Morgan
Rachael Nutter
Malcolm Murray-Clark
Tim O'Toole
Jay Walder

Secretary: Jacqui Gregory

37/07/03 APOLOGIES FOR ABSENCE

Apologies for absence were received from Ken Livingstone, David Begg, Mike Hodgkinson, Lynn Sloman and Bob Crow.

Noël Harwerth

The Commissioner advised Board Members of Noël Harwerth's resignation from the Board, following her appointment as Partnership

Director of all three infrastructure companies.

Agreed that the Board's thanks be conveyed to Noël Harwerth for her contribution to Board meetings and for the support she had given to TfL during her time as a Board Member.

The Chair proposed that Mike Hodgkinson be appointed as Chair of the Audit Committee in place of Noël Harwerth, to take immediate effect. This nomination was duly seconded by David Quarmby and carried unanimously.

Lynn Sloman

The Board **noted** that Lynn Sloman was absent from the Board due to ill-health. In response to a suggestion made by the Chair, the Board **agreed** that their best wishes be conveyed to Lynn Sloman and they wished her a speedy recovery.

38/07/03 MINUTES OF PREVIOUS MEETING HELD ON 28 MAY 2003

The minutes of the meeting held on 28 May 2003 were **agreed** and signed as a true record.

39/07/03 MATTERS ARISING

Declaration of Interests

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

Matters Arising

There were no matters arising, not covered elsewhere on the Board's agenda.

40/07/03 COMMISSIONER'S REPORT

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

41/07/03 2003/04 TfL GROUP FINANCIAL POSITION

Jay Walder explained that given the timing of the cycle of Board/Committee meetings, it had not been possible to present the first quarter of 2003/04 financial results to this Board meeting. He advised the Board that spending fell short of budget in the first quarter of 2003/04, with spending showing an increase of 38% when compared with the first quarter of 2002/03. The Board **noted** that when they approved TfL's budget on 20 March 2003, congestion charging income, including enforcement, had been forecast at £214.5 million. However, lower than expected traffic volumes and payment income were now

forecast to be significantly reduced. In addition, a number of cost pressures had been highlighted by business units as needing to be incurred during 2003/04; Jay Walder assured the Board that no increased expenditure would be incurred until the relevant business cases had been proved.

In order to mitigate the impact of the lower congestion charge scheme revenues and cost pressures, TfL had carried out a rigorous review of its 2003/04 programmes and identified areas of work that could be delayed until 2004/05 or beyond and areas where savings or efficiencies could be made.

In response to a question raised by David Quarmby, Jay Walder advised that the financial position report presented to the Board focused on the TfL businesses, excluding LUL, and therefore did not refer to LUL's financial position in any way. Future financial reports to the Board would deal with all parts of TfL, including LUL.

In response to a question raised by Oli Jackson, regarding the recovery of congestion charging PCNs, Malcolm Murray-Clark indicated that the level of recovery was currently some 62%; this figure of PCNs paid had risen considerably since the first few months of operation of the congestion charging scheme, when the figure was less than 50%. This figure was expected to increase further as improved enforcement and systems were implemented and the full enforcement process was completed, which could, in some cases, take up to one year.

Peter Hendy reported that a draft agreement had been negotiated with Capita which was designed to deliver significant improvements to the current substandard quality of the Congestion Charging service provided by Capita. An independent and confidential audit had been undertaken by Deloitte & Touche, which revealed that Capita would not make a profit under their existing contract with TfL. The new draft agreement, which would apply for the remaining four and a half years of the contract with Capita, would be cost neutral to TfL and was considered to be an effective option for TfL.

In response to a request made by Susan Kramer, Peter Hendy undertook to produce a briefing note for Board Members which reconciled the 38% reduction in congestion charging income and the 20% less traffic entering the congestion charging zone, the 16% reduced traffic in the zone and 40% reduction in congestion.

The Board **noted** TfL's latest financial position for the year 2003/04 and **agreed** the changes to TfL's 2003/04 budget as outlined in the written report and annexes.

42/07/03 TfL GROUP STATEMENT OF ACCOUNTS FOR YEAR ENDED 31 MARCH 2003

Stephen Critchley advised the Board that the Statement of Accounts had been prepared in accordance with the provisions of the Audit Commission Act 1998 and the Accounts & Audit Regulations 2003. The Board noted that the Statement of Accounts had to be made available for public inspection for a period of four weeks following advertisement of the inspection period. The inspection period had commenced on 14 July 2003, after consideration of the accounts by the TfL Finance Committee. Following the public inspection, the auditors might receive questions or objections to the accounts, which would be reported to the Finance Committee at its next meeting in October.

David Quarmby advised that the Audit Committee had reviewed the Statement of Corporate Governance Assurance set out on page 5 of the accounts, in addition to reports presented by General Counsel and the Director of Internal Audit on the Code of Corporate Governance; the Audit Committee were satisfied that, with the exception of the matter set out below, TfL's corporate governance arrangements were adequate and were operating effectively. The aspects of the Code of Corporate Governance where further work was needed to ensure satisfactory levels of compliance was the completion of the implementation of new management information systems (Business Improvement Programme) which had progressed satisfactorily in 2002/03. Over the coming year, TfL would take steps to ensure this matter was properly addressed to enhance further their corporate governance arrangements.

The Board **approved** the Statement of Accounts for the year ended 31 March 2003 and **agreed** that the Chief Finance Officer would make any adjustments arising from the ongoing audit work, prior to the auditors signing their opinion.

43/07/03 2002/03 TfL ANNUAL REPORT – PROPOSED APPROACH FOR PUBLICATION

The Chair advised that contrary to what was stated in the written report, Board Members would be sent a full version of the annual report on 30 July 2003, with a view to their submitting any comments by 4.00 pm on 6 August 2003.

In response to a request made by Susan Kramer, Jay Walder undertook to ensure that the content of future annual reports would be produced and sent out to Board Members earlier in the year.

In respect of the proposed outline structure of the 2002/03 Annual Report, Tony West was of the view that the section of the Report which outlined the roles and achievements of equality and inclusion and employees should comprise more than a brief outline. In response to a request made by Bryan Heiser, Peter Hendy undertook to ensure that

reference to Dial-a-Ride was amended to refer to “*Door to Door*”.

The Board: -

- (1) **approved** the outline structure of the Annual Report;
- (2) **agreed** to submit comments on the full version of the annual report by 6 August 2003; and
- (3) **agreed** to delegate authority to the Managing Director, Finance and Planning, authority to finalise the Annual Report (in consultation with the Chair of TfL) having considered any comments received from Board Members.

44/07/03 TfL LONGER TERM FARE POLICY REVIEW

The Board congratulated Jay Walder and the Fares Team on their excellent fare policy review. The Board noted that foremost amongst the issues identified for train services in London was the difference in the fare structure on TfL services and train services in London. It was hoped that the forthcoming consultation with the Strategic Rail Authority on fare policy would provide an opportunity to rectify the problems and possibly reduce the fare setting powers of the private companies. David Quarmbury undertook to assist TfL in their discussions with the Strategic Rail Authority on this matter.

Jay Walder advised that smartcards were now being sold through the TfL Web-site and over 7,000 tickets had been sold to customers to date. Customers buying smartcards could renew their tickets by telephone or on the Web-site, without their having to visit a ticket office. The Board noted that the Oyster card would be officially launched in September 2003, with a pre-pay policy being put in place by the end of 2003/the beginning of 2004, with customers being charged the most economical price for their journey.

TfL hoped to provide a fully integrated technical solution for all rail in London and negotiations were taking place with National Rail, with a view to their possibly adopting TfL’s technology systems.

The Board **noted** the conclusions of the fares policy review and the various ongoing workstreams, the further outcomes of which would be reported to the Board in due course.

45/07/03 PPP CONTRACT PERFORMANCE REPORT – ORAL UPDATE

The Chair highlighted that this was the first time since London Underground had been in existence that the Board responsible for London Underground had met in public session; he welcomed the members of public present and noted that this was an important step in achieving open and transparent government, only made possible by the creation of the GLA family and the Mayor’s initiative.

Tim O'Toole advised that at the last Underground Advisory Panel, Bob Janowski, LUL's Chief Programmes Officer, had given a presentation on the outcome of his negotiations with the infrastructure companies on the provision of information on contract performance. Tim O'Toole outlined his proposals to provide regular reports to future meetings of the Board, which would include the following: -

- contract performance – output measures of performance would be given which would include availability, ambience and capability and the impact on the infrastructure service charge; and
- a progress update – a contract management system was being implemented which measured performance against cost and against schedule, which would enable Board Members to better judge the value LUL were getting from the PPP contracts. Tim O'Toole advised that Bob Janowski was currently in negotiations with Metronet and Tube Lines on how information could be provided in the most efficient manner. In respect of Tube Lines, it was expected that they would be in a position to produce the necessary information by mid-August 2003, with Metronet not expected to produce this information until later in the year, once they had determined their own management information systems.

Tim O'Toole advised the Board that a conference call took place every morning between senior management in LUL and the infrastructure companies (of which Tim O'Toole took part) to ensure that LUL were kept informed of any operational issues and to ensure that problems were addressed.

The Commissioner advised that regular reports on contract performance would be submitted to future Board meetings, commencing with the October Board meeting. The content of these reports would improve over time as LUL's information requirements of the infrastructure companies was bedded in.

The Board **noted** the oral update given by Tim O'Toole which outlined his future intentions regarding PPP contract performance reporting.

46/07/03 LONDON BUSES STRATEGIC REVIEW

The Board **noted** the written report on the outcome of the London Buses strategic review.

Oli Jackson declared a non-pecuniary interest in this matter but remained in the meeting during discussion of the item.

47/07/03 IMPLEMENTATION OF TfL INTEGRATION PLAN

Bob Kiley thanked everyone involved for their excellent work on achieving the smooth transfer of LUL to TfL on 15 July 2003.

Betty Morgan advised that as part of the integration plan, some staff as well as some property, rights and liabilities of LUL and LBSL would be transferred to TfL by means of an internal transfer scheme. The Board noted that this was separate from the transfer scheme which transferred LUL to TfL on 15 July 2003. Betty Morgan advised that consultation with the trades unions and staff was currently underway.

The Board: -

- (1) **noted** the current proposals for internal re-organisation; and
- (2) **authorised** the Commissioner (or in his absence the Managing Director, Finance & Planning) to make the internal transfer scheme and to enter into any related documents necessary to give effect of the internal transfer scheme and submit this to the Mayor for his approval.

48/07/03 FUTURE OF THE SAFETY, HEALTH & ENVIRONMENT COMMITTEE

David Quarmby advised the Board that Richard Stephenson had been appointed as the Group Director of Safety, Health & Environment and would be taking up his post on 1 August 2003.

(Post meeting note: an organisational notice announcing Richard Stephenson's appointment was circulated on 18 July 2003).

The Board noted that a special meeting of the Members of the Safety, Health & Environment Committee (SHEC) had been arranged to take place on 6 September 2003 to consider their revised terms of reference of SHEC prior to the next meeting scheduled for 16 October 2003.

The Board: -

- (1) **agreed** the course of action set out in the written report; and
- (2) **noted** that the new terms of reference of the Safety, Health & Environment Committee and the processes for management and review of these matters would be submitted to the TfL Board on 29 October 2003.

49/07/03 APPOINTMENT OF SHAREHOLDER REPRESENTATIVE FOR LRT PENSION FUND TRUSTEE COMPANY LIMITED

The Board **agreed** that the Director of Pensions (and in her absence the Director of Corporate Finance) be appointed as shareholder representative of the London Regional Transport Pension Fund Trustee Company Limited, with authority to vote at annual general meetings and extraordinary general meetings and to sign any documents on behalf of TfL in its capacity as shareholder of the London Regional Transport Pension Fund Trustee Company Limited, with immediate effect.

50/07/03 CHAIR'S ACTION: SIGNING AND SEALING OF DOCUMENTS

The Board **noted** the approval given by Chairman's action for an amendment to be made to TfL's Standing Orders, to include the Deputy Company Secretary in the list of persons authorised to execute documents under seal and to sign contracts on behalf of TfL.

There no further business, the meeting closed at 12.14 pm.

Chairman

AGENDA ITEM 2

COMMISSIONER'S REPORT FOR OCTOBER 2003

1. PURPOSE

This is the Commissioner's written report for October 2003. This report provides an overview of major issues and developments since the last Board meeting and updates the Board on significant projects and initiatives.

2. INTRODUCTION

Business plan

At our Board meeting we will review the proposed 2004/5 Business Plan. This plan is designed to be the basis of a detailed budget for the financial year 2004/05, a preliminary plan for the following years and our Spending Review 2004 bid to Government.

The plan describes the wider case for investment in London's transport infrastructure and operations. Subject to discussions and decisions at the Board we intend to submit the Business Plan and budget to the Mayor for inclusion in the GLA budget process. It will also be sent to the Department for Transport for consideration as part of the Treasury's Spending Review. TfL will be using the Business Plan to engage with key stakeholders on making the public case for further investment in London's transport system.

Power failure

The failure on the National Grid in South London on 28 August was the first major test of our operational response after the transfer of LUL to TfL. The power failure affected the Underground, traffic signals in South London and most overground rail services.

Power from the National Grid was restored after half an hour. Traffic signals came back on shortly thereafter although on default programmes. The restoration of Underground (and overground) services took longer given the safety-critical procedures needed to restore local power, signalling control and operational equipment. Service restoration was gradual with only the Circle and Waterloo & City lines not being re-opened that night.

There was a significant "on the ground" response from TfL and partner agencies. Underground staff executed a supervised evacuation of the system and, in most cases, provided passenger reassurance and information on alternative means of travel. Bus crews generally responded well to the sudden surge of demand, with additional TfL operational staff deployed to key locations. Available police resources were also assigned to support the travelling public.

Reviews of the operational response and the performance of the Seaboard Powerlink contractor are nearing completion. The review will identify areas for improvement. At this stage it is clear that most of the back-up safety systems functioned correctly with

emergency lighting operating and LUL staff ensuring a supervised evacuation of the system. There were no serious accidents as a result of the power failure.

3. TfL OPERATIONS

There are some operational issues to draw to your attention.

3.1 Surface Transport

Bus services

Bus reliability continues to improve, with Excess Waiting Time on high frequency routes at 1.28 minutes – 20% better than last year. For the third period this represents the best ever recorded result with routes serving the Charging Zone and Inner Ring Road showing the biggest improvements. Ridership has increased by 11.9% year on year.

The "Pay before you board" scheme in the West End of London was introduced on 23 August. It operates within the area bounded by Paddington, Kings Cross, Waterloo and Victoria, and covers some 300 bus stops. Public and media perceptions have so far been largely supportive with 70% support in recent surveys.

Congestion Charging

Following a review of operational problems in July and August, corrective actions and a recovery plan have been agreed with Capita. The Supplemental Agreement (SA) to the original Combined Services Agreement (CSA) was signed on 19 August with both documents now publicly available on the internet. The improvements are to be delivered against 4 milestones between mid August 2003 and March 2004. Significant penalties apply should Capita not achieve the key milestones and service improvements over the next eight months.

Consultation on seven minor variations to the existing Scheme Order ran for the four weeks ending 18 August 2003. 50 representations were received and are now being analysed. The vast majority of representations support the proposed changes. A report to the Mayor is being prepared.

We will be publishing a report on the first six months' operation and impacts of the Congestion Charging scheme to coincide with the Congestion Charging seminar on 23 October.

Traffic Management

The London Traffic Control Centre (LTCC) is now operating on a full 24/7 basis. An initial list of over 1,000 endemic traffic "pinchpoints" has been identified and traffic management plans are being developed for priority locations. The TfL website now includes CCTV links to key traffic cameras and an overview of major engineering works.

Transport Policing

The Mayor launched phase 2 of the Transport Operational Command Unit (TOCU) in September. In addition to the dedicated corridor teams, there are now three congestion teams located at key congestion hotspots identified by the LTCC. Joint working between TOCU and LTCC delivered a coherent traffic management plan around the Hammersmith fly-over works during August.

We have launched a series of anti-taxi touting measures in the West End involving the police, Public Carriage Office, licensed taxi trade, bars and restaurants. This programme is intended to tackle some of the high priority locations and to develop tactics for a more sustained programme to address this problem over the medium to long term.

3.2 London Underground

Customer service and safety performance

Passenger demand remains below budget and last year's levels. This drop in demand appears to be primarily due to three factors;

- network wide downturn due to the Chancery Lane accident;
- mode switching due to improved bus services; and
- hot weather.

The forecast of passenger journeys for 2003/4 has been reduced to 940 million; some 30 million passenger journeys below budget.

Train kilometres operated to date are better than budget. However, this ranges from poor performance on the Victoria, Northern and Circle & Hammersmith lines (largely due to infrastructure failures and train operators not being available) to a strong performance on the East London Line. The Jubilee Line operated 95.8% of schedule in period 5 and the East London Line operated over 99% of schedule between periods 3-5.

Improving train service reliability continues to be a focus of management attention for both the Chief Operating Officer and the Chief Programme Officer. Fleet reliability on the Central line continues to be a problem. We are working with Metronet to ensure that their "Case for Safety" is supported by the mitigation measures being in place and that the repair programme provides sufficient trains to support the current timetable.

All Safety Key Performance Indicators (SKPIs) remained stable during Quarter 1, except for confirmed fires, which showed a significant increase during the quarter. This is in line with seasonal trends where surface track fires increase in the hot weather. The independent safety audit has been commissioned and phase one, involving stakeholder interviews, is underway.

A major issue with the Infracos is our requirement for more data than they have supplied to date, to enable us to monitor their progress in delivering both capital projects and maintenance programmes. This issue is unresolved and under active negotiation.

3.3 DLR

DLR performance has continued to exceed most operational targets through the period of extremely hot weather. Services were partially disrupted during the DSEI arms exhibition at Excel in September with protestors chaining themselves to trains and climbing on and climbing on top of trains, station canopies, etc.

The train refurbishment project has been delayed by difficulties at the supplier, Alstom.

4. MAJOR PROJECTS AND INITIATIVES

4.1 The Overground Network

The pilot South London Metro was launched on 30 September branded as 'Overground Network'. The pilot scheme covers 41 stations on 4 routes; Waterloo to Teddington via Wimbledon, Waterloo to Twickenham via Richmond, Victoria to East / West Croydon via Norbury and London Bridge to Dartford via Greenwich.

The scheme involves routes with a base frequency of 4 trains per hour and provides improved security and information to passengers. It is hoped to eventually integrate fares on these routes as part of TfL's fares initiative. Roll out to other routes and into North London will depend on the success of the pilots in attracting additional off-peak business. The £1.5m cost is being shared between TfL, the SRA, three train operators and the London Boroughs involved.

4.2 Crossrail

In July the Secretary of State established a "business case review team" led by Adrian Montague. This is due to report to Ministers by Christmas 2003 on the robustness and affordability of the £7bn Benchmark Scheme. In order to deposit a Hybrid Bill in November 2004, a decision on the final shape of the scheme is required in January.

4.3 East London Line

Work is underway in demolishing the Bishopsgate Goods Yard whilst protecting the Braithwaite Viaduct structure. A unified project team has been set-up under a SRA project director. The SRA has funded the project for the next two years but the future of the project is subject to SR2004 negotiations.

The service is a minimum of 4 trains per hour running from West Croydon / Crystal Palace / Clapham Junction via the East London Line to Dalston Junction and Highbury & Islington. The scheme includes an interchange at Dalston Junction with buses but in the current plan, TfL has been unable to fund an additional station at Brixton. The issue of retaining Wapping and Rotherhithe stations has not yet been resolved.

4.4 Docklands Light Railway Extension to London City Airport and Woolwich

Construction of the extension to London City Airport has started and is due to be completed as planned in December 2005. The Inspector's report following the Woolwich Arsenal enquiry remains with DfT pending an announcement of a Transport and Works Act order.

4.5 West London Tram

A Memorandum of Understanding has been agreed with London Borough of Ealing. London Borough of Hammersmith & Fulham and London Borough of Hillingdon are expected to sign up this Autumn.

Project development is continuing and includes alignment design, local consultation, environmental impact assessment and business case work. This work will be completed and reported on by the end of March 2004.

4.6 Thames Gateway Bridge

We remain on target to complete the detailed business case, preferred scheme design and funding proposals by the end of November 2003. The Government has been asked to confirm their commitment to the project with regard to obtaining powers, use of PFI credits and core funding.

The first formal public consultation phase ended on August 12th and included the distribution of 460,000 flyers across 10 Boroughs; the distribution of 76,000 brochures; 15,000 website visits and 28 days of roadshows held at 11 different locations attracting over 9,600 visitors. Analysis of the final results is underway and will be published in November. Early indications are around 80-85% support for the scheme.

4.7 Support services – procurement efficiencies

The programme to deliver the procurement efficiencies identified last year is now underway. The initial focus is on five areas; utilities, telecoms, temporary employees, traffic technology & services and information management. We are also exploring efficiency savings in professional services, facilities management and civil construction.

5. APPOINTMENTS

There are two new senior appointments reporting directly to me. Fiona Smith will join TfL on 20 October as General Counsel. She was previously with National Grid as their General Counsel since 1992. Fiona will be responsible for advising the TfL Board, myself and the Chief Officers on all legal and contractual aspects of our business. Fiona will oversee the TfL legal, Company Secretariat, Internal Audit and Health, Safety & Environment departments. She will also be involved in all major TfL commercial transactions.

Locksley Ryan also joins us on 20 October as Managing Director of Group Communications. Locksley joins us from Edelman where he was European Head of the Corporate Practice. Locksley will be responsible for Group Public Affairs, Media Relations, Internal Communications, Strategic Communications planning, New Media and Publications and the Transport Museum.

Robert R. Kiley
Commissioner for Transport
October 2003

TRANSPORT FOR LONDON

TfL BOARD

SUBJECT: 2nd QUARTER FINANCE AND PERFORMANCE REPORT

MEETING DATE: 29 OCTOBER 2003

1. PURPOSE

1.1 To inform the TfL Board of progress on operational and financial performance against budget and target for the second quarter of 2003/04 (22 June 2003 to 13 September 2003). London Underground became part of TfL with effect from 15 July 2003, the full year to date performance from 1 April 2003, for London Underground is included in this report.

2. KEY HIGHLIGHTS

2.1 The principal issues arising from the second quarter of 2003/04 are as follows :-

- London Underground patronage in the second quarter of 2003/04 has fallen by 2% compared with the equivalent period of 2002/03 and was also 4% below target resulting in a forecast shortfall in traffic income of £50m.
- Bus and DLR patronage continue to grow and was 10% higher on buses and 6% higher on DLR in the second quarter of 2003/04 than for the equivalent quarter in the previous year.
- London Buses income is forecast to be £21m in excess of budget for 2003/04 as a result of increasing passenger journeys and the fares increase effective from January 2004.
- The latest evidence of the Congestion Charging scheme confirms that it has been more successful than anticipated, with lower than expected traffic volumes resulting in lower than expected income. The full year forecast remains in line with the revised budget.
- The encouraging safety performance in the first quarter of 2003/04 has continued into the second quarter with significant reductions in the number of major injuries and fatalities. Reductions were reported on the TLRN by 7%, and on roads Londonwide by 3%, compared with the previous year. In addition major injuries and fatalities on London Underground in the second quarter were 7% lower than the equivalent period of 2002/03.
- TfL's net expenditure for the first six periods (1 April 2003 to 13 September 2003), including London Underground, totalled £1,008m. This was some £116m (10%) below budget. This is expected to be partially recovered by the year-end

with a forecast for total net expenditure of £2,349m, which is £50m (2%) below budget.

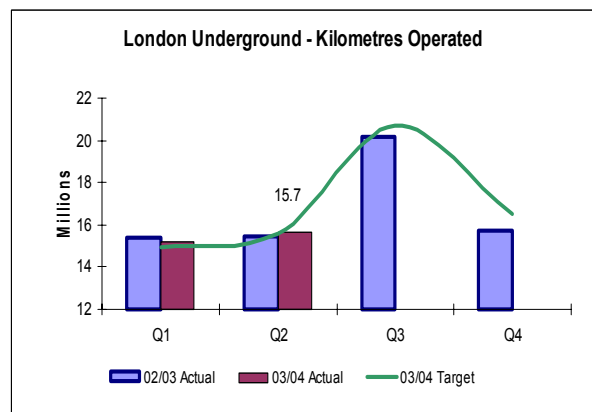
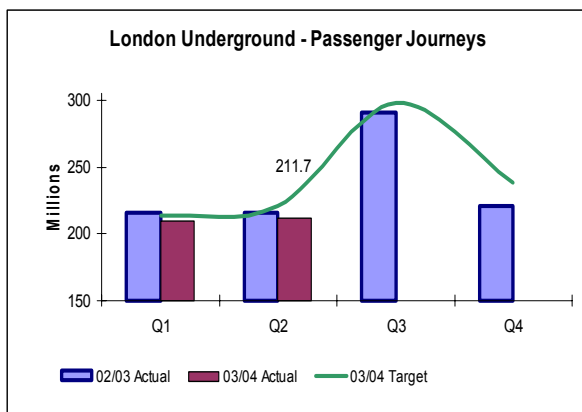
- Following the integration with London Underground a budget totalling £1,218m was incorporated into the TfL budget. An activity analysis of the London Underground budget is included as **Annex 4**. For the information of the TfL Board members a description of the activities and the deliverables for 2003/04 is included as **Annex 5**.

3 OPERATIONAL PERFORMANCE REVIEW

3.1 The operational scorecard reporting the performance against target for the key indicators approved by the TfL Board on 20 March 2003, and adjusted where necessary by the subsequent budget revision, is attached to this report as **Annex 1**. Additional measures used for evaluating the performance of London Underground have been included within the performance scorecard.

3.2 **London Underground** - Passenger journeys on the London Underground in the second quarter of 2003/04 were below both same quarter of 2002/03 (2%) and target (4%). The level of demand was depressed during the exceptionally hot weather during the summer that was accompanied by adverse press reports on temperatures within the trains. More generally, the drop in demand is related to a combination of factors including a wider network wide fallout from Chancery Lane and mode switching due to improved bus service performance.

In view of the trend over the first six periods of 2003/04 the full year forecast of passenger journeys for the year has been reduced to 940m, slightly below last year and some 30m (3%) below target. The associated reduction in traffic income for the full year has been forecast as £50m, which will be funded from the London Underground provision for business risk. A comprehensive report on revenue is being prepared and will be presented to the Finance Committee on 19 November 2003.



* The increase in Quarter 3 figures in all charts is due to the third quarter containing four periods instead of the usual three

The failure on the National Grid on 28 August led to all services being temporarily suspended. However, the back-up safety systems worked, providing emergency lighting services to the underground network. London Underground is conducting an investigation into its response to the loss of power to the Tube network covering LU

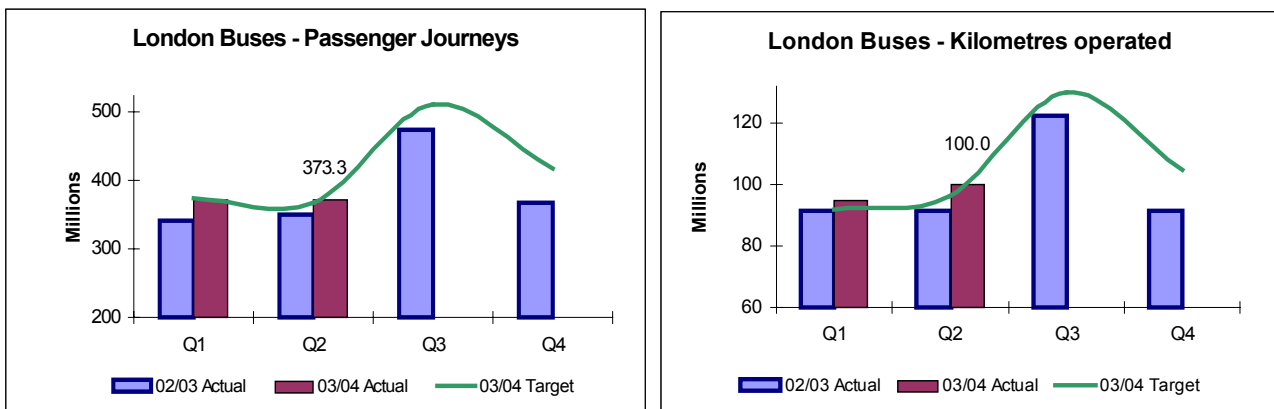
internal communications, CCTV, evacuation protocol, the re-opening of stations and restoration of services and external communications (customers, media, stakeholders) at the time and after the incident.

The percentage of scheduled kilometres operated at 93.4% for the second quarter was a little below target. Availability and reliability of the Central line fleet following restoration of the timetable at the end of May has been disappointing and has had an adverse impact on peak services. The Infraco responsible for the fleet, Metronet BCV, has programmes to upgrade the trains, and a work programme to implement the findings of the inquiry into the Chancery Lane incident which LUL and Metronet accepted in full. LUL also has a plan to address the operator shortages that have caused high levels of cancellations on the Circle and Hammersmith line.

Overall customer satisfaction fell from the record level of 78 in the first quarter of 2003/04 to 75 in the second quarter, and there were also falls in the other scores shown in Annex 1. Nevertheless the scores for information, crowding and personal safety & security were all above target and higher than the equivalent period in 2002/03. Analysis of movements in CSS over the last three quarters suggests that the quarter 2 scores should be considered as a return to 'normal service' rather than a real decline in performance. Excess journey time increased during the second quarter but remained within target.

3.3 Bus Network - Bus patronage continued to grow and was 10% higher in the second quarter of 2003/04 than for the equivalent quarter in the previous year. Performance on reliability and service quality in the second quarter was encouraging, with all measures ahead of the same period last year assisted by the expansion of Quality Incentive Contracts and the introduction of congestion charging, with routes serving the Charging Zone and Inner Ring Road showing the biggest improvements. However the percentage of scheduled service operated, as well as customer satisfaction ratings for information and overall satisfaction were slightly below target.

Service Reliability on London Buses is at its best level since records began in 1977. Excess Wait Time on high frequency routes at 1.4 minutes for the second quarter of 2003/04 is an improvement on the same quarter last year of 18%. General improvements in the bus network have benefited the Equality and Inclusion target groups, as these tend to make greater use of the network.

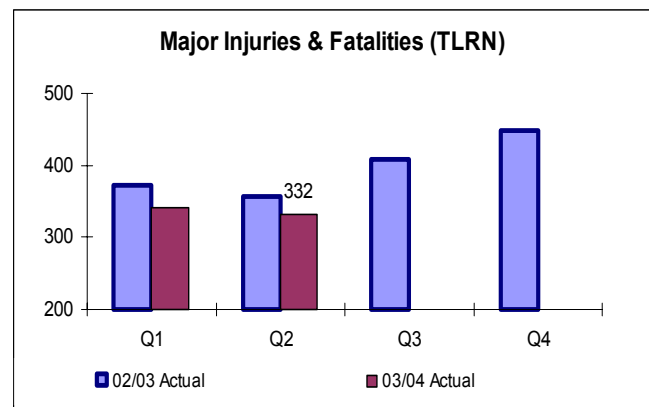
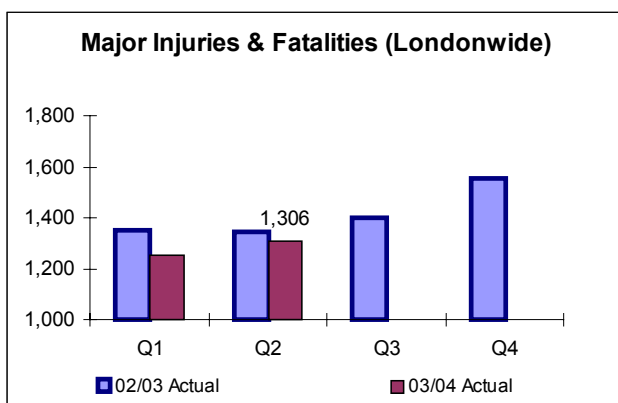


The on time performance of night buses was 3 percentage points above target at 78% for quarter 2 2003/04 and the number of low frequency routes departing on time was

76.6% in the second quarter of 2003/04, which is 3.3 percentage points above target.

The percentage of 'low floor' wheelchair accessible buses was 84% at the end of the quarter, 18 percentage points greater than the previous year and 2 percentage points above target. Increasing accessibility is a priority goal for TfL in terms of Equality and Inclusion as part of the long-term strategy to make TfL transport services the first choice for everyone.

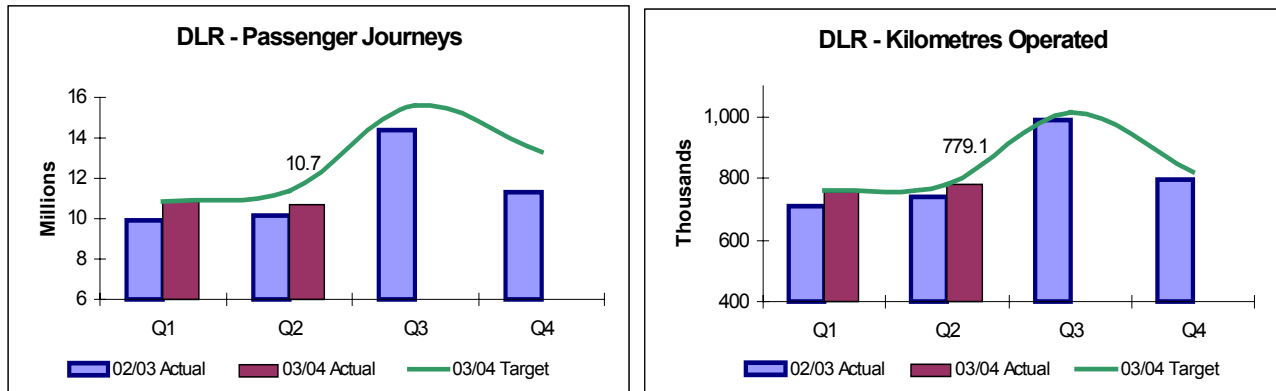
- 3.4 **Croydon Tramlink** - The percentage of schedule operated during the second quarter was 2 percentage points above the contractual target and 2 percentage points above the same period last year.
- 3.5 **London River Services (LRS)** - Passenger journeys for the second quarter of 2003/04, were 9% below target and 7% below the same quarter of 2002/03. LRS ceased to be responsible for Waterloo pier from 1st August 2003 through the loss of the licence to operate it. Passengers boarding there accordingly become the same as those boarding at private piers and are omitted from the passenger numbers. The percentage of schedule operated in the second quarter of 2003/04 was 97.7% marginally below target.
- 3.6 **Congestion Charging** - The Congestion Charging scheme (CCS) remains on target to achieve the 2003/04 deliverables of a reduction in vehicles circulating the zone of 10-15% and a reduction in congestion within the zone by 20-30% by March 2004.
- 3.7 **Road Safety Plans** - Progress continues towards reducing the number of major injuries and fatalities to the 10-year target. The Londonwide total number of casualties for the second quarter was 1,306, a 3% improvement on 2002/03. The number of major injuries and fatalities in the second quarter on the TLRN was 7% lower than the equivalent quarter in 2002/03 at 332.



Casualties are reported on a calendar month basis and in arrears, Quarter 2 comprises the months of April, May and June of each year.

- 3.8 **Woolwich Ferry** – On 13 July one of the three Woolwich ferries, the James Newman, was subject to an arson attack whilst empty and out of service. No one was injured. The ferry is operating an unaffected service with the two remaining boats. The damaged ferry is currently undergoing repairs in Great Yarmouth and is shortly to be towed to a dry dock in Hull. The cost of the repairs will be £205,000 although TfL's insurance policy means that the cost TfL will only pay £30,000. It is currently anticipated that the ferry will be back in service in December.

3.9 **DLR** - The increase in both ridership and level of service operated on the DLR continued into the second quarter following the occupation of new developments in Canary Wharf. Passenger journeys at 10.7m over the quarter were 6% greater than the equivalent quarter in 2002/03, but 6% below target. Train kilometres operated in the quarter were 5% up on the same quarter last year at 779k, in line with target.



Reliability and service quality performance indicators in DLR were all above target, including Customer Satisfaction Survey results which are amongst the highest ever recorded on the railway. This is against a background of new vehicles being introduced and a higher level of services than ever before.

4. ACTIVITY PERFORMANCE REVIEW

4.1 The TfL 2003/04 budget comprises over 120 activities. TfL is monitoring the success of each activity using key metrics including cost, milestone dates and key performance indicators. The performance of these activities is reported based on material variances, both financial and physical, against the deliverables approved by the TfL Board on 20 March 2003, as adjusted for the budget revisions approved by the board on 29 July 2003. The following also contains performance for significant activities that are not at variance to budget. Further numbered activities, with deliverables, have been developed for London Underground and these are included as **Annex 5**. These are based on the original pre-integration budget and will be used to report performance in future Finance and Performance reports.

LONDON UNDERGROUND

4.2 **Power PFI** - Following the removal of asbestos at Lots Road, which had previously caused the suspension of site activities, practical completion of all decommissioning work was achieved on 1 August. The site was sold for commercial development on 18 August.

4.3 **Connect PFI** - The performance towards installing a new, fully integrated radio and transmission system across the London Underground network recorded 60 to 70 percent of progress against the original programme (ending August 2005) and 100% against the new reporting programme (revised completion December 2006). This programme has been revised to reflect claims from Citylink for prolongation and disruption. Negotiations are currently ongoing for a claim settlement to move the contractual dates into the current programme dates.

- 4.4 **Heathrow Terminal 5 Extension and Station** – A significant delay has arisen from the failure to sign the agreement with BAA, the main outstanding issue being the allocation of risk. The forecast has been reduced to reflect the delay.
- 4.5 **Train Identification and Management Information System (TIMIS)** - The System Requirements Review for TIMIS was completed in mid-September. This will form a new baseline as the Project enters a 3 month "period of redefinition" with the agreed objectives of arresting slippage, improving future delivery to programme, achieving cost savings and improving output performance.
- 4.6 **Central Services** - SAP Finance and Procurement functionality for LUL went live on schedule on the 23 June. All Training is now complete.

SURFACE TRANSPORT

- 4.7 **Ticket Technology and Prestige** - The "Pay before you board" scheme in the West End of London was introduced successfully on 23 August. It operates within the area bounded by Paddington, Kings Cross, Waterloo and Victoria, and covers some 300 bus stops. Public and media perceptions have so far been largely supportive. To ease transition to the new arrangements drivers could still issue tickets in the first month of the scheme. Installation of the Roadside Ticket Machines (RTM) required for the scheme was completed in time for the introduction and has commenced to support the conversion to articulated buses on routes 18 and 149.
- 4.8 **Bus Stations** - An underspend of £3m against budget results from slippage in the bus station projects at Waterloo and Hammersmith due to planning delays. The planning application for the interim/temporary bus station at Hammersmith was submitted on 20 June 2003, the forecast start of construction has slipped 15 months to February 2005. The refurbishment of Victoria Bus Station was completed in September 2003.
- 4.9 **Bus Garages** - Totteridge (Whetstone) has been removed from plans due to a planning application being submitted for residential development on land which would have been required for the garage. Progress has been made on the North Acton garage with the planning application submitted in September 2003, although the scheme remains 6 months behind schedule. Work has commenced at the Walworth site with plans for the opening of the new garage in March 2004.
- 4.10 **Safety and Security** - The forecast number of CCTV cameras to be delivered by the 2003/04 on bus CCTV retro-fit programme has been reduced from 1100 to 550, to be replaced by the installation of CCTV cameras in new buses as new contracts are let. The total number of buses now fitted with CCTV is 2,497. Increasing safety and personal security is a priority goal for TfL in terms of Equality and Inclusion. The increase of on-bus CCTV cameras is intended to increase the perception of safety. The 5 percentage point improvement in the second quarter of 2003/04 compared with the second quarter of 2002/03 in the customer satisfaction rating for safety is an indication of the improvement.
- 4.11 **Transport Policing and Enforcement** – Transport Operational Command Unit (TOCU) has been reorganised to assume responsibility for bus related issues on a geographic and borough basis. This move enables the TOCU to make more efficient

use of resources, strengthens the partnerships with boroughs and gives a consistent point of reference for bus operators. Recruitment continues to plan and budget with the first congestion team going live in August based at Kings Cross. These teams, which primarily comprise of specialist Traffic Police Community Support Officers (PCSO), have all received training in traffic direction, control and enforcement options. Training is on going to enable all staff to use moped, this will allow officers to provide a rapid response to critical incidents.

- 4.12 **Traffic Management** – The remodelling of the London Traffic Control Centre (LTCC) is scheduled to begin in November 2004 with planned completion by February 2004. The functionality will be maintained during the works. A second Congestion Intervention Team has been deployed by the Metropolitan Police Service to work closely with LTCC.
- 4.13 **Taxi and Private Hire** - Private Hire driver licensing started in earnest on 1 June when it became illegal to work without either a license or a temporary permit. 43,000 'existing drivers' registered with the PCO and are in possession of temporary permits. Of the first 3,900 invitations sent out 64% applied for a license, 11% had retired or otherwise left the trade, 6% asked to be deferred, and 19% did not respond at all. As well as licensing existing drivers, new drivers can apply: roughly 1,200 have done so since June. We expect to invite roughly one-third of the 43,000 existing drivers to apply for licenses by the turn of the year.
- 4.14 Private hire vehicle licensing is scheduled to start early in the new year and will license (over 35,000) vehicles annually with an additional MoT test in between licensing inspections. This task has been contracted out to a private sector service provider, SGS, who will operate from 4 centres around London. PCO is working closely with SGS to set up the necessary licensing and inspection infrastructure for starting operations in early 2004, subject to external providers such as DVLA, DfT and BT meeting specific commitments.
- 4.15 **London River Services** - London River Services awarded a net cost contract in respect of the City to Canary Wharf River Bus Service. The contract will run for ten years at a subsidy of up to £3.19m over the ten year period.
- 4.16 **Congestion Charging Operations** - Following a review of a number of operational problems in July and August, corrective actions and a recovery plan have been agreed with Capita. The Supplemental Agreement (SA) to the original Combined Services Agreement (CSA) was signed on 19 August. The improvements are to be delivered against 4 milestones between mid August (achieved) and March 2004. TfL Operations and technical teams are working to ensure the improvements are delivered in accordance with the SA and on time. Significant penalties apply should Capita not achieve the key milestones and service improvements over the next eight months.
- 4.17 **TLRN and Borough Principal Road Maintenance** - The refurbishment works to the A4 Hammersmith Flyover, which included renewing drainage systems, waterproofing and resurfacing the road opened a week ahead of schedule on 15 August.
- 4.18 **A23 Coulsdon Town Improvement** – The business case has now been approved and work on site is expected to commence in Q4 2003/04. Discussions are still taking

place with Network Rail to complete the necessary land transfer and works agreements.

- 4.19 **Blackwall Tunnel Southbound Bore Refurbishment** - The planned completion of the refurbishment was originally planned for March 2004. The project had been running some 15 weeks late but extensions of time for additional work of 4 weeks were awarded and the contract was, therefore, 11 weeks outside the contractual finish date. However, an agreement has been reached for full night-time closures of the Southbound Tunnel to continue on Friday/Saturday/Sunday until the completion of the project. As a result, the contractor is now confident that the 11 week slippage can be recovered and the works will be completed to the revised schedule, i.e. by May 2004.
- 4.20 **A13 Thames Gateway DBFO** - The Movers Lane scheme, which forms a part of the A13 DBFO project, was completed over a year ahead of the original contract programme during the second quarter of 2003/04. This scheme includes the reconstruction of the Roding River Bridge as well as a new 6-lane underpass for A13 traffic. The new Movers Lane junction and bridge for local traffic has been opened and includes 10 new signalised pedestrian and cycle crossings. The scheme includes new upgraded footpaths and over 3 km of new segregated cycle lanes.
- 4.21 **Walking and Cycling** – The delivery of 600 new cycle parking spaces as part of the Mayor's Cycle parking Initiative for Young People & Children, due in September 2003 is now not expected to be completed before March 2005, as a result of delays to the tendering and procurement process.

LONDON RAIL

- 4.22 **Crossrail** – The Secretary of State for Transport gave his support in principle to the Benchmark Scheme on 14 July 2003. An Independent Review was announced to take place between September and the end of 2003, to give recommendations for Ministers to decide on if and how the project can progress towards placement of a Hybrid Bill in November 2004. The review team is expected to make a report by the turn of the year for the Secretary of State to make a decision in early 2004.
- 4.23 **East London Line Extension** - Following a successful conclusion to the legal challenges that have prevented a substantive start to the East London Line Project, advanced works are now underway. The Secretary of State has confirmed that the business case for the project has been approved.
- 4.24 **Railcar Refurbishment** – The delivery programme for the return of the initial vehicles is being delayed by Alstom due to design delays, component problems and delay in receipt of regulatory documents by DLR for approval by HMRI. DLR are closely monitoring Alstoms progress of the four vehicles at their sites in line with the Vehicle Production programme and will decide on a course of action after Alstoms satisfactory demonstration to achieve planned progress.

CORPORATE DIRECTORATES

- 4.25 **Cross River Transit (CRT)** – Depot and traffic studies have now been commissioned. The depot study will be completed by January 2004 and the traffic study by May 2004. Both will address important issues on project feasibility and viability.

- 4.26 **West London Tram** - The project team has now been authorised to continue through to the end of Quarter 1 in 2004/05, to deliver sufficient documentation for a decision to be made on the next step. There is unlikely to be certainty on the next step until Government has confirmed its support for the development and eventual implementation of the project, through the SR2004 process.
- 4.27 **Greenwich Waterfront Transit** - Preparation work to safeguard the preferred alignment is now beginning. The safeguarding process will show a range of alignment options through Woolwich town centre as TfL and LB Greenwich do not have an agreed viable route through the town centre. LB Greenwich will not support a busway on Powis Street because it conflicts with the requirements of the main landowner, Powis Street Estates. TfL will need to decide whether benefits on other sections of the alignment outweigh the potential disbenefit of not being able to serve the main shopping street in the town centre.
- 4.28 **Other Light Transit Project Development** – Consultants have been appointed and will examine heavy rail conversion opportunities as a priority a) Sutton - Wimbledon and b) Crystal Palace - Croydon/Beckenham. TfL has arranged a series of workshops with the Boroughs to identify key issues and support for the Streatham - Purley and Sutton - Tooting on-street options.
- 4.29 **Thames Gateway Bridge** - The three-month public consultation was successfully completed in August. 9,500 people visited the touring public exhibition, 17,000 visited the Thames Gateway Bridge website and over half a million leaflets were distributed. Discussions with Government have confirmed that the submission of an application for powers in November 2003 using a Hybrid Bill will not be possible, although it would still be possible to make submission in April or November 2004. This would lead to a delay until next year. It is more likely that the project will be required to gain enabling powers using the Highway Act. This more complex process will lead to a longer programme with the bridge opening to traffic in 2014.
- 4.30 **Fares and Ticketing** - The Mayor has endorsed a 2004 fares proposal that includes a £1 cash fare for all bus journeys and Tube fare discounts when using Oyster. Other key elements of the proposals include free bus travel for children under 11 and inflation-matching increases in Travelcard prices.
- 4.31 **LRT Pension Fund** - The Summary of Results has now been received from the pension Scheme Actuary. This shows a deficit for the Fund as a whole of £450 million. This deficit must be made good over a period not exceeding 10 years and increased contributions would normally commence on 1 April following the valuation date i.e. 1 April 2004. This will require TfL Group to make additional contributions from 2004/5 of approximately £65 million per annum.
- 4.32 **London's Transport Museum** - On 23 July 2003 the Heritage Lottery Fund announced the award of a £9.47m contribution towards the planned £17.6m London's Transport Museum improvement scheme. This consists of extensive building and re-display work that will transform London's Transport Museum in Covent Garden.

5 FINANCIAL PERFORMANCE REVIEW

- 5.1 The TfL Board approved a revised phased budget on 29 July 2003. This reflected the impact of lower CCS revenues and other additional cost pressures, and followed a rigorous review of 2003/04 programmes to defer £35m of work to 2004/05 or beyond, and build in £89m of savings and efficiencies into the 2003/04 budget.

INTEGRATION OF LONDON UNDERGROUND

The 2003/04 budget for net expenditure on activities for London Underground totalling £1,147m was transferred to TfL on 15 July and is included as **Annex 4**. This shows the full year budget for London Underground and not the amount for the period after 15 July.

- 5.2 Following the integration of London Underground within TfL the budget has been revised to include the organisational changes within the Group and Corporate Support areas. This consisted of the transfer of over 500 staff from London Underground corporate departments to TfL. These changes are included within the net expenditure summary at **Annex 2**.

SECOND QUARTER PERFORMANCE

- 5.3 Actual second quarter net expenditure for TfL totalled £525m, which was £43m (8%) below the revised budget. In comparison, the first quarter spend, including London Underground, at £477m, was £73m (15%) below budget. As shown in **Annex 2**, spend in London Underground, at £46m below budget, accounted for the majority of the underspend in the second quarter.

Expenditure

- 5.4 The underspend against budget in London Underground includes £27m lower than budgeted PPP infrastructure service charges, mainly due to access and other risks not materialising to the extent assumed in the budget. There were also underspends in Central services of £21m, transition of £5m, business support initiatives of £3m, station projects of £4m, safety and security initiatives of £3m and other train and reliability initiatives of £3m. These underspends were partially offset by overspends in contracts PFI of £8m and TIMIS of £3m. The main areas of underspend against budget in London Underground central services in the second quarter were in risk by £9m, corporate overheads by £5m, marketing by £2m and contracts by £2m.
- 5.5 There was a £1m underspend against budget for the complementary traffic management schemes. Included in the underspend is a £3m variance in Bus Priority programmes mainly resulting from lower spend on Borough schemes. Within Street Management, a number of programmes have overspend budget variances for the second quarter including TLRN road maintenance by £5m, borough walking and cycling schemes by £1m and A13 Thames Gateway DBFO by £1m.

Income

- 5.6 London Underground traffic income was £15m lower than budget and this is covered in more detail in section 5.15 onwards. Net income from the Congestion Charging scheme was £7m above budget in the second quarter.

YEAR TO DATE EXPENDITURE

- 5.7 TfL's net expenditure to 13 September totalled £1,008m, and this was £116m (10%) lower than in the budget. This resulted from net underspends in London Underground of £86m, Corporate Directorates of £19m, and Surface Transport of £17m.

Expenditure

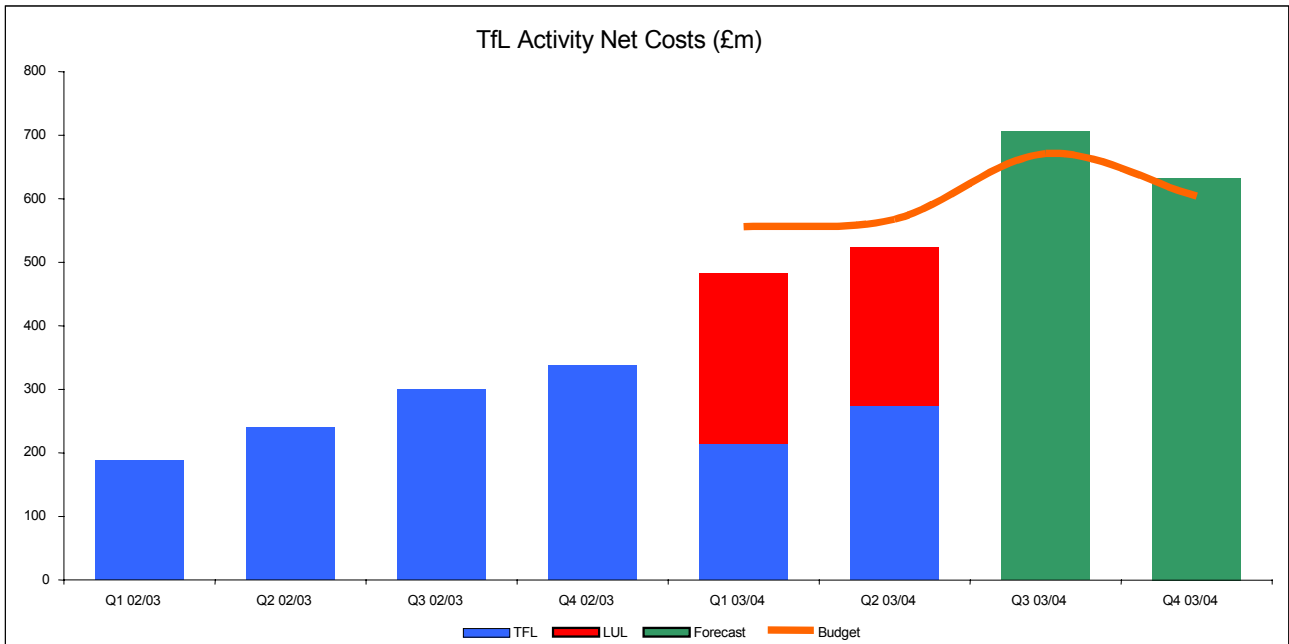
- 5.8 The underspend in London Underground results mainly from a £60m underspend of the risk provisions, and other underspends include station projects of £8m, Connect funded through the Underground Investment Programme of £10m and corporate overheads of £12m.
- 5.9 The underspend in the £19m Corporate Directorates arises mainly from underspends against budget in Finance and Planning of £11m which includes underspends in Borough Partnerships of £8m and Corporate Services of £7m as a result of lower than budget spend on Group Property and Facilities. The main components of the Surface Transport underspend are a higher than budgeted surplus from congestion charging and a lower than budget spend on Bus Priority by £7m. A review is currently being undertaken into the causes of Borough underspending, which is the main area of the underspend, as to whether it is due to slow delivery or poor information.

Income

- 5.10 London Underground traffic income was lower than budget by £24m and further details on passenger revenue can be found below in section 5.15 below.

PERIOD 6 FORECAST

- 5.11 The period 6 forecast of TfL's total net expenditure for the full year, as shown in the following chart, is now £2,349m compared with a budget of £2,399m. The forecast net underspend of £50m (2%) consists mainly of net underspends in London Underground of £18m, Docklands Light Railway of £7m and Corporate Services of £8m. Income for London Buses was higher than budget by £21m,
- 5.12 With the inclusion of London Underground the 2003/04 full year forecast of TfL at £2,349m is £1,280m (120%) greater than total activity spend of 2002/03. This represents a significant challenge for TfL, as illustrated in the following chart.



The quarters for 2002/03 are based on a 12 period year and each period consists of 3 calendar months. 2003/04 is based on a 13 period year with each quarter consisting of 3 4-week periods, with the exception of Q3, which has 4 4-week periods.

Expenditure

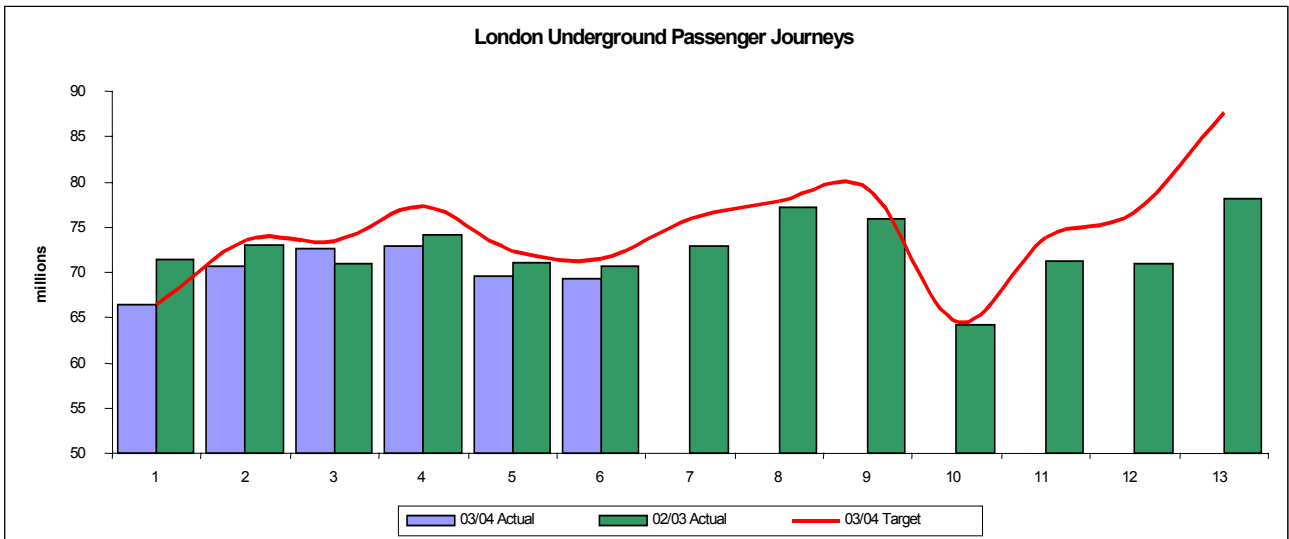
- 5.13 The £17m net underspend in London Underground includes lower than budget spends for central services by £43m and the infrastructure service charge by £19m, both largely due to reductions in risk forecasts. Other underspends include station projects by £7m, transition by £7m, TIMIS by £5m and property by £3m. These underspends were partially offset by additional Contracts PFI costs of £21m mainly related to risks associated with Connect.

Income

- 5.14 There is a forecast £50m shortfall in traffic income for London Underground compared with budget and this is further explained in section 5.15 below. This is partially offset by a forecast increase in London Buses income of £21m, this is discussed in section 5.18 below.

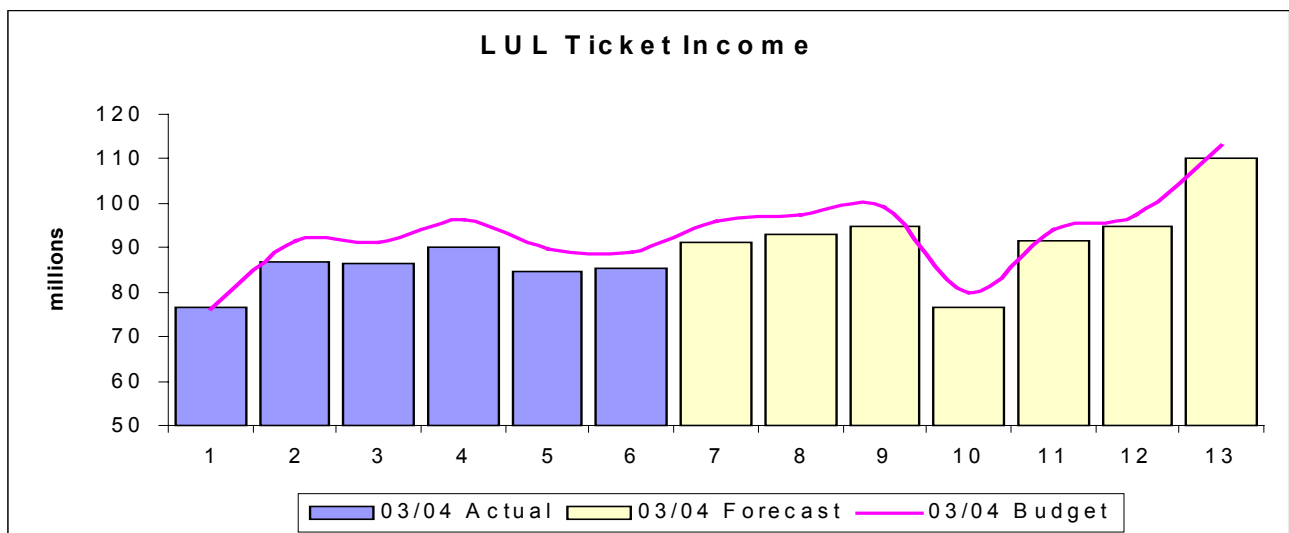
PASSENGER INCOME

- 5.15 London Underground's traffic income forecast of £1,162m for full year income is some £50m (4%) below budget. This is consistent with the year to date position, which shows traffic income at £510m, £24m (5%) below budget. The continued negative trends on the Underground, as seen in the following chart, reflecting Central London employment, a slow and hesitant recovery of confidence following the Central Line problems and a switching to bus following the step change in service quality that has accompanied Congestion Charging and the ongoing expansion of Quality Incentive Contracts.



5.16 Although passenger income remains below budget, the underlying trend, which adjusts for the seasonal pattern and fare changes, is upward. However if current income levels continue throughout the remainder of the year the total income will be around £1,140m. The revised forecast for income includes an increase of 2.5% growth over the remainder of the year. Much depends on the performance of the London economy, recent figures for the UK on manufacturing, retail sales and earnings growth showing an improving scene.

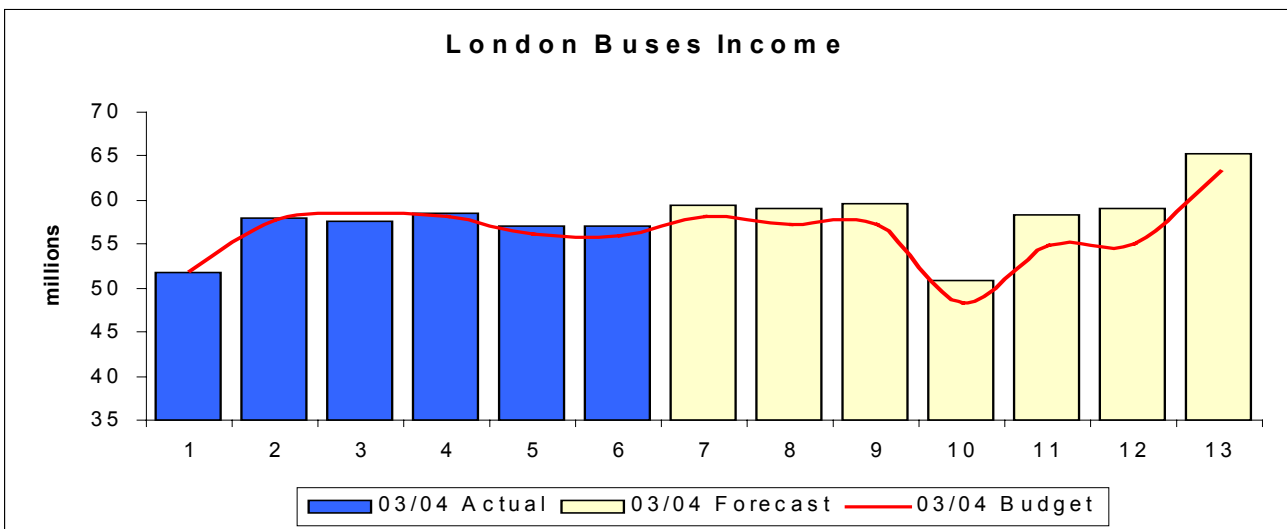
5.17 Also important will be the revenue effects of the January 2004 fares restructuring and whether the switch to bus travel continues. From January 2004, for those who choose to pay by cash, the cost of a Zone 1 Tube fare will rise to £2 and others zones by up to 20p. Tube passengers using the Oyster smartcard-based Pre Pay tickets to be introduced for Underground journeys in January will pay 2003 prices for their journeys and reduced fares at the weekend.



5.18 London Buses revenue forecast for 2003/04 at £742m is £21m (3%) above budget. The year to date position is only £2m above budget. This increase reflects the growth seen since the beginning of the year, as illustrated in the chart below.



5.19 The level of passenger growth is forecast to continue in the second half of the year, resulting in approximately £10m of additional income. In addition a further £10m increase is expected as a result of the fares revision that will be introduced in January 2004. The £1 cash fare for central London bus journeys remains frozen but the cost of bus trips outside central London will increase from 70p to £1 for those paying cash. Passengers will pay only 70p per journey anywhere in London if they buy Bus Saver tickets in advance or use the new Oyster smartcard-based Pre Pay tickets to be introduced for buses in late February. This is part of the policy to take cash off of the buses by 2005/06 making journeys quicker and drivers safer.



6. STAFF

6.1 During the third quarter of 2003/04 a number of staff will be transferred into the corporate directorates as part of the integration with London Underground. These movements are not reflected in the 13 September 2003 headcount as shown in the table in **Annex 3**, however the transfers are fully reflected in the year end forecast. The total FTE for TfL staff numbers forecast for the end of the 2003/04 is expected to be 18,488, an increase of 312 over the rest of the year. The main increases which reflect the post integration transfers, are in Corporate Services (356), Finance and

Planning (40), Street Management (85), Transport Policing (69), and General Counsel (78). These are partially offset by a reduction of 440 in staff at London Underground.

7. RECOMMENDATIONS

The Board is asked to NOTE the contents of this report.

For detailed enquiries on the content of this report, please contact:
Name: Jay Walder – Managing Director, Finance and Planning
Telephone: (0207) 941-4733

OPERATIONAL SCORECARD

Performance Indicators		Quarter 1				Quarter 2			
		Actual	Target	Var	Prior Year	Actual	Target	Var	Prior Year
LONDON UNDERGROUND									
Safety									
Total number of major injuries and fatalities	#	24	N/a	N/a	21	24	N/a	N/a	26
CSS: personal safety and security	Score	81	79	2	78	80	79	1	79
Service Volumes									
Usage: passenger journeys	M	209.7	213.4	(3.7)	215.4	211.8	221.2	(9.5)	216.0
Train kilometres operated	M	15.2	14.9	0.3	15.4	15.6	15.6	0.1	15.5
CSS: crowding	Score	75	69	6	71	74	69	5	71
Reliability & Service Quality									
Percentage of scheduled service operated	%	93.5	92.3	1.2	95.0	93.4	94.1	(0.9)	93.2
Excess journey time – unweighted	Mins	3.05	3.36	0.31	2.99	3.25	3.36	0.11	3.55
CSS: overall satisfaction	Score	78	75	3	75	75	75	0	75
CSS: information	Score	79	76	3	75	77	76	1	76
Peak Hour Trains cancelled	%	6.3	3.8	(2.5)	3.2	4.6	3.8	(0.6)	4.8
LONDON BUSES									
Safety									
Total number of major injuries and fatalities	#	163	N/a	N/a	300	125	N/a	N/a	300
CSS: personal safety and security	Score	81	80	1	80	85	80	5	80
Service Volumes									
Usage: passenger journeys	M	373	359	14	343	374	358	16	341
Bus kilometres operated	M	94.7	92.0	2.7	91.7	100.0	96.0	4	91.7
CSS: crowding	Score	79	77	2	78	78	77	1	77
Reliability & Service Quality									
Percentage of scheduled service operated	%	97.5	97.4	0.1	96.1	97.1	97.3	(0.2)	96.1
Excess wait time – high frequency routes	Mins	1.4	1.7	0.3	1.8	1.4	1.6	0.2	1.7
On time performance - low frequency routes	%	74.3	72.0	2.3	71.4	76.6	73.3	3.3	72.3
On time performance - night buses	%	79	76	3	77	78	75	3	70
CSS: reliability – journey/wait time	Score	78	78	0	78	79	78	1	77
CSS: overall satisfaction	Score	77	77	0	77	77	78	(1)	76
CSS: information	Score	73	74	(1)	72	73	74	(1)	72
Access									
Percentage of 'Low Floor' Buses	%	83	79	4	64	84	82	2	66


Where no quarterly target has been set N/a is shown

OPERATIONAL SCORECARD

Performance Indicators		Quarter 1				Quarter 2			
		Actual	Target	Var	Prior Year	Actual	Target	Var	Prior Year
CROYDON TRAMLINK									
Usage: passenger journeys	m	4.2	N/a	N/a	4.1	4.4	N/a	N/a	4.7
Percentage of scheduled service operated	%	101	98	3	99	100	98	2	98
CSS: overall satisfaction	Score	87	N/a	N/a	88	87	N/a	N/a	88
PUBLIC CARRIAGE OFFICE									
No. of taxi drivers licensed	000	24.8	25.0	(0.2)	24.6	24.8	25.2	(0.4)	24.6
No. of private hire drivers licensed	000	0.0	6.5	(6.5)	0.0	0.3	9.6	(9.3)	0.0
LONDON RIVER SERVICES									
Usage: passenger journeys	k	578	450	128	548	784	860	(76)	843
Percentage of scheduled service operated	%	98.8	98.0	0.8	96.2	97.7	98.0	(0.3)	98.2
VICTORIA COACH SERVICES									
Usage: Number of coach departures	000	43.2	44.0	(0.8)	41.5	47.6	47.0	0.6	46.4
CSS: overall satisfaction	Score	73	N/a	N/a	75	73	N/a	N/a	71
DIAL-A-RIDE									
Total costs per trip	£	12.9	N/a	N/a	12.5	13.3	N/a	N/a	12.7
CSS: overall satisfaction	Score	92	93	(1)	93	92	93	(1)	93
STREET MANAGEMENT									
Safety									
No. of major injuries and fatalities (TLRN)	#	340	370	30	373	332	352	20	356
No. of major injuries and fatalities (Londonwide)	#	1,254	1,328	74	1,349	1,306	1,328	22	1,343
Service Volumes									
Usage: Traffic Flows - Cent London (0700-1830)	#	103.9	N/a	N/a	N/a	99.2	N/a	N/a	N/a
Usage: Traffic Flows - Cent London (Mar 03=100)	#	104.1	N/a	N/a	N/a	99.1	N/a	N/a	N/a
Usage: Traffic Flows - Inner London (Mar 03=100)	#	104.7	N/a	N/a	N/a	103.2	N/a	N/a	N/a
Usage: Traffic Flows - Outer London (Mar 03=100)	#	102.0	N/a	N/a	N/a	92.2	N/a	N/a	N/a
Usage: Cycling on TLRN (index April 2000 =100)	#	120.3	120.1	0.2	116.7	126.8	129.0	(2.2)	125.0
Congestion (TLRN)	#	95.3	N/a	N/a	99.6	77.3	N/a	N/a	80.6
Reliability and Service Quality									
Journey time reliability (TLRN)	%	35	N/a	N/a	30	35	N/a	N/a	30
Street Lights working	%	97.2	97.7	(0.5)	95.0	97.2	97.7	(0.5)	96.4
Traffic Signals operating effectively (Lon wide)	%	96.9	97.0	(0.1)	96.6	96.9	97.0	(0.1)	96.8
Traffic Signals with pedestrian phase	%	81.5	77.0	4.5	75.0	81.5	77.0	4.5	75.0
Days of Control/closure on sensitive roads	%	1	5	4	6	15	5	(10)	0
State of Good Repair: TLRN	%	89.3	88.9	0.4	88.6	85.8	91.8	(6)	88.6
Access									
Pedestrian Crossings for disabled	%	57.4	62.0	(4.6)	56.7	57.4	62.0	(4.6)	56.7
Bus Stops that are 'Low Floor'	%	12.9	6.0	6.9	4.0	12.9	6.0	6.9	4.0

OPERATIONAL SCORECARD

Performance Indicators		Quarter 1				Quarter 2			
		Actual	Target	Var	Prior Year	Actual	Target	Var	Prior Year
DOCKLANDS LIGHT RAILWAY									
Safety									
RIDDOR reportable injuries to staff/passengers	#	1	N/a	N/a	1	4	N/a	N/a	10
CSS: personal safety and security	Score	93.1	86.3	6.8	88.0	93.1	86.3	6.8	88.0
Service Volumes									
Usage: Passenger journeys	M	10.8	10.8	0.0	9.9	10.7	11.4	(0.7)	10.1
Train Kilometres Operated	M	753	758	(5)	707	779	781	(2)	741
Reliability and Service Quality									
Percentage of scheduled service operated	%	98.1	98.0	0.1	98.5	98.3	98.0	0.3	98.0
On-Time Performance – adherence to schedule	%	96.7	96.0	0.7	96.7	96.6	96.0	0.6	95.9
CSS : Overall Satisfaction	Score	94.1	83.6	10.5	91.6	94.1	83.6	10.5	91.6
CSS : Information	Score	94.8	86.0	8.8	93.5	94.8	86.0	8.8	93.5
Access									
% of system accessible	%	100	100	0.0	100	100	100	0.0	100

 Positive variance

 Neutral variance

 Negative variance
Notes/Key:

Negative variances are adverse.

The boxes in the variance column are shown as green, red or yellow depending on whether they are positive, adverse or neutral variances.

NET EXPENDITURE SUMMARY

	Second Quarter		Full Year	
	Quarter to 13 Sept	Variance to Budget*	12 Months to 31 March	Variance to Budget*
	£m	£m	£m	£m
London Underground	250	46	1,129	18
Surface Transport				
London Buses	115	(1)	523	21
Bus Priority	8	3	54	
Transport Policing & Enforcement	11	2	73	(2)
Street Management	95	(4)	385	(3)
Congestion Charging - Surplus	(18)	7	(68)	2
Dial-a-Ride	4		17	1
East Thames Buses		(1)	(1)	
Victoria Coach Station			(1)	
London River Services			(1)	
Public Carriage Office		1	3	
	215	7	988	19
London Rail				
London Rail Core	8	(6)	13	(1)
CrossRail	4	1	17	
Docklands Light Railway	6	4	39	7
	18	(1)	69	6
Corporate Directorates				
Group Communications	1		6	
Museum	1		4	
General Counsel	1		8	
Commissioner's Office	1		8	
Corporate Services	13	(3)	46	2
Finance & Planning	24	1	94	3
LT Insurance (Guernsey)			(3)	2
	41	(2)	163	7
General contingency			25	
Over-programming		(5)	(18)	
Net Efficiency Savings		(2)	(7)	
Total	525	43	2,349	50

* Based on the revised budget approved by the TfL Board on 29 July 2003 and amended to incorporate the integration with London Underground

HEADCOUNT SUMMARY

31 March 2003		13 September 2003		Integration Transfers*	31 March 2004	
		Actual	Budget Variance		Forecast	Budget Variance
13,727	London Underground	13,807	165	(573)	13,367	122
	Surface Transport					
733	London Buses	692	48	(9)	744	7
140	Transport Policing	328	42		397	(27)
	Bus Priority	47	11		58	
385	East Thames Buses	417	(11)		424	(18)
583	Dial-a-Ride	616	(61)		616	(61)
121	Victoria Coach Station	129	2		126	
18	London River Services	16	2		16	2
185	Public Carriage Office	200	13		217	(3)
758	Street Management	801	54	(34)	886	
3,038		3,246	100	(43)	3,484	(100)
	London Rail					
19	Core	23			27	(4)
30	Docklands Light Railway	29	2		30	1
49		52	2		57	(3)
	Corporate Directorates					
48	Group Communications	56	(8)	12	72	(8)
119	Corporate Services	135	(24)	526	491	65
87	Museum	90	14		104	
48	General Counsel	50	8	74	128	5
100	LT Property	106	11		117	
623	Finance & Planning	605	19	4	645	(29)
22	Commissioner's Office	29	3		23	18
1,047		1,071	23	616	1,580	51
17,861	Total Staff Employed	18,176	290		18,488	70
16,727	Permanent	17,167	581		17,867	16
1,134	Agency	1,009	(291)		621	54
17,861		18,176	290		18,488	70

* Headcount at the 13 September is shown before the transfers of staff for the integration with London Underground. These transfers were made at the start of Period 7 and are fully reflected in the year end forecast.

LONDON UNDERGROUND 2003/04 BUDGET

Activity	Forecast	Budget	Variance
	£m	£m	£m
London Underground			
(129) Traffic Income	(1,162)	(1,212)	(50)
(130) Customer Services – Trains	198	199	1
(131) Customer Services – Stations	254	253	(1)
(132) Contracts – PFI	251	230	(21)
(133) Infrastructure Service Charge	1,211	1,230	19
(134) Heathrow T5 Extension and Station	2	3	1
(135) East London Line Extension			
(136) CTRL at Kings Cross			
(137) TIMIS	10	15	5
(138) White City Development		1	1
(139) Wembley Park	2	2	
(140) Station Projects	15	22	7
(141) Safety and Security Initiatives	13	16	3
(142) Other Trains and Reliability Initiatives	14	15	1
(143) Power (UIP Funded)	5	5	
(144) Connect (UIP Funded)	28	28	
(145) Revenue and Ticketing Initiatives	6	7	1
(146) Business Support Initiatives	42	40	(2)
(147) Other Network Extensions			
(148) Property	(58)	(55)	3
(149) Central Services	272	315	43
(150) Transition and Special Projects	4	11	7
(157) Jubilee Line Works	22	22	
Total London Underground net activity expenditure	1,129	1,147	18
Working Capital Movements		71	
London Underground Transport Grant		1,218	

**LONDON UNDERGROUND
2003/04 BUDGET DELIVERABLES**

(129) TRAFFIC REVENUE**Activity Description**

This Activity covers traffic income (net of Customer Charter Refunds). It comprises the value of services in the normal course of business (excluding Value Added Tax) and includes amount receivable from the London Borough Councils and County Authorities in respect of free and reduced fare travel for the elderly and disabled. Revenue is recognised on an earned basis; revenue received in advance is spread over the period to which it relates. The amount of traffic revenue derived by LUL is subject to factors such as the Mayor's Fares Policy and the current economic environment.

Description of Deliverables in 2003/04

- Achieve target traffic revenue through provision of an optimal transport network with the following short term priorities:
 - maintain and improve safety
 - improve train service reliability
 - maximising the value of secured investment
 - improve customer information

Indicators of Success in 2003/04

- Achieve traffic revenue target of £1,212 million.
- Achieve passenger journeys of 970 million.
- Achieve a target the overall Customer Satisfaction Survey (CSS) score of 75 out of 100.

(130) CUSTOMER SERVICES (TRAINS)**Activity Description**

The Activity of Customer Service (Trains) involves the staffing of trains with competent operators and providing a competent signalling and service control function as well as staff to manage service disruption, focusing on the needs of the customer. The Activity contains three Components covering **Train Operations** which is responsible for the train service delivery, **Train Service Control** which covers the control and regulation, and **Operations Support** responsible for other non-customer facing activities.

Description of Deliverables in 2003/04

Continue to:

- Provide a safe train service with risks As Low As Reasonably Practicable (ALARP).
- Staff trains with competent operators, and ensuring efficient duty rosters are in operation and the supply of staff is optimised to meet demand.
- Provide a competent signalling and service control function, including the operation of a network control centre and a power control room.
- Plan and control access to the railway for maintenance and improvement work.
- Provide timetables and control services for a regular and reliable train service to reduce platform congestion.

Key improvements:

- Delivery of Robust Competence Assurance Regime.
- Work to reduce both Signals Passed at Danger (SPAD's) and incidents at the Platform Train Interface (PTI).
- Improvements under the Reliability Work Programme.
- Implementation of improved Working Train Timetables on various lines.

Indicators of Success for 2003/04

Achieve the following targets:

- At least 93.8% of scheduled services operated
- No more than 3.8% of peak hour trains cancelled.
- Excess journey time (unweighted and including Stations contribution) of 3.36 minutes
- A CSS score for reliability – journey/wait time score of 79 out of 100
- A CSS score for train crowding of 69/100

(131) CUSTOMER SERVICES (STATIONS)

Activity Description

Customer Service (Stations) is the Activity of managing our stations in the form of selling tickets, providing staff on station platforms, providing information and reassurance to customers. The Customer Service (Stations) Activity is broken into three Components incorporating **Station Operations** which covers customer service delivery in the day-to-day operations of stations, **Police** which covers policing of LUL's network and **Operations Support** which relates to other stations functions from managing customer services centres to staff rostering.

Description of Deliverables in 2003/04

Continue to:

- Provide a safe environment with risks ALARP.
- Provide customer service through ticket transactions (including measures to reduce ticket office queues), customer information and assurance/support.
- Open and maintain for service all our stations to the published schedule.
- Work with LUL partners to provide services such as lifts, escalators, moving walkways and all amenities.
- Plan and manage events and closures.
- Manage station congestion.
- Maintain security awareness, security training and patrols.

Key Improvements:

- Completing the programme for improving Customer Service Delivery.
- Prepare for the implementation of Smartcards, including the help desk.
- With Customer Services (Trains), deliver reliability initiatives and others around improving real time information for customers.
- Develop our 'customer service vision' to drive improvement in customer satisfaction.

Indicators of Success for 2003/04

Achieve the following targets:

- CSS for personal safety and security of 79/100.
- Excess journey time (unweighted and including Trains contribution) of 3.36 minutes

(132) CONTRACTS PFI

Activity Description

The Contracts PFI Activity manages Private Finance Initiative (“PFI”) Contracts between LUL and external entities, addressing four specific aspects of LUL operations. These are **Prestige** (revenue collection), **Power**, **Connect** (communication systems) and British Transport Police (**BTP**) accommodation. The objectives of the Contracts are as follows:

- Prestige – Provide an integrated revenue collection service.
- Power – Provide the operation, maintenance and renewal of the Underground power network.
- Connect – Providing a new integrated digital radio communications system across the Underground network, including provision of transmission services and capacity.
- Police – Provision of new police stations and upgrade and management of existing facilities.

Description of Deliverables in 2003/04

- Continue the effective management of the PFI contracts to ensure they are financially efficient and meet contractual milestones.
- Deliver Smartcard functionality.
- Occupation of police station at Tottenham Court Road and continue to upgrade existing police station facilities to modern standards.
- Continued decommissioning of Lots Road Power Station.

Indicators of Success for 2003/04

- Introduce Smartcard functionality.
- Occupation of police station at Tottenham Court Road by the end of the financial year.

(133) INFRASTRUCTURE SERVICE CHARGE (ISC)

Activity Description

The ISC is the payment from LUL to Metronet and Tube Lines for the maintenance and improvement of the Underground network under the Public Private Partnership (“PPP”) contracts. The objective of PPP Contract Management is to help extract maximum benefit for LUL over the whole life of the PPP through a long-term relationship with each Infraco which seeks to exploit the strengths of both parties to realise genuine opportunities, but remains commercially astute. Over the life of the contracts, most of the network will receive a substantial programme of station refurbishment or modernisation and significant upgrade of train systems, coupled with improved routine and preventative maintenance. Together these will deliver a better environment, a more reliable service and shorter journey times. This Activity is made up of 1) Bakerloo, Central, Victoria lines (**BCV**), 2) Sub Surface lines, including East London Line (**SSL**) and 3) Jubilee, Northern, Piccadilly lines (**JNP**).

Description of Deliverables in 2003/04

- Improve financial efficiency by beginning to redress the legacy of under-investment and uncertainty caused by variability in funding.

Indicators of Success for 2003/04

- The PPP will result in improvements to several measures, which have been taken into account in the targets set. Many of the Customer Services (Trains and Stations) indicators depend on reliable assets for their achievement. Therefore the indicators of success of the PPP will be seen in these measures. In addition performance measures such as Asset Health will be influenced by the PPP.
- With our Infracore partners we are in the process of completing a list of projects/deliverables over the first two years of the PPP. These will be used for communication purposes and to illustrate that work is going on now and contributes to achievement of performance targets.

(134) HEATHROW TERMINAL 5 EXTENSION AND STATION

Activity Description

This Activity covers the extension of the Piccadilly Line via twin bored tunnels to serve a new station at the planned Heathrow Terminal 5. It is expected that the Terminal 5 project will enable Heathrow Airport to handle at least 80 million air passengers a year by 2016.

Description of Deliverables in 2003/04

- The key deliverables during the year 2003/04 are reaching commercial close with British Airports Authority (BAA), and obtaining contract signature by working in partnership with BAA to reach an agreement that is both commercially acceptable and deliverable, and meets LUL's business requirements.
- Achieve LUL Board Sub-Committee approval of the final agreement.
- Achieve contract signature of the agreement with BAA.
- Execution of variations to the Power and Connect PFI contracts, and a specified right with Tube Lines under the JNP PPP contract, to support delivery of key assets for Piccadilly Line extension to Heathrow Terminal 5.

Indicators of Success in 2003/04

- Achieving planned deliverables set out above by the end of the financial year.

(135) EAST LONDON LINE EXTENSION

Activity Description

The East London Line ("ELL") extension will integrate the existing LUL ELL with the national rail network. This Activity covers a proposal of four trains per hour from: West Croydon to Highbury and Islington; Crystal Palace to Highbury and Islington; Clapham Junction to Dalston; New Cross to Dalston. New Stations will be provided Dalston, Haggerston, Hoxton, Shoreditch High St and Surrey Canal Road. The scheme is being promoted and funded by the Strategic Rail Authority with TfL and LUL working in support constructing the Northern extension and making the necessary property acquisitions. The scheme will improve accessibility to Hackney, Lambeth, Lewisham, Southwark, Wandsworth and Docklands; promote Orbital rail services; provide congestion relief on radial road routes; integrate the National Rail Network with LUL and bus/light rail; provide additional capacity and maximise use of a key East London river crossing.

Description of Deliverables in 2003/04

The Activity and the following deliverables are subject to judicial review:

- Continue Northern extension enabling works progressed by LUL.

- Continue Northern extension property acquisition for the future implementation and operation of the line.
- Demolish part of the Bishopsgate Goods Yard.

Indicators of Success in 2003/04

- Part of the Bishopsgate Goods Yard demolished subject to judicial review.
- Phase 1 of enabling works completed by the end of the financial year.
- Phase 2/3 of the enabling works initiated subject to SRA's agreement to proceed.

(136) CTRL AT KINGS CROSS

Activity Description

The Activity relates to work to increase the capacity of LUL's King's Cross St Pancras station in conjunction with the new Channel Tunnel Rail Link ("CTRL") terminal at St Pancras. As one of the largest rail interchange projects in Europe the redevelopment will link the new Channel Tunnel rail terminal to an expanded LU station. The project will connect the Metropolitan, Circle and Hammersmith & City lines with the Northern, Victoria and Piccadilly lines, by expanding the existing ticket hall, providing two new ticket halls together with new access routeways to all platforms. Work to the ticket halls is expected to continue until the end of 2006, to coincide with the completion of the Channel Tunnel Rail Link into St Pancras station in 2007. There is a joint LUL/DfT project team with Metronet Rail SSL Limited carrying out the works. The DfT reimburses LUL as expenditure is incurred.

Description of Deliverables in 2003/04

- Continuation of implementation and construction of the scheme.
- Continue safe operations of the stations whilst construction is underway.
- Keep two lanes operating in each direction along the Euston Road as agreed with TfL Street Management (previously the Highways Agency).
- A key deliverable in the Development Agreement is access across St Pancras station forecourt for Rail Link Engineering (RLE) to commence work in St Pancras.

Indicators of Success in 2003/04

- Access for RLE across the forecourt of St Pancras station by August 2003.
- Hand back the forecourt to RLE by November 2003.
- Install a "Quick Bridge" along east bound carriageway of Euston Road for September 2003.
- Complete civil element of new eastern pedestrian subway by December 2003.
- Complete piling for Northern Ticket Hall by September 2003.

(137) TIMIS

Activity Description

This Activity covers improvements in train service reliability, which will be enabled through the provision of a Train Information and Management Identification System (TIMIS). By providing real time train and crew identification, routing and service performance information on the Subsurface, Piccadilly, Victoria and Bakerloo lines, TIMIS will enable a faster response to incidents and disruptions to the train service and a quicker recovery to the scheduled service.

Description of Deliverables in 2003/04

- Preliminary design review and Pilot Site under development.

Indicators of Success in 2003/04

- Implementation is kept to programme.

(138) WHITE CITY DEVELOPMENT

Activity Description

This Activity seeks to facilitate the development of land at White City and the provision of improved public transport to serve the site. The Activity will provide new Central line sidings at White City, improvements to Shepherd's Bush (Central line) station and a new station at Wood Lane (Hammersmith and City) (externally funded). Additionally, it will cover the installation of Shepherd's Bush Mobility Impaired Person lift and the creation of a secondary means of escape (LUL funded).

Description of Deliverables in 2003/04

- Continuation of the works on site to build the 1.3 million square feet regional shopping centre constructed on LUL property and ultimately the new Central line sidings, new stations on the Hammersmith & City and West London lines and reconstruction of Shepherd's Bush (Central line) station.
- The developer (Chelsfield) starts advanced substantiation works on the development in July 2003.

Indicators of Success in 2003/04

- Successful progression of the planning application for the new Hammersmith & City line station by the end of the financial year.

(139) WEMBLEY PARK

Activity Description

This Activity covers planning work for the redevelopment of Wembley Park station in conjunction with the proposed new National Stadium at Wembley. The station redevelopment will provide increased station capacity and step free access from street to platform level at Wembley Park.

Description of Deliverables in 2003/04

- Review of the two potential options for increasing the station's capacity (in advance of the opening of the National Stadium).
- Review of Infraco response to requirements statement.
- Funding should be sought during April 2003.

Indicators of Success in 2003/04

- Station design option chosen.
- Funding approved and costs agreed with Infraco.

Contribution to Social Inclusion

Mainstream service with inclusive design and delivery standards, including:

- Step free access.

- Linked to the new Wembley Stadium, which is expected to contribute to economic growth in the surrounding area.

(140) STATION PROJECTS

Activity Description

This Activity covers station projects that relieve congestion, provide step free access, obtain benefits from property developments affecting LUL stations and improve station operations. Accessibility programmes directly invest in social inclusion improvements by removing known barriers and providing step free access between street and platform at a core network of stations, thereby contributing to the creation of a core accessible network. The Components currently within this Activity are:

- **Camden Town Station Upgrade**
- **Tottenham Court Road Station Upgrade**
- **Euston Masterplan**
- **Victoria Transport Interchange**
- **Covent Garden**
- **Finsbury Park Station Masterplan**
- **Accessibility Projects**
- **Congestion Relief Projects Design**
- **Developer Led schemes**

Description of Deliverables in 2003/04

- Camden Town Station Upgrade: design work to Royal Institute of British Architects (RIBA) Stage D; Transport & Works Act (TWA) public inquiry held; gain compulsory purchase powers.
- Tottenham Court Road Station Upgrade: design work to RIBA Stage D.
- Euston Masterplan: commencement of platform access design work to RIBA Stage D.
- Victoria Transport Interchange: TfL to submit proposal to the Greater London Authority (GLA).
- Covent Garden: commence detailed design work for short term scheme.
- Finsbury Park Station Masterplan: review proposed master plan scheme, determine way forward, issue requirements statement for the next stage of the design development process and submit to Tube Lines for pricing.
- Accessibility Projects: development of designs for Manor House and West Hampstead.
- Other Congestion Relief Projects: design and feasibility studies.
- Developer Led schemes: design and feasibility studies; Holloway Road – subject to decision to proceed by Arsenal Football Club.

Indicators of Success for 2003/04

- The above deliverables are executed/completed by the end of the financial year.

(141) SAFETY & SECURITY INITIATIVES

Activity Description

- This Activity covers the development and implementation of safety and security initiatives to ensure LUL safety risk is ALARP.

Description of Deliverables in 2003/04

- Fire precaution works: work plan to be identified from Infraco Fire Risk Assessments. Any work required that is outside scope of PPP contract is likely to be synchronised with the station refurbishment and modernisation programme.
- Permanent speed restriction signage: continuation of implementation of remedial measures at 117 high priority safety related sites.
- Improvement of critical operational communication systems: It is planned that the BTP Management Information Communications Centre (MICC) and LUL Network Control Centre (NCC) will see the benefits of this project from next year up to 2009 when completion is expected.
- Reducing number of signals passed at danger: continued implementation of project to re-position signals to reduce risk of SPAD incidents (and improve train service reliability).
- Implement initiatives to minimise risk for customers at the platform-train interface and for staff working on the track.

Indicators of Success in 2003/04

- The above deliverables are executed/completed by the end of the financial year.
- Maintenance of safety levels at ALARP.
- Keep the total number of major injuries and fatalities below 133 per annum

(142) OTHER TRAINS AND RELIABILITY INITIATIVES

Activity Description

This Activity covers the development of, and support for, future train service improvements such as line upgrades, train refurbishment and extending the TRACKER system to provide station staff with information on train movements in graphical form. The Activity also covers the provision of alternative transport for customers during the planned closures that inevitably result from the access requirements to make infrastructure improvements.

Description of Deliverables in 2003/04

- Support for PPP investment and further reliability improvements.
- Replacement bus services provided during planned closures to minimise journey time disruption to customers.
- Extension of the TRACKER system to parts of the District, Piccadilly, Hammersmith & City and Circle lines.

Indicators of Success in 2003/04

- The above deliverables are executed/completed by the end of the financial year.

(143) POWER (UIP FUNDED)

Activity Description

This Activity covers power supply works (over and above those provided under the Power PFI Component) in relation to communications equipment improvements and PPP delivered infrastructure improvements.

Description of Deliverables in 2003/04

- System wide power infrastructure upgrade to meet the load demands of the communications equipment being installed under the Connect PFI.

- Construction of a number of new station transformer rooms delivery of power via the Regional Electricity Company (REC) and establishment of a team to negotiate an amendment to the existing Power Services Contract (PSC).

Indicators of Success in 2003/04

- Non-traction power supplies for works including escalator Direct Current to Alternating Current conversion, point heaters, Mobility Impaired Person (MIP) lifts, signalling supplies, control centres and negotiating amendment to the PSC.

(144) CONNECT (UIP FUNDED)

Activity Description

This Activity relates to enabling works for communications equipment improvements (Connect PFI Component) and Connect works to enable PPP investment deliverables to be used. This is a LUL obligation under the PPP Contract.

Description of Deliverables in 2003/04

- Connect Enabling works for PPP investment projects.
- Temporary re-location of radio and leaky feeder cable for the PPP station modernisation programme.

Indicators of Success in 2003/04

- Work completed to timescales of PPP station modernisation and refurbishment programme.

(145) REVENUE & TICKETING INITIATIVES

Activity Description

This Activity relates to measures to support and improve ticket selling and ticketing systems, such as exploiting the technology of Smartcard, credit / debit card fraud prevention and further installation of ticket gates and support for the provision of commercial facilities which enhance the customers journey. In addition the Activity covers the temporary removal of ticket line gates for PPP works. This Activity also contributes to social inclusion improvements through freedom passes and discounted travel for eligible persons (eg. elderly and disabled).

Description of Deliverables in 2003/04

- Continue to roll out improved LUL ticketing equipment for credit / debit card fraud prevention, through making the equipment Chip and PIN compliant.
- Development of Smartcard billing engine.
- Temporary removal of ticket line gates for Station refurbishments, modernisation, escalator replacements and accessibility projects.

Indicators of Success in 2003/04

- Chip and PIN roll out throughout the financial year.
- Work completed to timescales of PPP station modernisation and refurbishment programme.

(146) BUSINESS SUPPORT INITIATIVES

Activity Description

This Activity covers facilities, information management and technology, business systems improvements and strategies, including the Business Improvement Programme ("BIP") and Electronic Document Management System ("EDMS").

Description of Deliverables in 2003/04

- Accommodation strategy includes property accommodation renewals, maintenance and operational staff accommodation upgrades.
- Implement BIP.

Indicators of Success in 2003/04

- Train Staff accommodation at 4 sites, including reconfiguration of existing buildings at Earls Court and West Ruslip, new building at Seven Sisters and refurbishment of existing office space at Queens Park.
- BIP implemented according to programme.

(147) OTHER NETWORK EXTENSIONS

Activity Description

This activity relates to Thameslink 2000, Crossrail and the Croxley link to Watford Junction. These projects will provide additional network and station capacity, improved interchange between LUL and National Rail, a new LU service to Watford Junction and step free access at Crossrail and Thameslink interchanges (Farringdon, Blackfriars).

Description of Deliverables in 2003/04

- Monitor and mitigate issues and impact of Thameslink 2000 and CrossRail projects on LUL network, operations and plans.
- Secure TfL support to jointly promote with Hertfordshire County Council a Transport & Works Act (TWA) order for the Croxley Rail link.
- Negotiate Thameslink 2000 project agreement with Network Rail.
- Negotiate and agree Crossrail cost recovery agreement with Cross London Rail Links (CLRL).

Indicators of Success in 2003/04

- Promotion of the TWA Order for Croxley Rail Link initiated.
- Crossrail and Thameslink 2000 schemes developed taking LUL requirements into account.
- Crossrail cost recovery letter agreed.
- Thameslink 2000 Project Agreement agreed.

(149) CENTRAL SERVICES

Activity Description

The Central Services Activity supports the core business of Customer Service (Trains and Stations) in LUL. Additionally, Central Services support the initiatives and programs of LUL, such as PPP and PFI obligations. The Activity includes Procurement, Finance, HR, Facilities, Marketing & Planning, Communications, IS/IT, Chief Engineer, Safety and Legal.

Description of Deliverables in 2003/04

- The efficient and complete execution of the management, administration, Procurement, HR, Facilities, Marketing & Planning, Communications, Chief Engineering, Safety, Legal, IS/IT and Finance functions.

Indicators of Success in 2003/04

- The targets of the core business of Customer Services (Trains and Stations) will be indirectly impacted by Central Services. Therefore, the measures of success are reflected in the targets set for LUL.
- Implement re-organisation on integration with TfL.

(150) TRANSITION & SPECIAL PROJECTS**Activity Description**

Transition and Special Projects are those projects that commenced prior to the start of the PPP, which LUL requires Metronet and Tube Lines to complete. They include some congestion relief and modernisation works at selected stations, safety improvements to trains and a programme of improvement works to the Jubilee line. All amounts budgeted and planned for this Activity are subject to final negotiations with Metronet and Tube Lines.

Description of Deliverables in 2003/04

Continue with the following:

- Congestion relief/accessibility improvements (e.g. Leicester Square)
- Strengthening Jubilee Line Design Phase 2
- Jubilee Line signalling improvements
- Bromley-by-Bow Strengthening Bridge
- Euston Square Aldgate: Centralised Control
- Station Design work (e.g. Buckhurst Hill)

Indicators of Success in 2003/04

- Progress will be made towards the above deliverables.

TRANSPORT FOR LONDON

TfL BOARD

SUBJECT: TfL BUSINESS PLAN 2004/05 – 2009/10

MEETING DATE: 29 OCTOBER 2003

1. INTRODUCTION

- 1.1. Following the TfL Board Awayday on 12 September and the private Board Briefing on 20 October, the Business Plan has been updated for issues raised and comments made.
- 1.2. The TfL Business Plan will form the basis of the Budget submission to the Mayor and the GLA to be made on 10 November. The Budget will become part of the Mayor's consolidated Budget, which will be the subject of consultation, and then be considered by the GLA Assembly and a final Budget approved in February. TfL's proposals will then be updated to reflect the GLA Budget decisions, and be presented to the March Board cycle for approval of the final 2003/04 Budget.

2. BACKGROUND

- 2.1. The following have been the key changes since the private briefing on 20 October:
 - Table 1 of Part 2, TfL Summary Business Plan, which summarises the overall financial position has been amended to reflect the impact of income at each stage of the build up of TfL's programmes
 - More emphasis has been made in section 1.2 of Part 1 of the document that if major improvements in transport are to be made in the near future, then it can only be in buses
 - Word changes as proposed by Board members
 - At the end of section 1.3, it is now emphasised that, within the Government agreement for the transfer of London Underground, London Underground fares would not rise above inflation
 - Mention has been made of possible financing options such as 'Prudential Borrowing' in Part 1, section 1.4. In addition, section 14 in Part 2 has been made more generic
- 2.2. In addition the Capital and Operating Plans which support the main Business Plan are attached. These layout the details of the activities, programmes and projects that TfL wish to undertake. Since much of the expenditure is carried out via PFI, PPP and contract arrangements, an attempt has been made to allocate each year's payments between operating and capital expenditure based upon the contract/funding models which support such regimes. Work is under way to determine for each year the value of the physical work that will be put into the ground.

3. RECOMMENDATIONS

The TfL Board is asked to:

- **Approve** the TfL Business Plan 2004/05 – 2009/10 and to delegate its finalisation to the Managing Director, Finance and Planning for submission to the GLA
- **Note** that the final 2003/04 Budget will be presented for approval by the TfL Board in March, following the outcome of the GLA Budget process

Richard Browning,
Director, Group Business Planning and Performance



The TfL business plan 2004/5–2009/10
to sustain London's growth
and prosperity for the

21st century

Proposal to the board 22/10/03



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Part 1: The TfL Transport Plan to sustain London's growth and prosperity

1 INTRODUCTION – TRANSPORT FOR A GROWING CITY

The Government's 2004 Spending Review will determine the quality of London's transport system for many years to come. A step change in investment in London's transport network is necessary to accommodate the city's growth and maintain its large and essential contribution to the UK economy. If this is done, then London will be a place in which people and businesses want to be. Without this increased investment London's transport system will deteriorate – damaging the capital's international competitiveness and reducing its contribution to the UK economy.

Since 1989 London has been the most rapidly growing major city in Europe, adding population of half a million in the last 15 years – equivalent to a city the size of Sheffield. This growth is deeply rooted in long-term trends in the UK and global economy – particularly the location in London of one of the most internationally competitive business and financial service sectors in the world.

The Greater London Authority and the Government agree that London's growth is set to continue. London's population is projected to increase by at least 700,000 over the next 15 years, as set out in the London Plan.¹ Over the same period employment in London is projected to increase by 636,000.² The latest Office for National Statistics population data suggests that London's population growth is likely to exceed the London Plan projections.

London's unique international competitiveness in the global economy is of immense benefit to the entire UK economy. The driver of London's growth is the financial and business services sector, which has created 600,000 jobs in the last 30 years.

While London has just 12 per cent of the UK's population, it accounts for 18 per cent of the UK's total output. In addition the Government Strategy Unit's analysis is that productivity in London is 25 per cent higher than the UK average.³

London is home to more corporate head offices of Fortune 500 global firms than any other European city. The UK capital competes with Paris, Frankfurt and New York for major businesses rather than against the UK's other major cities. If London's cost base is allowed to rise due to insufficient investment in the city's public and private infrastructure, businesses will relocate not to other UK cities, but to the UK's international competitors.

¹ "The Draft London Plan: Draft Spatial Development Strategy for Greater London," Greater London Authority, June 2002, p. 17, paragraph 1A.14.

² Draft London Plan, p. 23, paragraph 1A. 27.

³ "London Analytical Report," No. 10 Strategy Unit, July 2003, p. 5.

It is estimated that London makes a net contribution of £10-20 billion a year to the national exchequer.⁴ Moreover, 4 million jobs outside London depend on the London economy and its spending power.⁵ Effectively, London's dynamic and internationally competitive economy aids the entire UK.

It is therefore vital to the prosperity of the entire country that London's competitiveness and growth be sustained.

1.1 Cost pressures on London

The main threats to London's growth, and its contribution to the UK economy, are rising cost pressures due to a prolonged failure to invest sufficiently in the city's infrastructure and public services in the context of population and employment growth.

London's office accommodation is among the most expensive in the world. Housing costs in London are nearly double the national average. London has the most acute traffic congestion in the UK, and severe over-crowding on the Underground and rail networks, which have deteriorated due to decades of insufficient investment. This rising cost base puts pressure on the labour market as the costs of living in London far outstrip the rest of the country, and on the competitiveness of companies subject to a unique degree of international competition.

Investment in transport plays a central role in reducing these cost pressures. Without adequate transport links the competitiveness of the city's central business district cannot be sustained. Without adequate transport capacity, the development of the new office and housing locations necessary to accommodate growth would be limited.

1.2 Achievements since 2000

Since 2000, the Greater London Authority and the Government have started to address the historic backlog of investment in London. In line with a national policy decision to begin to address the crisis in the UK transport system, the 2000 Spending Review virtually doubled transport grant to London.

The additional funds were used efficiently by Transport for London to start to tackle London's transport crisis by setting policies, and carrying out the investment necessary to maximise the efficiency of those parts of the transport system under TfL's control.

London became the first major city in the world to substantially reduce traffic congestion in the central area following investment in the Congestion Charging Scheme. Fares policy was adapted to incentivise a shift from private cars to public transport, further reducing the rate of increase of congestion. In that fight against congestion and the challenge of meeting rising demand it is buses that offer the most immediate, flexible and cost-effective solutions. Additional services and new routes can be introduced at short notice without the costly investment and time consuming planning and construction that rail, tram and road projects demand.

⁴ "Investing in London: The Case for the Capital," Greater London Authority, 2001.

⁵ "London's importance to the UK regions" (Centre for Economic Business Research for the Canary Wharf Group, January 2003).

Uniquely in the UK, the bus system has started to realise its potential as a large and flexible component of the transport system, as reduced traffic congestion and new investment has increased bus reliability, cleanliness and safety. As a result, London has seen the biggest increase in bus ridership since the Second World War and customer satisfaction is at the highest level ever recorded. This has important economic and social benefits. Given the dependence of lower-income groups on bus services, improved bus services increase the efficiency of the labour market by providing better access to jobs for those on low wages. They also improve access to goods and services for other low-income groups and thereby improve social cohesion. Improvements in the bus service have also significantly enhanced public transport in the outer London boroughs where two-thirds of Londoners live and where four-fifths of bus travel occurs.

The introduction of Oystercard, the first large-scale smartcard ticketing system in the UK, is currently taking place. This is reducing queues at Underground stations and time spent by buses at stops, speeding up bus journeys and allowing the cashless operation of buses from 2005/06. The development of the Transport Policing Unit, expansion of the night bus network and regulation of minicabs is making public transport safer and more efficient and has aided the expansion of the evening and weekend economy.

Despite the continuing growth in journey lengths, the majority of trips in London are still relatively short – with half, less than 2 kilometres. Working closely with London's Boroughs, TfL has invested extensively in a range of measures to improve the quality, safety and accessibility of the local travelling environment. These investments include town centre improvements, improved accessibility to bus stops, traffic calming and safer routes to school. These benefit trips made within local areas and link trips to public transport services. Significant improvements are being made in the provision of transport information, including a website Journey Planner, local area transport maps, and improved information on traffic disruption. These all assist travellers in choosing the best transport options in an integrated transport system.

Alongside these significant achievements in maximising the efficiency of London's existing transport system, the basis has been firmly laid to meet Government targets to restore the system to a state of good repair and for the expansion without which services will sharply deteriorate in the context of rising population and employment. A series of projects to expand transport capacity and provide the access necessary to expand employment and housing has been developed. The largest of these is Crossrail, which, if constructed, will become the transport backbone of London's financial and business services district and the precondition for its continued expansion into Docklands. Other projects include: Extensions to the Docklands Light Railway, Thames river crossings to open up the potential of the Thames Gateway to accommodate rising demand for housing and jobs, tram projects in West and South London to prevent outer London traffic congestion undermining economic growth, and the continued expansion of the bus network to meet rising demand. Another key project, on which work has now begun, is the East London Line extension, which is being taken forward by the Strategic Rail Authority, working with TfL.

While the major projects are key to increasing capacity in the long-term, in the short and medium terms whilst they are being developed, the bus will need to play an increasing role in meeting London's growing travel needs.

1.3 Transfer of London Underground to TfL

Following agreement with the Secretary of State, London Underground was transferred to TfL on 15 July 2003. As a result, TfL now has stewardship of the immense, and long overdue, project to rehabilitate the Underground through the PPP contracts. A strengthened management team has now been put in place by TfL to manage both the operation of the Underground services, and the PPP contracts.

Clearly, managing the PPP programmes will bring with it a large number of new and significant challenges. At the time the transfer was agreed in February this year, Government recognised that there were substantial risks and financial uncertainties. The agreement reached with the Secretary of State set out the circumstances in which the level of Government transport grant for LU would be reviewed and adjusted in the future. This was agreed to ensure that the programme of service and infrastructure improvements agreed by Government can be implemented to deliver better services for Londoners, and increase capacity for London's growth. It was further agreed that Underground fares would not rise above inflation.

1.4 Spending Review 2004

In the 2004 Spending Review, the Mayor of London and TfL are proposing a partnership to central Government, to expand transport investment in London to meet Government targets to restore the system to a state of good repair, and accommodate the agreed projections of the city's growth. TfL's record to date demonstrates that funding will be used efficiently and productively. The first step should be restoration of the reduction of nearly £200m in Government transport grant (excluding the Underground) currently indicated for the year 2005/06, followed by the necessary new investment to get the most out of existing transport assets including renewing the Underground, and expansion to accommodate London's growth.

Whatever the outcome of the spending review, TfL will, of course, continue to maintain a balanced budget. But if the new investment necessary to maximise the efficiency of the existing network and accommodate London's growth does not take place, the capital will experience a deterioration of its transport system, harming the international competitiveness and growth of the most productive region of the UK. Inadequate transport provision will limit office development, job creation, housing provision and efficiency of the labour market – reducing economic growth and increasing social exclusion.

Discussions with Government will be needed to agree how to employ the greater financial flexibility at Local Authority level under the new 'Prudential Code' borrowing mechanism, alongside the usual grant funding arrangements, to enable capital works to commence earlier than might otherwise be the case.

Failure to meet transport demand and deploy the necessary investment outlined in this plan would see a system that will quickly become unable to cope. Increased overcrowding will create a vicious circle of longer dwell times at Underground stations and bus stops, further reducing capacity. Bus capacity will be inadequate, and reliability will be undermined by overcrowding and increasingly acute traffic congestion. The inadequacy on each mode will add to the pressures on the Underground, rail and bus networks. And London's international competitiveness will be damaged by rising office rents and the impact of rising house prices on the labour market due to a failure to provide the transport access necessary for new areas of office and housing development. The unpredictability of journeys means decision-makers won't want to persevere with London.

By taking the opportunity for London and Government to work together to plan and invest for London's growth now, that vicious circle can be avoided and London's prosperity and contribution to the entire UK economy sustained.

2 THE PRESSURE ON TRANSPORT IN LONDON

Like other world cities of comparable size and economic development, London's economic efficiency and the quality of life for its residents and commuters are totally dependent on a dense and extensive public transport network. The sheer numbers, more than a million a day in the peak, who travel to work in the centre of London require an integrated network of rail and Underground and bus links to reach their jobs. Each day more Londoners access their jobs by public transport than the total for the North East, the North West, the East and West Midlands, and Scotland and Wales combined.

Three million passengers use the Underground each day – a similar number to the entire national rail network. London's buses carry 5.4 million passengers a day, a third of all bus passengers in England and Wales. The Docklands Light Railway will carry 51 million passengers this year, making it substantially busier than any other light rail or tram system in the country. There are 11 million car/motorcycle trips and over 9.5 million walking or cycling trips per day in London.

London's prosperity is critically dependent on sustaining and improving the efficiency of its transport network, maintaining the roads and managing traffic congestion and expanding the system to meet increased demand.

London is also the leading transport hub for the UK. About 50% of tourists visiting the UK pass through London and 70% of national rail journeys begin or end in the capital. The performance of London's transport network therefore has a direct impact on the overall effectiveness of national transport operations.

In the period of the next Government spending review and thereafter, transport demand across London will grow significantly. Underground journeys are expected to rise from 940 million in 2003/04 to more than one billion in 2009/10.

Bus journeys are set to increase from 1.6 billion this year to over 2 billion in 2009/10 and DLR journeys are expected to more than double, to 109 million in 2009/10.

Looking further ahead to 2016 – and that is vital given the time necessary to construct new transport infrastructure – journeys across all modes of public transport are expected to increase by 2 million trips a day. That will mean 39 per cent more passenger kilometres in the morning peak on rail and Underground, and 31 per cent more on buses.

Planning work for projects adding to transport capacity is largely complete. The critical next step for the health of the London economy is Government commitment to new investment to deliver these vital projects, over the next three years and out to 2016.

TfL will therefore be seeking in the 2004 Spending Review an increase in Government grant to achieve the following objectives:

- Sustain existing transport provision, taking account of cost pressures
- Bring London's existing transport assets to a state of good repair to maximise their efficiency, and in particular renewing the Underground
- Cater for the increase in demand over the next three years and thereafter by expanding existing provision
- Commit to the investment programme necessary to expand London's transport system to accommodate the projected increases in population, employment and housing through to 2016

3 LONDON'S GROWTH AND THE UK

If London's growth is to be accommodated in an economically efficient and sustainable way, it must optimise use of its available land space, which requires taking advantage of the significant development opportunities in the east of the capital. London's Government and central Government have identified the Thames Gateway as a key area for expansion. That development cannot take place without investment in the necessary transport infrastructure to make it viable.

At the same time, across outer London – where two thirds of Londoners live – traffic congestion is rising rapidly and alleviating this will require a continuous improvement in public transport provision, particularly serving town centres.

The most rapidly growing parts of London's economy are the creative industries and services such as leisure facilities and the retail sector. While some of these are clustered in areas like the West End, they are growing in town centres across London and with them an increasingly dynamic evening and weekend economy as well as that in the day time – contributing to London's economic prosperity and the quality of life of Londoners and visitors to the capital. Tourism contributes £9bn a year to the London economy. The health of these growing parts of London's economy is critically dependent upon expanding evening and weekend transport provision to accommodate shopping and leisure trips as well as the travel of those working in these sectors.

That requires expansion of the 24 hour bus network, the regulation of the minicab trade and measures to improve personal safety and security when travelling at night. Tourism also requires the creation and maintenance of safe and attractive streets and public spaces. TfL is working closely with the Boroughs to improve the quality and safety of town centres and London's public realm.

The Government Strategy Unit's 'London Analytical report', July 2003, identified a number of factors which will be critical for London's development. They included ensuring the right level and mix of workforce skills, and that growth is not constrained by shortages of housing. In addition, adequate transport provision is needed to reduce overcrowding and congestion and provide access to new jobs, housing, schools, colleges, universities, hospitals and public services.

It is clear from its own analysis that central Government understands the role transport must play in order to safeguard the prosperity of a capital that faces ever increasing levels of demand. Sustaining London's economic growth and the international competitiveness of its core economic sectors requires planning for the expansion of the city's transport capacity. It requires a higher level of investment to improve existing services and a strategic approach to planning the increase in capacity over the medium and longer term to accommodate the agreed projections of London's growth.

4 SOCIAL INCLUSION AND EQUALITY IN LONDON – THE ROLE OF PUBLIC TRANSPORT

Equality and inclusion is a vital part of the transport agenda in London. Transport for London is committed to tackling basic issues of accessibility, of security and safety and promoting equal access to public transport. That means identifying the specific needs of particular communities, women, older people, disabled people, children, black and minority ethnic groups, lesbian and gay people and faith groups. In this way TfL meets its responsibility to assist all Londoners in being able to contribute their energy and talents to the prosperity of the city. Funding must therefore take account of these needs.

Alongside great wealth, London is also home to 13 of the 20 most deprived wards in the UK. Forty three per cent of children in inner London are living in poverty. London has the second highest unemployment rate in England, with unemployment for black and minority ethnic groups who make up nearly a third of London's population running at more than double the national average.

Transport provision, alongside education, training and affordable childcare must play a central role in allowing London's economy to draw upon the talents of all Londoners and in making the areas of maximum job creation accessible to the more deprived areas of the capital. New river crossings in east London, DLR extensions to Woolwich and Barking Reach, and the East London Line extension, for example, will be vital to enabling residents of South, South East, and North East London to access areas of high job creation in the City and Docklands.

Bus usage is higher amongst Londoners in the most low-income groups in society and bus improvements therefore particularly benefit these groups. This evidence of take-up by lower income groups is important, since initiatives to increase social inclusion often do not achieve high levels of participation.

Transport provision is equally vital in addressing the single most important cause of the high cost of living in the capital – the shortage of affordable housing – because without new transport links housing development in key areas of the capital will be capped.

Public transport's role in improving mobility and opportunity is currently limited for some Londoners by fears about personal safety and security. This is a critical concern for women, for example, and Transport for London is committed to increasing visible policing, improving lighting, CCTV, licensing minicabs and other measures to meet the concerns of London's women about using public transport. TfL is also investing in Borough schemes to tackle personal security problems on local streets and in town centres.

Similarly, TfL is steadily improving the accessibility of the public transport network to meet the needs of disabled people, people with mobility problems, older people and people with very young children. This requires significant funding but is vital to improve the quality of life of Londoners and draw on all of the talents available in the capital. TfL is also investing in improving the accessibility of streets, both on our own roads and on Borough roads, by removing obstacles and improving the quality of pedestrian crossing facilities for people with disabilities.

The Mayor's fares policy supports these objectives of social inclusion and, in particular, is designed to assist families with children at school and encourage young people to stay in full time education to acquire the high level skills required by the most internationally competitive and highest paid sectors of the London economy.

Tackling inequality and social exclusion requires purposeful investment. TfL is wholeheartedly committed to playing its role in removing divisions within London's diverse population through developing transport policies that will help provide an equal and inclusive future for the generations to come. Poverty, fear of crime, social isolation and lack of access to even the most fundamental goods and services cannot be considered by anyone to be acceptable for a world city in the 21st Century. Public transport can contribute to the reduction of this inequality

5 WHAT HAS BEEN DONE OVER THE LAST THREE YEARS

The improved delivery of public services is a key objective of London's Government and of central Government. Efficiency, value for money, and raised levels of user satisfaction are essential parts of the Transport for London public service success story. Across all modes of transport, TfL can report improvements in service with buses in particular showing a step change in performance that has in turn led to increased demand. Against a background of integrating 15 separate organisations culminating in the merger with the Underground and its 13,000 staff in July this year, TfL has enhanced existing services and delivered increased customer satisfaction.

There are achievements across a number of areas as detailed below.

5.1 Financial Efficiency

TfL is committed to delivering value for money and has ensured that costs, particularly administrative costs, are minimised. In integrating its predecessor organisations, TfL has taken the opportunity to modernise and streamline its back office business processes. TfL has invested in business technology to improve productivity and has identified opportunities to realise economies of scale in its administrative and tendering processes. As a result of these initiatives, TfL has identified more than £20m in efficiency savings this year, and has plans in place to deliver a total of some £400m in efficiency savings over the 6-year Business Plan, or up to £70m per annum during the 2004 Spending Review period. In addition, TfL will achieve some £30m savings per annum through operational efficiencies, such as the implementation of cashless buses.

5.2 Congestion Charging

The introduction of Congestion Charging on time and to plan – with its key objective being reducing traffic congestion in and around central London – has proved a major success.

The scheme has resulted in reductions during the charging day in traffic entering the zone of around 20%, and in traffic delays within the zone of around 30%. This brings benefits to all road users. In particular, bus services have grown more reliable, with disruption levels to bus services in and around the charging zone, and on the charging zone boundary falling by 50%, and the impact of unreliability on passenger average wait times for routes into the zone has been reduced by a third.

5.3 Buses

Bus usage is growing at its fastest rate since 1945, and TfL has already delivered a wide range of major improvements in the bus service for Londoners range of measures, such as usage, reliability and customer satisfaction. Productivity of London's bus services is increasing, with a 15% increase in average passengers per bus over the last three years. London bus occupancy is now twice the level of other English metropolitan areas.

TfL research shows that now only 21% of Londoners do not use buses, down 8% on three years ago. Over half of those who have increased bus usage say that bus improvements are a reason for doing this. Overall bus satisfaction ratings have been steadily improving, and are now at the highest levels ever recorded.

These improvements in London's buses are making a decisive contribution to delivering better public transport provision in outer London, and to reducing pressure on radial Underground and national rail routes into the central area. Buses contribute to London's economic efficiency in two main ways – by providing access to work opportunities for all workers, especially for low income workers, and in helping provide access for consumers to retail and leisure outlets.

London's buses provide real value for money by: improving access to outer London town centres and shopping areas; and increasing number having wheelchair access; reducing congestion on the Underground, national rail, and roads; providing access to and from the Underground and national rail networks; and providing for journeys just using the bus.

5.4 Docklands Light Railway (DLR)

The DLR has seen steady and significant growth both in passenger numbers, up nearly 50% in the past 3 years, and in service levels, up 23% over the same period. Service reliability has also improved from 95.2% of trains running within 3 minutes of schedule in 1999/2000, to 97.1% last year.

5.5 Improving personal security

TfL has delivered significant improvements to the safety and security of bus, taxi and private hire vehicle users. The new Transport Operational Command Unit (TOCU) has seen the development of a key intelligence-led partnership between TfL and the Metropolitan Police, deploying police officers, traffic wardens, police community support officers and civil staff. There is now a dedicated police presence on 26 bus routes on the 20 most highly utilised bus corridors. Phase Two of this initiative is now increasing this police presence, expanding it to cover the rest of the bus network, assisting in dealing with congestion and further enhancing taxi and private hire policing.

More than 2,400 buses have been fitted with cameras. Other measures have included the installation of help points at some bus stations and remote CCTV monitoring at a number of bus stands. Working through programmes such as "Safer Travel at Night", TfL is also investing in schemes to improve the safety of local streets and town centres.

5.6 Improving network integration and supporting local improvements

Creating seamless journeys requires improved integration between private and public transport and between different public transport modes. To achieve this goal, TfL has invested extensively in improving the quality and safety of major transport interchanges. It has also worked closely with the boroughs to develop a London-wide programme of improvements in the local travelling environment. This helps support the large number of trips that take place within local areas. It also improves accessibility to public transport. In addition, TfL is investing to improve the quality and safety of the street environment, both on its own roads and in local schemes in partnership with the Boroughs.

5.7 TfL is helping deliver the Government's transport targets

In virtually all areas that relate to TfL's responsibilities, TfL is either meeting or exceeding the targets in the Government's 10 Year Transport Plan. Given the high proportion of national transport activity within London, in many cases the capital's contribution will be decisive in determining whether national targets are met.

5.7.1 Targets Met

The Plan aims to reduce the proportion of the road network in need of maintenance to a level that minimises long term maintenance expenditure requirements, as well as improving conditions for traffic, by 2010.

TfL has undertaken a substantial review of the asset condition of the major road network in London, working with the boroughs regarding their principal roads, and has developed a programme that, if funded sufficiently to completion, will meet this target.

TfL has made good year-on-year progress in reducing road casualties, including launching a major road safety campaign aimed at young people aged 11-14 in April 2002. The number of people killed and seriously injured on London's roads have fallen from 6,117 in the calendar year 2000 to 5,650 in 2002. This significant fall puts TfL on course to meet the Government's target for a 40% reduction by 2010.

5.7.2 Targets Exceeded

TfL is making the decisive contribution to meeting the national target of increasing bus and light rail usage by 12% in 2010. Bus usage has increased by 20% in London between 1999/00 and 2002/03 – with bus patronage generally stagnant or falling in the rest of the country. On light rail the DLR has achieved nearly a 50% increase in usage over the same period.

There have been improvements in the other areas of bus performance the Government has targeted. The number of buses older than 10 years has fallen by 18% and the average age of the bus fleet is below the Government target of 8 years – with consequent air quality benefits for London which has the most severe air pollution in the country, with areas well above the target limits set by Government's National Air Quality Standards.

The Government would like 50% of the bus fleet to be low floor accessible by 2010. Eighty-two percent of the London bus fleet already meets this criterion.

The Government aims to reduce congestion in large urban areas in England (as well as on the inter-urban trunk road network) below 2000 levels by 2010. London has reduced congestion in the central area by 30% with Congestion Charging.

6 A TRANSPORT PLAN TO SUSTAIN LONDON'S GROWTH AND PROSPERITY

London needs sufficient transport capacity to accommodate rising population, jobs and housing. That extra capacity can only be created by a partnership between London and Central Government. A significant start was made in the 2000 Spending Review. What is required in the 2004 Spending Review is a grant settlement which will enable that progress to be consolidated and, at the same time, lay the basis for the long term increase in capacity necessary for London's growth and prosperity.

As set out in Part 2, much of London's transport network is already running at capacity. In the next three years, demand across all TfL's modes of transport is expected to grow considerably. Failure to meet demand and deploy the necessary investment will see a system that will soon be unable to cope. By 2016, the proportion of crowded links on Underground would increase from 17% to 31% of the network; the bus network would quickly lose reliability, with lower operated mileage.

National rail will make a vital contribution to achieving these targets, above all through the development of Crossrail and other major projects such as the East London Line extension. Crossrail is key to the plan to meet increasing demand within London, providing of the order of 10% additional rail capacity, sufficient to transport 100,000 extra workers into central London, and significantly improving journey times for large numbers of people. It is the most significant single project currently being taken forward in terms of the additional transport capacity it delivers. TfL is part of a joint venture company with the Strategic Rail Authority and supports its construction and assumes that it will be built, opening after the Plan period. Support for those projects is integral to meeting TfL's transport objectives. However, as it is anticipated that their construction will be funded through the Strategic Rail Authority, this falls outside TfL's funding requirements and is not, therefore, dealt with in this Business Plan.

TfL's Business Plan also sets out what can be delivered with only the existing level of Government grant. But this level of funding, as detailed in the plan, is insufficient to protect London's bus network. Rising demand, traffic congestion and deterioration of assets will result in lower mileage, worsening reliability and poorer transport assets. At the existing level of transport grant, worsening congestion on the roads and public transport would increasingly harm London's economy, particularly in central London where the system is at capacity. The expansion of bus provision and schemes to improve public transport in outer London would not take place, and the new projects necessary to expand employment and housing in the Thames Gateway, for example, would not be built.

If fully funded the Business Plan will deliver the transport improvements to:

- Underpin the expansion of the London economy
- Expand public transport in outer London and mitigate the impact of traffic congestion in town centres
- Provide the new transport links required for the expansion of employment and housing development including facilitating development of the Thames Gateway. These new links will also help strengthen the transport infrastructure for London's Olympic bid

The enhancements needed to meet London's transport needs as outlined in this Plan will require an increase in Government grant of £945m in 2005/06; £985m in 2006/07 and £951m in 2007/08.

TfL's expenditure broadly breaks down into six categories:

1. **Essential safety and committed expenditure** (the baseline) – including running the existing network – requires in 2005/06 - £4,815m; in 2006/07 £4,810m; and in 2007/08 - £4,795m.
2. **Restoration of current levels of bus service**, given the need to compensate for increasing resource requirements to run the same level of service as specified in contracts that are now in operation – requires additional funding of £20m 2004/5, £50m in 2005/06, £73m in 2006/07 and £94m in 2007/08.
3. **Ensuring the system runs smoothly** through restoring a state of good repair and other safety works requires provision of an additional £60m in 2004/5, £83m in 2005/06, £88m in 2006/07 and a further £95m in 2007/08. This includes improving road maintenance and implementing the road safety plan.
4. **Expenditure to meet the projected increase in demand for existing services** requires additional funding in £74m in 2004/5, 2005/06 of £155m, 2006/07, £282m and in 2007/08 £308m. This includes enhancing bus capacity, interchange programme, DLR capacity enhancements and LU station capacity projects.
5. **Programmes to provide transport to accommodate London's growth** identifies the funding requirement to begin the task of accommodating the significant growth London can expect. In 2004/5 that means an additional £54m, in 2005/6, £92m, in 2006/07, £130m and in 2007/08 £103m for projects that include the Thames Gateway Bridge, the Silvertown Link, DLR extensions, and widening the A206 Thames Road.
6. **Service quality enhancements** comprise a category of additional projects needed for significant quality improvements, requiring in 2004/05 £223m, 2005/06 and additional £433m, 2006/07, £439m and in 2007/08 an extra £467m. Initiatives include - a renewed and enhanced information system at bus stops, improved fares integration with national rail and funding for increased frequencies for national rail, bus priority, the Congestion Charging Western Extension, the large scale A406 widening, road improvements at Purley Cross and the significant environmental improvement of Parliament Square.

7 CONCLUSION

The Government's 2000 Spending Review inaugurated a partnership between the Government and London to tackle London's transport crisis. The excellent results of that partnership are plainly evident. Sustaining that progress and ensuring that transport provision does not become a brake on the city's growth requires a clear plan to deliver the improvement in the quality and capacity of London's transport system necessary to accommodate London's growth. This Business Plan sets out what needs to be done and how much it will cost.

TfL seeks the engagement and support of all London's stakeholders in further developing the case set out in this Business Plan for additional funding, and making this case to Government.

TfL will engage with the Government through the Spending Review process to subject these plans to the most rigorous scrutiny. If, as with London's projections of population and employment growth, the Government agrees with London's analysis of its transport needs, then it will be asked to provide the increase in transport grant identified as necessary to accomplish this Business Plan.

Given London's key role in the UK economy, investment in the transport provision necessary to sustain London's growth and prosperity will enhance the economic growth prospects and productivity of the entire UK, and will deliver value for money.

Part 2: Business Plan

8 TFL'S BUSINESS PLAN

TfL Business Plan will deliver significant transport improvements for central, inner and outer London. The plan ensures that funds are provided for the day-to-day operations of the transport network, as well as for essential safety improvements. If funding is available, it also shows how TfL will manage the anticipated growth of London's population and economy in line with the strategy outlined in the London Plan. As explained below, it also delivers significant improvements required to sustain the existing transport system to provide an adequate transport system for Londoners in the future that will:

- Underpin the London economy
- Improve public transport in outer London, notably through the bus service, and town centres to mitigate the impact of rising traffic congestion and
- Provide the transport links necessary to underpin housing development and employment growth into new areas such as Docklands and the Thames Gateway.

Table 1 shows the summary financials with an additional net funding requirement of roundly £1 billion per annum. There is a reduction in Government transport grant of around £200m by 2005/06 compared with 2003/04 levels. Government recognised that, in setting the funding for the PPP in 2002/03, there could be significant pressures on LU depending on the experience of the PPP, and therefore there could be a need for increased funds for LU investment. These two factors (reduced government grant and LU cost pressures) are the major parts of the funding requirement. This table sets out TfL's gross income, and categorises expenditure in a form that shows the build-up of TfL's programmes:

1. **Baseline: essential safety and committed expenditure.** This provides only the existing indicative level of funding to bus services, which due to rising demand, traffic congestion and deterioration of assets will deliver a progressively lower mileage, worse reliability and poorer service quality. It also contains contractually committed expenditure through PFIs and PPPs.
2. **Restoration of current levels of bus service.** This increased expenditure is necessary to maintain bus service levels, such as operated kilometres, in the face of rising traffic congestion outside the congestion charging zone.
3. **Ensuring the system runs smoothly through restoring a state of good repair and other safety works.** This is expenditure necessary to maximise the efficiency of existing transport infrastructure by carrying out investment that brings it to a state of good repair.
4. **Expenditure to meet the expected increase in demand.** This is expenditure to accommodate the projected increases in demand for services of the existing network.

5. **Programmes to provide transport to accommodate London's growth.** This is investment over the business plan period to increase the capacity of the transport system to accommodate London's growth in the medium and long term. This includes new projects to provide links essential for development of employment and housing provision in, for example, the Thames Gateway.
6. **Service quality enhancements.** This category includes the Western extension of the Congestion Charging Scheme, fares integration, road improvements, bus priority and national rail improvements.

The first category, essential safety and committed expenditure, is termed **baseline expenditure**. This can be covered in the event that TfL receives only the current indicative levels of grant funding from Government. However, as we will note later, this baseline expenditure does not meet London's transport needs either now or in the future. Indeed it implies a substantial degradation in terms of service volume and quality for buses, a worsening service quality for DLR even compared to today and, despite the substantial investment on the PPP, the inability to restore fully the London Underground and address critical crowding and access issues. Additional funding is necessary for the increase in capacity to meet higher levels of demand on existing services, and accommodate London's growth, and substantially raise quality of service, specifically targeted where it is currently less than adequate.

Table 1: TfL Summary Business Plan

2004/05 prices	2004/05 £m	2005/06 £m	2006/07 £m	2007/08 £m	2008/09 £m	2009/10 £m
Baseline: essential safety and committed expenditure (net of efficiencies)						
income	4,907	4,732	4,755	4,786	4,791	4,877
expenditure	(4,609)	(4,815)	(4,810)	(4,795)	(4,831)	(4,967)
net	298	(83)	(55)	(10)	(40)	(90)
Restoration of bus service levels						
income	2	12	24	35	45	52
expenditure	(20)	(50)	(73)	(94)	(113)	(121)
net	(18)	(38)	(49)	(59)	(68)	(69)
Ensuring the system runs smoothly (state of good repair and other safety expenditure)						
income	0	0	0	0	0	0
expenditure	(60)	(83)	(88)	(95)	(86)	(88)
net	(60)	(83)	(88)	(95)	(86)	(88)
Meeting increased demand for existing services						
income	4	13	28	40	46	48
expenditure	(74)	(155)	(282)	(308)	(292)	(253)
net	(69)	(142)	(255)	(268)	(245)	(206)
Accommodating London's growth						
income	1	3	6	7	9	11
expenditure	(54)	(92)	(130)	(103)	(132)	(182)
net	(52)	(88)	(124)	(95)	(123)	(170)
Service quality enhancements						
income	8	23	35	43	48	50
expenditure	(223)	(433)	(439)	(467)	(453)	(442)
net	(215)	(409)	(404)	(424)	(405)	(392)
Risk reserve provision	71	(101)	(10)	0	0	0
Total income of all above	4,924	4,784	4,847	4,912	4,940	5,038
Total expenditure of all above	4,969	5,729	5,832	5,863	5,907	6,053
Funding requirement	(45)	(945)	(985)	(951)	(967)	(1,015)
of which:						
LU	(45)	(365)	(308)	(246)	(235)	(225)
rest of TfL	0	(580)	(677)	(705)	(732)	(790)
of which:						
operating capital	(45)	(382)	(400)	(392)	(484)	(563)
capital	0	(563)	(584)	(559)	(483)	(451)

The table shows the substantial increases in long term funding requirements necessary for adequate services and investment in London's transport system, over and above the current provision. The exact amount of additional investment will depend upon the results of the Government 2004 Spending Review.

Substantial cost pressures have now arisen (see **Table 4, Section 9.4.4**) within LU compared with those at the time the PPPs were signed. Government and TfL will therefore need to continue to work together to ensure that LU services and investment are not adversely affected by the lack of funding as a result.

It is important to note that the plan assumes that the schemes designed to provide significant additional rail capacity and access in London will be funded outside of the TfL Business Plan. For example, Crossrail will provide an additional 10% increase in capacity across London, providing access into the Central Area and will link areas of growth in the Isle of Dogs and the Thames Gateway. It is assumed that this scheme will receive funding from Government separate from TfL's funding agreement. If schemes such as Crossrail do not go ahead, then the strain on the existing transport system will be even greater.

8.1 Income and grant funding

The table below divides TfL's income into two categories. The first is that from users from bus and Underground fares, the central London congestion charge and also from local taxpayers in the form of GLA precept on council tax (this latter accounts for merely 1% of total TfL income). The second is from central Government grant.

Table 2: Plan Income

(2004/05 prices)	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
	£m	£m	£m	£m	£m	£m
Fares, charges, and precept						
<i>Bus Network Income</i>	843	883	909	936	967	989
<i>Taxi and private hire licensing</i>	12	12	15	14	13	13
<i>Other Surface Transport Income</i>	29	30	29	29	30	29
<i>London Underground Income</i>	1,308	1,326	1,354	1,380	1,412	1,447
<i>DLR *</i>	14	16	20	26	38	46
<i>Central London Congestion Charge (gross)</i>	192	184	184	184	184	184
<i>Other Income ** and proposed Western Extension Congestion Charge (gross)</i>	75	78	131	130	123	122
<i>Current GLA Precept</i>	58	58	58	58	58	58
<i>Additional GLA Precept for policing</i>	8	8	8	8	8	8
Subtotal	2,539	2,595	2,708	2,765	2,833	2,896
Indicative Government grants						
<i>Govt. transport grant - LU</i>	1,019	1,077	1,077	1,103	1,103	1,156
<i>Other LU grant and funds</i>	81	49	8	0	0	0
<i>Govt. transport grant – rest of TfL ***</i>	1,205	1026	1,045	1,035	994	975
<i>City Airport set aside release</i>	72	30	0	0	0	0
<i>Other grants</i>	8	8	9	9	10	11
Subtotal	2,385	2,190	2,139	2,147	2,107	2,142
Total income	4,924	4,784	4,847	4,912	4,940	5,038
<i>Fares, charges and precept as a % of total income</i>	52%	54%	56%	56%	57%	57%
<i>Government grant as a % of total income</i>	48%	46%	44%	44%	43%	43%

* This is the income for DLR services where the revenue risk is held by TfL, not by the concessionaire and is not therefore the whole of the DLR's income.

** In this is included income from traffic enforcement (penalty charge notices), museum income, investment income and river fees/charges.

*** These are the indicative numbers from SR2002 and the 10 Year Transport Plan, and include the ring-fenced grant for Crossrail development.

Revenues from the local sources of fares, charges and precept increase by 14% in real terms between 2004/05 and 2009/10 whereas grants decline by over 10%. Noteworthy is the revenue jump shown by DLR, which assumes a substantial (220%) increase in revenue due to new schemes still in planning stages becoming operational: London City Airport; capacity enhancements on the Bank/Lewisham route; Woolwich Arsenal and Stratford International extensions; and Stratford Regional improvements. Moreover, bus network income is assumed to grow by 17%. However, if additional grant from Government is not forthcoming, then there will not be sufficient funding and these schemes cannot be implemented.

8.2 Revenues

The Mayor's Fares Policy must strike a balance between the transport objective to reduce traffic congestion by encouraging travellers to shift from private cars to public transport, and the need to contribute towards TfL's funding needs. London already has amongst the highest Underground fares in the world and given the acute traffic congestion on London roads the Mayor is concerned to set fares at a level which does not accelerate the rise in traffic congestion.

A new fare structure will be put in place from January 2004. The price of single tickets bought with cash will increase. This fares rise will contribute an extra £84m annually to anticipated fares revenue. Thereafter, TfL will increase bus, Underground and DLR fares in line with RPI. For planning purposes, it is assumed that the Congestion Charge will also be increased in line with RPI from 2005 onwards (the first increase since the charge was introduced in February 2003) but this is subject to consultation.⁶ It is the Mayor's policy that the funding of the basic transport system should be from fares, charges, and Government grant, not the council tax precept. It is therefore proposed that precept will simply continue to fund the improvement in transport policing.

8.3 Grant Income

TfL is heavily reliant on Transport Grant from Government, as well over 90% of funds raised through taxation in the UK accrue directly to central Government. The level of Government Transport grant has increased significantly since 2000, allowing for expansion of services and development work on projects to expand transport capacity and accommodate London's growth to date.

Government has indicated that it intends to **reduce the transport grant for 2005/06 by roundly £200m** below the 2003/04 level. Hence this level of indicative grant (beyond 2004/05 where the budget is broadly balanced) is not sufficient to maintain service levels or quality, let alone enhance London's transport systems, especially in the context of rising public transport and road usage. Bus passenger journeys are expected to rise by over 9% in 2003/04 alone, and the average number of passengers on each bus has risen by 15% in the last four years (12.7 passengers per bus in 1999/00 compared with 14.4 passengers per bus in 2002/03).

⁶ The Congestion Charging Scheme is regulated by a scheme order that states the level of the charge. Any change in the charge (even to reflect an increase in RPI) requires a consultation period of between three and twelve weeks.

If existing and additional demand is not met, it will result in worsening crowding, passengers left behind at stops, slower journeys, more customer discomfort and loss of market share as demand transfers to the private car. Therefore, the advances made to date will soon be dissipated if the sharp decrease in Government funding that is expected in 2005/06 takes place. The impact will be stark, particularly against the backdrop of rising demand for transport services.

The decrease in grant levels as a proportion of TfL's total receipts means that TfL will be even more reliant upon the farebox. At the reduced grant levels, by the end of the plan period, fares, charges and precept will constitute 56% of total funding and Government grant 44%.

8.4 Investment Income

TfL's (and prior to that LT's) professional property management team has raised around £650m of income from active management and exploitation of transport property assets over the last ten years. These assets are almost entirely tied in to the operational infrastructure. This has been achieved against a background of increasing space requirements for expanding transport facilities and higher safety and operating standards.

TfL's plan sees continuing increases in revenue from the retained estate, whilst also seeking new sources of income (or returns in the form of payments for infrastructure provision) from identification and exploitation of commercial opportunities. For example, at White City, TfL are negotiating enhanced terms for a major development, which is already programmed to deliver new transport infrastructure at a cost to the developer of £120m.

9 TFL'S BASELINE EXPENDITURE PLAN

The expenditure plan categorises expenditure as described before in a form that shows the build-up of TfL's programmes. It also disaggregates between revenue (or operating) expenditure and capital expenditure; this split is detailed in the separate Operating and Capital Plans.

9.1 Essential safety expenditure

Since the safety of all customers, users and staff is paramount, safety must be the first priority of the Business Plan. The essential safety improvements are included in the baseline expenditure, and the details of the programme are described below.

TfL inherited a number of bridges and tunnels in need of urgent maintenance and repair, and following the Mont Blanc tunnel fire, safety work is needed to keep facilities in line with European safety standards. Tunnel and bridge safety schemes at the Blackwall and Rotherhithe Tunnels and two bridge schemes (A40 Western Avenue and A406 Hangar Lane) are planned. Additional safety schemes have been found to be necessary after inspections (Westminster Bridge, Fore Street tunnel). The cost for this safety work is over £150m during the six year Plan period.

London Underground will continue to implement a strategic safety improvement programme which ensures LU safety risks are ‘as low as reasonably practical’. This aims to develop front-line operational managers’ competencies in health and safety, strengthen the management of safety actions, improve the quality of incident investigations, develop the existing competence assurance and safety critical licensing regimes, and embed ‘feedback’ and review mechanisms. It also works to reduce the areas of highest accident risk: the platform train interface, station congestion, signals passed at danger, safety on the track, trespass, and violence in the workplace.

The DLR will build a double track platform at Stratford to modern standards to replace the existing original narrow one-track platform, which is not fully compliant with updated safety requirements.

9.2 Committed expenditure

TfL is already committed to expenditures across all of its businesses, and these are included in the baseline as well as essential safety works, along of course with the associated performance impacts. Some examples are: the PPP and LU train service frequency changes resulting from this, PFI / DBFO payments and associated projects, the DLR’s City airport extension, fitting of on-bus CCTV, adding a 7th car on the Jubilee line trains, and construction of a relief road around Coulsdon town centre.

9.3 London Buses

In essence, baseline funding implies the mileage and quality standards of existing contracts. No funding is included to bring these contracts up to current quality standards, reflecting the worsening operating conditions faced over the last five years. Similarly no funding is included for the improved vehicle facilities and standards that have become available since the contracts were last let. This results in worsening and reduced service, lower passenger numbers, longer waiting times, lower customer satisfaction, and lower revenue. Such a degradation in service is not contractually sustainable.

Table 3: Baseline bus costs and service

2004/05 prices	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Baseline bus costs (£m, gross)	1,307	1,341	1,356	1,360	1,369	1,390
Operated kilometres (m)	438	425	416	408	400	396
Excess waiting time (mins)	1.5	1.6	1.7	1.9	2.0	2.1
Customer satisfaction (score)	78	76	76	75	74	74

The baseline expenditure does however include evident cost pressures—in particular for labour, fuel, insurance and legislatively mandated improvements to vehicle specification. These cost pressures are in line with national cost trends and exceed the savings from cashless bus operations (estimated at £30m per annum).

9.4 London Underground

The Plan for LU is essentially to implement the programme of service and infrastructure improvements agreed with Government as part of the establishment of the Public Private Partnership (PPP). The Plan includes an ongoing programme of investment through the PPP to maintain and renew LU's infrastructure, along with Private Finance Initiatives (PFI) to provide new ticketing (Prestige), communication systems (Connect), and enhanced power supply (Power). The baseline expenditure for the Underground also includes the addition of a 7th car on each Jubilee line train and the opening of a new entrance at Canary Wharf station to meet burgeoning demand. In contrast to the rest of TfL's baseline expenditure, that for the Underground does provide some enhancements to the system, where they are contractually committed through the PPP or PFIs, or where funds have been allocated directly by Government. However, these enhancements are not for optional increases in capacity (e.g., congestion relief). Without additional funding, significant capacity constraints will remain within many Underground stations.

9.4.1 LU transfer

LU transferred to TfL control on 15 July 2003, based on an exchange of letters between the Mayor and the Secretary of State on 4 February 2003. As agreement was reached between the Secretary of State and the Mayor for LU's transfer, both recognised that there were significant outstanding issues that were difficult to evaluate on such limited experience of a novel arrangement. Accordingly, the Secretary of State outlined a protocol whereby he and the Mayor could work together so that as the PPP unfolded, any major risks and uncertainties should not overwhelm or unduly burden TfL. At the outset, it was recognised by Government that there were substantial uncertainties and the grant provided for 2005/06 onwards is some £150m a year below LU's own estimates, and will not deliver the desired improvements.

Beyond this short-fall, the 4 February exchange of correspondence also set out the circumstances in which the amount of Transport Grant would be reviewed and adjusted. The main provisions in this respect are as follows:

9.4.2 Major unforeseen expenditure pressures

Consistent with requirements for local authorities across the UK, the Secretary of State accepted that between Spending Reviews, Transport Grant should be reviewed in the event of major expenditure pressures falling to LU outside its Business Plan (and therefore unforeseen), and appropriate adjustments made.

9.4.3 Level of reserves

The Secretary of State recognised the desirability of TfL establishing a provision from which to manage LU's future business risks, building up to a level of £170m by 2006/07. Where draw-down of funds against this reserve is required to cover major unplanned and unforeseen expenditure pressures, the Secretary of State accepted that levels of grant should be reviewed, and appropriate adjustments made to maintain reserves at the agreed level. Such reviews would normally take place at each Spending Review.

9.4.4 Pressures to be reviewed at each Spending Review

The Secretary of State said that Transport Grant will be reviewed at each Spending Review to take account of:

- Changes to LU's forecast revenues
- Expected effect of inflation on LU's costs – both infrastructure service charges and LU's own costs
- Projected payments under the PPP performance regime
- LU's costs associated with the management of the PPP and other contracts;
- Unavoidable pressures under PFI contracts
- Shortfalls contained in the valuation of the LRT Pension Fund consistent with the required actuarial valuation in 2003
- Provision for Major Enhancements and Specified Rights under the PPP, assuming DfT accept the need for such investments and
- Provision for any payments due under the PPP for working capital.

In the context of the agreement reached with Government, a number of the cost and income pressures recognised at the time the negotiations were undertaken have now materialised. In addition, however, there have been other changes to LU's Plan—including achievement of efficiency savings, and slippage in the initiatives programme whilst the main PPP contracts bed down. The following table summarises the main pressures from 2004/05 onwards to deliver the agreed Plan, and the off-setting impact of changes elsewhere. However, there remains a shortfall against the grant currently agreed for LU.

Table 4: London Underground cost pressures

LU Shortfall against Programme agreed with DfT				
<i>(2004/05 prices)</i>	04/05	05/06	06/07	07/08
	£m	£m	£m	£m
Acknowledged gap at time funding agreed (04/02/03)	0	135	181	158
Risk of lower traffic income	71	76	77	79
Previously understood cost pressures:				
<i>Recovery of pension shortfall</i>	65	65	65	65
<i>PPP, PFI and other contractual risks</i>	35	60	93	52
<i>Recovery of early payment (PPP)</i>	(40)	0	0	0
<i>Specified Rights (PPP)</i>	2	8	14	14
<i>TIMIS – phasing</i>	16	12	(1)	3
<i>Other (net)</i>	5	0	0	0
Sub Total	83	145	171	134
Total acknowledged gap and risks now materialising	154	356	429	371
Less net savings and re-phasing:				
<i>LU efficiencies and cost savings</i>	(18)	(26)	(26)	(26)
<i>Slippage and other changes</i>	(20)	(66)	(105)	(99)
<i>Utilisation of risk reserve</i>	(71)	101	10	
Additional funding now required (included in Table 1)	45	365	308	246

The main cost pressures in the table reflect:

- A lower forecast revenue income than anticipated at the time of the Funding Agreement due to the current economic slow-down, Central Line difficulties, and fall in tourism
- The results of the 2003 actuarial assessment of the LRT Pension Fund, and the agreed rate at which the shortfall should be recovered
- The latest assessment of PFI and PPP contractual risks, and the phasing of those risks and
- The exercise of Specified Rights for air conditioning on sub-surface trains and maintenance of the East London Line prior to implementation of the extensions.

It should be emphasised that the assessment of cost risks is a continuous process within LU and the risk assessments will therefore continue to change. In particular, there are significant cost pressures in excess of those already included as they are not yet fully quantified. For instance, the cost of rectifying the inherited Central Line train fleet is under continuous review. In addition, assurance is required that the work LU is doing for the London resilience team will be separately funded from Government. Whilst latest estimates for upgrading LU's power capacity (which falls outside the PPP) have been substantially increased from £700m to £1.2 bn, the major impact will not be felt during this spending review period but in the years thereafter. Furthermore, every 7^{1/2} years, the PPP contracts are due to be reviewed by all parties in the light of experience. The first of these is due in 2010/11 and no allowance has been made for changes or cost pressures from this.

TfL and LU have sought to minimise the additional costs arising from pressures outlined above, but in the light of the agreement reached with Government in February 2003, TfL expects appropriate additional resources to be made available in 2004/05 onwards.

LU has partially met the funding gap in 2004/05 by proposing to draw £71m from the risk reserve. This is on the understanding that the Government will fully replenish the reserve to the previously agreed figure of £160m in 2005/06 under the terms of the Funding Agreement, as part of the funding settlement for that year. On that basis, reserves will fall to £59m at the end of 2004/05. TfL does not believe it prudent to further draw on reserves in 2004/05 to fund the remaining gap of £45m. The total pension fund deficit is £450m, which will be paid back at a rate of £65m per annum.

Given the scale and nature of the potential costs involved, it is crucial for Government and TfL to reach agreement on long term objectives for LU funding.

9.5 Roads and Streets

An on-going programme of road and bridge maintenance of both the TfL Road Network (TLRN) and Borough Principal Road Network (BPRN) is planned, following a rolling programme of condition surveys, and necessary bridge strengthening on Borough principal roads. Bridge and tunnel safety schemes on the TLRN are noted in **section 9.1**.

The overall road and bridge maintenance programme for the TLRN and for capital maintenance on BPRN is shown in the table below.

Table 5: Baseline Road Maintenance

<i>(2004/05 prices)</i>	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Baseline	£m	£m	£m	£m	£m	£m
TLRN Revenue Maintenance	59	61	63	64	66	66
TLRN Capital Maintenance	44	47	55	48	43	35
Borough Principal Road Maintenance and Bridge Assessment and Strengthening	65	56	49	59	72	72
Woolwich Ferry	6	6	6	6	6	6
Maintenance on TLRN and BPRN	174	170	173	177	187	179

This level of expenditure would merely maintain road conditions at their current level. Of the 2400 lane kilometres of TLRN, 350 lane kms are in poor condition (14.6%) and of the 4100 lane km of the BPRN, 557 lane kms are in poor condition (13.6%). Under baseline expenditure, this would not improve, and therefore TfL would not reduce the backlog to bring the TLRN and BPRN to a State of Good Repair by 2010, which is a Government target. Moreover, reaching a state of good repair—that is, making the best use of existing assets—minimises whole life maintenance costs and therefore affects value for money. These roads also carry a large proportion of London's bus services, and continuing poor condition affects quality and serviceability of bus operations.

9.6 Docklands Light Railway

DLR's operations of the railway are run by a franchisee (due for renewal in 2006), and maintenance of the Lewisham extension is under a separate 24^{1/2} year concession. These will continue throughout the Plan period, with the franchise being re-tendered with effect from 1 April 2006. The extension to London City Airport is under construction and due to open in 2005. Total DLR baseline expenditure is shown below.

Table 6: DLR baseline expenditure

<i>(2004/05 prices)</i>	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
	£m	£m	£m	£m	£m	£m
DLR baseline expenditure	54	61	64	54	54	56

The 'humped' profile of higher expenditures in 2005/06 and 2006/07 reflects some expenditures associated with the London City Airport extension, infrastructure maintenance and works to the platform at Stratford Regional Station.

9.7 Borough programmes

The level of funding for individual projects is relatively modest, but taken together the Borough Spending Plan (BSP) is an important element in the creation of an integrated transport system for London as a whole. The BSP:

- Helps improve door-to-door journey quality, not just the part of the journey between stops or stations
- Supports local trips (which account for the bulk of travel in London) and encourages shortening of trips
- Provides important benefits, both in transport terms and in terms of wider goals such as retail vitality and economic regeneration
- Tackles social exclusion, as people from socially excluded groups make shorter trips and rely heavily on walking and local buses to meet their travel needs
- Reduces highway congestion by decreasing car journeys in number and length
- Relieves congestion on the public transport network by encouraging shorter journeys to be made on foot or by cycle
- Supports wider Mayoral and national policy goals and targets for transport, social inclusion, spatial development (including the London Plan) and air quality and
- Helps to meet legal duties such as those under the Race Relations (Amendment) Act and Disability Discrimination Act

Specifically, the BSP includes funding for:

- Road maintenance on Borough principal roads
- Pedestrian and cycling improvements on Borough roads such as better crossings, more signage, dropped kerbs, cycling guides, and maintenance and extension of the London Cycle Network
- Road Safety and Bus Priority measures including selective vehicle detection and bus lanes on Borough roads
- Local Area, 'Safer Routes to School' and 'Travel Awareness' programmes for individual Boroughs as well as individualised marketing schemes to encourage modal shift from private car and
- Air quality zones and freight quality partnerships

Under baseline expenditure, TfL would provide £140m of committed funds to the Boroughs in 2004/05 and again in 2005/06 for local transport improvements on Borough roads through the BSP process. For the plan years thereafter, baseline includes funding for road maintenance and traffic signals alone, though this is subject to reassessment as asset condition is progressively reviewed. This level of expenditure would severely restrict TfL's ability to continue to support local transport and environmental improvements such as walking and cycling schemes, town centre schemes and safer routes to school.

This would prevent improvements in the quality and safety of local journeys and would thus have wider impacts in terms of personal security, local regeneration and social exclusion.

9.8 Public Carriage Office and smaller Surface Transport units

The Public Carriage Office will complete the licensing of Private Hire operators, vehicles and drivers by 2006. Set-up costs, and licensing costs are funded through licensing fees and charges. Other on-going operations by the Public Carriage Office, Victoria Coach Station and East Thames Buses continue as at present. London River Services will fund a central London multi-stop river service. Dial-a-Ride are introducing new scheduling system that will deliver improved driver and vehicle usage and a better booking service for customers. These costs represent committed costs and are included in the baseline expenditure.

9.9 Efficiencies

Every pound saved through efficiency can be re-directed to better services for London – that is at the heart of TfL's commitment to efficiency and Best Value. TfL has taken advantage of the opportunities and challenges in being an amalgam of some 15 predecessor organisations. This includes: exploiting economies of scale, integrating business processes, and developing a corporate culture around providing integrated transport services for London.

TfL is implementing initiatives that are planned to achieve significant efficiencies in support areas, a cumulative total of **nearly £400m** over the 6-year plan period and these efficiency savings **are included in the baseline expenditure**. These initiatives include:

- the implementation of the Business Improvement Programme, a business technology investment to automate a number of day-to-day processes in the finance, procurement, and human resources functions
- initiatives to drive down both the demand for goods and services procured, and their unit costs
- initiatives to ensure that TfL's advertising, promotional, and market research activities align more closely with business objectives and are purchased at lower costs and
- formation of a 'new' TfL, integrating London Underground, with a more efficient structure for central support activities (functions including Human Resources, property, facilities, communications, legal, internal audit, procurement and Information Management) including the creation of shared service centres for finance and human resources. Procurement savings are also being made from the 'new' TfL's larger buying power

These initiatives have begun to deliver efficiency savings in 2003/04 – plans are in place to achieve **more than £20m** (in gross terms) in this year's budget, exceeding the target by more than 10%. Efficiency savings are expected to increase by fiscal year end as new initiatives are identified, planned, and delivered. The savings identified to date have come through re-aligning marketing and market research to TfL's business objectives, implementation of procurement initiatives to drive down costs, and restructuring the transport planning and project delivery function.

TfL will also deliver a number of operating efficiencies, especially in bus operations. 'Pay before you board' operation of bus services was introduced to part of central London in August 2003, whereby all passengers buy a ticket, bus pass or Travelcard before boarding, speeding up boarding and therefore journey times. It is planned to extend this throughout London in 2005/06 with the availability of 'pre-pay' through Oyster and easier ticket/pass purchase, bringing operating savings of over £30m a year. Operating efficiencies will also be achieved through better use of station staff on London Underground.

9.10 Summary of Baseline Expenditure

The table below shows a summary of baseline expenditure across the plan period.

Table 7: Baseline expenditure

2004/05 prices	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
	£m	£m	£m	£m	£m	£m
LU PPP	1,103	1,312	1,357	1,364	1,371	1,481
LU PFI	283	295	282	273	270	267
LU Other	1061	1037	1007	931	935	935
Bus Network	1,307	1,341	1,356	1,360	1,369	1,390
Other London Buses	237	237	232	230	235	231
Street Management	345	345	336	324	326	319
Docklands Light Railway	54	61	64	54	54	56
London Rail	4	4	4	4	4	4
Central Directorates	185	161	148	146	151	148
Other baseline expenditure	31	21	24	109	116	136
Total baseline expenditure	4,609	4,815	4,810	4,795	4,831	4,967

10 BEYOND THE BASELINE

Essential safety and committed expenditure is insufficient to maintain service standards and will result in a transport system that cannot cope now or in the future with London's growth. It would not maintain service quality or volume in the face of current, let alone increasing, levels of demand and rising customer expectations. Nor does it maximise the benefits of the existing network through correcting years of under-investment and hence minimise long term maintenance spend on assets.

It does not provide for the demand growth anticipated from the expected increase in London's population or deliver the associated benefits to the London and UK economies. It does not meet the need for better public transport (buses, light transit, DLR extensions) in the Thames Gateway and outer London suburbs, without which economic efficiency and the quality of life will be damaged by worsening traffic congestion, particularly around town centres. It does not allow TfL to continue its work with the boroughs investing in local transport schemes that improve the quality and safety of local trips. It does not provide for better integration of the transport system such as interchanges and more real-time information. In short, while it requires no more Government funding compared to current indicative levels, it still represents poor value for money compared with what could be delivered with greater funding.

Consequently, TfL is proposing a plan that includes crucial components beyond the baseline expenditure, to more responsibly provide for Londoners' needs. The following sections break down the funds required to meet the current and anticipated demand increases, accommodate London's growth, and provide enhanced service quality for Londoners.

10.1 Restoration of bus service volume

The baseline is insufficient to do more than cope with the expected real cost of inflation in wages and other operating costs. This category restores a level of expenditure consistent with service volumes and quality at 2004/05 levels. While this improves quality compared to the baseline⁷, it still results in worsening service quality overall compared to today because it does not cope with future levels of demand growth, and indeed growing numbers cause the service to be less reliable, leading to longer waiting times.

Table 8: Bus costs and service to restore service volume

2004/05 prices	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Incremental costs (£m, gross)	20	50	73	94	113	121
Operated kilometres (M)	442	443	442	443	445	443
Excess waiting time (mins)	1.5	1.5	1.6	1.7	1.8	1.9
Customer satisfaction (score)	78	78	77	77	76	76

10.2 Ensuring the system runs smoothly

10.2.1 Road maintenance

The baseline would merely maintain roads and bridges in their current condition. The additional expenditure in the plan would not only halt deterioration to road condition, but also clear the maintenance backlog and achieve the Government target for achieving 100% of state of good repair of principal roads by 2010.

⁷ As measured by excess waiting time or customer satisfaction for example.

Work is currently being carried out to optimise the investment programme such that the total investment is minimised and such that the work can be carried out at a deliverable level without too much disruption to road users. The programme and its projected end date may need to be refined in light of this review.

A programme of strengthening, capital maintenance and risk mitigation is planned for TLRN structures and a programme of assessment, strengthening and interim measures is planned for relevant Borough structures.

There are a number of Network Rail owned structures with incomplete assessments that may require strengthening in future years. At present the scale of the commitment is not known but is expected to be several millions of pounds per year. So far around 80 such structures have been identified as potentially requiring strengthening and lack of investment would result in weight restrictions on parts of London's main road network, affecting the efficient movement of goods throughout the capital.

The additional revenue maintenance budget in the plan would allow faster response to ad-hoc safety repairs to potholes, utility reinstatements, street lighting and signage (either through normal wear and tear or as a result of vandalism), and road traffic accidents.

10.2.2 Road safety

TfL published the first London-wide Road Safety Plan in 2001, setting out a programme to meet Government casualty reduction targets (a reduction of 40% in the numbers killed and seriously injured by 2011 compared with the 1994-98 average, with additional targets for specific groups). While the baseline contained some expenditure, additional funding would be provided under this category to continue the implementation of the Road Safety Plan throughout London. Total expenditure for this is over £300m across the plan period.

10.2.3 Summary of Ensuring the System Runs Smoothly Expenditure

The following table shows the required expenditure for TfL to ensure smooth running of the transport network. The smooth running of the system includes the incremental cost for road maintenance to bring the TLRN and BPRN into a 'state of good repair,' which represents the optimum intervention point in the whole life cost decay cycle, balancing speed and severity of decay of the road network against the cost of maintaining the road network. Additionally, this expenditure includes the Road Safety Plan, as well as schemes on buses and the Underground.

Table 9: Expenditure required to ensure the system runs smoothly

<i>(2004/05 prices)</i>	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
State of Good Repair	£m	£m	£m	£m	£m	£m
Incremental cost for Road Maintenance to bring to a state of good repair- TLRN and BPRN	0	15	15	15	0	0
Road Safety Plan	45	54	55	55	56	56
Buses Safety and Security Initiative	3	1	1	1	1	1
LU Safety and Security Initiatives	11	8	6	5	2	1
Other	1	5	11	19	27	31
Total Expenditure	60	83	88	95	86	88

10.3 Expenditure to meet the expected increase in demand

The following sections describe a plan to improve transport provision to meet rising demand and the additional resources required to achieve this. It has been assumed that PFI type arrangements are used for major projects for the purposes of examining the expenditure required.

10.3.1 London Buses

Bus demand has grown and is continuing to grow very strongly, at rates that outstrip growth in mileage. This is driven by consistent service planning, attractive and simple fares, good information, and improving service quality. This expenditure allows the service to cater for expected growth whilst maintaining quality through increased capacity. Changes within this category include:

- Trunk routes with high demand converted to articulated bus operation, where appropriate
- Additional frequency on other trunk services, especially some radial services already close to capacity at peak times and
- Converting routes from single to double deck operation, for example, proposed key orbital routes such as the 28 and 31 in 2004/05

Table 10: Bus costs and service to meet demand

2004/05 prices	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Incremental costs (£m, gross)	13	43	94	106	99	115
Operated kilometres (M)	445	452	457	462	470	472
Excess waiting time (mins)	1.5	1.5	1.6	1.6	1.7	1.7
Customer satisfaction (score)	78	78	78	77	77	77

10.3.2 London Underground

LU has a portfolio of station capacity schemes required to meet demand. Examples are: Camden Town, Tottenham Court Road, Victoria, Covent Garden, Finsbury Park, and Bank. At each of these locations, station over-crowding causes, at best, additional travel time for customers and delays the despatch of the train service leading to unreliability, and at worst forces closures of platforms during peak hours. The total cost of the portfolio is £475m over the plan period.

10.3.3 Docklands Light Railway

The Plan provides for improvements on the existing network to increase capacity, and to improve reliability for the railway. These include:

- Capacity enhancement to allow the operation of 3-car trains between Bank and Lewisham to meet future demand projections. The total cost of the scheme (including third party contributions) is £149m, and the benefit cost ratio is 2.8. Work involves structural elements such as platform extensions, track re-alignment, and viaduct strengthening (opening in 2008), and
- Double tracking between Bow and Stratford (2009). The cost of the scheme is £51m, but it is assumed that Crossrail would fund £28m of the scheme, as part of development

10.3.4 Overall expenditure required to meet increased demand

The overall costs of the works necessary to meet increased demand across TfL are shown in the table over the page.

Table 11: Expenditure to meet increased demand

(2004/05 prices)	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
	£m	£m	£m	£m	£m	£m
Bus network	13	43	94	106	99	115
Bus Garages	7	4	4	5	4	4
DLR 3-car upgrade (Bank Lewisham)	6	10	58	53	19	3
LU station projects	48	68	92	85	98	89
Other	0	31	35	59	72	42
Total	74	155	282	308	292	253

Adding in change initiatives that cater for demand growth would have the following effects:

- A 10% increase in bus service volumes to over 500 million kilometres by 2009/10 to cater for a projected increase in demand of over 20%. This increase prevents occupancy rising so rapidly that extended boarding and alighting times cause massive unreliability to the service and substantial loss of customer satisfaction
- Reduction in LU congestion at some of its most currently crowded stations and improved accessibility across the London Underground network and
- Reduction in crowding on the most heavily used of DLR's routes between Lewisham and Bank. The existing service on this corridor will not be capable of carrying the anticipated growth in passengers on the Isle of Dogs, therefore service improvements are required to cater for future demand

10.4 Programmes to accommodate London's growth

The development of housing and jobs in the Thames Gateway and east London to accommodate London's growing population as outlined in the Government's Sustainable Communities Action Plan and in the Mayor's London Plan requires additional infrastructure and transport services. This will enable access to work and other facilities, particularly for key workers. Without additional transport provision, housing development and employment will be capped at lower levels than London requires.

Adding in change initiatives that cater for links to currently inaccessible area would have the following effects:

- Additional bus service volume, about 7 million kilometres, and more than 50% higher DLR service volume from 2003/04 train km
- Additional public transport usage as a result, especially on DLR
- Much faster journey times and hence greater accessibility to the targeted regeneration areas, which facilitate new sustainable development and with benefits to some of the most socially excluded groups in the capital

10.4.1 Bus services

There will be bus services introduced to accommodate London's growth in areas such as the Thames Gateway, and to provide links to developments such as new hospitals and schools, costing around £57m by 2009/10.

10.4.2 Major projects and interchanges

To complement the areas for development identified in the draft London Plan and the Government's Sustainable Communities Plan, the Plan includes:

- Construction of the Thames Gateway Bridge by 2013 which will provide the only cross-river road link in the ten miles between the Blackwall tunnel and the Dartford crossings (costs are around £425m, and the project has a benefit cost ratio of 3.2:1)
- Two bus-based Light Transit schemes (East London Transit stage 1 from Ilford to Dagenham Dock and Greenwich Waterfront Transit stage 1 from Greenwich to Abbey Wood) to open by 2008. East London Transit stage 1 costs £35m and has a benefit cost ratio of 1.7:1; Greenwich Waterfront Transit Stage 1's cost and benefit cost ratio are £25m and 2.1:1 respectively
- Construction of the West London Tram scheme linking Uxbridge to Shepherds Bush via Acton and Ealing by 2011. The West London Tram is estimated to cost a total of £425m, and has a benefit cost ratio of 1.7:1
- Development work on the Cross River Transit scheme
- Development and construction of Croydon Tramlink extensions (to be completed after the Plan period) with an overall benefit cost ratio for the shortlisted options as follows: Sutton to Tooting 1.1:1; Crystal Palace to Croydon (and Beckenham) 1.1:1; and Purley to Streatham 2.1:1 and
- Funding for a series of interchange improvements in London to fulfil London Plan priorities. This includes improvements on the extended East London line, and at Vauxhall Cross, Victoria and Finsbury Park (a programme over the plan period of over £70m, with some locations financially positive and Victoria scheme options having benefit cost ratios of between 2:1 and 4:1). TfL will pursue opportunities to form partnerships with other stakeholders, including the private sector, for delivering and helping fund some of these interchange improvements

Most of these projects (apart from some of the interchanges) can be provided under a PFI or similar financing arrangement, and the most appropriate arrangement will be developed.

10.4.3 Road Schemes to facilitate development

The upgrade to dual carriageway of the A206 Thames Road is included in the plan to facilitate access to the Thames Gateway in Bexley.

The Lea Valley Spine road is not included as it is likely to be considered as part of works required for the Olympics, should London be successful in its bid.

10.4.4 DLR extensions

Projects to improve and extend the DLR network in addition to the London City Airport extension (which is already under construction) include:

- Extension from London City Airport and King George V Station under the Thames to Woolwich Arsenal (opening in 2008, costing £159m with a benefit cost ratio of 1.7:1)
- Extension from Canning Town using existing North London Line alignment to Stratford Regional station (with 3 new intermediate stations) and new construction onwards to Stratford International Station (currently under review with the SRA, works potentially complete in 2008, costing £78m with a benefit cost ratio of 4.4:1 and supporting the Olympic bid) and
- Extension to Barking Reach development area and Dagenham Dock involving 4.5km of new railway and up to 5 new stations (opening in 2011, cost £134m with a benefit cost ratio of 1.5:1)

10.4.5 Summary of expenditure to accommodate London's growth

The following table presents a summary of the above expenditure plans to support the anticipated increase in jobs and population in London.

Table 12: Expenditure to accommodate London's growth

(2004/05 prices)	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
	£m	£m	£m	£m	£m	£m
Bus Network	4	12	20	30	43	57
DLR: Woolwich Arsenal	8	8	9	2	17	16
: Stratford International	1	11	29	29	12	4
: Barking Reach	0	0	1	1	3	3
West London Tram	4	5	5	17	18	12
Other Light Transit Schemes	2	4	6	6	18	24
Interchanges	4	6	7	5	11	26
A206 Thames Road Bexley	0	0	5	4	1	1
Thames Gateway Bridge	4	4	3	2	3	36
LU East London Line extension	24	23	9	0	0	0
LU other Network extensions (Croxley Link)	1	18	33	4	3	2
Other	2	1	3	4	4	1
Total expenditure	54	92	130	103	132	182

10.5 Service quality enhancements

10.5.1 London Buses

The spending included in the categories above allows the network to keep pace with the major passenger growth factors identified (see **sections 10.1, 10.3.1, and 10.4.1**). The success of the bus network in recent years has, however, been built on not just this but also meeting increasing passenger expectations. Funding in this category will address such issues as more and better night bus services, off-peak increases in frequency (including Sunday services on some routes), and extended services to bring more people closer to a denser network. Examples in 2004/05 are revisions of routes centred around Southwark, Waltham Forest, Newham and Harrow, together with a number of major trunk routes including the routes 8, 9, 25, 73 and 279. In addition, the programme for review includes other local services across the capital. This category also includes additional services required to support the western extension of congestion charging.

With these added improvements, overall bus passenger journeys will rise to over 2 billion in 2009/10, and reliability (as measured by excess waiting time) improves to 1.3 minutes, some 62% better than under the baseline. Customer satisfaction would be 80, its highest level ever, and all buses would be wheelchair accessible.

London Buses' capital programmes are designed to support the bus network, and contribute to better reliability and improved operating efficiency.

There will be more Bus Priority initiatives introduced on the TLRN and Borough roads, including pilots of intensified measures on two routes.

Other improvements are:

- Bus Infrastructure modernisation and expansion, including bus stations at specific locations to improve accessibility and garages (a programme costing £119m over the plan period with benefit cost ratios for individual locations ranging from 2.2:1 to financially positive over 15 years)
- A revised programme and technology for radio systems and Countdown, moving to cellular communication, and expanding provision of bus stop and other real-time information in the later years (£60m over the plan period, with a benefit cost ratio of 7.2:1 for extension of signs, and revenue positive for other parts of the project) and
- New better bus shelters from 2005/06 onwards (£15m over the plan period)

Additional policing on the Underground (a further 100 BTP officers in 2004/05 over and above extra police introduced in 2003/04) is planned, funded by an increase in GLA precept of £8m per annum. These additional police will not only ensure higher visibility policing of the Underground but also enable more effective integration of policing and safety measures across the main transport modes at key interchanges.

10.5.2 Congestion Charging

The existing central London Congestion Charging scheme is proposed to be extended westwards to cover congested areas in Kensington & Chelsea and Westminster. Consultation on an amendment to the Transport Strategy to reflect this extension is due to start shortly. If agreed in Summer 2004, consultation on the Scheme Order is programmed for Autumn 2004 with the earliest possible start date of Spring 2006.

10.5.3 Pedestrian and cycling schemes, traffic management, and route improvements

A pedestrian and cycling programme is being continued, with expenditure being increased from £18m in 2003/04 to £38m a year by 2007/08.

Examples of pedestrian enhancement schemes include:

- New and upgraded pedestrian crossings
- Removal of footbridges and closures of subways and replacement with surface level facilities
- Provision of new or improved facilities at signalled junctions and footway upgrading in busy high streets
- Opening up and upgrading railway arches for use by pedestrians, contribution towards new sections of riverside and canal paths and upgrading existing strategic routes
- Providing new footbridges across railways and upgrading existing facilities
- Pedestrian signing, security improvements, refuges, pavement widening at crossings, removal of clutter and installation of dropped kerbs

Examples of planned cycling schemes are:

- Upgrades to London Cycle Network Plus links and Green Corridors
- Cycle safety/priority measures at key junctions
- Access and parking upgrades at key stations and interchanges, town centres and housing estates
- Cycle parking at schools/colleges
- London Cycle Guides and
- Child and adult city cycling skills training

In respect of both pedestrian enhancements and cycling, specific monitoring is being undertaken on the effectiveness of individual measures, as well as London-wide monitoring, together with attitudinal surveys of users and potential users' views. This will also allow investment in other local schemes that improve the quality and safety of local journeys and the local environment, including town centres, Streets for People, Safer Routes to School, and travel awareness.

Additional staffing for the directorate of Traffic Management provides the capability to co-ordinate street works. This directorate was set up in 2003 following discussions with Government, to reduce the impact of streetworks on traffic in London. The Directorate of Traffic Management incorporates the following activities:

- Real time management of traffic operations through the London Traffic Control Centre (LTCC)
- Optimisation of traffic operations via the Urban Traffic Control (UTC) system
- Identification of weaknesses affecting network resilience and promoting improvements to increase the network's robustness
- Facilitation of road and streetworks planning, coordination and (potentially) permitting provision of real-time information on network performance to facilitate informed travel decisions
- Provision of performance data both on works management and the road network;
- Performance to enable more effective management oversight and
- Traffic analysis for effective enforcement targeting and future safeguarding of traffic operations

The overall objective is to minimise disruption and optimise performance of London's more important main roads and to safeguard this performance over time.

Examples of route improvements include:

- A406 Bounds Green to Green Lanes improvement scheme (including a grade separated junction) as inherited from the Highways Agency, and improvements at Regents Park Road and Golders Green Road junctions
- Works at Catford, Purley and Wandsworth
- Continuation of traffic signal modernisation on all roads and
- Accessibility programmes including dropped kerbs and bus stop improvements

The costs of these programmes is shown in the table below.

Table 13: Street Improvement proposals

<i>(2004/05 prices)</i>	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total Project Capital Cost
	£m	£m	£m	£m	£m	£m	£m
Director of Traffic Management	8	7	7	7	7	7	-
Pedestrian enhancements and Cycling	17	31	35	38	38	38	-
A406 Bounds Green / Regents Park Rd / Golders Green Rd ex-HA schemes ⁸	3	3	5	25	25	25	600+
Purley Cross	0	7	7	-	-	-	15
Wandsworth	-	0	3	6	1	-	11
Catford	-	-	0	4	3	2	9
Local improvements	9	9	9	9	9	9	-
Accessibility programmes	7	12	12	12	12	12	-
Total	44	69	78	100	94	92	

⁸ The decision on the inherited schemes is subject to separate Board approval on 29 October 2003 and it is assumed that this improvement would be funded by a PFI or DBFO type scheme.

10.5.4 London Rail

The plan includes funding for the national rail network that will include improvements to services, station security, and customer information (including a £12.5m contribution to a joint TfL/SRA enhancement programme). There is also funding to extend Oystercard ticketing to national rail stations in London.

10.5.5 London Underground

Plans to improve the Underground in addition to those delivered by the PPP and described above include:

- Additional stations are to be rendered step-free from street to platform, such as Archway, Blackfriars, Earl's Court, and Hendon Central
- Congestion relief schemes at currently overcrowded stations such as Tottenham Court Road and Camden Town
- An extension of the Metropolitan line to Watford Junction (the 'Croxley Link') and
- Air-conditioning on the new sub-surface stock, when introduced in phases from 2008 as part of the overall line up-grade

10.5.6 Borough Programmes

The additional expenditure for borough programmes under the category of service quality enhancements is shown in table 14 below.

10.5.7 London's Transport Museum

The Museum, having recently had its bid for Heritage Lottery Funding approved, will be undertaking the £16.9m 'Museum Redisplay' project from 2004/05, subject to the availability of additional private sector funding. The project, which will refurbish the museum and modernise the exhibits, will be completed in 2008/09.

10.5.8 Expenditure on Service Quality Enhancements

The table over shows the total expenditure on service quality enhancements.

Table 14: Expenditure on service quality enhancements

(2004/05 prices)	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
	£m	£m	£m	£m	£m	£m
Bus Network	10	26	42	57	72	83
Bus Priority	47	62	62	62	62	62
CCS – Western Extension	42	87	76	60	60	60
Borough Programmes	23	34	53	56	59	52
Street Improvements	44	69	78	100	94	92
London Rail	32	37	27	19	17	17
London Underground	114	78	57	77	74	59
Museum	0	1	7	8	1	0
Other	-89	38	37	29	15	17
Total	223	433	439	467	453	442

10.5.9 Performance from service quality enhancements

Performance impacts of service quality enhancements include:

- Bus excess waiting times would improve from the bus priority schemes and also the route improvements, rather than being worsened by increasing traffic congestion outside the congestion charging zone
- Road congestion would fall and traffic speeds increase as a result of an extended congestion charging zone
- There would be some further improvement in safety, as measured by the numbers of killed and seriously injured
- More of LU's stations would have step-free access to platform level and
- Public transport demand and customer satisfaction would increase as a result of all of the above

10.6 Performance outcomes of TfL's plan as a whole

The cumulative impact upon performance indicators of all categories of expenditure - that is essential safety and committed, meeting demand, accommodating growth and service quality enhancement is shown in the table over the page. This also shows the comparison against Baseline Expenditure.

Table 15: Plan performance outcomes

Mode	Indicator	Units	Expected	Projections			Baseline Projections
			2003/04	2004/05	2005/06	2009/10	2009/10
Buses	<i>Passenger journeys</i>	M	1,601	1,706	1,796	2,012	1,571
	<i>Bus kilometres</i>	M	433	448	462	509	396
	<i>Excess wait time: high frequency routes</i>	Mins	1.4	1.4	1.4	1.3	2.1
	<i>Overall Customer Satisfaction</i>	Score	77	78	79	80	74
	<i>% accessible buses (including Routemasters)</i>	%	87	94	95	100	100
DLR	<i>Passenger journeys</i>	M	51	56	64	109	93
	<i>Train kilometres</i>	M	3.4	3.4	3.5	5.5	4.0
	<i>On time performance - adherence to schedule</i>	%	96	96	96	96	91
	<i>Percentage of scheduled service operated – valid train departures</i>	%	98	98	98	98	98
	<i>% accessible: step-free to platforms</i>	%	100	100	100	100	100
LU	<i>Passenger journeys</i>	M	940	948	964	1,065	1,048
	<i>Train kilometres</i>	M	68.2	68.9	70.5	72.0	72.0
	<i>Unweighted excess total journey time</i>	Mins	3.38	3.27	3.25	3.21	3.45
	<i>% schedule operated</i>	%	94.1	94.0	94.3	95.2	95.2
	<i>Overall Customer Satisfaction</i>	Score	75	76	77	79	78
	<i>% accessible: step-free to platforms</i>	%	16.1	16.5	18.0	20.8	18.9
	<i>PPP availability: Lost customer hours</i>	hours	17.22	17.22	17.02	16.24	16.24
	<i>PPP Capability: Scheduled journey time capability</i>	Mins	19.76	19.76	19.50	18.75	18.75
Roads	<i>Congestion index</i>	Index	100	101	102	106	110

11 WIDER OUTCOMES OF THE PLAN

The Plan would allow TfL to continue to provide effectively for the UK's most complex public transport system, as appropriate to the capital's varied travel needs. This section describes the wider outcomes of this.

11.1 Capacity

The Business Plan supports the development of the essential schemes to increase capacity on London's transport network. The additional capacity that these schemes generate is shown below, together with a comparison of the expected increase in demand in the morning peak.

Table 16: Indicative capacity provision (change on 2001)

Planning guidelines capacity kms (millions) - AM peak									
Year		Sub-region					Total	Change Cf: 2001	Demand Cf: 2001
		North	East	South	West	Central			
2001	Total	5.2	16.3	9.5	9.3	18.9	59.2		
2016	Change on 2001	1.9	8.5	1.9	3.0	5.8	21.2	36%	38%

The table shows that the plan matches increased demand in the years through to 2011, and starts to make a contribution to reducing the existing levels of crowding from thereafter.

11.2 Environmental outcomes

The plan achieves a shift from car to public transport, which benefits the environment through reductions in local air pollution and noise. However, this is partially offset by the substantial increase in bus service volumes, operating with a technology, which, whilst improving, is not emissions minimising. Hence, the overall impact is only slightly beneficial. However, higher use of public transport will allow cleaner technologies to be introduced for buses in due course with further air quality benefits. The London Health Observatory estimates that London will not achieve the NO₂ target set for 2005, nor the PM₁₀ target set for 2004.

TfL is already undertaking and planning a broad range of projects to reduce and ameliorate the environmental impact of its operations and also to encourage others to reduce their transport impacts, including:

- **Reducing pollutant emissions to air through:**
 - Driver training, bus priority/signal vehicle detection, and enforcement, which will improve bus vehicle efficiencies and indirectly aid environmental performance
 - A taxi emissions strategy
 - Dial-a-Ride operating efficiencies with new vehicles and a computerised booking system to reduce dead mileage
 - Hydrogen fuel cell bus trials and
 - Drivers will be encouraged to reduce their emissions by the continuing 100% discount for alternative fuel vehicles subject to the central London Congestion Charge and funding of borough air quality improvement initiatives via the BSP process

- **Minimising the noise impacts of transport** by submissions for annual noise surveys on the DLR, and using low noise surfacing when resurfacing TLRN carriageways where appropriate.

11.3 Relationship to Government plans and Mayoral strategies

The Government's ten year plan, Transport 2010, which was published three years ago (and updated in 2002), offers a long-term strategy for delivering a quicker, safer, more punctual and environmentally friendly transport system.

The table below shows TfL will meet or exceed 9 out of the 13 relevant targets, and that the Plan substantially contributes to the DfT's national targets (taking account of the 2002 modified targets where appropriate, such as the revised target for bus and light rail usage). In some areas, such as public transport usage, continued investment to deliver the improvements in London is the only plausible way the national targets will be met.

Table 17: Performance compared to DfT targets

Description of target or indicator	Nature of change	Target ⁹	Projection for London
Traffic congestion	Change between 2000 and 2010	0%	6% more congestion
Local public transport (bus and light rail) usage	Change between 2000 and 2010	12%	50%
LU journey times	Cut journey times over duration of plan	N/a	13% improvement
Number of adults and children killed or seriously injured in road accidents	Change between average for 1994-98 and 2010	40% reduction for adults, and 50% reduction for children	40% reduction for adults, and 50% reduction for children
Air quality	Meet National Air Quality strategy objectives for carbon monoxide, lead, nitrogen dioxide, particles, sulphur dioxide, benzene and 1,2- butadiene	Various target reductions in concentrations ¹⁰	Reductions in PM ₁₀ and NO ₂ but unlikely to meet target ¹¹
Greenhouse gases	Change between 2000 and 2010	Reduce greenhouse gas emissions by 12.5% from 1990 levels, and move towards a 20% reduction in total CO ₂ by 2010	Unlikely to meet target.
Cycling trips	Change between 2000 and 2010	Triple volume of trips	No projection available
Bus reliability	Change between 2000 and 2010	99.5% of scheduled mileage, except where this is beyond their control	Projected to meet the target
Bus fleet	Change between 2000 and 2010	Reduce average age to 8 years	Projected to exceed the target
Bus accessibility	Change between 2000 and 2010	50% of full-size bus fleet to be fully accessible	Projected to exceed the target

⁹ From DfT website address

http://www.dft.gov.uk/stellent/groups/dft_transstrat/documents/page/dft_transstrat_023008-11.hcsp

¹⁰ Figure available from

http://www.dft.gov.uk/stellent/groups/dft_roads/documents/page/dft_roads_506888-03.hcsp

¹¹ Source: London Health Observatory, quoted in 'London Analytical report', Cabinet Office Strategy Unit

Description of target or indicator	Nature of change	Target ¹²	Projection for London
Maintain strategic road network	Change between 2000 and 2010	Proportion of network in need of maintenance between 7% and 8%	Projected to meet the target
Halt deterioration of local road network	Change between 2000 and 2010	Halt deterioration by 2004 and end backlog by 2010.	Projected to meet the target
Bus passenger information	New target introduced in April 2002, specifically for information at bus stops.	Year on year improvements in information at bus stops	CSS information projected to rise from 74 in 2003/04 to 77 in 2009/10

TfL's proposals in this document support the outcomes set out in the draft London Plan, as well as the Economic Development strategy, and build on the Mayor's Transport Strategy. They also assist in achieving the desired outcomes of other strategies, notably those for Air Quality and Ambient Noise. TfL's plans incorporate necessary actions required to ensure consistency with the Waste Management, Energy and Bio-diversity strategies.

TfL's proposals support the Government's Communities Action Plan (*Sustainable Communities: Building for the future*). This sets out a long-term programme of action for delivering sustainable communities in both urban and rural areas. In London, the plan sees the Thames Gateway as an area where there is outstanding potential for expanding housing supply to meet London's growing needs. It contains large areas of derelict land, deprived neighbourhoods and, in many locations, a poor quality urban environment. TfL's plan supports the area's renewal through providing the transport infrastructure and services required to open up what is currently one of the most inaccessible areas in London. Research¹³ has estimated that planned changes to public transport and highways would boost employment potential in the Thames Gateway area by between 144,800 and 162,800 by 2016. The Thames Gateway Bridge and Silvertown Link together contribute potential for between 19,500 and 30,400 jobs.

11.4 Equality and Inclusion

The Plan supports tackling social exclusion. Internally, TfL will achieve a balanced workforce composition by 2006, supported by appropriate training. The plan allows the organisation to undertake a constructive dialogue on transport developments with London's diverse communities. It will ensure that TfL takes steps to become first choice transport service provider for everyone, by addressing barriers such as safety and personal security, accessibility, reliability and affordability. It therefore enables economic opportunity and social participation for all.

¹² From DfT website address

http://www.dft.gov.uk/stellent/groups/dft_transstrat/documents/page/dft_transstrat_023008-11.hcsp

¹³ GLA Economics, Thames Gateway river crossings, accessibility and regeneration

11.5 Urban design

TfL is committed to incorporating good urban design within the planning, delivery and maintenance of its projects and programmes. Improving the state and quality of London's built environment will contribute to the Mayor's aim of making London a more liveable city for all visitors and residents. TfL can support the creation of high quality public spaces through its own infrastructure projects, and indirectly, through funding such as the Borough Spending Plan process, and the planning system. The Business Plan primarily concerns the first two of these mechanisms.

Urban design quality should be taken into account at all appropriate stages in the design and development of a project, and should include consideration of the character and function of a location, the materials used and cost effective ongoing maintenance and operability. The objective of good urban design will still need to be appraised in the context of other factors, including funding constraints and value for money.

TfL is working increasingly closely with; the Mayor's Architecture and Urbanism Unit within the Greater London Authority, English Heritage, The London Boroughs and local customer stakeholder groups. Such collaborations will continue to develop to improve the quality of Urban design related to TfL sponsored projects.

12 RISKS TO THE PLAN

TfL are completing a process to combine risk management into its performance management so that risks are regularly and explicitly considered along with operating and financial performance. Presently the risks identified to the achievement of the Plan are:

- Revenue- changes to the economy different from that forecast will affect revenue, in particular on the Underground.
- Grant levels- the Plan is based on an increase in grant arising from the Government's 2004 Spending Review. If all or some of this were not provided, then improvements would be reduced accordingly.
- Terrorism- were there to be any resumption or increased threat to London, this may impose security or other costs and reduced demand for TfL's services.
- Pensions- the shortfall in funding across the TfL Group.
- Staff shortage- in areas such as bus drivers and transport planners shortages have been experienced in recent years and actions taken (for example, the TfL bonus for bus drivers introduced in 2001 halved the level of service lost from lack of drivers). The London Boroughs are key to the delivery of many areas of this Plan and shortages in some have affected the ability to deliver.

- Significant economic change could impact on the level and quality of staff available, and the cost of employing suitably qualified staff.
- Contract costs- although the Plan assumes an increase in bus contract prices upon renewal (mainly driven by labour costs), these may vary from the levels assumed in the Plan as may the costs of the PFI and PPP contracts with LU.
- Failure of contractors- there is also the risk of PPP or PFI contractors failing to deliver on all of their contractual obligations.
- The materialising of significant cost pressures within London Underground risk registers.
- Planning constraints- extensions, major projects and other infrastructure changes have to be taken through Transport and Works Act and/or other planning processes, which can delay delivery of a project.
- Legislative changes- any unforeseen changes could impose costs on TfL or its partners.
- Organisational change.

13 IMPLICATIONS OF NOT MEETING LONDON'S TRANSPORT FUNDING NEEDS

13.1 Baseline expenditure

TfL is required by law to deliver a balanced budget. The level of grant funding provided by Government will dictate the level of transport improvements that TfL can deliver. The current level of grant is insufficient to fund the expansion of the transport system necessary to accommodate London's growth. With insufficient funding, as the demand for public transport increases, passengers would face deteriorating service quality. The existing system would become more crowded under the limited programme affordable under baseline expenditure. Investments would be deferred and roads would become increasingly congested.

At the current level of Government grant, TfL will continue to provide a **safe integrated transport system** but the 2003/04 level of provision will become increasingly inadequate in the face of rising demand. Current TfL provision reflects an on-going and rigorous process of value for money analysis, and there are no substantial opportunities to make service reductions that would represent value for money. Bus passenger journeys are expected to rise by over 9% in 2003/04 alone, and the average number of passengers on each bus has risen by 15% in the last four years. If quality standards are not maintained, and more buses are not added to meet this additional demand, the additional usage will lead to slower journeys, increasing crowding and passenger discomfort, increasing costs of operation per bus kilometre, and reductions in service quality.

Furthermore the Government has indicated that it intends to **reduce the transport grant by some £200m**. This grant level is **not sufficient to maintain service quality** on the existing network, let alone enhance London's transport systems, especially in the context of rising public transport and road usage.

The table below shows what TfL would deliver under such a scenario. In particular, TfL is able to fund the current level of service provision and essential safety works, but all of the other expenditure to provide for London's growth could not be funded, and therefore London's transport needs would not be addressed.

Table 18: Baseline essential safety and committed expenditure

(2004/05 prices)	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
	£M	£M	£M	£M	£M	£M
Income from grant and other sources *	4,907	4,732	4,755	4,786	4,791	4,877
Baseline: Essential safety and committed expenditure	(4,651)	(4,881)	(4,882)	(4,864)	(4,900)	(5,036)
Efficiency savings	42	66	72	69	69	69
Sub-total	(4,609)	(4,815)	(4,810)	(4,795)	(4,831)	(4,967)
Income in excess/shortfall of baseline expenditure	298	(83)	(55)	(10)	(40)	(90)

* Income is lost due to reduction in bus service to baseline levels.

The following section details the assumptions behind this baseline plan to maintain the current level of service provision.

After allowing for TfL's aggressive efficiency savings plan, the total projected income will allow a significant contribution of £298m towards vital enhancements to London's transport network in 2004/05. However, this has evaporated by 2005/06, when there is a £83m shortfall before any additional funds are available beyond the baseline expenditure. This change of £381m is accounted for primarily by lower grant income, PPP costs (£209m), tunnel safety expenditures (£13m), DLR City airport extension (£4m), and bus network costs (£34m), offset by efficiencies (£24m).

TfL's existing level of income from grants will be just adequate to cover maintaining the current level of service provision, which will deliver a deteriorating service.

As shown by the table above, the indicative grant levels that Government has allocated to TfL would allow for TfL to deliver:

- Essential safety schemes
- The existing transport network (which will become more and more crowded)
- Additional safety improvements and some level of improvements to make best use of existing assets through already committed contracts, Private Finance Initiatives (PFIs) and Public Private Partnerships (PPPs); but with very little funding left for all other proposed improvements to public transport

13.2 Baseline performance

The table shows the resulting baseline performance.

Table 19: Baseline performance compared to the Business Plan

Mode	Indicator	Units	Variance compared to Plan (2009/10)
Buses	<i>Passenger journeys</i>	M	22% less journeys
	<i>Bus kilometres</i>	M	22% less service
	<i>Overall customer satisfaction</i>	Score	6 points lower score
	<i>Excess wait time: high frequency routes</i>	Mins	62% more unreliability
DLR	<i>Passenger journeys</i>	M	15% less journeys
	<i>Train kilometres</i>	M	27% less service
	<i>On time performance – adherence to schedule</i>	%	5% less trains on time
LU	<i>Passenger journeys</i>	M	2% less journeys
	<i>Unweighted excess journey time</i>	Mins	7% more unreliability
	<i>Overall Customer Satisfaction</i>	Score	1 point lower satisfaction score
Roads	<i>Congestion Index</i>	Index	4% more congestion

13.3 Setting priorities in balancing budgets

At this stage, it is too early to determine in detail how priorities would be determined if the Government provides lower funding than required in the Plan. However, this section suggests principles that would be used to inform such decisions.

The first priority would be to maintain the current transport network (including current bus service levels), having delivered the efficiency improvements included in the Plan.

The second priority would be to maximise transport's contribution to allowing the optimal pattern of sustainable growth in employment and housing, meeting the needs of the anticipated additional population.

This means increasing public transport capacity to the major growth areas of central London (including its extension to the east in the Isle of Dogs), increasing accessibility to the Thames Gateway, and improving transport provision in outer London.

The scale of any funding shortfall below that suggested in this Plan would determine the degree to which planned transport investment would be reduced. To illustrate, if, we take the extreme case that Government did not increase funding in the 2004 Spending Review over the levels indicated in SR2002, such a settlement would mean almost all substantial new capital projects would be unfunded. This includes Thames Gateway Bridge, Silvertown Link, West London Tram, Cross River Tram, Croydon Tramlink extensions, DLR extensions to Woolwich Arsenal, Barking Reach and Stratford).

TfL has a significant number of contractually committed programmes and activities which cannot be cut, the largest of which is the PPP, others of which include PFIs such as Power, Prestige, the DLR franchise and Lewisham concession and the A13 DBFO upgrades. Cutbacks necessary in this illustrative scenario would have to be concentrated on remaining areas, with disproportionately severe impacts in these.

Under this illustrative scenario, there would be insufficient transport capacity available to satisfactorily support London's employment and housing growth.

In particular, in Docklands and the Thames Gateway, a failure to support the Plan's transport programme (including the Thames Gateway Bridge, East London Transit, Greenwich Waterfront Transit, and extensions to the DLR) would mean that no additional services would be provided and transport infrastructure would not be sufficient to satisfactorily support the planned expansion of the area. The associated increase in employment and housing would be reduced.

In addition, targets in the Government's Ten Year Transport Strategy would be at risk. For example, there would be a smaller reduction in the numbers killed or seriously injured and London would not meet the target level. Congestion levels would worsen far more than under the Plan, which itself finds the target challenging. Air quality would not improve.

To take a second scenario, if the Government were to suggest not increasing funding in 2004 Spending Review over the level of SR2002, but with the idea of increasing funding in subsequent spending reviews, this would still jeopardise the delivery of the majority of new capital projects. It would not allow the current scheme timetables to be restored given the loss of momentum, and the fact that some projects cannot be accelerated. Traffic congestion and public transport over-crowding would worsen during the intervening period.

TfL will look in detail at the health and safety implications of any cuts it would be obliged to make by a funding shortfall, in order to ensure it meets its legal obligations.

14 CAPITAL FINANCING - A POSSIBLE OPTION

A new regime for borrowing to finance capital projects by Local Authorities, the Prudential Borrowing regime, will come into force in April 2004. This new regime, the key feature of which is a Prudential Code for local borrowing practices, will allow greater financing flexibility, though central Government will maintain reserve powers to limit local government borrowing. TfL anticipates that the Code will enable a wider range of PFI structures, leases, and direct borrowing than allowed under the current Local Government financing regulations.

This Code contemplates that financing, whether through PFIs or direct borrowing, may appropriately be employed to render affordable large "lumpy" construction and procurement costs, which would otherwise crowd out and defer other long-term infrastructure, against a given level of operating revenues and expenditures. PFIs and direct borrowing are not a "free" form of funding. Instead, they spread project costs over the useful lives of the assets, converting large, one-time costs into recurring payments of principal and interest. The practice of financing long-term capital investments is common in Europe and North America and in transport systems in general.

While most of the major capital projects in the plan are already assumed to be funded by PFI-type arrangements, there are additional projects that could potentially qualify for financing under the Prudential Borrowing regime.

In all of its financings, and in any use of on-balance sheet PFIs and direct borrowing, TfL would use standard municipal and relevant corporate practices, as required by the Prudential Code and as expected by the financial markets.

15 CONCLUSIONS

London in the 21st century is the fastest growing large city in western Europe with its population set to reach roundly 8 million by 2016. London's economy is set to recover from the slight downturn of the last few years; urban renewal is increasing in pace; new landmark buildings are enriching the skyline and the true importance of sustainability and diversity are becoming recognised in the growth of our city.

The Mayor and the London Assembly have given London a new voice and there is a new vision for the capital in the Mayor's London Plan and Transport Strategy. London was the first World City and remains one in the 21st century, deserving of nothing less than a world-class transport system to meet the expectations of customers, stakeholders and Londoners.

This document is a statement of where transport in London is today and where it needs to be if it is effectively and efficiently to meet the needs of the whole community. It is a plan that sustains economic development, particularly in central London and the Thames Gateway, and to meet the needs of London as a whole.

The plan also recognises that transport is essential to tackling social inclusion and helping create sustainable community life. It is a plan that returns the condition of the transport network to a state of good repair and sustains a level of investment to maintain the network at an optimal level in terms of condition and cost.

In its previous spending review, SR2002, Government indicated its plans to cut the amount of funding it gives to London's transport in 2005/06, despite the increasing needs resulting from London's growth. This spending round, Spending Review 2004, is vital to London to fund the infrastructure, particularly in terms of transport capacity, to support optimal patterns of growth in population and jobs, along the lines set out in the London Plan. This will bring huge benefits to the UK as a whole through the contribution to national output and exchequer.

There is therefore a compelling case for investing in London not just for the benefit of the capital itself and its people but for the UK as a whole. Failure to do so will set the capital back years, see it lose competitive advantage over other world cities and condemn London's residents and visitors to further stagnation and subsequent decline in transport services. In this plan, however, Government has an opportunity to address historic and chronic under-investment and to help create a legacy that will see delivered a transport infrastructure and service for the capital to meet the needs of this 21st Century world class city.

Appendix A: Categorisation of activities in the Business Plan

Note that some items may be listed more than once as they may span different categories and may also contain elements of both Operating expenditure and Capital Expenditure. The fully detailed costs can be viewed in the Operating and Capital Plans.

Baseline

Operating Expenditure

- DLR, LU, trams at current frequencies
- Buses at the resource levels of existing contracts (not uplifted for the effects of congestion)
- Existing levels of bus service supervision
- A 'baseline' level of TLRN and BPRN maintenance
- Operation of the Central London Congestion Charging Scheme
- Ongoing operation of the Transport Police and Enforcement Directorate
- Payments for LU PFI projects, notably Prestige, Connect, Power and British Transport police facilities management
- Taxicard
- Payments for Lewisham extension
- Docklands Light Railway franchise payments
- Payments for A13 Thames Gateway DBFO currently under construction
- Payments for London City Airport currently under construction
- Croydon Tramlink support costs
- Public Carriage Office operations and management
- Victoria Coach Station operations and management
- Dial-A-Ride operations and management
- East Thames Buses operations and management
- Operation of the Woolwich Ferry
- Bus Station and operations
- London River Services operations and management
- Traffic Control Systems Maintenance & Management
- The London Traffic Control Centre
- Support operations across the businesses - e.g. HR, Finance, IS, facilities, safety function, comms, planning, procurement, etc
- London Mobility Assessment Centre
- Existing bus QICs contracts
- London Rail operations and management, including Crossrail Contracts Manager

- Traffic Technology Services Staffing
- Travel Information Centres
- Travel Information Call Centre
- Advertising, Public Information, Marketing and Research
- Equality & Inclusion
- General Counsel
- Group Communications
- London's Transport Museum
- Lost Property

Capital expenditure

- Continued expenditure on maintaining the current bus fleet
- Payments for LU PPP contracts (which includes line upgrades and hence some additional capacity, and also expected improvements to asset reliability)
- Payments for LU PFI projects, notably Prestige, Connect, Power and British Transport police facilities management
- Payments for Lewisham extension
- Payments for the A13 Thames Gateway DBFO currently under construction
- Payments for London City Airport extension on the DLR currently under construction
- A 'baseline' level of TLRN and BPRN maintenance
- A406 Hanger Lane Bridge Replacement
- A40 Western Avenue Bridges Replacement
- Refurbishment and safety works to the Blackwall Tunnel (Northbound) (R1029)
- Refurbishment and safety works to the Rotherhithe Tunnel (R1130)
- Refurbishment and safety works to Westminster Bridge
- Refurbishment and safety works to Fore Street Tunnel
- Bridge Strengthening on Borough Roads
- New rail cars for the DLR and railcar refurbishment
- Stratford DLR station safety works
- A23 Coulsdon Town Improvement
- DLR Velocity project (which is an on-train security & diagnostic system)
- Traffic Control Signal investment
- Investment in Bus Stations such as Hammersmith, Finsbury Park, Golders Green, West Croydon and Hounslow
- Vehicle purchase for East Thames Buses

Restoration of current levels of bus service

Operational expenditure

- Expenditure needed to renew expired contracts at today's reliability and quality standards including resources to compensate for the deterioration in service quality since contracts were last let in terms of mileage and supervision.

Capital expenditure

- Payments to operators at contract renewal for buses of today's quality, accessibility and emission standards.

Expenditure to meet the expected increase in demand and achieve state of good repair

Operational expenditure

- Expenditure on increasing bus services to cope with current demand levels by consistent service planning, attractive and simple fares and good information for the bus network.
- Safety & security initiatives on the London Underground
- Increased expenditure on Transport Policing
- Taxicard development
- Rail Transport Security initiatives
- Increased spending on London Road Safety Education
- Increased spending on the London Safety Camera Partnership

Capital expenditure

- Payments to operators for the modernisation and expansion of the bus fleet
- Safety and Security programmes on London Buses
- Capacity enhancements such as the 3 Car Upgrade on the DLR
- Congestion relief projects on the London Underground
- Safety and security initiatives on the London Underground
- Station projects on the London Underground including Camden Town and Tottenham Court Road
- Double Tracking of DLR North Route
- Finsbury and Ealing Broadway Interchanges
- Investment in bus garages including Hanworth Road, West Ham, North Acton and Walworth
- Construction of Ealing Broadway bus station
- London Safety Camera Partnership

Accommodating London's growth

Operational expenditure

- Increase capacity and accessibility to the bus network
- Funding for integration projects along the route of the East London line extension

Capital expenditure

- Thames Gateway Bridge and the Silvertown Link
- West London Transit
- Construction of the Woolwich – Arsenal extension on the DLR
- Extension of the DLR network to Stratford International
- Construction of the Barking Reach extension on the DLR
- East London Line extension integration
- Interchanges, e.g. Victoria, West Hampstead including east London line sites such as Dalston Junction, Shoreditch High Street
- A206 Thames Road Bexley
- East London light transit scheme
- Cross River Transit and Greenwich Waterfront Transit light transit bus schemes
- Croydon Tramlink extensions

Other service quality enhancements

Operational expenditure

- Congestion Charging Western Extension
- TfL and Borough Walking and cycling schemes
- Bus Priority on Borough roads and the TLRN, and through Traffic Signal (SVD) Priority
- LU Train Identification and Management Information System
- Funding for increased frequencies on North London line and South London Metro
- Research and development (London Buses); feasibility design, reviews, surveys and trials (Streets)
- Funding for fares integration for ordinary fares with national rail
- Funding for NR station refurbishment
- Low Emission Zones
- Local Area Schemes
- Air Quality
- Travel Awareness
- Safer Routes to School

- Accessibility
- Controlled Parking and Enforcement
- Regeneration
- Local Freight Projects
- London Lorry Ban Review
- Funding for Car-Free Day

Capital expenditure

- TfL and Borough Walking and cycling schemes
- Development of Crossrail scheme, but not the implementation of the theme (assumes funding by SRA)
- Investment in new radio network and communications systems for London's bus network, and in expansion of Countdown signs
- LU trains and reliability initiatives
- Construction of A406 Bounds Green to Green Lanes improvement
- Construction of A406 Regents Park Rd Junction improvement
- Construction of A406 Golders Green Road Junction improvement
- Construction of Purley Cross TLRN Improvement Works (R1127)
- Construction of Wandsworth Town Centre Improvement (R1128)
- Construction of Catford Town Centre Improvement (R1129)
- Various local improvements to local road and town centres to improve accessibility and environment
- Funding for national rail fares integration
- London River Services: Wapping pier
- London's Transport Museum re-display project
- Parliament Square Redevelopment (world squares)

Contribution in support of schemes funded by third parties

Operational expenditure

- London Rail operations and management, including Crossrail Contracts Manager

Capital expenditure

- New station linked to Channel Tunnel Rail Link at Kings Cross St Pancras
- Wembley Station
- White City development on the London Underground
- Heathrow Terminal 5 extension and station

Appendix B: Examples of projects where Transport for London and the A+UU already work together

Transport for London and the Mayor's A+UU are already working together on a number of projects. TfL is contributing to the identification and progression of suitable schemes for the A+UU's 100 Public Spaces programme. Similarly, the A+UU is becoming increasingly involved with TfL in advising how it can take appropriate account of urban design principles in the projects that it is directly and indirectly involved in.

Listed below are a number of these projects.

Interchanges

- Lewisham town centre
- Vauxhall Cross
- Victoria

TLRN

- Development of Streetscape Guidance
- Coulsdon town centre
- Victoria Embankment
- Shoreditch High Street
- A4 Green Corridor
- Euston Road

Light transit

- Tram design criteria
- Cross River Transit interfaces
- East London Transit

Borough Spending Plan programme

- Sloane Square
- Coulsdon town centre

Thames Gateway Bridge

Appendix C: Equality and Inclusion impacts of the Business Plan

The importance of increasing social inclusion and equality in London through transport improvements is highlighted in section 4 of Part I of the Business Plan. This appendix summarises the likely impacts on TfL's ability to deliver equality and inclusion improvements at different levels of funding. Critical choices must be made about how to best meet the wide range of requirements of those who live in, work in or who visit London. TfL's strategy is to begin by tackling the two most tangible barriers for many people to using the transport system, accessibility and safety/personal security concerns, whilst preparing the ground to tackle further issues in future years.

The five components of TfL's Equality and Inclusion Strategy are described below, and against each, the potential impact is identified if funding were limited to baseline expenditure, and the benefits for equality and inclusion identified of each layer of additional expenditure within the total funding sought for the Plan.

As explained in Section 13.3 of Part II of the Plan, precise spending priorities cannot be determined in detail until the outcome of the Spending Review is known. However, this appendix illustrates the likely broad scale of impacts on equality and inclusion outcomes of various different levels of funding to TfL.

1. First choice for everyone – the removal of the main barriers to transport use

Accessibility

TfL has a duty under the Disability Discrimination Act (DDA) to improve the accessibility of its transport provision through the introduction of accessible vehicles and by making adjustments to its policies, practices and procedures; and (from October 2004) by making reasonable adjustments to the physical fabric of its buildings and infrastructure to remove physical barriers. Of course, accessibility improvements benefit many other people, and in particular, older people, children and women. However the cost of altering transport infrastructure to make it accessible is often high, and baseline expenditure provides for very little accessibility improvement over the current unsatisfactory level.

Baseline expenditure does provide some station accessibility improvements for London Underground funded through the PPP contracts. Some improvements in the level of accessibility of the buses through additional low floor buses are also covered, though reducing bus service levels over time will impact on overall accessibility, and the programme to make more bus stops accessible would not be funded. DLR, built as an accessible railway, will gain a second accessible platform at Stratford, and will benefit from new and refurbished carriages to DDA standards. There will be a small growth in funding for Dial a Ride (but none for Taxicard) and bus stations will be re-furbished to be fully accessible.

Accessibility improvements that are not included under baseline expenditure are as follows:

- Over 50 previously planned accessibility / congestion relief schemes on London Underground stations
- Dropped kerb installations on the TLRN

Accessible bus-stop programme
Audible and visual “next stop” information for the bus network
Any growth in funding for Taxicard
Accessibility measures gained through walking and cycling schemes
Local area treatments, which improve the accessibility and quality of the street environment
No growth in enforcement of disabled person’s parking bays
Any new transport (accessible) schemes except the City Airport extension to the Docklands Light Railway (DLR), Channel Tunnel Rail Link related improvements at King’s Cross, and externally funded Underground extensions to Heathrow and White City; and
TfL’s contribution to accessibility improvements at national rail stations.

If TfL is funded to restore bus service levels, and ensure the system runs smoothly by bringing it to a state of good repair:

There would be some benefit from the higher level of bus services compared to baseline, but no other significant improvements in the accessibility of the system.

If TfL is funded to meet demand growth:

DLR vehicles would be upgraded from two to three car vehicles which would all be accessible
Important London Underground station congestion relief schemes including Camden Town, Euston and Victoria would be taken forward, including refurbishment to meet current accessibility standards
Some growth in funding for Taxicard could be provided
There would be sufficient growth in Bus service volume to meet projected demand increases on existing services.

If TfL is funded to accommodate London’s growth, the following would be provided:

An expansion in the bus network with new links to developments
Interchange improvements that also improve accessibility
West London Transit and extension to Croydon Tramlink, which will be accessible services
Greenwich Waterfront and East London bus based transit schemes, which will be designed to be accessible and
The DLR extension to Woolwich Stratford and Barking Reach

If TfL is funded to enhance service quality, in addition to the improvements identified above:

The bus network will have more frequent buses across the traffic day
“Next stop” audible and visual information and at-stop bus information will be expanded
Accessible bus stops will be installed
Dropped kerbs on the TLRN will be installed
Walking and Cycling Programmes will be introduced
Over 50 more London Underground Stations will be made accessible over time and

Some improvements would be made to accessibility on National Rail through joint work with the Strategic Rail Authority and Train Operating Companies.

Safety and personal security

Many groups express fears about personal security in using public transport, but for some groups, fears about personal security present an almost insurmountable barrier. In particular, women, black and minority ethnic groups, some faith groups, lesbians, and gay men express concerns about sexual or racial harassment or assault. Older people and children also express fears about their safety and personal security. Added to this, the government has rightly set targets for a substantial reduction of people killed and seriously injured in road accidents and a specific target for the reduction of accidents to children. These targets will not be met without significant investment in a range of measures as set out in the Road Safety Plan developed by TfL with the London boroughs.

Baseline expenditure will provide funding for continuing policing at the current level of the bus network and enforcement of bus lanes. Private Hire Licensing will remain funded. Collectively, these measures will help to reduce the numbers of assaults particularly on women, and the general crime rate around the transport corridors.

Safety and Security measures that are not funded under baseline expenditure are as follows:

- Expansion to the bus network taking travelers closer to their destinations
- The current level of reliability – this will reduce if funding is limited to baseline expenditure
- An increase in night buses or weekend services
- Reliability initiatives on London Underground
- An increase in Policing and Enforcement on bus routes
- An increase in Policing at National Rail stations
- Help points at National Rail Stations
- Audible and Visual information at bus stops and on board buses
- Safe Routes to School programme
- Children's Traffic Club and
- Road Safety Plan improvements

If TfL is funded to bring the service to a state of good repair:

- The Road Safety Plan would be funded and
- Personal Security initiatives in National Rail (working with the Strategic Rail authority and Train Operating Companies) would be funded

If TfL is funded to meet demand growth:

- There would be an increase in the bus network

If TfL is funded to accommodate London's growth:

- New transport links would allow people to travel closer to key services and facilities

If TfL is funded to provide enhanced service quality:

- There would be an increase in the numbers of Police and Enforcement officers on key bus corridors
- Extra British Transport Police would be introduced to the national rail network
- Audible and visual information would be introduced at more bus stops and on board buses
- The bus network would have improved reliability with more off peak and night buses
- Safe Routes to school programmes would be provided
- The Road Safety Plan would be included
- The Children's Traffic Club would be provided
- Local walking and cycling programmes would be introduced and
- A range of local area route improvements with safety and security measures would be provided

2. The creation of economic opportunity and social participation

Section 4 of Part I of the report summarises current economic inequalities within London and relatively high levels of unemployment, particularly amongst black and minority ethnic groups which form the fastest growing section of London's population.

TfL has a duty under the Race Relations Amendments Act to promote racial equality in its services. New transport links, in parallel with other measures, can assist access of local communities to employment opportunities.

Baseline expenditure will not cover any significant new TfL provided links other than the Heathrow and White City Underground links which are expected to be externally funded. These will only provide very limited benefits for reducing exclusion, or in providing capacity to meet the long-term demand for transport. In addition, existing bus services and links would be lost, and there would be less flexibility within the remaining network to change routes as venues and services change location and new developments are built.

For some people in London, participation in society means regular well paid employment opportunities, access to education, and involvement in the wide range of cultural activity in London including the opportunity to visit friends and family. For others, levels of exclusion are extreme and access to the wider community through transport is so limited that participation for these groups can be as basic as an infrequent exchange with neighbours, GP or local retailers. This is particularly true of some older and disabled people. TfL wants to help address this through local improvements to access in the street environment and improved pedestrian facilities, but such improvements will not in general be funded under baseline expenditure.

If TfL is funded to restore the bus service volumes:

- The frequency and reliability of the bus network would be sustained

If TfL is funded to meet demand growth:

The DLR vehicles on the Lewisham to Bank line will be upgraded to three cars from the existing two cars.
Congestion at Camden Town, Euston and Victoria Underground stations will be addressed

If TfL is funded to accommodate London's growth:

The proposed new transport links will be provided including the DLR extension to Woolwich, Stratford and Barking
The Thames Gateway Bridge, the Silvertown Link
New Light Transit schemes at West London, Stage 1 of Greenwich Waterfront and at East London, the Interchange accessibility and congestion works will be provided
Supporting works to the East London Line including the Dalston bus station and taxi ranks
The Croyley / Watford extension to London Underground will be provided

If TfL is funded for service quality enhancements:

The bus network will receive frequency enhancements, more off peak and night buses and links closer to homes
National Rail will gain a proper fares integration with the remainder of the system
The Western Extension of the Congestion Charging Zone will be funded
Reliability Initiatives on London Underground will be funded
Local improvements and Borough programmes will be included
Walking and Cycling programmes will be included
Route improvements can be made including Purley Cross, Wandsworth Town Centre, Catford Town Centre, A406 Regents Park Road Junction and Golders Green Road Junction
Parliament Square will be re-developed

3. Services shaped by London's diverse lifestyles

Although an important priority for TfL, within baseline expenditure there will be little scope to shape transport services to address the impacts of lifestyle differences within London's diverse communities. Indeed it is more likely that people will need to adapt their own lifestyles to the fit with the potential inflexibility of the services available, regardless of whether the differences arise from faith, gender, age, race disability or sexuality.

The major impact of additional funding beyond baseline expenditure is that TfL will be able to better shape its new transport links according to the lifestyles of the local and diverse communities of each scheme.

4. Run by London's diverse communities

Our main objective under this proposal is to ensure that our workforce fully reflects the diverse communities of London at all levels and across all functions. This will be achievable under the baseline plan, though the opportunity for the job creation inherent in providing new transport links will not be provided. Training opportunities, which will equip the workforce to deliver an equality agenda, research and information about the transport needs of user groups will still be available to the TfL workforce under the baseline plan.

There is no significant impact expected on delivery of this priority as a result of varying levels of funding.

5. Owned by London's diverse communities – communicative, participative, accountable and consultative

As a responsible provider of London's Transport services, TfL is accountable to the city that it serves. This means that we must build a robust relationship with the diverse communities in London, communicating in a range of core languages and ensuring that everyone has the opportunity to participate, and TfL is committed to taking this forward even if funding is limited. However, clearly limited funding would reduce how much resource can be devoted to this priority.

Appendix D: Contribution of major London Plan Schemes

The table below shows the contribution of major elements to the London Plan, their indicative cost (assuming conventional funding for sake of illustration), and their phasing.

Table 20: Summary of planned transport improvements

Transport Improvement	Contribution to the London Plan	Status	Lead
Maintaining and operating the existing infrastructure network to a high standard of safety and reliability	<ul style="list-style-type: none"> • Supports existing areas and areas of intensification • Improves public transport system reliability across London • Brings the network up to an efficient and reliable level of performance for freight and passenger movements 	On-going. Identified as a priority in TfL Business Plan	TfL
Congestion charging western extension (£120m)	<ul style="list-style-type: none"> • Improves journey times and reliability in central London through reduced road congestion • Improves the vitality and environment of Central London for businesses, tourists and workers 	April 2006	TfL
Demand management and travel behaviour projects, including improved information on travel alternatives	<ul style="list-style-type: none"> • Improves accessibility to town centres and Opportunity Areas and improves the environment of local areas • Reduces peak hour car use and improves the reliability of the transport network 	Individualised marketing pilot underway. School and workplace travel plans being developed.	TfL
Bus improvements (40% capacity increase to 2011, 50% increase to 2016)	<ul style="list-style-type: none"> • Improves accessibility to town centres and Opportunity Areas • Provides a substantial increase in overall public transport capacity 	Continued expansion occurring.	TfL
South London Metro (phased improvements in services, stations and fares)	<ul style="list-style-type: none"> • Increases accessibility to areas of deprivation in South London • Increases accessibility and capacity to opportunity Areas (London Bridge and Waterloo) and areas of intensification (Woolwich Arsenal and Victoria) • Increases journey time reliability for orbital public transport movements between town centres in South London 	Identified as scheme for further development in SRA Strategic Plan 2002. Pilot schemes to be introduced in Autumn 2002.	SRA
Orbirail (enhances the existing orbital rail network around inner London)	<ul style="list-style-type: none"> • Improves access to town centres and potential development areas • Relieves public transport pressures in central London 	SRA Strategic Plan 2002 identifies East London Line extension as step towards eventual implementation of Orbirail.	SRA
Thameslink 2000 *	<ul style="list-style-type: none"> • Increases capacity to Central London Opportunity Areas (particularly Kings Cross, London Bridge) • Improves north-south links 	Northern extensions planned for opening in 2008, southern extensions planned for opening in 2012.	SRA

Transport Improvement	Contribution to the London Plan	Status	Lead
Walking and cycling improvements	<ul style="list-style-type: none"> • Supports travel for those without direct access to cars • Increases the attractiveness of town centres and their accessibility to surrounding hinterland • Increases accessibility to transport hubs, for shorter trips and trips between modes • Reduces pressure on other modes for short distance trips 	On-going. TfL Business Plan includes increase in walking and cycling programme.	TfL
Road network improvements	<ul style="list-style-type: none"> • Facilitates more efficient use of road infrastructure to improve network reliability • Improves highway accessibility to Opportunity Areas in East London (A13 junction upgrades via DBFO, North Circular Road improvements, improvement schemes at Wandsworth, Purley and Catford, A23 Inner Relief Road, A2 widening) • Improved management information (using information technology) and enforcement will allow improved management of the road system. 	A13 schemes under construction, A23 scheme to begin late 2003, North Circular schemes complete by 2006. London Traffic Control Centre opened. Street Works Task Force set up.	TfL
Channel Tunnel Rail Link ***	<ul style="list-style-type: none"> • Increases accessibility to Stratford and Kings Cross Opportunity Areas • Improves London's international links and frees up capacity on the domestic national rail network into London 	Construction underway: section 1 to open 2003; section 2 to open 2007.	SRA
Crossrail line 1 * and *** £10,000m	<ul style="list-style-type: none"> • Increase in capacity to Central London Opportunity Areas (particularly Paddington, Bishopsgate) and the Isle of Dogs • Increases accessibility to Opportunity Areas in the Thames Gateway • Improves east – west links 	Business case being developed by SRA and GLA/TfL. Planned for opening in 2011.	TfL SRA
Crossrail line 2	<ul style="list-style-type: none"> • Increases capacity to Central London Opportunity Areas (esp. Victoria, Kings Cross) • Increases accessibility to Areas of Deprivation in north-east London 	Studies underway to review route options. Planned for opening in 2016.	SRA
East London Line extensions	<ul style="list-style-type: none"> • Improves accessibility to a high proportion of Areas of Deprivation • Provides alternative access to Opportunity Areas in Thames Gateway, avoiding Central London 	Legal approval obtained; awaiting Government financial approval. Planned for opening in 2006.	SRA
National rail/TOC improvements	<ul style="list-style-type: none"> • Increases overall public transport capacity which will particularly benefit Central London Opportunity Areas • Introduction of Metro services, including higher frequencies 	Planning assumptions about capacity growth made following dialogue with SRA.	SRA
London Underground improvements to existing network (in the PPP)	<ul style="list-style-type: none"> • Increases overall public transport capacity through line and station upgrades which will particularly benefit Central London Opportunity Areas • Station improvements will benefit Opportunity Areas, particularly in Central, West and North London 	Improvement spread over the period.	TfL

Transport Improvement	Contribution to the London Plan	Status	Lead
DLR extensions: City Airport/King George V Dock, Woolwich Arsenal (£159m), Barking Reach (£135m), Stratford International (£78m), Stratford regional (£18m). 3-car upgrade of Bank-Lewisham route (£149m).	<ul style="list-style-type: none"> Increases accessibility and capacity to Opportunity Areas and areas of intensification north and south of the Thames, e.g. Royal Docks, Stratford, Barking Reach and Woolwich Arsenal. Links housing, employment centres and key transport nodes in the Thames Gateway and makes a key contribution to regeneration 	City Airport/King George V Dock under construction. Woolwich extension consultation complete; TWO being sought. 3-car upgrade powers being sought.	TfL
Light transit schemes: East London (£35m), Greenwich Waterfront (£25m), West London (£425m), Cross River Tram (£414m), Tramlink extensions (£530m)	<ul style="list-style-type: none"> Increases accessibility and capacity to a number of town centres and Opportunity Areas north and south of the Thames Serves a number of Areas of Deprivation Support regeneration in key corridors Increases the attractiveness of town centres and their accessibility to surrounding hinterland 	Four transit schemes approved by TfL Board for planned implementation by 2011. Detailed planning on West London Transit and project team established. Study into Croydon Tramlink extensions complete.	TfL
Interchanges, stations & terminals	<ul style="list-style-type: none"> Improves efficiency of use of public transport capacity in London Improves the efficiency of distribution of workers from terminals and stations Enhances development and intensification at major interchanges and town centres 	On-going programme of interchange improvements being implemented.	TfL
River crossings – Thames Gateway Bridge (£425m) Silvertown link (£250m **)	<ul style="list-style-type: none"> Increases accessibility to Opportunity Areas in southern Thames Gateway (Woolwich Arsenal, Thamesmead, Belvedere) and Greenwich Improves transport accessibility between the north and south of the river 	TGB consultation on design complete. Construction by 2011. Some initial planning for Silvertown, but follows TGB.	TfL

* Crossrail Line 1 costs are in 2002/03 prices.

** Silvertown Link minimum indicative cost.

*** Scheme identified by Government in Regional Planning Guidance for the South East (RPG 9) as significant for regional development.

All SRA schemes are planned but not committed. Implementation depends on funding approval.

The TfL Capital Plan

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The Capital Plan 2004/05-2009/10

1 INTRODUCTION

The TfL 2004/05 Business Plan reflects the total expenditure TfL plans to spend on London's transport system. This expenditure can be separated into two main types: operating and capital. In order to provide a clear insight into TfL's expenditure profile, the Business Plan is split into two separate expenditure plans called the Operating Plan and the Capital Plan.

Capital expenditure refers to spending that results in the creation of an asset. Operating expenditure—spending focused on supporting the delivery and running of transport services—is covered in the **Operating Plan 2004/05-2009/10**.

The Capital Plan 2004/05 – 2009/10 reflects TfL's planned investment on infrastructure in London's transport network. As with the business plan, this expenditure is divided into the following categories:

1. **Baseline: essential safety and committed expenditure.** This provides only the existing funding to bus services, which due to rising demand, traffic congestion and deterioration of assets will deliver a progressively lower mileage, worse reliability and poorer service quality. It also delivers contractually committed expenditure through PFIs and PPPs, which therefore contains an element of improvement that was built into the long-term contracts.
2. **Restoration of current levels of bus service.** This increased expenditure is necessary to sustain bus service levels, such as operated kilometres, in the face of rising traffic congestion outside the congestion charging zone.
3. **Ensuring the system runs smoothly through restoring a state of good repair and other safety works.** This is expenditure necessary to maximise the efficiency of existing transport infrastructure by carrying out investment that brings it to a state of good repair.
4. **Expenditure to meet the expected increase in demand.** This is expenditure to accommodate the projected increases in demand for services of the existing network.
5. **Programmes to provide transport to accommodate London's growth.** This is investment over the business plan period to increase the ability of the transport system to accommodate London's growth in the medium and long term. This includes new projects to provide links essential for development of employment and housing provision in, for example, the Thames Gateway.
6. **Service quality enhancements.** This category includes the Western extension of the Congestion Charging Scheme, fares integration, road improvements, bus priority and National Rail improvements.

The table below shows a summary of expenditure included in the Capital Plan:

Table 1: TfL Summary Capital Plan

(2004/05 prices)	2004/05 £m	2005/06 £m	2006/07 £m	2007/08 £m	2008/09 £m	2009/10 £m
Baseline: essential safety and committed expenditure (net of efficiencies)	683	894	846	834	811	827
Restoration of bus service levels	2	6	10	14	18	20
Ensuring the system runs smoothly	43	66	66	66	50	49
Meeting demand for existing services	84	118	202	202	163	104
Accommodating London's growth	50	80	110	70	70	106
Service quality enhancements	216	293	197	207	183	173
Total	1,078	1,457	1,430	1,393	1,295	1,278

It should be noted that the wide-ranging nature of some programmes and projects means that some proportion of the total expenditure can appear in more than one category; however, there is no double counting of expenditure.

In addition, some expenditure, such as those under PPP and PFI, include both operating and capital elements. In order to maintain a clear distinction between the two types of expenditure, the capital element of the annual payments made under such contracts has been removed from the Operating Plan and incorporated into this Capital Plan. The total cost of the generated assets have also been included in this Capital Plan even though payments may extend beyond the planning years. The running costs have of course been accounted within the Operating Plan. This situation also applies to contract payments made to bus operators for the modernisation and renewal of the bus fleet. A detailed explanation of the capital investments in the PPP and in the Underground's PFI schemes is included in an **Appendix** to the Capital Plan.

The 2004/05 – 2009/10 Capital Plan aims to deliver a sustainable investment programme that meets London's transport needs. This investment requires a commitment from Government to provide grant to meet the London's infrastructure investment needs. Currently, the network is suffering the consequences of decades of under-investment with the result being much of the current transport infrastructure is in poor condition. Consequently, travellers face delays and disruptions to their journeys. It is therefore vital that a sustained investment programme is implemented in London's transport network to ensure that the system is able to meet not only current requirements, but also able to develop into a network for the future capable of sustaining a growing world class city.

In order to achieve this, TfL has undertaken the exercise of identifying its inherited assets and their current condition. Using this information, an action plan to deliver capital investment in the London transport network has been developed.

Priority has been placed on investing in infrastructure that will ensure that current levels of service delivery can be maintained and that TfL's assets are brought to a state of good repair. As part of these priorities, TfL also aims to ensure that its capital plan takes into account the need to provide services that can be delivered in a safe manner for all users. In addition, the Capital Plan also includes investment aimed at expanding and improving the transport network to meet the future demands of the city.

The key elements of the Capital Plan 2004/05 – 2009/10 are:

- The continued capital investment in the core system including the London bus network, London Underground, DLR, Tramlink and London's strategic road network
- Ensuring that sustained progress is made towards bringing assets to a state of good repair and maintaining them in that condition.
- Improving the capacity, coverage and reliability of the bus network through investment of capital in bus fleets

2 BASELINE: ESSENTIAL SAFETY AND COMMITTED EXPENDITURE

The key deliverables for the Capital Plan to maintain the current level of safety include:

- Continued in-vehicle security improvements via extensions of CCTV in buses and through the new DLR on-train security system (£2m)
- Safety improvements to the layout of the DLR station at Stratford through the construction of a new platform (£18m)
- Replacement of two bridges on the A406 (North Circular) by 2004/05 (£23m) and of one bridge on the A40 (Western Avenue) by 2008/09 (£46m)
- Refurbishment of the Blackwall Tunnel (northbound) and the Rotherhithe tunnel including the renewal of the tunnel lining, lighting, communications and safety equipment (£38m)
- Safety works on the Westminster Bridge and Fore Street tunnel (£52m)
- The implementation of TfL's Road Safety Plan (published in 2001). This includes engineering schemes; safety (speed) cameras; the introduction of 20mph zones; and local safety measures such as Safer Routes to School schemes. Note that the bulk of investment is made through the Boroughs

As well as maintaining safety levels, TfL will provide baseline expenditure capital expenditure that includes the following:

- Maintaining London's strategic road network through a capital maintenance programme based on an extensive condition surveys of the road network. (Capital payments are also made to the Boroughs for Borough Principal Roads¹)
- The refurbishment of the DLR railcar fleet to replace existing units that are reaching the end of their useful life
- the proportion that represents the cost of capital assets of the DLR's Lewisham extension through the 24½ year concession and the London City Airport extension

¹ Capital payments to boroughs are not reflected in TfL's capital expenditure and instead appear in the operating plan.

- the proportion that represents the cost of capital assets of the A13 DBFO payment
- Congestion relief and accessibility projects (outside of the remit of the PPP) on numerous stations on the London Underground network
- Modernisation and renewal of London Underground's assets through the PPP and other PFI contracts
- The A23 Coulsdon Town Improvement Scheme (£25m)

In addition to direct capital investments, TfL is also supporting and, in some cases, contributing to investment in the London transport network through external third parties. The following examples are already committed, and hence included in the baseline:

- Channel Tunnel Rail Link at Kings Cross
- Extension of the Metropolitan Line to Watford Junction (Croxley Link)
- White City Development including two Underground stations and moving the existing depot.
- Heathrow Terminal 5 Extension

3 BEYOND THE BASELINE

The transport network capital enhancements (beyond baseline expenditure) are divided into the following subsections: Restoration to current levels of bus service; Ensuring the system runs smoothly (State-of-Good-Repair) and other safety expenditure; increased demand for existing services; accommodating London's growth; other service quality enhancements; and third party funded projects.

3.1 Restoration of bus service network

The portion of the expenditure required to maintain bus service at current levels that can be classified as capital will be spent on improvements to the bus fleet to maintain reliability and quality to counter the detrimental effects of worsening congestion.

3.2 Ensuring the system runs smoothly

The capital plan for this category includes additional expenditure upon road maintenance and the delivery of the road safety plan. There is also some expenditure on LU Safety and Security initiatives, such as long-line CCTV for British Transport Police.

3.3 Meeting demand for existing services

This section describes improvements in assets to meet rising demand and the additional resources required to achieve this. Capital expenditures is required for:

- Congestion relief and accessibility schemes on the London Underground including Camden Town, Tottenham Court Road and Victoria stations
- additional bus fleet to cater for expected growth, for example through conversion to articulated bus, additional frequency on other trunk services, and conversion of certain routes from single to double deck operation
- Development and construction of new bus garages and bus stations to meet the capacity requirements of an expanded bus fleet

- Operation of 3-car trains on the DLR network between Bank and Lewisham and the double tracking between Bow and Stratford to assist in managing the issue of crowding on a railway where there is little station staffing
- An Interchange Programme, including measures to integrate the East London line northern extension with the rest of the transport network

3.4 Accommodating London's growth

As part of the analysis in the draft London Plan, TfL aims to make a significant contribution in the areas of London suitable for further development, such as the Thames Gateway area.

- Extensions of the Docklands Light Railway to Woolwich Arsenal (£159m), Stratford International (£78m) and Barking (£134m) (the Woolwich and Barking projects are planned as PFI financed projects and the capital portion of the repayments only occurs outside of the planning years)
- West London Tram linking Uxbridge to Acton and Ealing (£425m)
- Two Thames River crossings in east London to regenerate the Thames Gateway area
- Croydon Tramlink extensions (£530m)
- Improved conditions for walking and cycling in town centres and residential areas
- Upgrade of the A206 Thames Road to facilitate regeneration in the Thames Gateway

3.5 Service quality enhancements

Other service quality enhancements relate improved transport links and enhanced quality of service. Planned capital expenditure in this area includes:

- A406 Bounds Green (Ex HA scheme)—subject to board approval (over £600m)
- Road improvements at four junctions on the A13 and A406 North Circular Road schemes
- Programme to enhance cycling and pedestrian areas and undertake transport improvements to improve the environment, amenity and accessibility of town centres, regeneration areas, and local residential areas. This programme includes initiatives to improve conditions for pedestrians and cyclists through the provision of local and flagship initiatives, and a programme of kerb and bus stop works to meet the requirements of the Disability Discrimination Act
- Replacement bus radio system and improved real-time information
- London Transport Museum re-display project (£17m)

4 DETAILED REPORT ON CAPITAL EXPENDITURE

Attached is a detailed activity report reflecting the expenditure incurred as part of the 2004/05 – 2009/10 Capital Plan. The report is broken down into the below sections including a 'Total' report that includes all the 'Capital' activities across the categories:

- Summary Report (page 7)
- Baseline Expenditure (page 8)
- Restoration of Bus Service Network (page 15)
- Ensuring the System Runs Smoothly (page 16)
- Meeting increased demand for existing services (page 17)
- Accommodating London's Growth (page 20)
- Service Quality Enhancements (page 23)
- Total capital expenditure by mode and directorate (page 28)

The 'Total' section of the report also includes information on the total capital cost of programmes and projects including those financed through PPP and PFI contracts. The 'YTD Capital' column reflects the total amount spent to date on capital within the activities while the 'Future Capital Expenditure' column reflects the total amount of future capital expenditure for the activity even if this extends beyond the planning period. Programmes that have 'Ongoing' in the final column are those activities that are expected to continue indefinitely year upon year. For these projects, the 'Future Capital Expenditure' shown simply relates to the total value of capital spent within the six year planning period.

Capital Plan Summary

2004/05 Prices (£ millions)	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Surface Transport						
London Buses	230.0	272.1	302.1	309.8	281.0	282.0
Street Management	298.9	398.8	320.2	308.8	289.4	277.7
Other	1.6	5.2	1.8	0.8	1.3	1.5
	530.4	676.0	624.1	619.4	571.7	561.2
London Underground	584.2	805.2	761.9	648.4	615.8	602.8
London Rail	26.1	27.2	16.5	8.2	6.3	6.3
Docklands Light Railway	36.2	54.4	115.0	108.8	71.0	15.8
Other						
Transport Planning	17.8	21.6	27.9	36.6	54.0	99.6
Central Directorates	-117.2	-127.0	-115.1	-28.1	-24.1	-7.9
Total TfL	1,077.4	1,457.3	1,430.4	1,393.2	1,294.7	1,277.9
Allocated						
Baseline	683.2	894.0	846.0	833.9	811.2	826.5
Bus Network Restoration	2.0	6.0	10.0	14.0	18.0	20.0
Ensuring the System Runs Smoothly	42.8	66.4	66.4	65.9	50.0	48.5
Meeting Demand Growth for Existing Services	84.1	118.3	201.6	202.0	162.7	104.2
Accommodating London's Growth	49.6	79.5	109.5	70.4	69.8	105.9
Service Quality Enhancements	215.8	293.1	196.9	207.0	183.0	172.8
Total	1,077.4	1,457.3	1,430.4	1,393.2	1,294.7	1,277.9

Capital Plan Detailed Report - Baseline

2004/05 Prices (£ millions)	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
Surface Transport										
Old Surface Transport										
London Buses										
*Bus Fleet	<i>Purchase of vehicles (through payments to contractors)</i>	138.7	147.1	153.0	156.6	161.1	166.7	0.0	923.2	923.2 Ongoing
Bus Stops & Shelters	<i>New and replacements bus shelters and stops</i>	1.8	1.8	1.8	1.8	1.8	1.8	0.0	10.8	10.8 Ongoing
Bus Stations	<i>Construction and modernisation of bus stations</i>	8.5	6.3	6.6	8.0	12.3	9.6	0.0	51.3	51.3 Ongoing
Bus Garages	<i>Construction and modernisation of bus garages</i>	0.5	0.5	0.5	0.5	0.5	0.5	0.0	2.7	2.7 Ongoing
Transport Policing & Enforcement	<i>Bus lane cameras, mobile cameras and other traffic enforcement equipment</i>	1.8	1.8	1.8	1.8	1.8	1.8	0.0	10.9	10.9 Ongoing
Prestige & Other Ticketing Equipment	<i>Bus Ticket Machinery- on & off buses</i>	8.5	8.4	7.0	7.3	7.9	8.2	0.0	47.3	47.3
Other	<i>Bus purchase for ETB, Dial a Ride, Fuel cell bus project, Bus CCTV</i>	16.4	13.1	8.2	4.8	4.7	4.8	0.0	51.9	51.9
London Buses Total		176.2	178.9	178.9	180.8	190.0	193.3	0.0	1,098.1	1,098.1
Public Carriage Office	<i>Small capital purchases for back office operations</i>	0.8	0.5	0.6	0.5	0.5	0.5	0.0	3.5	3.5
Victoria Coach Station	<i>Contingency for leasehold purchase</i>	0.2	3.2	0.2	0.2	0.2	0.2	0.0	4.2	4.2
Dial - A - Ride	<i>Replacement of Booking System</i>	0.1	0.4	0.1	0.1	0.1	0.3	0.0	1.0	1.0
Total Old Surface		177.2	183.0	179.7	181.6	190.8	194.3	0.0	1,106.8	1,106.8

* Relates to contract payments made to bus network contractors.

Capital Plan Detailed Report - Baseline

2004/05 Prices (£ millions)	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
Street Management										
Major Route Improvements										
A23 Coulsdon Town	<i>Construction of new road</i>	15.6	8.1	0.8	0.0	0.0	0.7	24.5	25.2	
Major Safety Enhancements										
A406 Hanger Lane Bridge	<i>Replacement of bridge</i>	10.8	8.4	3.0	1.1	0.0	2.0	23.3	25.3	
A40 Western Avenue	<i>Replacement of bridge</i>	12.9	10.8	10.8	7.6	3.4	1.1	45.5	46.6	
Blackwall Tunnel (North)	<i>Refurbishment of tunnel including replacement of interior lining, resurfacing of road, etc</i>	2.2	13.7	9.5	0.0	0.0	0.0	25.4	25.4	
Rotherhithe Tunnel	<i>Refurbishment of tunnel including replacement of interior lining, resurfacing of road, etc</i>	1.0	5.1	6.2	0.0	0.0	12.0	12.3	24.3	
Westminster Bridge	<i>Strengthening of support piers</i>	6.2	6.2	6.2	6.2	6.2	4.2	41.3	45.5	
Fore Street Tunnel	<i>Refurbishment of tunnel including replacement of interior lining, resurfacing of road, etc to meet FSA standards</i>	0.8	3.1	4.6	2.6	0.0	1.7	11.1	12.8	
4.1 Major Safety Enhancements Total		33.9	47.3	40.3	17.5	9.6	21.0	158.9	179.9	

Capital Plan Detailed Report - Baseline

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
A13 DBFO	<i>Junction improvements and capital maintenance of A13</i>	9.1	10.2	10.2	14.1	13.7	13.5	0.0	263.7	263.7	
TLRN Maintenance	Capital maintenance on the TLRN including resurfacing of roads, junction improvements, etc	44.1	47.4	54.6	48.1	42.9	35.4	0.0	272.5	272.5	
BPRN Maintenance	<i>Capital maintenance on the BPRN including resurfacing of roads, junction improvements, etc</i>	65.0	55.6	48.4	58.4	71.4	69.2	34.4	368.0	402.4	
Traffic Signals and Controls	<i>Replacement and addition of signal junctions and the installation of signal controls to assist people with disabilities</i>	14.6	11.5	12.0	10.8	10.5	10.5	0.0	69.9	69.9	Ongoing
Other	<i>Back office equipment and systems</i>	2.1	2.2	2.2	2.2	2.2	2.2	0.0	13.1	13.1	Ongoing
Total Street Management		184.4	182.3	168.5	151.1	150.3	141.1	87.0	1,170.6	1,257.6	
Total Surface Transport		361.6	365.3	348.2	332.7	341.1	335.4	87.0	2,277.4	2,364.4	

Capital Plan Detailed Report - Baseline

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
London Underground											
Customer Services (Trains)	<i>Small capital items on trains</i>	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.4	0.4	Ongoing
Customer Services (Stations)	<i>Small Capital items at stations</i>	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.5	0.5	Ongoing
PFI Contracts											
** Prestige	<i>Gateline equipment and smartcards</i>	20.4	20.4	20.4	20.5	20.5	20.6	113.2	289.1	402.3	Ongoing
** Power	<i>New power infrastructure</i>	22.2	22.5	22.5	22.5	22.5	22.5	413.3	662.4	1,075.7	Ongoing
** Connect	<i>New radio system covering entire network</i>	48.7	70.3	70.9	71.5	72.3	72.8	736.9	1,261.3	1,998.2	Ongoing
** British Transport Police	<i>New accommodation for BTP</i>	0.4	0.4	0.4	0.4	0.4	0.4	4.9	8.3	13.2	Ongoing
<i>PFI Contracts Total</i>		<i>91.7</i>	<i>113.6</i>	<i>114.2</i>	<i>114.9</i>	<i>115.7</i>	<i>116.3</i>	<i>1,268.3</i>	<i>2,221.1</i>	<i>3,489.4</i>	
PPP Contracts											
** BCV	<i>Refurbished and replaced stations, tracks and trains</i>	63.0	141.8	88.6	79.9	78.4	86.5	1,940.4	2,478.6	4,419.0	Ongoing
** JNP	<i>Refurbished and replaced stations, tracks and trains</i>	22.9	20.8	109.1	95.5	83.2	71.8	7,966.2	8,433.6	16,399.8	Ongoing
** SSL	<i>Refurbished and replaced stations, tracks and trains</i>	56.9	177.0	166.1	168.5	154.6	176.0	2,527.5	3,426.6	5,954.1	Ongoing
<i>PPP Contracts Total</i>		<i>142.8</i>	<i>339.6</i>	<i>363.8</i>	<i>343.9</i>	<i>316.2</i>	<i>334.3</i>	<i>12,434.1</i>	<i>14,338.8</i>	<i>26,772.9</i>	

Capital Plan Detailed Report - Baseline

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
UIP											
Power	<i>Reinforcement of power supply works</i>	5.6	23.1	23.6	37.1	34.7	24.5	849.7	1,004.3	1,854.0	
Connect	<i>Communications equipment improvement</i>	4.7	15.8	21.2	23.7	8.8	10.6	42.4	130.6	173.0	
UIP Total		10.3	38.9	44.8	60.8	43.5	35.1	892.1	1,134.9	2,027.0	
Jubilee Line Works	<i>Introduction of a 7th car on the Jubilee line and new entrance to Canary Wharf station</i>	57.9	25.8	-2.0	-12.0	3.0	4.0	0.0	76.7	76.7	
Transition & Special Projects	<i>Additional station projects</i>	16.0	13.7	11.5	11.5	8.6	0.0	0.0	0.0		
Other Network Extensions	<i>Croxley link extension of the Metropolitan line to Watford Junction</i>	1.4	3.5	3.5	1.0	1.1	1.0	0.0	11.5	11.5	
1.1.1.1 Total London Underground		415.9	630.2	603.1	530.3	488.3	490.8	14,594.5	17,783.9	32,378.4	

Capital Plan Detailed Report - Baseline

2004/05 Prices (£ millions)	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
London Rail										
Docklands Light Railway										
** Lewisham Extension	<i>Proportion of annual payment for the building of the Lewisham extension</i>	2.1	2.5	2.9	3.5	4.8	6.3	0.0	119.7	119.7 Ongoing
New Rail Cars	<i>Purchase of new rail cars on the DLR</i>	0.8	0.0	0.0	0.0	0.0	0.0	39.2	0.8	40.0
Rail Car Refurbishment	<i>Refurbishment of existing rail car fleet</i>	10.3	6.4	0.0	0.0	0.0	0.0	7.8	16.7	24.5
** London City Airport Extension	<i>Proportion of annual payment for the building of the London City Airport extension plus expenditure on feasibility studies and project development</i>	3.7	4.3	1.4	0.1	0.0	0.0	137.3	9.5	146.8
Stratford Station Safety Works	<i>Construction of a new platform at Stratford</i>	0.5	9.4	8.2	0.0	0.0	0.0	0.0	18.1	18.1
On Train Security	<i>On train CCTV</i>	0.8	0.0	0.0	0.0	0.0	0.0	1.2	0.8	2.0
Other	<i>Infrastructure maintenance, upgrade, digital radio upgrade, lifts overhaul, back-up security</i>	3.1	1.5	4.6	3.2	1.7	1.9	3.9	16.0	19.9
4.2 Docklands Light Railway Total		21.3	24.2	17.1	6.8	6.5	8.1	189.5	181.6	371.1
Total London Rail		21.3	24.2	17.1	6.8	6.5	8.1	189.5	181.6	371.1

Capital Plan Detailed Report - Baseline

2004/05 Prices (£ millions)	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment	
Transport Planning											
Interchanges Finsbury Park		<i>Redevelopment of bus, tube and National Rail interchange at Finsbury</i>	1.8	2.7	0.0	0.0	0.0	0.0	8.0	8.0	
5 TOTAL TRANSPORT PLANNING			1.8	2.7	0.0	0.0	0.0	0.0	8.0	8.0	
Central Directorates											
London Transport Museum Operations and Management		<i>Small capital purchases for the Covent Garden museum and replacement of a mezzanine at Acton</i>	0.1	0.2	0.1	0.1	0.1	0.0	0.5	0.5	
London Transport Museum Total			<i>0.1</i>	<i>0.2</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.0</i>	<i>0.5</i>	<i>0.5</i>	
Corporate Services		<i>IT Projects including Journey Planner updates, desktop upgrades, realtime information systems, etc</i>	9.1	2.6	1.6	1.2	2.2	0.0	18.0	18.0	
London Transport Insurance			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other Support Functions		<i>General Counsel safety & systems development. Includes capital funding for 3rd party projects and savings.</i>	-126.5	-131.2	-124.0	-37.0	-26.8	0.0	0.7	0.7	
Total Central Directorates		<i>General Counsel safety & systems development. Also third party funding.</i>	-117.3	-128.4	-122.4	-35.8	-24.6	0.0	18.6	18.6	
Total TfL Capital Expenditure in Baseline Expenditure			683.2	894.0	846.0	833.9	811.2	826.5	14,871.0	20,269.6	35,140.6

Capital Plan Detailed Report – Restoring the Bus Network

2004/05 Prices (£ millions)	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
Surface Transport										
Old Surface Transport										
London Buses										
*Bus Fleet										
<i>Purchase of vehicles (through payments to contractors)</i>	2.0	6.0	10.0	14.0	18.0	20.0	0.0	70.0	70.0	Ongoing
Total TfL Capital Expenditure on Restoring the Bus Network	2.0	6.0	10.0	14.0	18.0	20.0	0.0	70.0	70.0	

* Relates to contract payments made to bus network contractors.

Capital Plan Detailed Report – Ensuring the system runs smoothly

2004/05 Prices (£ millions)	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
Surface Transport										
Old Surface Transport										
London Buses										
Other	<i>Bus purchase for ETB, Dial a Ride, Fuel cell bus project, Bus CCTV</i>	0.3	0.3	0.4	0.3	0.2	0.2	0.0	1.6	1.6
Total Old Surface		0.3	0.3	0.4	0.3	0.2	0.2	0.0	1.6	1.6
Street Management										
TLRN Maintenance	<i>Capital maintenance on the TLRN including resurfacing of roads, junction improvements, etc</i>	0.0	10.5	3.3	9.8	7.6	12.7	0.0	43.9	43.9
BPRN Maintenance	<i>Capital maintenance on the BPRN including resurfacing of roads, junction improvements, etc</i>	0.0	7.1	16.1	10.1	-0.9	-6.1	34.4	26.3	60.7
Road Safety	<i>New surfacing on roads, crossing improvements and new safety barriers to reduce casualties on London roads</i>	34.4	41.6	41.6	41.6	41.6	41.6	0.0	242.4	242.4
1.1.1.1.1 Total Street Management		34.4	59.2	61.0	61.5	48.3	48.2	34.4	312.6	347.0
Total Surface Transport		34.7	59.5	61.4	61.8	48.5	48.4	87.0	314.2	401.2
London Underground										
Operational Initiatives										
Safety & Security	<i>Installation of CCTV, help points, etc</i>	8.1	6.9	5.1	4.1	1.5	0.1	0.0	25.8	
1.1.1.1.2 Total London Underground		8.1	6.9	5.1	4.1	1.5	0.1	0.0	25.8	25.8
Total TfL Capital Expenditure on Ensuring the System Runs Smoothly		42.8	66.4	66.4	65.9	50.0	48.5	87.0	340.0	427.0

Capital Plan Detailed Report – Meeting Demand Growth for Existing Services

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
Surface Transport											
1.1.1.1.2.1 Old Surface Transport											
London Buses											
*Bus Fleet	<i>Purchase of vehicles (through payments to contractors)</i>	1.6	6.6	31.0	26.3	2.0	0.5	0.0	68.0	68.0	Ongoing
Bus Stops & Shelters	<i>New and replacements bus shelters and stops</i>	0.0	3.4	3.4	3.4	3.4	3.4	0.0	16.8	16.8	Ongoing
Bus Stations	<i>Construction and modernisation of bus stations</i>	0.0	5.0	5.0	5.0	0.0	0.0	0.0	15.0	15.0	Ongoing
Bus Garages	<i>Construction and modernisation of bus garages</i>	7.1	3.7	3.9	4.9	3.7	3.9	0.0	27.1	27.1	Ongoing
Total Old Surface		8.7	18.6	43.2	39.6	9.1	7.8	0.0	126.8	126.8	
Street Management											
Traffic Signals and Controls	<i>Replacement and addition of signal junctions and the installation of signal controls to assist people with disabilities</i>	0.0	3.6	4.5	3.7	4.6	4.4	0.0	20.8	20.8	Ongoing
1.1.1.1.2.2 Total Street Management		0.0	3.6	4.5	3.7	4.6	4.4	0.0	20.8	20.8	
6	TOTAL SURFACE TRANSPORT	8.7	22.2	47.7	43.3	13.7	12.2	0.0	147.6	147.6	
7											

* Relates to contract payments made to bus network contractors.

Capital Plan Detailed Report – Meeting Demand Growth for Existing Services

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
8	LONDON UNDERGROUND										
	Station Projects										
	Camden Town	<i>Redeveloped station</i>	9.0	21.5	21.8	20.4	16.4	14.2	8.0	120.3	128.3
	Tottenham Court Road	<i>Station works for congestion relief</i>	6.6	18.4	15.7	14.9	12.7	7.0	9.0	75.3	84.3
	Euston	<i>Station works for congestion relief</i>	1.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0
	Victoria	<i>Station works for congestion relief and interchange with bus station</i>	1.5	1.5	3.0	10.0	20.0	20.0	1.7	125.0	126.7
	Covent Garden	<i>Station works for congestion relief</i>	3.5	0.0	0.0	0.5	0.5	0.0	0.0	4.5	4.5
	Finsbury Park	<i>Station works for congestion relief</i>	0.0	0.0	0.0	0.0	1.5	1.5	0.0	3.0	3.0
	Bank	<i>Station works for congestion relief</i>	3.0	11.0	15.0	15.0	16.0	10.0	0.5	70.0	70.5
	Accessibility	<i>Station works to create step free access to platforms</i>	5.6	8.8	28.5	10.8	10.0	5.0	0.0	68.6	68.6
	Congestion Relief	<i>Station works for congestion relief</i>	8.5	3.0	6.0	8.3	14.8	25.5	0.0	66.0	66.0
	Other	<i>Public address system improvements, improved staff accommodation, congestion relief work and improved station control facilities</i>	30.9	21.5	5.5	7.1	5.4	5.4	0.0	0.0	
	<i>Station Projects Total</i>		<i>69.5</i>	<i>85.6</i>	<i>95.4</i>	<i>86.9</i>	<i>97.2</i>	<i>88.5</i>	<i>19.2</i>	<i>533.7</i>	<i>552.9</i>
9	TOTAL LONDON UNDERGROUND		69.5	85.6	95.4	86.9	97.2	88.5	19.2	533.7	552.9
10											

Capital Plan Detailed Report – Meeting Demand Growth for Existing Services

2004/05 Prices (£ millions)	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment	
London Rail											
Docklands Light Railway											
3 Car Upgrade		<i>Platform redevelopment to accommodate longer trains and the purchase of additional carriages</i>	5.8	10.4	57.7	53.3	19.2	3.4	0.0	149.7	149.7
Double Tracking		<i>Double tracking of the line between Stratford and Bow</i>	0.0	0.0	0.6	18.3	32.5	0.0	0.0	51.4	51.4
Other		<i>Infrastructure maintenance, upgrade, digital radio upgrade, lifts overhaul, back-up security</i>	0.2	0.2	0.2	0.2	0.2	0.2	3.9	0.9	4.8
Total London Rail			6.0	10.5	58.4	71.8	51.8	3.5	3.9	202.1	206.0
Total TfL Capital Expenditure on Meeting Demand Growth for Existing Services			84.1	118.3	201.6	202.0	162.7	104.2	3.9	349.7	353.6

Capital Plan Detailed Report – Accommodating London’s Growth

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
London Underground											
East London Line Extension	<i>Extension of the East London line to form a new North-South National Rail line</i>	23.5	22.9	8.6	0.0	0.0	0.0	0.0	0.0	0.0	
Other Network Extensions	<i>Croxley link extension of the Metropolitan line to Watford Junction</i>	1.0	18.0	33.4	3.5	3.1	2.1	0.0	61.2	0.0	
11 TOTAL LONDON UNDERGROUND		24.6	40.9	42.1	3.5	3.1	2.1	0.0	61.2	0.0	
London Rail											
Docklands Light Railway ** Woolwich - Arsenal Extension	<i>Proportion of annual payment for the building of the Woolwich - Arsenal extension plus expenditure on feasibility studies and project development</i>	8.2	8.2	9.3	1.7	1.0	0.0	0.0	28.4	28.4	
Stratford International Extension	<i>Construction of an extension to Stratford International plus expenditure on feasibility studies and project development</i>	0.5	11.3	29.5	27.3	8.7	0.8	0.0	78.0	78.0	
** Barking Extension	<i>Proportion of annual payment for the building of the Barking Reach extension plus expenditure on feasibility studies and project development</i>	0.3	0.3	0.7	1.2	3.0	3.4	0.0	134.0	134.0	
Total London Rail		9.0	19.8	39.5	30.2	12.7	4.2	0.0	240.4	240.4	

** Estimated expenditure for projects that are, or are assumed to be, financed through PFI or PPP contracts

Capital Plan Detailed Report – Accommodating London’s Growth

2004/05 Prices (£ millions)	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
Transport Planning										
Light Transit Schemes										
West London Transit	<i>Construction of a new tram network in West London plus expenditure on feasibility studies and project development</i>	3.7	4.6	4.6	16.8	18.1	12.5	0.0	425.0	425.0
Cross River Transit	<i>Construction of a new Cross River tram network plus expenditure on feasibility studies and project development</i>	0.3	0.4	0.4	0.5	0.5	0.5	0.0	696.0	696.0
Greenwich Waterfront Transit	<i>Construction of a new dedicated bus system network in Greenwich plus expenditure on feasibility studies and project development</i>	0.5	0.5	0.0	0.0	0.0	0.0	0.0	1.0	1.0
East London Transit	<i>Construction of a new dedicated bus system in East London plus expenditure on feasibility studies and project development</i>	0.6	0.3	0.0	0.0	0.0	0.0	0.0	0.9	0.9
Croydon Tramlink	<i>Extension of the existing Croydon tram network plus expenditure on feasibility studies and project development</i>	0.8	2.5	5.8	5.0	17.1	22.8	0.0	530.0	530.0
11.1 Light Transit Schemes Total		6.0	8.2	10.8	22.3	35.7	35.8	0.0	1,652.9	1652.9

Capital Plan Detailed Report – Accommodating London’s Growth

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
Thames Gateway											
Thames Gateway Bridge	<i>Construction of a new river crossing in the Thames Gateway plus expenditure on feasibility studies and project development</i>	3.9	3.7	2.6	1.6	2.8	36.1	0.0	438.0	438.0	
Silvertown Link	<i>Project development work on a second river crossing in the Thames Gateway</i>	0.0	0.0	0.0	0.5	0.5	0.5	0.0	220.0	220.0	
A206 Thames Road Bexley	<i>Construction of a dual carriageway on the A206</i>	0.0	0.0	5.3	4.2	1.4	1.4	0.0	21.7	21.7	
11.2 Thames Gateway Total		3.9	3.7	7.9	6.3	4.7	38.0	0.0	679.7	679.7	
East London Line Extension	<i>Interchange development on the East London Line Extension</i>	1.9	0.7	2.7	3.2	3.0	0.0	0.0	11.6	11.6	
Interchanges											
Victoria	<i>Redevelopment of bus, tube and National Rail interchange at Victoria</i>	1.5	4.2	3.5	3.5	9.4	14.6	0.0	416.0	416.0	
Other Interchanges and Administration	<i>Project development work on various interchange projects and redevelopment of the Stratford Interchange</i>	2.8	2.0	3.0	1.3	1.3	11.3	0.0	21.7	21.7	
<i>Interchanges Total</i>		<i>4.3</i>	<i>6.2</i>	<i>6.5</i>	<i>4.8</i>	<i>10.7</i>	<i>25.9</i>	<i>0.0</i>	<i>437.7</i>	<i>437.7</i>	
Total Transport Planning		16.0	18.9	27.9	36.6	54.0	99.6	0.0	4,880.3	4,880.3	
Total TfL Capital Expenditure on Accommodating London's Growth		49.6	79.5	109.5	70.4	69.8	105.9	0.0	5,181.9	5,181.9	

Capital Plan Detailed Report – Service Quality Enhancements

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
Surface Transport											
Old Surface Transport											
London Buses											
Transport Policing & Enforcement	<i>Bus lane cameras, mobile cameras and other traffic enforcement equipment</i>	0.0	3.3	3.3	3.3	0.0	0.0	0.0	10.0	10.0	Ongoing
Bus Priority	<i>Construction of bus lanes and installation of traffic signals</i>	38.1	52.1	51.7	51.2	51.2	51.1	0.0	295.4	295.4	Ongoing
Other	<i>Bus purchase for ETB, Dial a Ride, Fuel cell bus project, Bus CCTV</i>	4.8	12.9	14.6	20.6	12.6	9.6	0.0	128.5	128.5	
<i>London Buses Total</i>		<i>4.8</i>	<i>16.2</i>	<i>17.9</i>	<i>23.9</i>	<i>12.6</i>	<i>9.6</i>	<i>0.0</i>	<i>438.3</i>	<i>438.3</i>	
London River Services	<i>Infrastructure work at Wapping Pear</i>	0.5	1.0	1.0	0.0	0.5	0.5	0.0	3.5	3.5	
Total Old Surface		43.4	69.4	70.6	75.1	64.3	61.2	0.0	441.8	441.8	

Capital Plan Detailed Report – Service Quality Enhancements

2004/05 Prices (£ millions)	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
Street Management										
Congestion Charging – Western Extension Major Route Improvements	42.0	87.1	0.0	0.0	0.0	0.0	0.0	129.1	129.1	
A406 Bounds Green	3.0	3.0	5.0	25.0	25.0	25.0	0.0	750.0	750.0	<i>Redevelopment and construction of grade separated junction including flyovers</i>
A406 Regents Park	2.4	0.0	0.0	0.0	0.0	0.0	0.0	2.4	2.4	<i>Junction improvements and redevelopment</i>
A406 Golders Green	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.8	<i>Junction improvements and redevelopment</i>
Purley Cross	0.4	7.3	6.8	0.0	0.0	0.0	0.0	14.5	14.5	<i>Enhance appearance and environment and reduce the impact of traffic by constructing new pathways, crossing and pedestrianised areas</i>
Wandsworth Town	0.0	0.4	3.2	6.4	0.5	0.0	0.0	10.5	10.5	<i>Enhance appearance and environment and reduce the impact of traffic by constructing new pathways, crossing and pedestrianised areas</i>
Catford Town Centre	0.0	0.0	0.2	3.6	3.2	1.5	0.0	8.5	8.5	<i>Enhance appearance and environment and reduce the impact of traffic by constructing new pathways, crossing and pedestrianised areas</i>
11.3 Major Route Improvements Total	6.6	10.7	15.2	35.0	28.7	26.5	0.0	786.7	786.7	

Capital Plan Detailed Report – Service Quality Enhancements

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
World Squares											
Parliament Square	<i>Redevelopment of Parliament Square</i>	0.0	5.3	16.1	0.0	0.0	0.0	0.0	21.4	21.4	
Local Improvements	<i>Small scale improvements such as new pathways, pedestrian crossings, etc</i>	8.5	8.5	8.5	8.5	8.5	8.5	25.4	51.0	76.4	Ongoing
Walking & Cycling	<i>Improved pathways and new cycle lanes</i>	16.5	30.4	34.7	37.3	37.3	37.3	5.5	193.5	199.0	
Disability Discrimination Act Works	<i>Construction of drop kerbs and bus boarders</i>	6.5	11.7	11.7	11.7	11.7	11.7	0.0	65.0	65.0	
Total Street Management		80.1	153.7	86.2	92.5	86.2	84.0	30.9	1,246.7	1,277.6	
12	TOTAL SURFACE TRANSPORT	123.5	223.1	156.8	167.6	150.5	145.2	30.9	1688.5	1719.4	
13											

Capital Plan Detailed Report – Service Quality Enhancements

2004/05 Prices (£ millions)	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
London Underground										
TIMIS	16.3	11.5	1.0	4.9	0.0	0.0	0.0	33.7	33.7	
Operational Initiatives										
Revenue & Ticketing	<i>New integrated ticketing system and gateline adjustments</i>	3.6	4.0	2.3	3.2	3.6	2.7	0.0	19.4	19.4
Trains and Reliability	<i>IT systems including TRACKER train information system and train staff accommodation</i>	7.5	8.4	4.8	6.1	4.2	2.8	0.0	33.8	33.8
Business Support	<i>Back office capital purchase, mainly for IT</i>	2.8	4.9	6.8	8.8	10.0	10.1	0.0	43.4	43.4 Ongoing
13.1 Operational Initiatives Total	13.9	17.3	13.9	18.1	17.9	15.6	0.0	96.7	96.7	
Other	<i>Station congestion relief projects, Victoria interchange works and capital spend for back office support</i>	35.9	12.7	1.4	0.6	7.9	5.7	0.0	64.2	64.2
14 TOTAL LONDON UNDERGROUND	66.1	41.5	16.3	23.5	25.8	21.3	0.0	291.2	291.2	
15										

Capital Plan Detailed Report – Service Quality Enhancements

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
London Rail											
National Rail Integration	<i>Planned expenditure on station redevelopment and new ticket equipment for Oyster card</i>	5.8	9.5	9.8	8.2	6.3	6.3	0.0	45.7	45.7	
Crossrail Grant and Admin	<i>Ringfenced grant for project development work on Crossrail</i>	20.3	17.7	6.7	0.0	0.0	0.0	0.0	44.7	44.7	
Other		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Total London Rail		26.1	27.2	16.5	8.2	6.3	6.3	0.0	90.4	90.4	
Central Directorates											
London Transport Museum											
Redisplay Project	<i>Replacement of the roof at Covent Garden museum plus capital expenditure on redeveloping the museum displays</i>	0.1	1.3	7.3	7.6	0.5	0.0	0.0	16.9	16.9	
16 TOTAL CENTRAL DIRECTORATES		0.1	1.3	7.3	7.6	0.5	0.0	0.0	16.9	16.9	
Total TfL Capital Expenditure on Service Quality Enhancements		215.8	293.1	196.9	207.0	183.0	172.8	30.9	1795.8	1,826.7	

Capital Plan Detailed Report – Total Capital Expenditure by Mode and Directorate

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
Surface Transport											
Old Surface Transport											
London Buses											
*Bus Fleet	<i>Purchase of vehicles (through payments to contractors)</i>	142.3	159.7	194.0	196.9	181.1	187.2	0.0	1,061.2	1,061.2	Ongoing
Bus Stops & Shelters	<i>New and replacements bus shelters and stops</i>	1.8	5.2	5.2	5.2	5.2	5.2	0.0	27.6	27.6	Ongoing
Bus Stations	<i>Construction and modernisation of bus stations</i>	8.5	11.3	11.6	13.0	12.3	9.6	0.0	66.3	66.3	Ongoing
Bus Garages	<i>Construction and modernisation of bus garages</i>	7.5	4.1	4.3	5.4	4.2	4.4	0.0	29.8	29.8	Ongoing
Transport Policing & Enforcement	<i>Bus lane cameras, mobile cameras and other traffic enforcement equipment</i>	1.8	5.2	5.2	5.2	1.8	1.8	0.0	21.0	21.0	Ongoing
Prestige & Other Ticketing Equipment	<i>Bus Ticket Machinery- on & off buses</i>	8.5	8.4	7.0	7.3	7.9	8.2	0.0	4.4	4.4	
Bus Priority	<i>Construction of bus lanes and installation of traffic signals</i>	38.1	52.1	51.7	51.2	51.2	51.1	0.0	295.4	295.4	Ongoing
Other	<i>Bus purchase for ETB, Dial a Ride, Fuel cell bus project, Bus CCTV</i>	21.4	26.2	23.2	25.7	17.5	14.6	0.0	128.5	128.5	
<i>London Buses Total</i>		<i>230.0</i>	<i>272.1</i>	<i>302.1</i>	<i>309.8</i>	<i>281.0</i>	<i>282.0</i>	<i>0.0</i>	<i>1,634.1</i>	<i>1,634.1</i>	
Public Carriage Office	<i>Small capital purchases for back office operations</i>	0.8	0.5	0.6	0.5	0.5	0.5	0.0	6.7	6.7	
Victoria Coach Station	<i>Contingency for leasehold purchase</i>	0.2	3.2	0.2	0.2	0.2	0.2	0.0	4.2	4.2	
Dial - A - Ride	<i>Replacement of Booking System</i>	0.1	0.4	0.1	0.1	0.1	0.3	0.0	1.0	1.0	
London River Services	<i>Infrastructure work at Wapping Pear</i>	0.5	1.0	1.0	0.0	0.5	0.5	0.0	3.5	3.5	
Total Old Surface		231.5	277.3	303.9	310.6	282.4	283.5	0.0	1,649.4	1,649.4	

* Relates to contract payments made to bus network contractors.

Capital Plan Detailed Report – Total Capital Expenditure by Mode and Directorate

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
Street Management											
Congestion Charging – Western Extension	Monitoring equipment	42.0	87.1	0.0	0.0	0.0	0.0	0.0	129.1	129.1	
Major Route Improvements											
A23 Coulsdon Town	<i>Construction of new road</i>	15.6	8.1	0.8	0.0	0.0	0.0	0.7	24.5	25.2	
A406 Bounds Green	<i>Redevelopment and construction of grade separated junction including flyovers</i>	3.0	3.0	5.0	25.0	25.0	25.0	0.0	750.0	750.0	
A406 Regents Park	<i>Junction improvements and redevelopment</i>	2.4	0.0	0.0	0.0	0.0	0.0	0.0	2.4	2.4	
A406 Golders Green	<i>Junction improvements and redevelopment</i>	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.8	
Purley Cross	<i>Enhance appearance and environment and reduce the impact of traffic by constructing new pathways, crossing and pedestrianised areas</i>	0.4	7.3	6.8	0.0	0.0	0.0	0.0	14.5	14.5	
Wandsworth Town	<i>Enhance appearance and environment and reduce the impact of traffic by constructing new pathways, crossing and pedestrianised areas</i>	0.0	0.4	3.2	6.4	0.5	0.0	0.0	10.5	10.5	
Catford Town Centre	<i>Enhance appearance and environment and reduce the impact of traffic by constructing new pathways, crossing and pedestrianised areas</i>	0.0	0.0	0.2	3.6	3.2	1.5	0.0	8.5	8.5	
16.1 Major Route Improvements Total		22.2	18.8	16.0	35.0	28.7	26.5	0.7	811.2	811.9	

Capital Plan Detailed Report – Total Capital Expenditure by Mode and Directorate

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
World Squares											
Parliament Square	<i>Redevelopment of Parliament Square</i>	0.0	5.3	16.1	0.0	0.0	0.0	0.0	21.4		
Major Safety Enhancements											
A406 Hanger Lane Bridge	<i>Replacement of bridge</i>	10.8	8.4	3.0	1.1	0.0	0.0	2.0	23.3	25.3	
A40 Western Avenue	<i>Replacement of bridge</i>	12.9	10.8	10.8	7.6	3.4	0.0	1.1	45.5	46.6	
Blackwall Tunnel (North)	<i>Refurbishment of tunnel including replacement of interior lining, resurfacing of road, etc</i>	2.2	13.7	9.5	0.0	0.0	0.0	0.0	25.4	25.4	
Rotherhithe Tunnel	<i>Refurbishment of tunnel including replacement of interior lining, resurfacing of road, etc</i>	1.0	5.1	6.2	0.0	0.0	0.0	12.0	12.3	24.3	
Westminster Bridge	<i>Strengthening of support piers</i>	6.2	6.2	6.2	6.2	6.2	10.3	4.2	41.3	45.5	
Fore Street Tunnel	<i>Refurbishment of tunnel including replacement of interior lining, resurfacing of road, etc to meet FSA standards</i>	0.8	3.1	4.6	2.6	0.0	0.0	1.7	11.1	12.8	
16.2 Major Safety Enhancements Total		33.9	47.3	40.3	17.5	9.6	10.3	21.0	158.9	179.9	
A13 DBFO	<i>Junction improvements and capital maintenance of A13</i>	9.1	10.2	10.2	14.1	13.7	13.5	0.0	263.7	263.7	
TLRN Maintenance	<i>Capital maintenance on the TLRN including resurfacing of roads, junction improvements, etc</i>	44.1	57.9	57.9	57.9	50.5	48.1	0.0	316.4	316.4	

Capital Plan Detailed Report – Total Capital Expenditure by Mode and Directorate

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
BPRN Maintenance	<i>Capital maintenance on the BPRN including resurfacing of roads, junction improvements, etc</i>	65.0	62.7	64.5	68.5	70.5	63.1	34.4	394.3	428.7	
Local Improvements	<i>Small scale improvements such as new pathways, pedestrian crossings, etc</i>	8.5	8.5	8.5	8.5	8.5	8.5	25.4	51.0	76.4	Ongoing
Traffic Signals and Controls	<i>Replacement and addition of signal junctions and the installation of signal controls to assist people with disabilities</i>	14.6	15.1	16.5	14.5	15.1	14.9	0.0	90.7	90.7	Ongoing
Road Safety	<i>New surfacing on roads, crossing improvements and new safety barriers to reduce casualties on London roads</i>	34.4	41.6	41.6	41.6	41.6	41.6	0.0	242.4	242.4	
Walking & Cycling	<i>Improved pathways and new cycle lanes</i>	16.5	30.4	34.7	37.3	37.3	37.3	5.5	193.5	199.0	
Disability Discrimination Act Works	<i>Construction of drop kerbs and bus boarders</i>	6.5	11.7	11.7	11.7	11.7	11.7	0.0	0.0	0.0	
Other	<i>Back office equipment and systems</i>	2.1	2.2	2.2	2.2	2.2	2.2	0.0	0.0		
Total Street Management		298.9	398.8	320.2	308.8	289.4	277.7	87.0	2,672.2	2,630.5	
TOTAL SURFACE TRANSPORT		530.4	676.0	624.1	619.4	571.7	561.2	87.0	4,322.1	4,280.0	

Capital Plan Detailed Report – Total Capital Expenditure by Mode and Directorate

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
London Underground											
Customer Services (Trains)	<i>Small capital items on trains</i>	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0		
Customer Services (Stations)	<i>Small Capital items at stations</i>	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0		
PFI Contracts											
** Prestige	<i>Gateline equipment and smartcards</i>	20.4	20.4	20.4	20.5	20.5	20.6	113.2	289.1	402.3	
** Power	<i>New power infrastructure</i>	22.2	22.5	22.5	22.5	22.5	22.5	413.3	662.4	1,075.7	
** Connect	<i>New radio system covering entire network</i>	48.7	70.3	70.9	71.5	72.3	72.8	736.9	1,261.3	1,998.2	
** British Transport Police	<i>New accommodation for BTP</i>	0.4	0.4	0.4	0.4	0.4	0.4	4.9	8.3	13.2	
PFI Contracts Total		91.7	113.6	114.2	114.9	115.7	116.3	1,268.3	2,221.1	3,489.4	
PPP Contracts											
** BCV	<i>Refurbished and replaced stations, tracks and trains</i>	63.0	141.8	88.6	79.9	78.4	86.5	1,940.4	2,478.6	4,419.0	
** JNP	<i>Refurbished and replaced stations, tracks and trains</i>	22.9	20.8	109.1	95.5	83.2	71.8	7,966.2	8,433.6	16,399.8	
** SSL	<i>Refurbished and replaced stations, tracks and trains</i>	56.9	177.0	166.1	168.5	154.6	176.0	2,527.5	3,426.6	5,954.1	
PPP Contracts Total		142.8	339.6	363.8	343.9	316.2	334.3	12,434.1	14,338.8	26,772.9	
UIP											
Power	<i>Reinforcement of power supply works</i>	5.6	23.1	23.6	37.1	34.7	24.5	849.7	1,004.3	1,854.0	
Connect	<i>Communications equipment improvement</i>	4.7	15.8	21.2	23.7	8.8	10.6	42.4	130.6	173.0	
UIP Total		10.3	38.9	44.8	60.8	43.5	35.1	892.1	1,134.9	2,027.0	

** Estimated expenditure for projects that are, or are assumed to be, financed through PFI or PPP contracts

Capital Plan Detailed Report – Total Capital Expenditure by Mode and Directorate

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
Station Projects											
Camden Town	<i>Redeveloped station</i>	9.0	21.5	21.8	20.4	16.4	14.2	8.0	120.3	128.3	
Tottenham Court Road	<i>Station works for congestion relief</i>	6.6	18.4	15.7	14.9	12.7	7.0	9.0	75.3	84.3	
Euston	<i>Station works for congestion relief</i>	1.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	
Victoria	<i>Station works for congestion relief and interchange with bus station</i>	1.5	1.5	3.0	10.0	20.0	20.0	1.7	125.0	126.7	
Covent Garden	<i>Station works for congestion relief</i>	3.5	0.0	0.0	0.5	0.5	0.0	0.0	4.5	4.5	
Finsbury Park	<i>Station works for congestion relief</i>	0.0	0.0	0.0	0.0	1.5	1.5	0.0	3.0	3.0	
Bank	<i>Station works for congestion relief</i>	3.0	11.0	15.0	15.0	16.0	10.0	0.5	70.0	70.5	
Accessibility	<i>Station works to create step free access to platforms</i>	5.6	8.8	28.5	10.8	10.0	5.0	0.0	68.6	68.6	
Congestion Relief	<i>Station works for congestion relief</i>	8.5	3.0	6.0	8.3	14.8	25.5	0.0	66.0	66.0	
Other	<i>Public address system improvements, improved staff accommodation, congestion relief work and improved station control facilities</i>	30.9	21.5	5.5	7.1	5.4	5.4	0.0	0.0	0.0	
Station Projects Total		69.5	85.6	95.4	86.9	97.2	88.5	19.2	533.7	552.9	
Heathrow Terminal 5	<i>Extension to, and station at, London Heathrow</i>	0.0	35.5	31.1	4.6	0.0	0.0	0.0	71.2	71.2	
East London Line Extension	<i>Extension of the East London line to form a new North-South National Rail line</i>	23.5	22.9	8.6	0.0	0.0	0.0	46.7	55.1	101.8	
CTRL Kings Cross	<i>New and expanded ticket halls</i>	87.0	47.9	31.0	5.3	0.0	0.0	301.5	171.1	472.7	

Capital Plan Detailed Report – Total Capital Expenditure by Mode and Directorate

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
White City	<i>New sidings, improvements to Shepherd's Bush Central Line station and a new station at Wood Lane</i>	3.0	6.0	5.0	0.0	0.0	0.0	0.0	0.0		
Wembley Park	<i>Redevelopment of station to support new stadium</i>	5.6	5.6	0.0	0.0	0.0	0.0	0.0	18.0	18.0	
Jubilee Line Works	<i>Introduction of a 7th car on the Jubilee line and new entrance to Canary Wharf station</i>	57.9	25.8	-2.0	-12.0	3.0	4.0	21.5	76.7	98.2	
Transition & Special Projects		16.0	13.7	11.5	11.5	8.6	0.0	19.7	61.3	81.0	
Other Network Extensions	<i>Croxley link extension of the Metropolitan line to Watford Junction</i>	2.5	21.4	37.0	4.6	4.2	3.1	0.0	0.0		
Operational Initiatives											
Safety & Security	<i>Installation of CCTV, help points, etc</i>	8.1	6.9	5.1	4.1	1.5	0.1	0.0	0.0		
Revenue & Ticketing	<i>New integrated ticketing system and gateline adjustments</i>	3.6	4.0	2.3	3.2	3.6	2.7	0.0	0.0		
Trains and Reliability	<i>IT systems including TRACKER train information system and train staff accommodation</i>	7.5	8.4	4.8	6.1	4.2	2.8	0.0	0.0		
Business Support	<i>Back office capital purchase, mainly for IT</i>	2.8	4.9	6.8	8.8	10.0	10.1	0.0	0.0		
16.3 Operational Initiatives Total		22.0	24.2	18.9	22.2	19.3	15.7	0.0	0.0		

Capital Plan Detailed Report – Total Capital Expenditure by Mode and Directorate

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
Other	<i>Station congestion relief projects, Victoria interchange works and capital spend for back office support</i>	35.9	12.7	1.4	0.6	7.9	5.7	0.0	0.0		
Total London Underground		584.2	805.2	761.9	648.4	615.8	602.8	15,003.1	18,682.0	33,685.1	
London Rail											
Docklands Light Railway											
** Lewisham Extension	<i>Proportion of annual payment for the building of the Lewisham extension</i>	2.1	2.5	2.9	3.5	4.8	6.3	0.0	119.7	119.7	Ongoing
3 Car Upgrade	<i>Platform redevelopment to accommodate longer trains and the purchase of additional carriages</i>	5.8	10.4	57.7	53.3	19.2	3.4	0.0	149.7	149.7	
New Rail Cars	<i>Purchase of new rail cars on the DLR</i>	0.8	0.0	0.0	0.0	0.0	0.0	39.2	0.8	40.0	
Rail Car Refurbishment	<i>Refurbishment of existing rail car fleet</i>	10.3	6.4	0.0	0.0	0.0	0.0	7.8	16.7	24.5	
** London City Airport Extension	<i>Proportion of annual payment for the building of the London City Airport extension plus expenditure on feasibility studies and project development</i>	3.7	4.3	1.4	0.1	0.0	0.0	137.3	9.5	146.8	
** Woolwich - Arsenal Extension	<i>Proportion of annual payment for the building of the Woolwich - Arsenal extension plus expenditure on feasibility studies and project development</i>	8.2	8.2	9.3	1.7	1.0	0.0	0.0	28.4	28.4	

** Estimated expenditure for projects that are, or are assumed to be, financed through PFI or PPP contracts

Capital Plan Detailed Report – Total Capital Expenditure by Mode and Directorate

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
Stratford International Extension	<i>Construction of an extension to Stratford International plus expenditure on feasibility studies and project development</i>	0.5	11.3	29.5	27.3	8.7	0.8	0.0	78.0	78.0	
** Barking Extension	<i>Proportion of annual payment for the building of the Barking Reach extension plus expenditure on feasibility studies and project development</i>	0.3	0.3	0.7	1.2	3.0	3.4	0.0	134.0	134.0	
Stratford Station Safety Works	<i>Construction of a new platform at Stratford</i>	0.5	9.4	8.2	0.0	0.0	0.0	0.0	18.1	18.1	
Double Tracking	<i>Double tracking of the line between Stratford and Bow</i>	0.0	0.0	0.6	18.3	32.5	0.0	0.0	51.4	51.4	
On Train Security	<i>On train CCTV</i>	0.8	0.0	0.0	0.0	0.0	0.0	1.2	0.8	2.0	
Other	<i>Infrastructure maintenance, upgrade, digital radio upgrade, lifts overhaul, back-up security</i>	3.2	1.7	4.8	3.4	1.8	2.0	3.9	16.9	20.8	
16.4 Docklands Light Railway Total		36.2	54.4	115.0	108.8	71.0	15.8	189.5	624.1	813.6	
National Rail Integration	<i>Planned expenditure on station redevelopment and new ticket equipment for Oyster card</i>	5.8	9.5	9.8	8.2	6.3	6.3	0.0	45.7	45.7	
Crossrail Grant and Admin	<i>Ringfenced grant for project development work on Crossrail</i>	20.3	17.7	6.7	0.0	0.0	0.0	0.0	44.7	44.7	
Other		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Total London Rail		62.3	81.6	131.5	117.0	77.2	22.1	189.5	714.5	904.0	

** Estimated expenditure for projects that are, or are assumed to be, financed through PFI or PPP contracts

Capital Plan Detailed Report – Total Capital Expenditure by Mode and Directorate

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
Transport Planning											
Light Transit Schemes											
West London Transit	<i>Construction of a new tram network in West London plus expenditure on feasibility studies and project development</i>	3.7	4.6	4.6	16.8	18.1	12.5	0.0	425.0	425.0	
Cross River Transit	<i>Construction of a new Cross River tram network plus expenditure on feasibility studies and project development</i>	0.3	0.4	0.4	0.5	0.5	0.5	0.0	696.0	696.0	
Greenwich Waterfront Transit	<i>Construction of a new dedicated bus system network in Greenwich plus expenditure on feasibility studies and project development</i>	0.5	0.5	0.0	0.0	0.0	0.0	0.0	1.0	1.0	
East London Transit	<i>Construction of a new dedicated bus system in East London plus expenditure on feasibility studies and project development</i>	0.6	0.3	0.0	0.0	0.0	0.0	0.0	0.9	0.9	
Croydon Tramlink	<i>Extension of the existing Croydon tram network plus expenditure on feasibility studies and project development</i>	0.8	2.5	5.8	5.0	17.1	22.8	0.0	530.0	530.0	
16.5	Light Transit Schemes Total	6.0	8.2	10.8	22.3	35.7	35.8	0.0	1,652.9	1652.9	

Capital Plan Detailed Report – Total Capital Expenditure by Mode and Directorate

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
Thames Gateway											
Thames Gateway Bridge	<i>Construction of a new river crossing in the Thames Gateway plus expenditure on feasibility studies and project development</i>	3.9	3.7	2.6	1.6	2.8	36.1	0.0	438.0	438.0	
Silvertown Link	<i>Project development work on a second river crossing in the Thames Gateway</i>	0.0	0.0	0.0	0.5	0.5	0.5	0.0	220.0	220.0	
A206 Thames Road Bexley	<i>Construction of a dual carriageway on the A206</i>	0.0	0.0	5.3	4.2	1.4	1.4	0.0	21.7	21.7	
16.6 Thames Gateway Total		3.9	3.7	7.9	6.3	4.7	38.0	0.0	679.7	679.7	
East London Line Extension	<i>Interchange development on the East London Line Extension</i>	1.9	0.7	2.7	3.2	3.0	0.0	0.0	11.6	11.6	
Interchanges											
Finsbury Park	<i>Redevelopment of bus, tube and National Rail interchange at Finsbury</i>	1.8	2.7	0.0	0.0	0.0	0.0	0.0	8.0	8.0	
Victoria	<i>Redevelopment of bus, tube and National Rail interchange at Victoria</i>	1.5	4.2	3.5	3.5	9.4	14.6	0.0	416.0	416.0	
Other Interchanges and Administration	<i>Project development work on various interchange projects and redevelopment of the Stratford Interchange</i>	2.8	2.0	3.0	1.3	1.3	11.3	0.0	21.7	21.7	
<i>Interchanges Total</i>		6.1	9.0	6.5	4.8	10.7	25.9	0.0	445.7	445.7	
TOTAL TRANSPORT PLANNING		17.8	21.6	27.9	36.6	54.0	99.6	0.0	2,789.8	2,789.8	

2004/05 Prices (£ millions)	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total to Date Expenditure to 31/03/04	Future Expenditure from 1/4/04	Total	Comment
Central Directorates										
London Transport Museum										
Redisplay Project	<i>Replacement of the roof at Covent Garden museum plus capital expenditure on redeveloping the museum displays</i>	0.1	1.3	7.3	7.6	0.5	0.0	16.9	16.9	
Operations and Management	<i>Small capital purchases for the Covent Garden museum and replacement of a mezzanine at Acton</i>	0.1	0.2	0.1	0.1	0.1	0.0	0.5	0.5	
16.7 London Transport Museum Total		<i>0.2</i>	<i>1.5</i>	<i>7.4</i>	<i>7.7</i>	<i>0.6</i>	<i>0.0</i>	<i>17.4</i>	<i>17.4</i>	
Corporate Services	<i>IT Projects including Journey Planner updates, desktop upgrades, realtime information systems, etc</i>	9.1	2.6	1.6	1.2	2.2	0.0	18.0	18.0	
Other Support Functions	<i>General Counsel safety & information systems development. Also includes capital funding for third party projects and savings.</i>	-126.5	-131.2	-124.0	-37.0	-26.8	0.0	0.7	0.7	
TOTAL CENTRAL DIRECTORATES		-117.2	-127.0	-115.1	-28.1	-24.1	0.0	36.0	36.0	
TOTAL TFL CAPITAL EXPENDITURE		1077.4	1,457.3	1,430.4	1,393.2	1,294.7	15,279.6	26,544.4	41,694.9	

Appendix: PFI and PPP Projects Capital Expenditure

1 Introduction:

The following pages set out the deliverables that the PFI contractors and the PPP infrastructure companies (Infracos) are expected to provide. The coverage of the deliverables is accompanied by tables setting out the element of the PFI/PPP payments that is allocated to capital. The nature of PFI projects and the PPP mean that the figures quoted are only indicative.

2 Prestige PFI

The Prestige PFI is revolutionising ticketing on the Underground and other modes through the provision of an integrated revenue collection service. The Prestige project has extended gating to almost every LU station, and provided new touch screen ticket machines and new ticket office machines. However, arguably the most significant deliverable is the Oyster smartcard, for customer use from 2003.

2.1 Current Situation

The Oyster card has been in use with staff since November 2002 and was launched to the public in season ticket form in June 2003. Pre-pay on Oyster should be available from January 2004. Currently the following ticketing facilities are available at stations, Ticket Office Machines, Multi-Fare, Few Fare and Queuebuster machines. Off the Network, tickets are available through Ticketline, (accessible by the phone and internet), Pass Agents (Newsagents etc), Ticket retailers, Travel Information Centres and from National Rail Stations.

2.2 Future Plans

Set out below are the plans and long term strategies for ticketing that are enabled by Prestige deliverables.

2.2.1 Short Term (2003 - 2005)

- Launch smartcards;
- Period Ticket Oyster card sales by Internet and phone;
- Automatic reload of ticket validity on to smartcards via gates and passenger operated ticket machines;
- Pre Pay – pay-as-you go travel value stored on Oyster card in advance;
- Autoload functionality (Pre Pay) at gatelines via off-system sales;
- Oystercard helpline offering off-system after-sales care;
- Concessionary Permits (e.g. Freedom Pass) converted from magnetic to smartcard tickets;
- Launch Smartcard Billing and new Off-system sales provider;
- Convert ticket selling devices to 'chip & pin' credit card technology;
- Launch Billing solution to corporate and warrant user customers via Off-system sales – similar to utilities where the customer is charged after the event;

- Implement New Station Accounting approach to remove back-office functions and increase customer-facing activity at ticket offices;
- Trial Smartcard dispensing devices targeted at tourism and infrequent user markets;
- Initiate the integration of smartcard customer data into the Customer Relationship Strategy requirements;
- Smartcard Development;
- Trial Oystercard chip integration to mobile phones;
- Trial Oystercard chip integration to London based card schemes;
- Introduce pocket-sized Oyster Value readers;

2.2.2 Medium Term (2006 - 2008)

- Mandatory migration of Annual Season Ticket holders to Off-system sales outlets;
- Launch campaign to offer Billing to all frequent user market segments;
- Launch Loyalty scheme for Off-system sales and Billing customers to encourage retention;
- Trial alternative Ticket Office provision at low demand locations and enhance Passenger Operated Machine (POM) device provision;
- Prioritise investment to Off-system Sales channels with supporting campaign for after sales services;
- Extend the number of on-system (Pre Pay) sales outlets beyond the LU environment;
- Phase out weekly magnetic Travelcard product availability at on-system sites;
- Extend Pre Pay functionality to encompass weekly 'best value' – capturing weekend and family product ranges;
- Extend Pre Pay functionality to encompass full range of peak/off peak and 'directional discounts';
- Extend Pre Pay and Billing purchasing to purchasing non-travel products;
- Enhance the capacity limit and reliability protocols of 'Autoload' link to gates;
- Enhance the 'Reload' link to gates to load 'after sales' services (refunds, customer charter, unresolved journeys etc);
- Launch campaign to offer off-system Pre-Pay fulfilment services;
- Trial portable Smartcard device to realise customer facing staff activity role;
- Introduce Euro acceptance to all forms of sales outlets;
- Introduce multi-lingual capacity to all sales methods;

2.2.3 Long Term (2009 - 2011)

- Mandatory migration of monthly ticket holders to Off-system sales outlets – offer billing as first choice;

- Implement results of Ticket Office provision review at low demand locations);
- Smartcard Development;
- Launch travel product and Pre-Pay load functionality to mobile devices e.g. mobile phones, PDAs);
- Launch portable devices for all customer-facing staff.

2.3 Breakdown of Payments

The Capital part of the total Prestige expenditure is as follows:

Year	Capital (£m)	Operating and Maintenance Costs (£m)	PFI Payment (£m)	LUL Contract Administration (£m)	Total Spend (£m)
	a	b	c (a+b)	d	e (c+d)
Pre 2004/05	53	---	---	---	---
2004/05	20	50	70	2	72
2005/06	20	50	70	2	72
2006/07	20	48	68	2	70
2007/08	21	46	67	2	69
2008/09	21	45	66	1	67
2009/10	21	45	66	2	68
Post 2009/10	113	n/a	n/a	n/a	n/a
Total	289	n/a	n/a	n/a	n/a

Over the course of the 6 years 2004/05 to 2009/10, £123m (30%) of the approximately £407m in PFI payments for Prestige PFI will be allocated to capital.

3 Power PFI

LU agreed a 30-year PFI contract with SEEBOARD Powerlink (SPL) in 1998 for the operation, maintenance, finance and renewal of London Underground's high voltage power distribution system.

During the first five years of the contract, SPL were required to complete a major program of capital works. These included installing equipment to provide emergency supplies to the railway in the event of a major power failure, replacing existing power control systems and renewing the Northern Line power distribution system.

Completion of the emergency power supply works, known as the Emergency Supply Plan (ESP), has enabled LU's generating station at Lots Road to be withdrawn from service. Power for the Underground is now obtained from the National network via Bulk Supply Points.

The status of the Power PFI in terms of its contractual milestones is shown in the following table:

Power PFI milestones

Milestone and Description	Milestone Completion Dates
Adoption of Jubilee Line Extension Power Supply System Assets	26/03/1999
Adoption of Northern Line Project Power Control System (SCADA) Assets	16/07/1999
Adoption of Northern Line Project Power Assets – Contracts NL102 & 122	04/08/1999
Transfer of responsibility of Jubilee Line Extension Power Control System (SCADA) Assets	22/12/1999
Emergency Supply Plan (ESP) Works	26/04/2001
Installation of Harmonics and Voltage Fluctuation Compensating Equipment	31/05/2003
Control System Replacement	15/08/2003
Northern Line Power Distribution Upgrade Works	15/11/2004

The main part, Phase 1, of the 'Installation of Harmonics and Voltage Fluctuation Compensating Equipment' is complete. Phase 2 (which ensures the integrity of the power supply), and is of minor significance in comparison to the elements of Phase 1, is forecast to be completed by early 2004. The 'Control System Replacement' (the provision of a new computerised control system to replace the current life-expired control system) and the Northern Line Power Distribution Upgrade Works have been delayed.

SPL's obligations require maintenance and renewal of the existing power assets, and the provision of power for LU/Infraco services within available capacity. To achieve this, Infracos annually produce Load Plans, setting out projected changes in power consumption (including LU projects such as timetable changes, and Infraco projects). SPL respond to the Load Plans with a Capacity Plan.

3.1 Power Strategy

LU developed a Power Strategy in 2001/02, which demonstrated the need for network reinforcement to support the additional power supply requirements for capacity enhancements and other upgrades. Subsequent work has confirmed the initial conclusions and the likely implications include provision of a new Bulk Supply Point supported by additional intakes and considerable cable reinforcement.

3.2 Breakdown of Payments

The Capital part of total Power expenditure is as follows (n.b. the difference between 'Total Spend' and 'PFI Payment' is predominantly the annual cost of electricity for the network):

Year	Capital (£m)	Operating and Maintenance Costs (£m)	PFI Payment (£m)	Electricity and Contract Administration (£m)	Total Spend (£m)
	A	b	c (a+b)	d	e (c+d)
Pre 2004/05	114	---	---	---	---
2004/05	22	27	49	34	83
2005/06	23	27	50	35	85
2006/07	23	27	50	37	87
2007/08	23	26	49	39	88
2008/09	23	26	49	40	89
2009/10	23	25	48	41	89
Post 2009/10	411	n/a	n/a	n/a	n/a
Total	662	n/a	n/a	n/a	n/a

Over the six years of the plan around £137m (46%) of the approximately £295m PFI payment for Power PFI will be allocated against capital.

3.3 Power (UIP funded²)

As outlined above, the Power Strategy identifies a set of variations to the main Power contract that have to be introduced to cover additional power supply works that must be made by LU in order to fulfil its obligations under the PPP. Power (UIP funded) covers these variations. Approximately £1.2 billion has been earmarked in the Power Strategy over the life of this PFI. Of this, £1 billion will be allocated against capital. Annual costs are set out in section 3.3.1. below.

3.3.1 Breakdown of Payments

The Capital element of the total Power (UIP funded) expenditure is as follows:

Year	Capital (£m)	Operating and Maintenance Costs (£m)	PFI Payment in UIP (£m)
	a	B	c (a+b)
Pre 2004/05	6	---	---
2004/05	6	1	7
2005/06	23	1	24
2006/07	24	3	27
2007/08	37	7	44
2008/09	35	7	42
2009/10	25	8	33
Post 2009/10	848	n/a	n/a
Total	1004	n/a	n/a

² Funded from the Underground Initiatives Programme (UIP), a prioritised programme of discretionary projects making optimal use the company's budget including initiatives additional to the PPP and those that support possible contract variations.

4 Connect PFI

Train and Station radio systems are safety critical assets for the Underground. However on most lines the systems are becoming old and life-expired. This has led to instances of radio failure, requiring the double-crewing of trains, resulting in significant disruptions to the service.

The Connect PFI Contract was signed in November 1999 to address this problem by providing a new integrated digital radio communications system across the Underground network, including provision of transmission services and capacity. Specifically the contractor, CityLink, is required to:

- maintain LU's existing radio and transmission systems;
- design and install new fully integrated radio and transmission services across the entire London Underground network (the new build works).

Through the new build part of the contract, the Connect PFI will provide the first fully integrated system used for communications in the history of LUL. This will allow 12,000 operational staff to communicate on the same system, and hence enable better communications between staff and customers.

While performance on the maintenance work has been good, there have been problems (e.g. delivery of enabling works, space etc) delaying progress on the new build work. The transmission, therefore, is now forecast to be finished in June 2006 and similarly, the radio system is now expected in December 2006. The program as it stands is set out in the table below.

Connect Milestones (updated for delays)

	Transmission	Radio System
East London	10/07/05	18/09/05
District Line	12/11/05	19/02/06
Bakerloo	05/12/05	15/03/06
Piccadilly	17/12/05	28/05/06
Waterloo & City	21/12/05	11/05/06
Metropolitan	01/01/06	06/04/06
Hammersmith & City	17/01/06	25/04/06
Victoria	29/01/06	06/07/06
Central	07/04/06	12/07/06
Jubilee	06/05/06	10/08/06
Northern	18/06/06	31/12/06
New System Live Date	18/06/06	31/12/06

One consequence of the delay is a number of claims made by the contractor which LU is contesting.

The Connect project also offers the opportunity for joint commercial ventures using spare capacity in the new fibre optic transmission systems. Moving image cross-track projection advertising is among the possibilities, but no firm plans are in place for such ventures at present.

4.1 Breakdown of Payments

The Capital part of total Connect expenditure is as follows:

Year	Capital (£m)	Operating and Maintenance Costs (£m)	PFI Payment (£m)	Contract Administration (£m)	Total Spend (£m)
	a	B	c (a+b)	D	e (c+d)
Pre 2004/05	118	---	---	---	---
2004/05	49	20	69	9	78
2005/06	70	17	87	9	96
2006/07	71	14	85	6	91
2007/08	72	13	85	4	89
2008/09	72	13	85	4	89
2009/10	73	12	85	3	88
Post 2009/10	736	n/a	n/a	n/a	n/a
Total	1261	n/a	n/a	n/a	n/a

Over the six years of the plan around £407m (83%) of the approximately £496m PFI payment for Connect PFI will be allocated to capital.

4.2 Connect (UIP funded – inclusive of Power for Connect)

Connect (UIP funded) is a variation to the main Connect contract introduced principally to cover the works LU must undertake to meet its obligations in respect of the PPP contracts. This work is additional to the scope of the core Connect contract and covers such activities as providing additional power for the ongoing works relating to the PPP and the installation of control rooms instead of control boxes as originally envisaged. The rooms are required since the control equipment is much larger than the contract anticipated. As with Power there is a need to understand the requirements of Infracos before the variations can be placed, and to ensure that the new build works are unimpeded by PPP obligations. The funding also upgrades parts of the power distribution system to accommodate the additional power requirements of the Connect contract.

4.2.1 Breakdown of Payments

The Capital part of total Connect (UIP funded – inclusive of Power for Connect) expenditure is as follows:

Year	Capital (£m)	Operating and Maintenance Costs (£m)	PFI Payment in UIP (£m)
	a	B	c (a+b)
Pre 2004/05	3	---	---
2004/05	5	19	24
2005/06	16	8	24
2006/07	21	3	24
2007/08	24	9	33
2008/09	9	9	18
2009/10	11	9	20
Post 2009/10	42	n/a	n/a
Total	131	n/a	n/a

5 British Transport Police (BTP) Accommodation PFI:

To support the BTP in their work, LUL entered into a 23-year PFI deal with APSLL in 1999 to provide improved accommodation and facilities, enabling better deployment, which in turn should lead to improved BTP performance. The contract simply covers accommodation, hence the contractor is neither involved in policing, nor is there any direct interface with LUL's operational railway.

Under the PFI Contract, APSLL was committed to provide the following services:

- Construction of a new police station at West Ham
- Construction of a new Central London police station/headquarters at 55 Tottenham Court Road (TCR)
- Facilities management of the all BTP 'L' area accommodation

5.1 Project Progress

The following two tables respectively set out a description of progress on these key tasks, and the formal status of the PFI milestones.

BTP PFI progress on key tasks

Task	Progress
Construction of a new police station at West Ham	APSELL has constructed a new police station on land purchased from London Transport Property adjacent to the West Ham LUL station. As planned, this facility now accommodates officers who were previously based at East Ham LUL station plus new officers required to police the Jubilee Line Extension.
Construction of a new Central London police station/headquarters at Whitfield Street.	APSELL have constructed the second new police station located on Whitfield Street (Tottenham Court Road). This facility will accommodate officers from Baker Street Station, the police station consists of the ground and first floors. The second and third floor will accommodate BTP administrative support, this will include the CJU and CID departments.
The Facilities Management of the whole of the retained "L" – Area accommodation	APSELL undertake the facilities management of all the following accommodation occupied by the British Transport Police "L" Area. Hammersmith police station Finsbury Park police station Wembley Park police station Heathrow police station Stockwell police station West Ham police station On completion, Whitfield Street will also be included with the properties listed above. Under the PFI agreement (and as part of LUL’s original accommodation strategy for BTP "L" area) a certain square footage of Baker Street BTP station (Selbie House) shall be added to the above list once BTP have relocated to Whitfield Street.

The BTP PFI contract does not cover all BTP accommodation as it was assumed that the BTP would move from its old premises. Between signing the contract and moving in, however, BTP numbers rose meaning that some BTP staff had to remain at Aldgate and Broadway.

BTP PFI performance against milestones

Milestone	Milestone Completion Dates	
	Planned	Actual
Hand over of Facilities Management responsibilities on existing police station	04/03/1999	04/03/1999
Practical completion of West Ham police station	21/11/1999	03/12/1999
Achieve Acceptable Planning consent for Tottenham Court Road police station	31/03/2000	30/10/2000
Complete Tottenham Court Road HQ and police station	30/09/2002	30/09/2002
Occupation of Tottenham Court Road by BTP	01/01/2003	01/05/2003

The delay between the completion of the premises and their occupation was due to a programme of retro-fit to meet new BTP standards.

5.2 Breakdown of Payments

The Capital part of total BTP expenditure is as follows:

Year	Capital (£m)	Operating and Maintenance Costs (£m)	PFI Payment (£m)	Contract Administration (£m)	Total Spend (£m)
	A	B	c (a+b)	d	e (c+d)
Pre 2004/05	1.0	---	---	---	---
2004/05	0.4	2.3	2.7	0.2	2.9
2005/06	0.4	2.4	2.8	0.2	3.0
2006/07	0.4	2.4	2.8	0.2	3.0
2007/08	0.4	2.4	2.8	0.2	3.0
2008/09	0.4	2.4	2.8	0.2	3.0
2009/10	0.4	2.5	2.9	0.1	3.0
Post 2009/10	4.9	n/a	n/a	n/a	n/a
Total	8.3	n/a	n/a	n/a	n/a

6 The PPP

The tables in this document estimate the Capital element of the PPP Infrastructure Service Charge (ISC) payments. The nature of the PPP means that the figures quoted are only indicative.

6.1 Introduction

Under the Public Private Partnership (PPP), Metronet Rail BCV, Metronet Rail SSL and Tube Lines Ltd (JNP) will be required to maintain, renew and improve the track, trains, signalling, civil infrastructure and stations.

6.1.1 The PPP Contracts

The contracts set out the required improvements in availability and capability, station enhancements and accessibility projects. Over the life of the contracts, most of the network will receive a substantial program of station refurbishment or modernisation and significant upgrade of train systems, coupled with improved routine and preventative maintenance. Together these will deliver a better environment, a more reliable service and shorter journey times.

6.1.2 Specified Rights

LUL has the right to require Infracos to carry out certain works, at LUL's cost. LUL must negotiate certain of these rights within agreed timescales of the commencement of the relevant PPP deal. Examples of specified rights which must be exercised before the end of 2004/05 include additional District Line refurbishments (including multi-purpose space, side panels and door opening buttons on the drivers desk panel) and the introduction of air-conditioning on the sub-surface lines (both of which are now included in the plan).

6.1.3 Major Enhancement Agreements

By negotiation, LUL can also commission additional projects from its PPP partners or from alternative suppliers. LU's plans include a program of station congestion relief schemes and accessibility projects not included in the PPP contract.

6.1.4 Infrastructure Service Charge (ISC) and PPP Contract Management

The ISC is the payment from LUL to Metronet and Tube Lines for the maintenance and improvement of the Underground network under the Public Private Partnership ("PPP") contracts. The objective of PPP Contract Management is to help extract maximum benefit for LUL over the whole life of the PPP through a long-term relationship with each Infraco which seeks to exploit the strengths of both parties to realise genuine opportunities, but remains commercially astute.

6.1.5 PPP Deliverables

Key deliverables of the PPP include:

- Station refurbishments and modernisations to significantly improve station ambience and to enhance customer service (e.g. information provision, customer security), creating a more welcoming environment.
- Line upgrades to enable London Underground to provide a better and more reliable train service.
- Investments in track, signalling, earthworks, bridges and other structures on a whole-life asset management basis to ensure that service improvements can be sustained.
- Train fleet refurbishments, to deliver similar benefits.

6.2 PPP Deliverables - Stations

Customer facing facilities provided by PPP Station Enhancements comprise:

6.2.1 Station Modernisation

Station Modernisation means a major upgrade to a Station, which will result in that Station:

- Being considered to be fit for purpose;
- Embracing technology in accordance with current industry practice; and
- Lasting for forty (40) years (assuming Station Refurbishments being carried out by the relevant Refurbishment Completion Dates in accordance with this and an annual maintenance and cleaning regime).

Modernisations will include the renewal of staff accommodation.

6.2.2 Station Refurbishment

Station Refurbishment means a package of works undertaken to a Station to ensure that there is no insidious decline in the condition of the Station and that where a Station Modernisation has been undertaken pursuant to the PPP Contracts, the quality achieved by such Station Modernisation is restored. It also includes the painting, redecorating and refurbishment of staff accommodation.

6.2.3 Enhanced Station Refurbishment

Enhanced Station Refurbishment means a package of works undertaken to a Station in order to enhance ambience, reduce future maintenance costs and ensure that there is no insidious decline in the condition of the Station. Such works shall incorporate a more extensive renewal of floor, wall, ceiling and staircase finishes than delivered by a Station Refurbishment. It also includes the painting, redecorating and refurbishment of staff accommodation.

6.2.4 Station Enhancements

Station Enhancements are a list of standards the Infraco will provide at each station before the end of the first review period (or as part of a modernisation or refurbishment if earlier). The full list of works covered by station enhancement is as follows (taken from PPP Contract Schedule 2.1, Appendix 14B):

- Time display - the time shall be shown in 24-hour digital format in every Ticket Hall and on every platform of every station.
- Seats - on each platform of every station, seating for a minimum of 24 people shall be provided.
- Toilets - existing customer toilet facilities shall be retained. Those which are closed at the Transfer Date shall be reopened. At stations which have step-free access, toilets (where they exist) are to be made fully accessible to mobility-impaired customers.

- “Next Lift” signs and audible messages to be provided at stations with a bank of two or more lifts.
- Electronic Visual Emergency Information Indicator – to be provided on the exterior of each street entrance to each station.
- Ticket Hall visual electronic information display panel – at least one to be present in each Ticket Hall at each station.
- Platform visual electronic information display panel – all stations shall have at least one panel present. Island platforms are considered as two separate platforms.
- Audible Information in each Ticket Hall, platform and routeway.
 - Audible information in each lift.
 - Mirrors - convex metallic mirrors shall be installed at all stations (subject to architectural and heritage considerations) where blind corners, recesses, wide pillars and other obstructions exist to break a reasonable sight-line of the customer moving through the station.
 - Security monitoring equipment – shall be provided such that there is full monitoring of:
 - each Ticket Hall, including each station exit, dark pathways and car park access routes;
 - each routeway including each lift at stations where a lift is provided; and
 - each platform.
 - Emergency help facilities – one in each Ticket Hall and routeway and three per platform to be provided.
 - Bicycle Facilities – are to be provided where there is space on land adjoining station entrance or where there is space within the station at ground level.
 - Station gardens - all station gardens which currently exist shall be retained for use by LUL Staff.
 - Station Control Rooms - all stations shall be linked to a Station Control Room, which shall be located either at the Station concerned or at another site to be specified by LUL. See also section 2.6 for further details.
 - Cable Management System (a system enabling cables not to be attached directly to walls or ceilings but to be hidden from public view or to be positioned as unobtrusively as possible). It is to be provided at each station with capacity to cater for additional usage of 25% over and above the usage required on installation.

- Waiting rooms and Enclosed Waiting Areas – all existing waiting rooms for customers on platforms shall be retained.
- Where there is not currently a waiting room, an Enclosed Waiting Area shall be provided.
- Waiting areas in Ticket Halls - where there is space available, a waiting area shall be provided in each Ticket Hall.
- Specific accessibility improvements which may include:
 - guidance for visually impaired
 - tactile markings
 - colour contrasted handrails
 - tonal contrast to highlight hazards and obstructions
 - induction loops at ticket offices
 - clear audible and visual information systems

6.2.5 Numbers of stations at which there will be works up to 2012 comprise:

Jubilee	Modernisation	Enhanced Refurbishment	Refurbishment	Access
2004		2		
2005	1			
2006	3			
2007		2		
2008		1		
2009	2		1	
2010		2	10	

Northern	Modernisation	Enhanced Refurbishment	Refurbishment	Access
2005	1	2		2
2006	3			
2007	5	8	3	
2008	2	1	1	
2010		2	7	2
2011			2	

Piccadilly	Modernisation	Enhanced Refurbishment	Refurbishment	Access
2004		4		1
2005	1	7		
2006	2	3		
2007	2	3		1
2008	1	1		
2009	3	4		
2010	1	3	1	

Bakerloo	Modernisation	Enhanced Refurbishment	Refurbishment	Access
2006	1			
2007	1	1		
2010	1	2		
2011		3		
2012	1			

Central	Modernisation	Enhanced Refurbishment	Refurbishment	Access
2005			3	
2006	4	2	9	1
2007	3	2	3	1
2008	3		5	2
2009	1		1	
2010			3	
2011	1		2	
2012			1	

Victoria	Modernisation	Enhanced Refurbishment	Refurbishment	Access
2004				
2005				
2006				1
2007		1		
2008		1		
2009				
2010	2	1		
2011	2	1		
2012		1		

District	Modernisation	Enhanced Refurbishment	Refurbishment	Access
2004	1			
2005	1		3	
2006	2	2	3	
2007	1	2	5	
2008	1	1	1	
2009	3	3	1	1
2010		2	5	
2011		2	1	
2012	3			1

Met, Circle, H&C	Modernisation	Enhanced Refurbishment	Refurbishment	Access
2005		1	3	
2006		2	6	
2007	1	5		
2008		2	5	1
2009	3	2	6	3
2010	2	1	1	
2011			1	

'Access' in the tables above refers to works at a station to provide step free access to platforms.

6.3 PPP Deliverables – Line Upgrades And Train Fleet Refurbishments

Over the next 20 years, under the terms of the PPP contracts, all lines will be upgraded. The priorities are partly determined by the age of particular assets, for example, where they are coming to the end of their lives and require renewal anyway, it is most cost-effective to enhance capability at the same time. Priority is also given to those lines that currently struggle most to meet demand, and where there are viable solutions. The Infracos also have to carry out refurbishments of their train fleet. Replacing the trains remains an option for the Infracos.

The dates by which line upgrades and fleet refurbishments must be carried out are as follows:

6.3.1 Jubilee line:

- Full Line Upgrade 2009
- Fleet Refurbishment 2017

The Upgrade is expected to enable increased frequency of trains between North Greenwich and Willesden Green, although the final shape of the timetable has yet to be determined. All trains will have 7 cars increasing capacity. The Upgrade should reduce the ³average time spent waiting and travelling on the Jubilee line by over 20% compared to the current situation. Together with the increase in train size, this should give a capacity increase of 45-60% compared to today's service.

6.3.2 Northern line:

- Full Line Upgrade 2012
- Fleet Refurbishment 2017

The Upgrade is expected to enable a trunk frequency of up to 25 trains per hour (tph) on the central branches (via Bank and Charing Cross), although the final shape of the timetable has yet to be determined. The

³ Average time means 'perceived' time, which weights actual journey time by time spent waiting and time spent in crowded conditions.

Upgrade should reduce the average time spent waiting and travelling by approximately 18% compared to the current service.

6.3.3 Piccadilly line:

- Full Line Upgrade 2014
- Fleet Refurbishment 2014

The Upgrade is expected to enable a trunk frequency of up to 33 trains per hour (tph) between Arnos Grove and Acton Town, although the final shape of the timetable has yet to be determined. The upgrade should reduce average time spent waiting and travelling by approximately 19% compared to the current service. A new train fleet will be provided as part of the Upgrade.

6.3.4 Bakerloo line:

- Full Line Upgrade 2020
- Fleet Refurbishment 2020

Of the four lines in BCV Metronet, the Bakerloo faces the least pressure to be upgraded quickly. The PPP Contract demands that the capability of the Bakerloo line be upgraded by March 2020. The Bakerloo line Upgrade will see replacement of the rolling stock on the line (which by then will be over 40 years old). It will also see improved track, signalling and control systems.

6.3.5 Central line:

- Full Line Upgrade 2006
- Fleet Refurbishment 2017

The Central line is one of the few lines to be currently "mid-upgrade". Over the past decade, the rolling stock, track, signals and control equipment have been comprehensively upgraded as part of the Central Line Project (CLP). However the available fleet size is less than ideal and poor train reliability was evident even before the Chancery Lane incident, which has raised further questions about the stock design. The task for Metronet will be to improve the design issues and turn around train performance to deliver improved reliability. Much of the infrastructure renewal took place during the 1990's, with just the last few systems recently completed, such as the Automatic Train Regulation System. In January of 2002 the first timetable was introduced that exploited the faster running of the new rolling stock, and, over the next few years LU plans to utilise more of the capability released by the completion of the CLP. In particular, new timetables are planned in 2004 to take advantage of the larger fleet of trains, which will be available at peak and off-peak times following the engineering improvements called for by the Chancery Lane incident reports.

6.3.6 Victoria line:

- Interim Line Upgrade 2006
- Full Line Upgrade 2013
- Fleet Refurbishment 2013

The Victoria line Upgrade is the largest facing Metronet BCV over the next decade. By 2013 the line will be completely upgraded, with new rolling stock, signalling and control equipment. Completion of the Victoria Line Upgrade will see passengers' journey times fall by an average of 1.5 minutes. This will be achieved by a combination of faster trains, higher capacity trains (which leave fewer passengers behind on stations) and shorter waiting times.

6.3.7 Waterloo & City line:

- Full Line Upgrade 2007
- Fleet Refurbishment 2017

Currently the Waterloo & City line is one of the most crowded on the network. The current infrastructure does not permit services to operate any faster or more frequently. The plan for the Waterloo & City Line Upgrade provides another train to be used for service during the peak and for faster running. At present the layout of the track at Waterloo where trains reverse is very inflexible, and only permits trains to run at very slow speed. The Upgrade plans to improve the layout, to allow trains to reverse more quickly.

6.3.8 Sub-Surface lines:

- Interim Line Upgrade 2012
- Interim Line Upgrade 2015
- Full Line Upgrade 2018

The sub-surface upgrade is the most complex to describe and perhaps the most complex to deliver, since it involves inter-working lines and will be coupled with a major change in the service pattern. No new trains are specified in the contract – LU is buying a level of service, not rolling stock – but the level of service specified by the line upgrades will make it uneconomic for the Infracos to continue running old stock for long.

6.4 2002 Pre-Upgrade

Currently the subsurface operation is broken into four services:

- Metropolitan: served in the peaks using 44 A-stock;
- District: served in the peaks using 67 D-stock trains and 10 C-stock trains;
- Hammersmith & City: served in the peaks using 15 C-stock trains
- Circle: served in the peaks using 14 C-stock trains.

The four services combine to offer a central area frequency of 28 trains per hour (tph). This is limited due to headway capacity and availability of rolling stock.

6.5 New Rolling Stock

Metronet is contractually obliged to refurbish its entire fleet of District line D-stock between April 2004 and March 2009. This fleet will be decommissioned and replaced by 2018 when phase 3 of the SSL line upgrades will be complete making it the last of the rolling stock to be replaced.

The C –stock on the Hammersmith & City and Circle lines will be replaced by 2014 in time for the completion of the phase 2 main upgrade as will the A-stock on the Metropolitan line. In both cases, although it would not make financial sense, Metronet could opt to continue using existing stock. Under those circumstances the Hammersmith & City/ Circle line and the Metropolitan line fleets must both be refurbished by 2015.

6.6 Breakdown of Payments; Bakerloo, Central and Victoria (BCV) lines

The Capital part of total BCV ISC expenditure is as follows:

Year	Capital (£m)	Operating and Maintenance Costs (£m)	ISC Payment (£m)	Contract Administration (£m)	Total Spend (£m)
	a	b	c (a+b)	D	e (c+d)
Pre 2004/05	107				
2004/05	63	233	296	2	298
2005/06	142	248	390	3	393
2006/07	89	243	332	3	335
2007/08	80	255	335	3	338
2008/09	78	261	339	3	342
2009/10	87	300	387	2	389
Post 2009/10	1939	n/a	n/a	n/a	n/a
Total	2585	n/a	n/a	n/a	n/a

6.7 Breakdown of Payments ; Jubilee, Northern and Piccadilly (JNP) lines

The Capital part of total JNP ISC expenditure is as follows:

Year	Capital (£m)	Operating and Maintenance Costs (£m)	ISC Payment (£m)	Contract Administration (£m)	Total Spend (£m)
	A	b	c (a+b)	D	e (c+d)
Pre 2004/05	52				
2004/05	23	390	413	3	416
2005/06	21	396	417	4	421
2006/07	109	419	528	3	531
2007/08	96	433	529	3	532
2008/09	83	446	529	3	532
2009/10	72	474	546	3	549
Post 2009/10	7966	n/a	n/a	n/a	n/a
Total	8422	n/a	n/a	n/a	n/a

6.8 Breakdown of Payments; Sub-Surface (SSL) lines

The Capital part of total SSL ISC expenditure is as follows:

Year	Capital (£m)	Operating and Maintenance Costs (£m)	ISC Payment (£m)	Contract Administration (£m)	Total Spend (£m)
	A	B	c (a+b)	D	e (c+d)
Pre 2004/05	126				
2004/05	57	266	323	3	326
2005/06	177	256	433	3	436
2006/07	166	251	417	3	420
2007/08	169	251	420	3	423
2008/09	155	267	422	3	425
2009/10	176	291	467	3	470
Post 2009/10	2526	n/a	n/a	n/a	n/a
Total	3552	n/a	n/a	n/a	n/a

The tables above show the element of the PPP ISC payments allocated to capital over the course of the six years 2004/05 – 2009/10, broken down by Infraco. They indicate that, over the period 2004/05 - 2009/10 around £1843m (24%) of the approximately £7523m Infrastructure Service Charge (ISC) payment will be allocated to capital.



The TfL business plan 2004/5–2009/10

Operating plan

Proposal to the board 22/10/03



The Operating Plan 2004/05 – 2009/10

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The operating plan 2004/05-2009/10

1 Introduction

The TfL 2004/05 Business Plan reflects the total expenditure TfL plans to spend on London's transport system. This expenditure can be separated into two main types: operating and capital. In order to provide a clear insight into TfL's expenditure profile, we have therefore split the Business Plan into two separate expenditure plans called the Operating Plan 2004/05 - 2009/10 and the Capital Plan 2004/05 - 2009/10 respectively.

Operating expenditure refers to spending focused on supporting the delivery and running of transport services. Essentially, this expenditure covers the operations of **existing** services for TfL customers - buses, Underground, maintenance of the TLRN, Operating costs of running the traffic light network and the Congestion Charging Scheme. **The capital plan** includes those expenses that result in the creation of an asset.

The 2004/05 - 2009/10 Operating Plan reflects TfL's planned spending on supporting and managing the delivery and running of transport services in London. As with the business plan, this expenditure is divided into the following categories:

- 1 Baseline: essential safety and committed expenditure.** This provides only the existing funding to bus services, which due to rising demand, traffic congestion and deterioration of assets will deliver a progressively lower mileage, worse reliability and poorer service quality. It also delivers contractually committed expenditure through PFIs and PPPs.
- 2 Restoration of current levels of bus service.** This increased expenditure is necessary to sustain bus service levels, such as operated kilometres, in the face of rising traffic congestion outside the congestion charging zone.
- 3 Ensuring the system runs smoothly through restoring a state of good repair and other safety works.** This is expenditure necessary to maximise the efficiency of existing transport infrastructure by carrying out investment that brings it to a state of good repair.
- 4 Expenditure to meet the expected increase in demand.** This is expenditure to accommodate the projected increases in demand for services of the existing network.
- 5 Programmes to provide transport to accommodate London's growth.** This is investment over the business plan period to increase the capacity of the transport system to accommodate London's growth in the medium and long term. This includes new projects to provide links essential for development of employment and housing provision in, for example, the Thames Gateway.
- 6 Service quality enhancements.** This category includes the Western extension of the Congestion Charging Scheme, fares integration, bus priority and National Rail improvements.

It should be noted that due to the wide-ranging nature of some programmes and projects, projects are frequently included in multiple categories; however, there is no double counting of expenditure.

In addition, some expenditure, such as those under PPP and PFI, include both operating and capital elements. In order to maintain a clear distinction between the two types of expenditure, the capital element of the annual payments made under such contracts has been removed from the Operating Plan and incorporated into the Capital Plan. The total cost of the generated assets has also been included in the Capital Plan even though payments may extend beyond the planning years. The Operating element of projects has been left within the Operating Plan. This situation also applies to contract payments made to bus operators for the modernisation and renewal of the bus fleet.

The table below shows a summary of expenditure included in the Operating Plan.

Table 1: TfL operating plan

(2004/05 prices)	2004/05 £m	2005/06 £m	2006/07 £m	2007/08 £m	2008/09 £m	2009/10 £m
Baseline: essential safety and committed expenditure (net of efficiencies)	3,926	3,921	3,964	3,962	4,020	4,140
Restoration of bus service levels (net of revenue impacts)	18	44	63	80	95	101
Ensuring the system runs smoothly (State-of-Good-Repair and other safety) and Meeting increased demand for existing services	7	54	102	135	165	188
Accommodating London's growth	4	12	20	32	62	76
Enhancements to service quality	7	140	242	260	270	269
Risk reserve provision	(71)	101	10	0	0	0
Total	3,891	4,272	4,401	4,469	4,612	4,774

2 **Baseline: essential safety and committed expenditure**

As with the Business Plan, Operating expenditure has been separated into a baseline expenditure section that incorporates essential safety works and committed expenditure.

Key deliverables included in the Operating Plan throughout the plan years for essential safety include:

- Managing the day to day running of the transport system to ensure that safety requirements are being met for both the public and staff
- Continuation of the London Resilience programme to protect the London transport network from the threat of terrorism
- Introduction of licensing requirements for private hire vehicles and drivers through the Public Carriage Office
- Improvements in safety from the Road Safety Plan, including Borough Schemes such as the 'Safer Routes to School' programme and the London Safety Camera Partnership

Examples of committed expenditure in the baseline include **committed** levels of the following.

- Operation and management of the bus network
- Operation and management of the London Underground network
- Maintenance and management of the TLRN network and Borough Principal Roads
- Maintenance and management of traffic control systems
- Provision of Dial-A-Ride services
- Central and administrative services for TfL group

It is important to note that the baseline does not include any enhancements beyond those that are contractually committed.

As noted previously, given the rising demand for bus services and increase in congestion outside of the congestion charging zone, the baseline delivers progressively lower mileage, worse reliability and poorer service quality

3 **Beyond the baseline**

This section outlines improvements which are of an operating nature and are above the baseline expenditure to provide levels of service that accommodate London's transport needs.

They are divided into the following subsections: restoration to current levels of bus service; ensuring the system runs smoothly through State-of-Good-Repair improvements and safety works; increased demand for existing services; accommodating London's growth; other service quality enhancements; and third party funded projects.

Explanations of these areas and some examples of the way TfL will deliver these aims (assuming adequate level of Government grant) are shown below:

3.1 Restoration of bus service network

The baseline is insufficient to do more than cope with expected real cost of inflation in wages and other real operating costs. This category restores a level of expenditure consistent with service volumes and quality at 2004/05 levels. While these improve quality compared to the baseline¹, it still results in worsening service overall quality compared to today, and does not cope with future levels of demand growth, and indeed growing numbers cause the service to be less reliable, leading to longer waiting times. Therefore operating spend within this area consists of increased expenditure on bus services to restore a level of expenditure consistent with service volumes at 2004/05 levels.

3.2 Ensuring the system runs smoothly (State-of-Good-Repair), other safety expenditure and meeting increased demand for existing service

All of the expenditure to bring the system to a state of good repair is included in the **capital plan**, apart from certain elements of the road safety plan, notably the educational components.

3.3 Meeting increased demand for existing services

The main operating element to the 'meeting demand' category is the additional bus capacity to meet forecast growth in customers from underlying economic conditions and fares initiatives. This will be provided, for example, by:

- Trunk routes with high demand, for example possibly routes 12 and 73 in 2004/05, converted to articulated bus operation, where appropriate
- Additional frequency on other trunk services, especially some radial services already close to capacity at peak times; and
- Converting routes from single to double deck operation, for example, proposed key orbital routes such as the 28 and 31 in 2004/05.

There is also some additional expenditure on bus station and shelter maintenance. There are also additional costs associated with Taxicard.

3.4 Accommodating London's growth

As part of the analysis in the draft London Plan, TfL aims to make a significant contribution in the areas of London suitable for further development, such as the Thames Gateway area. In this category, TfL plans to deliver for Operating expenditure, primarily the expansion of the bus network to serve London's growth in such areas and to developments such as new hospitals and schools.

¹As measured by excess waiting time or customer satisfaction for example

3.5 Other service quality enhancements

Other service quality enhancements relate improved transport links and enhanced quality of service. Planned operating expenditure in this area includes:

- Train and reliability initiatives on London Underground.
- This category of bus operating expenditure allows the network not just to keep pace with customer growth but also meeting increasing expectations. Additional spend will address such issues as more and better night bus services, off-peak increases in frequency (including Sunday services on some routes), and extended services to bring more people closer to a denser network. Examples in 2004/05 are revisions of routes centred around Southwark, Waltham Forest, Newham and Harrow, together with a number of major trunk routes including the routes 8, 9, 25, 73 and 279. In addition, the programme for review includes other local services across the capital. This category also includes additional services required to support the western extension of congestion charging.
- Continued implementation of bus priority including development of intensified measures on two routes.
- Improvements to the National Rail services in conjunction with the SRA and Train Operating Companies (TOCS), including a joint improvement programme for providing off-peak services on the National Rail network.
- Borough funding for town centre improvements, travel awareness and safer routes to schools programmes.

3.6 Third Party Funded Projects

In addition to TfL's own operating expenditure, in some cases, TfL supports and/or contributes to projects in the London transport network through external third parties.

3.7 Detailed Report on Operating Expenditure

Attached is a detailed activity report reflecting the expenditure incurred as part of the 2004/05 – 2009/10 Operating Plan. The report is broken down into the below sections including a 'Total' report that includes all the 'Operating' activities across the categories:

- Summary Report (page R1)
- Baseline Expenditure (page R2)
- Restoration of Bus Service Network (page R5)
- Ensuring the System Runs Smoothly (State of Good Repair) and other safety expenditure (page R6)
- Meeting increased demand for existing services (page R7)
- Accommodating London's Growth (page R9)
- Other Service Quality Enhancements (page R11)
- Third Party Funded Projects (page R13)
- Total (page R14)

Operating Plan Summary

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
2004/05 Prices (£ millions)						
Surface Transport						
London Buses	1,422.6	1,538.3	1,627.7	1,700.7	1,775.5	1,842.0
Street Management	279.1	276.0	352.2	338.4	336.3	341.0
Other	59.8	58.6	59.1	60.0	60.5	60.5
	1,761.4	1,872.9	2,039.0	2,099.1	2,172.4	2,243.5
London Underground	2,061.1	2,034.7	2,080.9	2,089.8	2,137.3	2,230.4
London Rail	10.5	17.3	17.5	18.2	18.5	18.6
Docklands Light Railway	32.5	38.8	46.7	49.1	65.9	65.9
Other						
Transport Planning	11.9	9.9	8.9	8.7	11.1	8.4
Central Directorates	13.4	298.2	207.9	204.3	207.1	207.7
Total TfL	3,890.8	4,271.9	4,400.9	4,469.4	4,612.2	4,774.4
Allocated						
Baseline	3,925.8	3,920.7	3,964.0	3,961.6	4,019.9	4,140.5
Bus Network Restoration	18.0	44.0	63.0	80.0	95.0	101.0
Meeting Demand & state of Good Repair	6.5	54.0	102.2	135.0	165.1	188.4
Accommodating London's Growth	4.1	12.4	20.3	32.4	62.0	75.7
Other Service Quality Enhancements	7.5	139.8	241.6	260.4	270.2	268.9
Risk Provision	-71.0	101.0	10.0	0	0	0
Total	3,890.8	4,271.9	4,401.1	4,469.4	4,612.2	4,774.4

Operating Plan Detailed Report - Baseline

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Surface Transport						
Old Surface Transport						
London Buses						
* Bus Network	1,168.0	1,193.8	1,203.4	1,203.7	1,207.4	1,223.4
	<i>Payments to contractors for bus service, monitoring of performance and strategic planning (estimate for contract payments)</i>					
Bus Stops & Shelters	11.5	11.4	11.4	11.4	11.4	11.4
	<i>Management and maintenance of bus stops and shelters</i>					
Bus Stations	5.6	5.6	5.6	5.6	5.6	5.6
	<i>Management and maintenance of bus stations</i>					
Bus Garages	0.4	0.4	0.4	0.4	0.4	0.4
	<i>Management and maintenance of bus garages</i>					
Transport Policing & Enforcement	90.7	92.7	92.7	92.7	92.7	92.7
	<i>Provision of additional revenue protection measure</i>					
Prestige & Other Ticketing Equipment	16.8	19.1	21.2	21.0	20.9	18.8
	<i>Management of Prestige implementation</i>					
Croydon Tramlink	6.9	8.5	6.8	6.4	6.7	6.8
	<i>Support costs for Croydon tram</i>					
Other	67.7	67.8	67.9	68.2	68.6	69.0
	<i>Increased infrastructure maintenance and back office support</i>					
London Buses Total	1,367.6	1,399.2	1,409.4	1,409.5	1,413.6	1,428.0
Public Carriage Office	12.8	12.7	12.6	12.8	12.7	12.7
	<i>Management of the Public Carriage Office including the licensing of private hire vehicles and drivers</i>					
Victoria Coach Station	6.1	6.1	6.1	6.1	6.1	6.1
	<i>Operation of Victoria Coach Station</i>					
Dial - A - Ride	20.0	19.0	19.7	20.3	20.9	20.9
	<i>Provision of Dial-A-Ride service</i>					
East Thames Buses	19.0	19.0	18.9	18.9	18.9	18.9
	<i>Running of the East Thames Bus company</i>					
London River Services	1.8	1.8	1.9	1.9	1.9	1.9
	<i>Provision of ferry service on the Thames</i>					
Total Old Surface	1,427.4	1,457.8	1,468.5	1,469.5	1,474.1	1,488.6

* Relates to contract payments made to bus network contractors.

Operating Plan Detailed Report - Baseline

		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Street Management							
Congestion Charging Scheme	Operation of the London Congestion Charging scheme	96.7	89.8	88.3	85.3	81.9	83.8
A13 DBFO	Maintenance and monitoring costs associated with the A13 DBFO	11.2	12.5	12.6	17.3	16.8	16.6
TLRN Maintenance	Revenue maintenance on the TLRN	58.9	60.7	62.7	63.7	65.7	65.7
BPRN Maintenance	Principal road surveys	0.5	0.5	0.5	0.5	0.5	0.5
Traffic Signals and Controls	Maintenance and management of London's traffic signals and controls	30.2	29.5	31.6	31.7	33.0	35.6
Other	Support services and performance and development management	59.5	59.7	59.7	59.7	59.7	59.7
Total Street Management		257.0	252.7	255.4	258.2	257.6	261.9
Total Surface Transport		1,684.4	1,710.5	1,723.9	1,727.7	1,731.8	1,750.4
London Underground							
Customer Services (Trains)	Operation of the Underground trains	199.8	205.5	209.6	213.0	218.9	222.3
Customer Services (Stations)	Operation of Underground stations	256.1	257.2	257.9	258.9	257.8	256.6
PFI Contracts							
** Prestige	Maintenance and monitoring costs associated with the Prestige contract for Oystercard and running the ticketing system	51.8	51.2	49.8	48.1	46.9	47.1
** Power	Maintenance and monitoring costs for power transmission	60.5	62.8	64.2	65.0	66.0	66.5
** Connect	Maintenance and monitoring costs of communication equipment	29.6	26.0	19.6	17.3	16.6	14.7
** British Transport Police	Maintenance and monitoring costs	2.5	2.6	2.6	2.6	2.6	2.6
Risk	Contingency for collapse of PFI agreements	46.9	39.1	31.6	25.4	21.8	19.5
PFI Contracts Total		191.3	181.7	167.8	158.3	153.9	150.4

** Estimated expenditure for programmes that are, or are assumed to be, financed through PFI or PPP contracts

Operating Plan Detailed Report - Baseline

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
PPP Contracts						
** BCV	235.4	250.7	245.9	258.3	263.2	302.7
	<i>Maintenance and monitoring costs of the Bakerloo/Central/Victoria line infrastructure</i>					
** JNP	393.1	399.7	421.8	436.0	449.2	477.2
	<i>Maintenance and monitoring costs of the Jubilee/Northern/Piccadilly line infrastructure</i>					
** SSL	269.4	259.4	253.9	254.0	270.6	294.0
	<i>Maintenance and monitoring costs of the Sub Surface Lines infrastructure</i>					
Risk	62.1	62.9	71.8	71.5	72.0	72.3
	<i>Contingency for uncapped costs, loss of income and better PPP performance of PFI agreements</i>					
PPP Contracts Total	960.0	972.6	993.4	1,019.7	1,055.0	1,146.2
UIP						
Power	1.1	1.0	3.3	6.6	7.0	8.1
	<i>Maintenance and monitoring costs for power transmission outside the remit of PPP</i>					
Connect	18.9	7.8	2.5	9.3	9.3	9.3
	<i>Maintenance and monitoring costs of communication equipment outside the remit of PPP</i>					
UIP Total	20.1	8.8	5.8	15.9	16.3	17.4
Other	403.8	388.3	408.1	371.8	386.0	398.8
	<i>Cost of support services including HR, Finance, Legal, etc working capital movements and other risk</i>					
Total London Underground	2,031.1	2,014.1	2,042.7	2,037.7	2,088.0	2,191.8
London Rail						
Docklands Light Railway						
** Lewisham Extension	26.5	26.5	26.5	26.5	26.4	26.2
	<i>Proportion of annual payment for the building of the Lewisham extension</i>					
** London City Airport Extension	0.0	4.2	14.2	14.6	15.0	15.4
	<i>PFI payments for the London City Airport extension (excluding capital repayments)</i>					

** Estimated expenditure for programmes that are or are assumed to be financed through PFI or PPP contracts

Operating Plan Detailed Report - Baseline

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Stratford Station Safety Works	Management of Stratford Station safety works	0.0	0.2	0.2	0.2	0.2	0.2
Other		6.0	6.0	5.7	5.6	5.5	5.6
Docklands Light Railway Total		32.5	36.9	46.7	46.9	47.2	47.4
London Transport Authority	Authority responsible for liaising with National Rail and the TOCs for a better rail service in London	0.1	0.1	0.1	0.1	0.1	0.1
Crossrail Grant and Admin	Management costs	0.1	0.1	0.1	0.1	0.1	0.1
Other	Support costs including HR, Communications, Finance, etc	3.8	3.8	3.9	4.1	4.2	4.2
Total London Rail		36.6	41.0	50.9	51.2	51.5	51.9
Transport Planning	Transport Policy and strategy including European Affairs and Planning Tools and Evaluation	10.6	8.4	7.7	7.7	10.0	8.2
Total Transport Planning		10.6	8.4	7.7	7.7	10.0	8.2
Central Directorates							
Boroughs	Relationship management with London Boroughs	3.8	3.8	3.0	3.0	3.0	2.9
Borough Partnership Support		3.8	3.8	3.0	3.0	3.0	2.9
London Transport Museum	Operation of the London Transport museum	7.1	6.2	6.8	7.4	7.6	7.1
Operations and Management							
Fares & Ticketing Management		4.5	4.2	4.2	4.2	4.2	4.2

Operating Plan Detailed Report - Baseline

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
2004/05 Prices (£ millions)						
Group Marketing						
Transport Information Centres		3.8	3.8	3.8	3.8	3.8
Transport Information Call Centres		4.5	4.5	4.5	4.5	4.5
Other		8.4	8.2	8.2	8.2	8.2
		16.7	16.6	16.6	16.6	16.6
Group Communications		7.3	7.8	7.8	7.8	7.8
Corporate Services		70.6	55.9	48.7	46.5	47.7
Other Support Functions		53.0	52.3	51.7	51.7	51.8
Total Central Directorates		163.1	146.7	138.7	137.2	138.6
Total TfL Operating Expenditure for Baseline		3,925.8	3,920.7	3,964.0	3,961.6	4,140.5

Operating Plan Detailed Report- Restoring The Bus Network

2004/05 Prices (£ millions) 2004/05 2005/06 2006/07 2007/08 2008/09 2009/10

Surface Transport

Old Surface Transport

* Bus Network

<i>Payments to contractors for bus service, monitoring of performance and strategic planning (estimate for contract payments)</i>	18.0	44.0	63.0	80.0	95.0	101.0
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Total TfL Operating Expenditure on Restoring the Bus Network

18.0	44.0	63.0	80.0	95.0	101.0
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* Relates to contract payments made to bus network contractors.

Operating Plan Detailed Report - State of Good Repair

2004/05 Prices (£ millions) 2004/05 2005/06 2006/07 2007/08 2008/09 2009/10

Surface Transport									
Old Surface Transport									
London Buses									
* Bus Network	0.0	2.0	8.0	16.0	25.0	28.0			
	<i>Payments to contractors for bus service, monitoring of performance and strategic planning (estimate for contract payments)</i>								
Other	2.6	0.6	0.6	0.6	0.6	0.6			
	<i>Increased infrastructure maintenance and back office support</i>								
Total Old Surface Street Management	2.6	2.6	8.6	16.6	25.6	28.6			
TLRN Maintenance	0.0	-2.4	-4.4	-5.4	-7.4	-7.4			
	<i>Capital maintenance is increased bringing ongoing savings in revenue maintenance</i>								
Road Safety	10.8	12.5	13.1	13.6	14.1	14.5			
Total Street Management	10.8	10.1	8.7	8.2	6.7	7.1			
Total Surface Transport	13.4	12.7	17.3	24.8	32.3	35.7			
	<i>Road Safety campaign</i>								
London Underground									
Safety & Security	2.9	1.3	1.1	1.2	0.6	0.5			
	<i>Management and monitoring of safety & security initiatives on the Underground</i>								
Total London Underground	2.9	1.3	1.1	1.2	0.6	0.5			
London Rail									
National Rail Integration	0.5	3.0	3.0	3.0	3.0	3.0			
	<i>Funding for National Rail increased services</i>								
Total London Rail	0.5	3.0	3.0	3.0	3.0	3.0			
Total TfL Operating Expenditure on State of Good Repair	16.8	17.0	21.4	29.0	35.9	39.1			

* Relates to contract payments made to bus network contractors.

Operating Plan Detailed Report - Demand Growth

2004/05 Prices (£ millions) 2004/05 2005/06 2006/07 2007/08 2008/09 2009/10

Surface Transport						
Old Surface Transport						
London Buses						
* Bus Network	11.0	36.0	63.0	80.0	97.0	114.0
	<i>Payments to contractors for bus service, monitoring of performance and strategic planning (estimate for contract payments)</i>					
Bus Stops & Shelters	0.0	1.5	1.6	1.7	1.7	1.8
	<i>Management and maintenance of bus stops and shelters</i>					
Bus Stations	0.0	0.5	0.8	0.9	1.0	1.3
	<i>Management and maintenance of bus stations</i>					
Transport Policing & Enforcement	0.0	3.2	5.2	7.2	8.6	8.8
	<i>Provision of additional revenue protection measure</i>					
Other	0.0	3.3	3.7	7.0	7.2	7.5
	<i>Increased infrastructure maintenance and back office support</i>					
Total Old Surface	11.0	44.5	74.3	96.8	115.4	133.5
Street Management						
Other	0.0	4.3	4.3	4.3	4.3	4.3
	<i>Increased support costs such as HR, Finance and IT</i>					
Total Street Management	0.0	4.3	4.3	4.3	4.3	4.3
Total Surface Transport	11.0	48.8	78.6	101.1	119.7	137.8
London Underground						
Accessibility	0.2	0.5	0.5	0.4	0.4	0.3
	<i>Maintenance and monitoring of step free access programme for LU platforms</i>					
Congestion Relief	1.0	0.0	0.0	0.0	0.0	0.0
	<i>Maintenance and monitoring of congestion</i>					

* Relates to contract payments made to bus network contractors.

Operating Plan Detailed Report - Demand Growth

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Other *	-22.5	-18.2	-3.7	-2.5	0.4	0.4
<i>Various station redevelopment schemes including developments led by third parties</i>						
Total London Underground	-21.3	-17.7	-3.2	-2.1	0.8	0.7
London Rail						
Docklands Light Railway	0.0	1.9	0.0	0.0	0.0	0.0
Other						
Total London Rail	0.0	1.9	0.0	0.0	0.0	0.0
Central Directorates						
Other Support Functions	0.0	3.9	5.3	7.0	8.7	10.8
<i>General Counsel, Equality and Inclusion and other support functions</i>						
Total Central Directorates	0.0	3.9	5.3	7.0	8.7	10.8
Total TfL Operating Expenditure on Demand Growth	-10.3	37.0	80.8	106.0	129.2	149.2

*Other – Negative amount reflects revenue from third parties for developer led schemes e.g. South Kensington station

Operating Plan Detailed Report - Accommodating London's Growth

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Surface Transport						
London Buses						
* Bus Network	4.0	12.0	20.0	30.0	43.0	57.0
	<i>Payments to contractors for bus service, monitoring of performance and strategic planning (estimate for contract payments)</i>					
Total Surface Transport	4.0	12.0	20.0	30.0	43.0	57.0
London Rail						
Docklands Light Railway						
** Woolwich - Arsenal Extension	0.0	0.0	0.0	0.7	15.8	15.5
	<i>PFI payments for the Woolwich Arsenal extension (excluding capital repayments)</i>					
Stratford International Extension	0.0	0.0	0.0	1.5	2.9	2.9
	<i>Maintenance and management of the Stratford International extension</i>					
<i>Docklands Light Railway Total</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>2.1</i>	<i>18.8</i>	<i>18.4</i>
East London Line Extension	0.1	0.1	0.1	0.1	0.1	0.1
	<i>Management costs</i>					
Total London Rail	0.1	0.1	0.1	2.2	18.8	18.5
Transport Planning						
Other Transport Planning	0.0	0.3	0.2	0.2	0.2	0.2
	<i>Transport Policy and strategy including European Affairs and Planning Tools and Evaluation</i>					
Total Transport Planning	0.0	0.3	0.2	0.2	0.2	0.2
Total TfL Operating Expenditure on Accommodating London's Growth	4.1	12.4	20.3	32.4	62.0	75.7

* Relates to contract payments made to bus network contractors.

Operating Plan Detailed Report - Other Service Quality Enhancements

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Surface Transport						
Old Surface Transport						
London Buses						
* Bus Network	10.0	26.0	42.0	57.0	72.0	83.0
<i>Payments to contractors for bus service, monitoring of performance and strategic planning (estimate for contract payments)</i>						
Bus Priority	9.4	10.4	10.9	10.9	10.9	10.9
<i>Construction of bus lanes and installation of traffic signals</i>						
Total Old Surface	19.4	36.0	52.4	67.9	82.9	93.9
Street Management						
Congestion Charging - Western Extension	0.0	0.0	75.9	59.8	59.8	59.8
<i>Monitoring equipment</i>						
Walking & Cycling	0.6	0.7	0.7	0.7	0.7	0.7
<i>Walking & cycling campaigns</i>						
Other	10.7	8.2	7.2	7.2	7.2	7.2
<i>Increased support costs such as HR, Finance and IT</i>						
Total Street Management	11.3	8.9	83.8	67.7	67.7	67.7
Total Surface Transport	30.7	44.9	136.2	135.6	150.6	161.6
London Underground						
Operational Initiatives						
Revenue & Ticketing	11.2	2.2	2.2	2.6	2.6	1.6
<i>Management and monitoring of revenue and ticketing initiatives on the Underground</i>						
Trains and Reliability		13.3	15.9	19.4	18.7	14.3
<i>Management and monitoring of train and reliability initiatives on the Underground</i>						
Business Support	24.7	21.4	22.2	31.0	26.6	21.5
<i>Support services</i>						
Total London Underground	48.4	36.9	40.3	53.1	47.9	37.4

* Relates to contract payments made to bus network contractors.

Operating Plan Detailed Report - Other Service Quality Enhancements

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
London Rail							
National Rail Integration	<i>Funding for National Rail increased services</i>	5.4	9.3	9.4	10.0	10.2	10.2
London Transport Authority	<i>Authority responsible for liaising with National Rail and the TOCs for a better rail service in London</i>	0.6	0.9	0.9	0.9	0.9	0.9
Total London Rail		6.0	10.2	10.3	10.9	11.1	11.1
Transport Planning							
Other Transport Planning	<i>Transport Policy and strategy including European Affairs and Planning Tools and Evaluation</i>	1.3	1.2	1.0	0.8	0.8	0.0
Total Transport Planning		1.3	1.2	1.0	0.8	0.8	0.0
Central Directorates							
Boroughs							
Borough Spending Plans	<i>Grants provided to boroughs</i>	27.2	46.6	53.8	60.1	59.8	58.7
		27.2	46.6	53.8	60.1	59.8	58.7
Required savings*		-106.0	0.0	0.0	0.0	0.0	0.0
Total Central Directorates		-78.8	46.6	53.8	60.1	59.8	58.7
Total TfL Operating Expenditure on Service Quality Enhancements		7.5	139.8	241.6	260.4	270.2	268.9

* Required Savings – The large negative number reflects the following savings that need to be made:

LUL projects to be shelved if funding unavailable	£33m
Surface Transport (Western Congestion Charging) scheme	£42m
Other savings to be found fund discrepancy	<u>£31m</u>
Total	£106m

Operating plan detailed report - Risk Provision

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Risk Provision						
Risk Provision	-71.0	101.0	10.0	0.0	0.0	0.0
Total TfL Operating Expenditure on Risk Provision	-71.0	101.0	10.0	0.0	0.0	0.0

Risk provision is reduced in 2004/05 in view of the funding needs, and is restored in 2005/06 to the previously level of £160m as agreed with Government at the time of the transfer of London Underground to Transport for London.

Total operating expenditure

Operating Plan Detailed Report - Total Operating Expenditure

2004/05 Prices (£ millions)

2004/05 2005/06 2006/07 2007/08 2008/09 2009/10

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Surface Transport						
Old Surface Transport						
London Buses						
* Bus Network	1,211.0	1,313.8	1,399.4	1,466.7	1,539.4	1,606.4
	<i>Payments to contractors for bus service, monitoring of performance and strategic planning (estimate for contract payments)</i>					
Bus Stops & Shelters	11.5	12.9	13.0	13.1	13.2	13.3
Bus Stations	5.6	6.1	6.5	6.5	6.6	6.9
Bus Garages	0.4	0.4	0.4	0.4	0.4	0.4
Transport Policing & Enforcement	90.7	95.8	97.9	99.9	101.2	101.5
Prestige & Other Ticketing Equipment	16.8	19.1	21.2	21.0	20.9	18.8
Bus Priority	9.4	10.0	10.4	10.9	10.9	10.9
Croydon Tramlink	6.9	8.5	6.8	6.4	6.7	6.8
Other	70.3	71.7	72.2	75.8	76.4	77.0
London Buses Total	1,422.6	1,538.3	1,627.7	1,700.7	1,775.5	1,842.0
Public Carriage Office	12.8	12.7	12.6	12.8	12.7	12.7
Victoria Coach Station	6.1	6.1	6.1	6.1	6.1	6.1
Dial - A - Ride	20.0	19.0	19.7	20.3	20.9	20.9
East Thames Buses	19.0	19.0	18.9	18.9	18.9	18.9
London River Services	1.8	1.8	1.9	1.9	1.9	1.9
Total Old Surface	1,482.3	1,596.9	1,686.9	1,760.7	1,836.1	1,902.5

* Relates to contract payments made to bus network contractors.

Operating Plan Detailed Report - Total Operating Expenditure

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
** British Transport Police Risk	Maintenance and monitoring costs Contingency for collapse of PFI agreements	2.5 46.9	2.6 39.1	2.6 31.6	2.6 25.4	2.6 21.8	2.6 19.5
PFI Contracts Total		191.3	181.7	167.8	158.3	153.9	150.4
PPP Contracts	Maintenance and monitoring costs of the Bakerloo/Central/Victoria line infrastructure	235.4	250.7	245.9	258.3	263.2	302.7
** BCV							
** JNP	Maintenance and monitoring costs of the Jubilee/Northern/Piccadilly line infrastructure	393.1	399.7	421.8	436.0	449.2	477.2
** SSL	Maintenance and monitoring costs of the Sub Surface Lines infrastructure	269.4	259.4	253.9	254.0	270.6	294.0
Risk	Contingency for uncapped costs, loss of income and better PPP performance of PFI agreements	62.1	62.9	71.8	71.5	72.0	72.3
PPP Contracts Total		960.0	972.6	993.4	1,019.7	1,055.0	1,146.2
UIP	Maintenance and monitoring costs for power transmission outside the remit of PPP	1.1	1.0	3.3	6.6	7.0	8.1
Power							
Connect	Maintenance and monitoring costs of communication equipment outside the remit of PPP	18.9	7.8	2.5	9.3	9.3	9.3
UIP Total		20.1	8.8	5.8	15.9	16.3	17.4

** Estimated expenditure for programmes that are, or are assumed to be, financed through PFI or PPP contracts

Operating Plan Detailed Report - Total Operating Expenditure

2004/05 Prices (£ millions)

2004/05 2005/06 2006/07 2007/08 2008/09 2009/10

Station Projects						
Accessibility						
Maintenance and monitoring of step free access programme for LU platforms	0.2	0.5	0.5	0.4	0.4	0.3
Congestion Relief						
Maintenance and monitoring of congestion	1.0	0.0	0.0	0.0	0.0	0.0
Other						
Various station redevelopment schemes including developments led by third parties	-22.5	-18.2	-3.7	-2.5	0.4	0.4
Station Projects Total	-21.3	-17.7	-3.2	-2.1	0.8	0.7
Operational Initiatives						
Safety & Security						
Management and monitoring of safety & security initiatives on the Underground	2.9	1.3	1.1	1.2	0.6	0.5
Revenue & Ticketing						
Management and monitoring of revenue and ticketing initiatives on the Underground	11.2	2.2	2.2	2.6	2.6	1.6
Trains and Reliability						
Management and monitoring of train and reliability initiatives on the Underground	12.4	13.3	15.9	19.4	18.7	14.3
Business Support						
Support services	24.7	21.4	22.2	31.0	26.6	21.5
Operational Initiatives Total	51.2	38.2	41.4	54.3	48.5	37.9
Other						
Cost of support services including HR, Finance, Legal, etc working capital movements and other risk	403.8	388.3	408.1	371.8	386.0	398.8
Total London Underground	2,061.1	2,034.7	2,080.9	2,089.8	2,137.3	2,230.4

Operating Plan Detailed Report - Total Operating Expenditure

	2004/05	2005/06	2006/07	2007/08	2008/09
London Rail					
Docklands Light Railway					
** Lewisham Extension	26.5	26.5	26.5	26.4	26.2
** London City Airport Extension	0.0	4.2	14.2	15.0	15.4
** Woolwich - Arsenal Extension	0.0	0.0	0.0	15.8	15.5
Stratford International Extension	0.0	0.0	1.5	2.9	2.9
Stratford Station Safety Works	0.0	0.2	0.2	0.2	0.2
Other	6.0	7.9	5.7	5.5	5.6
Docklands Light Railway Total	32.5	38.8	46.7	65.9	65.9
National Rail Integration	5.9	12.3	12.4	13.2	13.2
London Transport Authority	0.7	1.0	1.0	1.0	1.0
East London Line Extension	0.1	0.1	0.1	0.1	0.1
Crossrail Grant and Admin	0.1	0.1	0.1	0.1	0.1
Other	3.8	3.8	3.9	4.2	4.2
Total London Rail	43.1	56.1	64.3	84.4	84.5
Transport Planning					
Other Transport Planning	11.9	9.9	8.9	11.1	8.4
Total Transport Planning	11.9	9.9	8.9	11.1	8.4

Operating Plan Detailed Report - Total Operating Expenditure by Mode and Directorate

Operating Plan Detailed Report - Total Operating Expenditure

2004/05 Prices (£ millions)		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Central Directorates							
Boroughs							
Borough Spending Plans	<i>Grants provided to boroughs</i>	27.2	46.6	53.8	60.1	59.8	58.7
Borough Partnership Support	<i>Relationship management with London Boroughs</i>	3.8	3.8	3.0	3.0	3.0	2.9
		31.0	50.4	56.9	63.2	62.8	61.6
London Transport Museum							
Operations and Management	<i>Operation of the London Transport museum</i>	7.1	6.2	6.8	7.4	7.6	7.1
		7.1	6.2	6.8	7.4	7.6	7.1
Fares & Ticketing Management							
		4.5	4.2	4.2	4.2	4.2	4.2
Group Marketing							
Transport Information Centres	<i>Operation of the TIC's</i>	3.8	3.8	3.8	3.8	3.8	3.8
Transport Information Call Centres	<i>Operation of the TICC's</i>	4.5	4.5	4.5	4.5	4.5	4.5
Other	<i>General marketing for TfL</i>	8.4	8.2	8.2	8.2	8.2	8.2
		16.7	16.6	16.6	16.6	16.6	16.6
Group Communications							
	<i>Communications including Public Affairs, Media Relations, etc for TfL Group</i>	7.3	7.8	7.8	7.8	7.8	7.8
Corporate Services	<i>Support services such as HR, IT, Procurement and Property & Facilities</i>	70.6	55.9	48.7	46.5	47.7	47.9
Other Support Functions	<i>General Counsel, Equality and Inclusion and other support functions.</i>	53.0	56.2	57.0	58.7	60.4	62.6
Risk Provision		-71.0	101.0	10.0	0.0	0.0	0.0
Required Savings*		-106.0	0.0	0.0	0.0	0.0	0.0
		13.4	298.2	207.9	204.3	207.1	207.7
Total TfL Operating Expenditure							
		3,890.8	4,271.9	4,401.1	4,469.4	4,612.2	4,774.4

21 * Required Savings – The large negative number reflects the following savings that need to be made:
LUL projects to be shelved if funding unavailable £36m
Surface Transport (Western Congestion Charging) scheme £42m
Other savings to be found fund discrepancy £31m
Total £109m

TRANSPORT FOR LONDON

TfL BOARD

SUBJECT: TFL FARE PROPOSALS FOR 2004

MEETING DATE: 29 OCTOBER 2003

1. PURPOSE

This paper presents, for the Board's review, final proposals for changes to fares on London's Buses and Tramlink, the Tube and DLR, to be implemented from January 2004. The proposals have been discussed with the Mayor. The Board's review will be considered by the Mayor prior to making his final decision and direction under sections 155 and 174 of the GLA Act.

Proposed changes to Penalty Fares on TfL services are also described. These changes would be implemented in early March 2004 following an order from the Mayor under schedule 17 of the GLA Act.

2. THE KEY PROPOSALS

The current fare proposals reflect the outcome of TfL's fare policy review, the conclusions of which were set out in a paper submitted to the July meeting of the Board. The key proposals for fares in January 2004 are as follows:

- to **simplify fares on London's buses** and increase the incentive for off-bus ticket purchase. A flat cash fare of 100p is proposed, with a flat 70p fare for Bus Pre Pay and a Bus Saver trip and a flat Bus Pass structure.
- to **freeze bus and Tube child fares**; to introduce a free bus travel scheme for the under 11s; and to offer child rate Bus Pass season tickets for 16/17 year olds.
- to **simplify fares on Tramlink**: to introduce a 100p flat cash fare and to accept Bus Passes for the first time.
- to **introduce Pre Pay on the Tube** at fares matching 2003 Tube cash fares with, in addition, lower fares at weekends and daily caps on expenditure.
- to **increase Tube single fares** to provide an incentive to purchase Pre Pay and to provide an increase in the Tube's revenue yield in line with inflation

after allowing for the introduction of Pre Pay and the need to fund new Travelcard Concessions for students and 16/17 year olds. As a result,

- to **increase the Zone 1 single Tube fare from 160p to 200p**. Other single fares increase by 10p or 20p. Child single fares are frozen for a further year.
- to **increase Travelcard prices** overall broadly in line with the benchmark rate of inflation (3.1% for July 2003).
- to **introduce new Travelcard season ticket offers** for students (replacing the current LT Card scheme) and for 16/17 year olds (who will be able to purchase child rate Travelcard seasons).
- to **freeze child off-peak Travelcard prices for a further year**. Children will travel free at the weekends as part of the Family Travelcard package. In addition, children travelling in the off-peak with an adult Travelcard season ticket holder will be able to purchase a One Day Travelcard for £1 – half the stand-alone child rate.

It is estimated that these changes to fares will yield London Buses some £40m in a full year (an increase in revenue of nearly 5.5%). The direct yield to London Underground will also be approaching £45m per year (an increase of 3.6%). Fare compensation payments to the Train Operators in return for their acceptance of the Student and 16/17 year old concessions will be some £5m per year, giving a net yield from the proposed Tube fare changes and Travelcard concessions of nearly £40m (or 3.1% of Tube revenue).

The paper also describes proposals to introduce a common **Penalty Fare** for all TfL services. These proposals involve a charge of **£10** if payment is made on-the-spot; and a Penalty Fare charge of **£25** if payment is deferred. The proposal would be implemented in early March 2004.

3. THE BUS FARE PROPOSALS

3.1 Objectives of the proposals

The overriding aim of the bus fare proposals is to promote the use of off-bus ticketing in order to speed boarding, improve reliability and journey times and increase efficiency. The proposals will deliver a significant increase in bus fare revenue but still leave the overall level of bus fares below that of three years ago. Overall, the proposals are not expected to lead to a significant reduction in bus use, enabling the current underlying growth in bus use to continue into 2004.

3.2 Bus Single, Saver and Pre Pay fares

The centre-piece of the bus fare proposals is the increase in the 70p suburban cash fare to 100p. The price of the Bus Saver will also increase but only from 65p to 70p. A bus Pre Pay journey, using the Oyster smartcard pay-as-you-go system, will also cost 70p. Bus Pre Pay will be launched in March 2003.

It is anticipated that up to half of current 70p cash fare users will switch to off-bus tickets – reinforcing the trend to off-bus purchase that is already evident. Cash

journeys now account for only about 20% of all bus trips. This figure is expected to fall towards 10% in 2004 as a result of these changes, facilitating the move to completely cashless buses.

3.3 Bus Pass Prices

Complementing the single fare changes, it is proposed that Bus Pass season tickets will also move to a flat fare structure. The one zone suburban tickets, currently priced at £7.50 for a weekly, will be withdrawn; while the All Zones price will rise from £8.50 to £9.50 for a weekly ticket. The All Zones price was £11.50 in 2000.

The price of the One Day Bus Pass will increase from 200p to 250p. Prices were 240p (suburban) and 300p (All Zones) in 2000. Bus Pre Pay will be capped at the new One Day Bus Pass price.

Bus Pass sales are currently increasing by around 25% a year – further significant growth is projected for 2004 despite the price increases.

3.4 Child Fares

Child bus fares will continue to be frozen in 2004. A free bus travel scheme for the under 11s will be introduced and child rate Bus Pass seasons made available to 16 and 17 year olds. The 10PM “curfew” on child cash tickets will be ended.

These measures are intended to promote the use of bus by young people and families while also reducing cash use.

3.4 Assessment

The proposed bus fare changes are set out in Table 1 while Table 2 shows the projected impact of the changes on revenue and bus journeys. Table 3 shows projected changes in cash payment and average fare paid; and indicative benefits as a result of faster bus boarding times etc.

Taken as a whole it is felt that the proposed package meets the tests identified in the Mayor’s Transport Strategy and is consistent with the policy objectives set out in the July paper to the Board:

- The proposals will not reverse the on-going shift from private to public transport – bus use is up 10% this year and further growth is expected in 2004.
- Public transport will be more efficient as a result of the changes. Faster boarding at peak times will benefit all road users.
- Inclusiveness will be maintained or improved by free bus travel for the under 11s; and the new concessions 16/17 year olds. More generally, the revenue raised by the fare changes will be ploughed back into the bus service - benefiting those who most depend on it.

- Access to off-bus tickets will be improved by adding new high street outlets – and by selling Bus Passes and Savers at Tube and Train stations.
- After the changes, bus fares in London will remain below the levels of 2000 (see Table 3) and below the levels in most cities in the UK and abroad (see Annex A).

Overall, while the bus cash single fare will be 100p, the 70p price for a Bus Saver or bus Pre Pay journey reflects TfL's strategy to treat the off-bus fare as the standard, with the on-board cash fare priced at a premium.

4. TRAM FARES

Tramlink fares will be simplified in January 2004 and integration improved:

- A flat cash fare of 100p will be introduced and Pre Pay accepted at a flat rate of 70p.
- Bus Passes will be accepted and the Bus and Tram One Day ticket withdrawn.
- The free bus travel scheme for the under 11s will be accepted.
- Any Travelcard valid in any of Zones 3 to 6 will be valid across the whole of Tramlink.

The level of fares on Tramlink will be broadly maintained. Usage and revenue should both increase as a result of the improved structure.

5. TUBE FARE PROPOSALS

5.1 Oyster and Pre Pay

The introduction of Oyster and Pre Pay (the new pay-as-you-go stored value product based on the smartcard) are fundamental to the proposed Tube fare changes. The progressive roll-out of the Oyster smartcard to customers is now well underway. Tube Pre Pay will be launched in January. Annex A summarises the Oyster and Tube Pre Pay propositions.

5.2 Single and Pre Pay fare proposals

Table 5 sets out the proposed Tube single and Pre Pay fares for January 2004. Cash single fares increase significantly – the fare for travel in Zone 1 rises from 160p to 200p and the single fare between Zones 1 and 2 from 200p to 220p. Other Tube single fares increase by 10p or 20p.

However, it will be possible to avoid these increases or pay reduced fares by opting for Pre Pay. On weekdays, Pre Pay fares will be equated with current single fares. At weekends, the proposed maximum Pre Pay fares of 180p for travel involving Zone One, and 100p for travel outside central London, are significantly below the current single fare equivalents. Daily Pre Pay travel costs

by Tube or Tube and bus will be capped at the One Day Travelcard prices set out in Table 6.

Despite a deep discount, its lack of flexibility has meant that the Tube Carnet has never proved as successful as hoped. The price per ride is therefore being increased from 115p per trip to 150p – matching the increase in the single fare. In future, the emphasis will be put on Pre Pay as a way of improving access to tickets. The long-term future of the carnet will be reviewed once Pre Pay has become established.

5.3 Objectives of the proposals

As for the buses, a major objective of the Tube fare proposals is to encourage passengers to switch away from cash single tickets to Pre Pay and Travelcards. This is particularly desirable in Zones 1 and 2 where ticket queuing problems are most acute.

Because of its flexibility and convenience, it is anticipated that some 30% of Tube single ticket purchases will transfer to Pre Pay – resulting in a substantial improvement in ticket purchase times as well as speeding up throughout the station ticket barriers.

5.4 Assessment

Table 4 sets out the projected impact of the Tube fare changes and the Travelcard price changes described in Section 6 below. The projected reductions in One Day ticket sales reflect transfers to the “capped” Pre Pay product.

6. TRAVELCARDS AND TRAIN FARES

6.1 Travelcard Proposals

Final Travelcard price proposals for 2004, agreed with the Train Operators, are set out in Table 6 and 7. These prices include some minor variations to the previously published proposals, reflecting subsequent negotiations with the Train Operators etc and comments on the earlier proposals:

- **Adult Travelcard season prices.** Most prices increase at or slightly below the benchmark rate of inflation of 3.1%. The Zone One weekly increases by 3% to £17.00. The single zone non-central weekly increases by 7.7% to £9.80 – a price slightly more than that of the new weekly Bus Pass (£9.50). All Travelcards are valid network-wide on buses.
- **One Day tickets.** Prices generally increase by slightly more than the rate of inflation. This reflects the Train Operators’ need to fund the new child and Family Travelcard concessions outlined below.

Overall, the latest Travelcard proposals deliver essentially the same revenue yield as the fare proposals previously published.

6.2 Travelcards for young people

For an initial trial period of one year, commencing in January 2004, the Train Operators have agreed:

- to offer 16/17 year olds child rate Travelcard season tickets in the London area;
- to participate in the London student photocard scheme – providing discounted Travelcard seasons for travel in the London area;
- to participate in the Mayor’s scheme that provides free travel for school parties.

Each of these schemes will thus switch from an “LT” only basis to include London area train services. The Train Operators have made their continued participation in **the 16/17 year old** scheme conditional on TfL agreeing to the discount converting from child fares to an exact 50% discount in January 2005.

TfL will top-up TOC revenue from their sales of discounted Travelcard seasons on an agreed basis so as to leave the Operators financially no worse off. **For 2004, the costs of these top-ups are put at £2m for 16/17 year olds and £3m for students.**

During the trial year, the impact will be monitored jointly by TfL and ATOC. This may lead to a need to adjust the terms of the Operators’ participation in the schemes for future years.

6.3 Child and Family Travelcards

The Train Operators have also agreed to participate in the Family Travelcard “free child at weekends” proposal and to freeze other child off-peak Travelcard prices for a further year.

TfL and the TOCs have also agreed an additional initiative whereby adult **Travelcard Season ticket holders** will be able to purchase an off-peak One Day Travelcard for an accompanying child at £1, instead of paying the non-discounted £2 fare as currently.

As in previous years, child Travelcard season prices increase in line with inflation. Child All Day Travelcards continue to be set at half the adult rate – as was agreed with the Train Operators when this ticket was introduced two years ago. Child off-peak Travelcard prices are frozen for a further year.

6.4 Tube – Train fares integration

TfL is discussing a number of initiatives to improve fare integration with the Train Operators services. These include:

- the extension of inter-available ticketing and Pre Pay to include most Train services in Inner North London;
- the introduction of zonal Tube-Train single fares, initially in a sector of South London.

The aim is that these initiatives will lead, over a period of a few years, to the creation of a simple, consistently priced system of Tube-Train single tickets and Pre Pay fares covering the whole of London.

An initial trial of zonal through fares to stations served by the South Central Franchise is currently under discussion for implementation from January 2004 – with the potential introduction of Pre Pay later in the year.

7. PENALTY FARES ON TFL SERVICES

Based on revenue inspectors' reports etc, TfL estimates that fare evasion costs the business units around £50m per year in lost revenue. Most Penalty Fares were set 10 years ago. Penalty Fares are currently £5 on buses and DLR; £10 on the Underground; and on Tramlink either £15 or £25 if not paid within 21 days. Annex C provides further background on the current situation.

From early in March 2004, it is proposed to introduce a common Penalty Fare regime on TfL services. Under the proposals, which are subject to a final legal review, any person found by a revenue inspector to be travelling without a valid ticket will have the option of paying an on the spot charge of **£10** or incurring a Penalty Fare charge of **£25** if payment is deferred.

The rationale of the proposed changes is:

- to provide a more robust deterrent to fare avoidance. While most Penalty Fares have not risen since 1994/5, average earnings have risen by approaching 50%. In addition, with fares increasingly simple and automated, the risk of honest mistakes has fallen.
- to make it more cost-effective to pursue those who persistently seek to avoid payment through the Civil Courts. The minimum amount that can be recovered through the Small Claims Court is £25.
- to take into account the introduction of open boarding, articulated buses.
- to make Penalty Fare policy consistent across all TfL services and more easily communicable to passengers.

Once the proposals are introduced, the business units will adopt a co-ordinated approach to controlling fare evasion. Key aspects of policy will be:

- a consistent message – travelling without a ticket on any service puts you at risk of the TfL Penalty Fare
- consistent rules for operating and enforcing Penalty Fares; and for following up and prosecuting non-payers, and:
- a well-publicised, consistent and speedy appeals procedure with clearly stated rules and procedures.

The customer research summarised in Annex C indicates wide support for a consistent, well-publicised Penalty Fare, and for high profile Revenue Protection activities, both to deter fraud and to reassure the law abiding.

8. CONCLUSION

The Board is asked to note and review the final proposals for fare changes in January 2004 as set out above. The Mayor's final decision and direction will be notified to the Board.

The Board is also asked to review the proposed changes to TfL Penalty Fares. Following completion of the final legal review, the Secretary of State for Transport will be consulted by the Mayor in November. The views of the London Transport Users Committee and other key stakeholders will also be sought on the proposals. These views, and those of the Board, will be reviewed and submitted to the Mayor prior to his making any orders or directions to implement the proposals. The Mayor's decisions and the views of the stakeholders will be reported to the Board.

**Table 1:
Proposed 2004 bus fares**

		Current price	January 2004 price
Day Bus Pass		200p	250p
Weekly Bus Pass	All Zones Zones 2 or 3 or 4	850p 750p	950p n/a
Single	Including Zone 1 Excluding Zone 1	100p 70p	100p 100p
Saver and Pre Pay ride		65p	70p

Additional proposals:

- existing child fares to be frozen;
- children aged 10 or younger to be eligible for free travel on buses;
- 16/17 year olds to be eligible for child weekly and longer bus seasons;
- child tickets to be valid after 10pm.

**Table 2:
Bus revenue and journey changes due to the bus fare proposals**

	Revenue (£m pa)			Journeys (m pa)		
	Before	After	Change %	Before	After	Change %
Adult singles						
Not Zone 1 – 70p today	160	114	-29	229	114	-50
Zone 1 - 100p today	48	33	-31	48	33	-31
Saver and Pre Pay	13	114	n/a	19	171	n/a
Youth / Child	75	64	-15	348	369	6
Bus Passes, Travelcards and Freedom Pass	428	437	2	991	939	-5
Total	724	763	5.4	1634	1627	-0.5

**Table 3:
Impact of bus fare changes on cash payments, fare per journey and efficiency**

Proportion of passengers paying on bus	2003	2004		
	19%	11%		
Average fare per journey (pence)	2003	2004	2000	
	44.3p	46.9p	actual 48.5p	real 51.7p
Indicative estimates of benefits from faster bus boarding	Additional journey gain Additional revenue gain Operating cost savings		+7m pa +£3m pa +£7m pa	

**Table 4:
Revenue and journey changes due to the Tube fare proposals**

	Revenue (£m pa)			Journeys (m pa)		
	Before	After	Change %	Before	After	Change %
Single + Carnet Pre Pay	362	292 177	-19.4	212	152 110	-28.5
Day tickets	283	215	-23.8	263	212	-19.4
Youth Tickets	31	26	-17.8	38	46	21.2
Seasons and Freedom Pass	511	519	1.6	445	441	-0.9
Totals	1186	1229	3.6	958	960	0.2
Revenue change		+43				
TOC revenue top-ups for Youth concessions		-5				
Net revenue change		+38	3.1			

Table 5: Proposed single and Pre Pay Tube fares

	2003	2004					
To Zone 1 from:	Single fares	Single fares	increase	Pre Pay Weekday fares	discount on the single fares	Pre Pay Weekend fares	discount on the single fares
	p	p	%	p	%	p	%
Z1 single	160	200	25.0	160	20.0	160	20.0
Z1 Carnet	115	150	30.4				
Z2	200	220	10.0	200	9.1	180	18.2
Z3	230	250	8.7	230	8.0	180	28.0
Z4	280	300	7.1	280	6.7	180	40.0
Z5	340	350	2.9	340	2.9	180	50.0
Z6	370	380	2.7	370	2.6	180	53.8
Not Zone 1							
1 zone	100	110	10.0	100	9.1	100	9.1
2 zones	130	150	15.4	130	13.3	100	33.3
3 zones	170	190	11.8	170	10.5	100	47.4
4 zones	210	220	4.8	210	4.5	100	52.4
5 zones	230	240	4.3	230	4.2	100	56.5

Table 6.1: Weekly Travelcard Prices (£) - adult

	2003 price	Proposed January 2004 prices	
Prices To Zone 1 from:	Weekly	Weekly	increase %
Z1	16.50	17.00	+3.0
Z2	19.60	20.20	+3.1
Z3	23.10	23.80	+3.0
Z4	28.40	29.20	+2.8
Z5	34.10	35.10	+2.9
Z6	37.20	38.30	+3.0
Not Zone 1			
1 zone	9.10	9.80	+7.7
2 zones	12.20	12.50	+2.5
3 zones	16.60	17.00	+2.4
4 zones	20.90	21.40	+2.4
5 zones	23.20	23.90	+3.0

Table 6.2: All Day Travelcard Prices (£) - adult

	2003 price	Proposed January 2004 prices	
Prices To Zone 1			increase %
Z1	-	-	-
Z2	5.10	5.30	+3.9
Z3	6.20	6.40	+3.2
Z4	7.00	7.30	+4.3
Z5	8.80	9.20	+4.5
Z6	10.70	11.10	+3.7
LT Card	8.00	8.20	+2.5
Not Zone 1			
5 zones	6.00	6.30	+5.0

Table 6.3: Off-peak Travelcard Prices (£) - adult

	2003 price	Proposed January 2004 prices	
Prices To Zone 1			increase %
Z1	-	-	-
Z2	4.10	4.30	+4.9
Z3	-	-	-
Z4	4.50	4.70	+4.4
Z5	-	-	-
Z6	5.10	5.40	+5.9
Not Zone 1			
5 zones	3.60	3.80	+5.6

Table 7.1: Weekly Travelcard Prices (£) - child

	2003 price	Proposed January 2004 price	
Prices To Zone 1 from:	Weekly	Weekly	increase %
Z1	6.80	7.00	+2.9
Z2	8.00	8.20	+2.5
Z3	10.70	11.00	+2.8
Z4	13.20	13.60	+3.0
Z5	14.60	15.10	+3.4
Z6	15.90	16.50	+3.8
Not Zone 1			
1 zone	4.50	4.70	+4.4
2 zones	6.10	6.30	+3.3
3 zones	8.10	8.50	+4.9
4 zones	10.40	10.70	+2.9
5 zones	11.60	11.90	+2.6

Table 7.2: All Day Travelcard Prices (£) – child – 50% rule

	2003 price	Proposed January 2004 price	
Prices To Zone 1			increase %
Z1	-	-	-
Z2	2.50	2.60	+4.0
Z3	3.10	3.20	+3.2
Z4	3.50	3.60	+2.9
Z5	4.40	4.60	+4.5
Z6	5.30	5.50	+3.8
LT Card	3.50	3.50	-
Not Zone 1			
5 zones	3.00	3.10	+3.3

Table 7.3: Off-peak Travelcard Prices (£) - child

	2003 price	Proposed January 2004 price	
Prices To Zone 1			increase %
Z1	-	-	-
Z2	-	-	-
Z3	-	-	-
Z4	-	-	-
Z5	-	-	-
Z6	2.00	2.00	-
Not Zone 1			
5 zones	-		

Table A1: Oyster and Pre Pay

Overview
<p>Ticketing based on the Oyster smartcard is currently being introduced. The cards contain an embedded aerial and microchip memory and are credit card sized.</p> <p>Card holders will pass through ticket gates at stations, and have their tickets checked on bus, simply by touching their card on a reader. Staff will have hand-held readers to check customers' cards.</p>
Phasing
<p>The new technology is being rolled out in phases from this autumn, beginning with longer period season tickets. Pre Pay will be introduced on Tube and DLR in January 2004; and on buses and Tramlink in March.</p>
Pre Pay
<p>The Oyster card will be used as a platform for a new stored value travel product – “Pre Pay”. Users will be able to place money on their cards at Tube stations and the existing high street ticket outlets. Users will pay for bus and Tube travel by touching their cards against a reader as they board a bus or enter or leave the Tube. See Table A2.</p> <p>A returnable deposit of £3 will be charged for Pre Pay cards.</p>
Season Tickets
<p>Monthly and longer period Bus Pass seasons and Travelcards sold by TfL will be available only in smartcard form. This delivers both convenience and security benefits: tickets do not need to be inserted into the Tube ticket gates; hot-listing is available if a ticket is lost. However, the basic format of existing Bus Passes and Travelcards is unchanged.</p> <p>Smartcards will be an option for weekly tickets. A £3 deposit will be charged if a weekly customer opts to upgrade to the smartcard. The deposit will be foregone if the customer purchases on-line. Existing printed tickets will continue in parallel.</p> <p>Travelcard season customers wanting to travel “out of Zone” on the Tube will be able to use Pre Pay held on their cards alongside their season tickets, avoiding the inconvenience of purchasing individual extension tickets.</p> <p>Most Travelcards sold at National Rail stations will retain their current format for the time being.</p>

Table A2: Pre Pay on the Tube and DLR

<p>Overview</p> <p>Pre Pay will be introduced on the Tube and DLR in January 2004 with prices corresponding to today's single cash fares.</p> <p>Pre Pay will offer best value by capping the daily cost of travel at the relevant One Day ticket price.</p>
<p style="text-align: center;">Key Features of Tube Pre Pay</p> <ul style="list-style-type: none"> • On entry to the Tube, Pre Pay users will touch their cards on readers mounted on the gate lines in order to check-in to the system. • At open stations and interchanges, free-standing readers will be available for this purpose. • Entry will be authorised provided the card contains at the least the cost of a one zone Pre Pay journey. The maximum Pre Pay fare payable will then be reserved on the card and will no longer be accessible. • On leaving the Tube, the user must again touch the card on a reader in order to pay the fare due and to release the reserved amount. • If the level of Pre Pay on a card is low, the reader will warn the user to top-up before travelling again. • Users who are unable to pay the fare due on exit will be able to do this and regain access to the reserved amount by contacting ticket office or revenue inspection staff.
<p style="text-align: center;">Benefits</p> <ul style="list-style-type: none"> • Flexibility: Pre Pay users will not need to purchase a specific ticket or commit themselves to a specific level of travel in advance. • Convenience: Pre Pay users will not need to queue to purchase a ticket each time they travel and should find passage through the station ticket gates easier and more reliable. • Best Value: Pre Pay users will always save on the single fare but will never pay more than if they had bought the best One Day ticket for their travel.
<p style="text-align: center;">National Rail</p> <ul style="list-style-type: none"> • Pre Pay will be available on all Train services that currently accept Tube single tickets (e.g. Fenchurch Street to Barking). • The extension of Pre Pay to include additional Train Services in London is under discussion with the Train Operators and the SRA. • Schemes to include the North London Line and parts of the South Central area in Pre Pay are likely to be introduced during 2004.

A COMPARISON OF FARES IN LONDON AND ELSEWHERE

B.1 International Comparison

TfL has recently reviewed and compared bus and Tube fares in London with those in major cities abroad and in the UK. The review has confirmed that **bus fares in London** are generally **significantly cheaper** than those elsewhere, while **Tube fares** are **typically twice as high** as Metro fares in other world cities.

B.2 Comparative Bus Fares

In New York, the standard “transit” fare of \$2.00 (roughly £1.30) compares with London bus fares of 70p and 100p. The Pre Pay version of the Metrocard provides free bus to bus transfers as well as a small per ride discount. However, there are no bus-only passes. A weekly Metrocard costs over £13, compared with £8.50-£7.50 for a weekly Bus Pass in London (£9.50 proposed for 2004).

In Paris, a single ticket costs about 90p and a saver/carnet unit about 70p. Again, there are no bus-only passes. The cheapest weekly “Carte Orange” zonal ticket costs over £9.00.

B.3 Concessionary Fares

London’s free travel scheme for the elderly and the disabled, which accounts for about 20% of London bus ridership, has no parallel in New York or Paris – where half-price travel is offered but on a more restricted basis. Child and youth concessions in London are also more generous. Children aged between 5 and 15 typically pay half fare in London whereas New York offers no discount to the majority in this age range. Paris and Tokyo do offer 50% child discounts, but their age limits are much lower.

B.4 Comparative Tube Fares

In New York and Paris, there are common “transit” fares for travel on the local bus and Metro systems. Viewed against the price of travel by the Tube, fares in London are much higher than in New York or Paris.

The flat transit fare of around £1.30 in New York is comparable with the suburban one zone price on the Tube. The Tube fare for six zones is £3.70. The weekly New York Metrocard at £13.70 compares with Travelcard prices ranging from just under £10 to nearly £40.

In Paris, the Carte Orange is based on an 8-ring zonal structure very like that of the London Travelcard. However, the equivalent of a Two Zone weekly Travelcard (£20 in London) costs only £10 in Paris.

B.5 UK Fare Comparisons

In the UK, there are no systems really comparable with the Tube – the rail / Metro systems in Manchester, for example, tend to supplement what is basically a bus network even for travel into the centre.

Bus only tickets tend to cost significantly more than the London equivalents. A One Day Bus Pass costs £3.30 in Manchester and £3.50 in the West Midlands, but only £2 in London (£2.50 proposed for 2004). A Weekly Bus Pass costs £13 in Manchester, £12.90 in the West Midlands and only £8.50 or £7.50 in London.

Single journey fares outside London are graduated, making comparisons difficult, but rise from 40p to £1.30 in the West Midlands (average around £1.00); and from 50p to £2.75 in Manchester (average around £1.20). Single fares are thus also higher than in London. There are few equivalents of the Bus Saver or Pre Pay tickets.

As in the case of the international comparisons, integrated tickets including rail or Metro cost less than in London.

B.6 Overview

Table B1 summarises all these results. The general results, however, are clear. Bus fares in London are very competitive; Tube fares are much higher than elsewhere.

Table B1: Summary of Fare Comparisons (2003)

		Bus fares			Tube / Integrated Fares			
		Singles	Daily	Weekly	Singles	Daily	Weekly	Concessionary
London	Now moving to a flat fare system	70p and 100p 65p Saver	£2	£7.50 to £8.50	Central Zone 160p (115p Carnet); 6 zones 370p	£4.10 to £10.70	£9.10 to £37.20	Freedom Pass; 16-17 and Student Concessions; Child fares
New York	Flat fare	120p (free transfer with Metrocard)	£4.30 (bus and metro)	£12.80 (bus and metro)	120p (free transfer)	£4.30 (bus and metro)	£12.80 (bus and metro)	Generally half-price Concessions – sometimes limited
Paris	Flat single fare; Carte Orange season (like the Travelcard) based on 8 ring zones.	90p (no transfer but 70p Carnet)	none	£9.40 (one zone Carte Orange)	80p to 200p (6 zones)	£3.50 to £12.70	£9.40 to £27.30 (8 zones)	
Manchester	Graduated single fares; system Bus Passes	50p to 275p	£3.30	£13.00	up to £2.70	off-peak £6.50	up to £21.70	
Birmingham	Similar to Manchester	40p to 130p	£3.50	£12.90	190p to 230p	£5	£14 to £19	Free off-peak travel for over 65s only

Penalty Fares in London

C1 OVERVIEW OF CURRENT POSITION

On buses and the DLR, the Penalty Fare is currently £5 and £10 on the Tube. On Tramlink, the on-the-spot charge, introduced in 2000, is £15, with a penalty fare for late payment of £25.

Table C1: Current Penalty Fares

Mode	Penalty Fare	Date introduced
Underground	£10	1994
London Buses	£5	1995
DLR	£5	1994
Tramlink	£15, or £25 if not paid in 21 days	2000

As shown in Table C2, fares avoidance currently costs Transport for London some £50m p.a.

C2 CURRENT POSITION BY MODE

C2.1 London Buses

The Penalty Fare of £5 was introduced in 1995. Fare avoidance has fallen as bus fares have become simpler and is currently put at 2% of fare revenue due or about £15m pa. However, the introduction of open boarding buses is increasing opportunities for fare avoidance. A move to a higher Penalty Fare is considered essential to increase deterrence and to reduce the need to expand the scale of ticket checking by Revenue Inspectors.

C2.2 London Underground

The Penalty Fare of £10 was introduced in 1994. In combination with gating, the scheme proved generally effective in containing fraudulent travel, although its blanket application was highly unpopular. The scheme was revised in 2001 and the circumstances in which Penalty Fares are issued curtailed. Since then, fares avoidance has gradually increased, despite being mitigated by the extension of gating across the network.

The level of fare avoidance is currently put at just under 3% or £35m pa – up from just over 1% at its low point in 1994/5, immediately after the Penalty Fare was introduced. A move to a higher, on-the-spot Penalty Fare is not currently not sought. However, a move to a two-tier arrangement is considered highly desirable.

C2.3 DLR

The Penalty Fare of £5 was introduced in 1994. Continuous ticket checks are undertaken by Train Captains and roving inspectors. The level of fare avoidance is put at about 2.5% (or about £1m pa). Given the open nature of the DLR and the latest extensions of the system, both DLR and Serco Docklands strongly favour an increase in the Penalty Fare to strengthen its deterrent effect.

C2.4 Tramlink

Relatively few Penalty Fares are paid on the spot because of the £15 immediate charge. However, the two-tier charging system appears to work well, with 80% of Penalty Fare notices eventually being paid. The level of fare avoidance is put at just under 2% (or £0.3m pa).

Table C2: Penalty Fare issues and fares avoidance by mode

	Penalty Fares issued per year	Penalty Fares issued related to passenger journeys	Payment of Penalty Fares			Revenue lost due to fares avoidance	
			paid on spot	paid later	not paid		
			%	%	%	%	£m
London Underground	6,500 <i>[360,000 in 2000]</i>	1 in 150,000 <i>[1 in 2,500]</i>	80	5	15	2.75	35
London Buses	37,500	1 in 40,000	50	20	30	2	15
DLR	17,000	1 in 2,500	Not yet available			2.5	1
Tramlink	18,000	1 in 1,000	15	65*	20	2	-

*the 65% comprises: 30% paying within 21 days; 20% paying later; 15% taken to court.

Table C3: Focus Group Results

<p>A series of focus groups was held in October 2002 to assess customer perceptions of current Penalty Fare arrangements. Key findings were a general acceptance of the need for Penalty Fares and for effective and high-profile revenue protection; balanced by the need for:</p> <ul style="list-style-type: none"> • tickets to be readily available; • Penalty Fare rules to be clear; and • consistently communicated across modes and services. <p>In order to assist those who might make a genuine mistake.</p>

Table C4: Penalty Fares on other transport systems

Tyne & Wear Metro	£10 Penalty Fare
Manchester Metrolink	Standard Fare of £20 charged to those found without a pre-paid ticket.
Train Operating Companies	£10 or twice the fare to the next station stop, if this is greater
Penalty Fares on the Continent	Generally higher than in the UK. In Barcelona the penalty is €30 (£21) for metro and bus. In Paris, penalties range from €30 to €50 (£21 to £36). Helsinki has a flat penalty of €50 (£36). On the Copenhagen metro, the penalty is 500 Danish Kroner (nearly £50).

**TRANSPORT FOR LONDON
TfL BOARD**

SUBJECT: A406 NORTH CIRCULAR ROAD IMPROVEMENT SCHEMES

MEETING DATE: 29 OCTOBER 2003

1. PURPOSE

To agree the next steps regarding the proposed A406 North Circular Road Improvement Schemes (the "improvement schemes") in the areas of Bounds Green, Regents Park Road and Golders Green Road.

2. BACKGROUND

2.1 At the meeting on 20 March 2003, the Board endorsed the following proposals in respect of Bounds Green:

- that a dual 3-lane scheme not be progressed and that a dual 2-lane scheme be progressed;
- that a disposal of surplus property should be progressed in a manner that would not preclude an option to install a dedicated bus lane in either direction; and
- that details of the scheme to be implemented be finalised and published in spring 2003/04.

2.2 In May 2003 formal representations were received from the Boroughs of Barnet and Enfield, indicating that they were considering instigating legal proceedings in respect of the decision of the TfL Board to abandon the inherited schemes (being a 3 lane scheme in Bounds Green and grade-separated junction schemes at Regents Park Road and Golders Green Road), on the grounds that there was not sufficient consultation regarding this decision and that there was no evidence that such a decision was assessed against the criteria in the Transport Strategy. They were also seeking an undertaking from TfL that it would not dispose of any property that might be needed for implementing the inherited schemes.

2.3 A meeting was subsequently held on 22 May 2003 between the Mayor, the local MP and Councillors, followed by a separate meeting with various residents' organisations. At these meetings the Mayor acknowledged that, as the road had been constructed to 3 lane dual carriageway standard to either side of the section between Bounds Green and Green Lanes, this has resulted in this remaining length of road creating a bottleneck, with very poor environmental conditions along and adjacent to it. He further acknowledged, that in his view there may be an argument to be made in favour of reconsidering the inherited schemes. It was also acknowledged that the cost of implementing the inherited schemes would be very high and require additional funding beyond that allocated in the existing Business Plan.

- 2.4 The Mayor indicated, that the TfL Board would be asked to consider a proposal that a bid be made to central government for additional funds specifically for the inherited schemes as part of the Spending Review for 2004 (SR2004).
- 2.5 Even if additional funding were to be made available there would be a need for major consultation and possibly further Public Inquiries and it would be several years before substantive work could commence. On this basis one of the options suggested is for TfL to make a bid for funds for the inherited schemes and to commence appropriate work which will be worthwhile irrespective of which improvement scheme is ultimately implemented. It is also suggested that, until a decision is received from government regarding funding, no property should be disposed of which might prejudice implementing any of the improvement schemes.
- 2.6 As a consequence of the above the Board is asked to reconsider the options available in respect of progressing the improvement schemes.

3. BOROUGH COMMENTS AND INVOLVEMENT

- 3.1 Enfield and Barnet Boroughs were invited to submit a paper setting out any further issues or comments that they wished to be brought to the Board's attention and to assist the Board in deciding on how to proceed in this matter. A copy of a joint statement received from Barnet and Enfield on 6 October 2003 is attached at **Appendix 1** to this paper.
- 3.2 The Board is asked to note in particular the following observations contained in the joint statement:
- that in the second paragraph of page 2, the Boroughs request that TfL do not dispose of any properties that could compromise implementing the inherited schemes until further joint work with the Boroughs is undertaken and complete. TfL will explore joint working (see paragraph 3.4 below).
 - that in the fourth paragraph of page 2, the Boroughs state that to date no evidence had been produced by TfL to indicate that a robust case for these schemes is being prepared. The draft Business Plan containing the funding proposals for 2004 onwards (including funding for the inherited schemes) is to be considered by the Board on 29 October 2003 together with this paper.
 - that at paragraph five of page 2, the Boroughs state that it would make no sense to implement the smaller scale schemes while funding is being sought from Government. This paper sets out the various options for the Board to consider.
 - that in respect of the comments at paragraph six of page 2, whilst the decision whether or not to implement the inherited schemes remains to be made by the Board, the draft Business Plan considers the option of private finance opportunities.
 - that in respect of the comments at paragraph one of page 3, as mitigating action the Board agreed only to defer work pending the outcome of the Spending Review 2004.

- that in respect of the comments at paragraph two of page 3, if necessary, revised plans of the improvement schemes will be issued once a decision is made on which option to progress.

3.3 As a result of the Board's earlier decision to progress with the 2 lane scheme in Bounds Green, the Boroughs were invited to submit bids for funds to design, consult on and implement a package of traffic management / calming schemes on their surrounding road network. Whichever of the options outlined below is selected it will still be necessary for such a package of measures to be introduced albeit that the packages may differ depending on the option pursued. This will help to ensure that the residential areas adjacent to the strategic road are protected from "rat running" traffic and also that any improvement scheme does not result in significant net growth in traffic volume using this corridor, comprising the A406 and the surrounding road network, following completion of the new road scheme.

3.4 It is proposed that TfL work jointly with the Boroughs to exhibit and consult upon whichever option is endorsed by the Board and such joint working will be in parallel with the Boroughs consultation upon their own complementary local road schemes.

4. OPTION ASSESSMENT

4.1 The options outlined below have been assessed in accordance with the criteria set out in the Transport Strategy and also having regard to the other Strategies of the Mayor. The improvement schemes have to broadly meet the following criteria (set out in the Transport Strategy):

- Contribute to London's economic regeneration and development .
- Do not increase the net traffic capacity of the corridor unless essential to regeneration.
- Provide a net benefit to London's environment.
- Improve safety for all users.
- Improve conditions for pedestrians, cyclists, disabled people, public transport and business.
- Integrate with local and strategic land use planning policies.

Where schemes worsen conditions against any of these criteria, there will be a presumption that the scheme should not proceed unless benefits in other areas very substantially outweigh any disbenefits.

4.2 A summary of the assessment carried out on behalf of TfL by Faber Maunsell Limited is set out in **Appendix 2**. The report produced by Faber Maunsell Limited is available on request. On balance the summary suggests that the inherited schemes are more closely aligned to deliver the objectives of the Transport Strategy than alternative improvement schemes.

4.3 The Board are asked to consider the following options:-

- (i) not to pursue the inherited schemes and to move towards implementation of the smaller 2 lane improvement scheme at Bounds Green, and, subject to completion of consultation, to consider proposals for implementing smaller improvement schemes in Regents Park Road and Golders Green Road.
- (ii) to apply to government for additional funding for the inherited schemes, and not to implement any smaller improvement scheme in Bounds Green, Regents Park Road or Golders Green Road for the time being.
- (iii) to apply to government for additional funding for the inherited schemes and to commence work on (i) appropriate environmental measures and (ii) other worthwhile short term work in Bounds Green, Regents Park Road and Golders Green Road which can be progressed irrespective of which improvement scheme is ultimately implemented or which would offer value for money if superseded by any other option. Useful progress can then be made in the area on appropriate traffic management, safety and environmental measures at minimal abortive cost.
- (iv) to pursue any other variant of the above three options, for example to implement the smaller scale improvement schemes at Golders Green Road and Regents Park Road but to apply to government for funding for the inherited scheme at Bounds Green.

5. FINANCIAL IMPLICATIONS

5.1 **Total Inherited Schemes Costs** – The budget provision that is currently proposed in the draft Business Plan is set out in the table below and is on the basis of option (iii) above (subject to Board approval).

<i>£m</i> <i>(2004/05 prices)</i>	2004/ 05	2005/ 06	2006/ 07	2007/ 08	2008/ 09	2009/ 10	Total Project Capital Cost
A406 Inherited Schemes (ex HA schemes) ¹	3.0	3.0	5.0	25.0	25.0	25.0	600+

- 1. If it is assumed that this improvement would be funded by a PFI or DBFO type scheme- total costs would be much greater than that shown.

- 5.2 TfL's consultants, Faber Maunsell Limited, are still working on updated cost estimates for the inherited schemes and these will not be available for some time. It is not, therefore, possible to carry out a full cost-benefit analysis of the improvement schemes at present. (The Board is referred to the financial implications set out in the 20 March 2003 Board paper in respect of the Bounds Green 2 lane scheme. It is estimated that the costs for implementing the smaller schemes at Regents Park Road and Golders Green Road would be £4M and £1.5M respectively.)
- 5.3 However, the estimated total cost of the proposed inherited schemes when TfL took them over, was around £386M. This was made up of £253m for Bounds Green; £35m for Golders Green Road and £98m for Regents Park Road. Using this as a base and allowing for civil engineering price fluctuations of around 7.5% per annum and also bearing in mind the need for higher specification of tunnels etc. as a result of changes in legislation, plus potentially greater requirements for landscaping and environmental treatments than may have been originally estimated, including the Boroughs' own aspirations for traffic management and calming in the surrounding area etc. it is envisaged, at this stage, that the likely cost of the inherited schemes will be in excess of £600M.
- 5.4 Funding of the inherited schemes would, therefore, be proposed on the basis that a Private Finance Initiative (PFI) or Design Build Finance and Operate (DBFO) arrangement is used, as set out in the draft Business Plan (see above table).
- 5.5 **Borough Funding** – The above budget figures include an allowance of around £2m for associated, appropriate, traffic management / calming schemes on the surrounding Borough road network, intended to deal with “rat running” traffic. Whichever option were to be chosen it is assumed that this level of funding would still be required.
- 5.6 In their letter to TfL dated 8th July 2003 the Boroughs have indicated that their bid for funds for design and consultation on a package of traffic management and calming schemes in the surrounding area is as follows:-

Preliminary design and consultation	£ 90k
Detailed design	£149k
Scheme consultation	<u>£ 75k</u>
 Total	 £314k

- 5.7 No details have yet been provided by the Boroughs regarding the estimated cost of implementation of traffic management and claming schemes. However, the Boroughs have indicated that this is likely to be in excess of the £2M indicated by TfL as being the provisional budget for these schemes.
- 5.8 The Boroughs have also requested confirmation that any funding for traffic management / calming schemes associated with the improvement schemes

will be in addition to that allocated to them via the normal Borough Spending Plan (BSP) process.

- 5.9 TfL made a separate offer of £100,000 funding for local area traffic management / calming schemes in the Alexandra Ward area some time ago to the London Borough of Haringey. The Borough is beginning to make progress and hope to go out to consultation shortly. It is anticipated that TfL's funding contribution will be required early in 2004/05 financial year.
- 5.10 **Property** - Over 400 properties (389 residential units, 37 commercial units and 17 parcels of land) in the Bounds Green inherited scheme were transferred to TfL from the Secretary of State on 3rd July 2000.
- 5.11 232 of the residential units are let to the London Borough of Enfield (LBE). Many of these in turn are sublet to housing associations or other locally based community groups. Since November 2002, the remaining 157 units have been managed directly by TfL Group Property, who took over from Countrywide Property Management (CPM), who had looked after the portfolio since June 1998. This includes 29 empty properties, and LBE are also thought to have 18 empty properties. TfL also manages 37 commercial units, mainly small shops.
- 5.12 The majority of these houses have been in public ownership for 25 to 30 years, and many benefited from a major refurbishment programme commissioned by the Highways Agency (HA) in the late 1990's. LBE has also invested in some of the stock they manage. However, the level of investment prior to TfL assuming responsibility for the properties in July 2000 was inadequate. Part of the reason for this was that the HA was unable to guarantee a long life span, which meant that the properties did not qualify for long term funding from the Housing Corporation and other funding providers. They have therefore had to rely on short life and emergency funding.
- 5.13 Continuing uncertainty in the implementation of the improvement schemes makes taking investment decisions difficult, but TfL is anxious to do what it reasonably can to bring as many as possible of its 29 empty units back into use. TfL is planning to refurbish and re-tenant as many of them as possible as part of a rolling programme extending over several months. 18 have already been refurbished and let this year and a further 19 are likely to follow by Spring 2004. Discussions are on-going with a prospective partner for the remaining 10, all of which are in a seriously dilapidated condition. It is recognised however that the inability to guarantee a sufficient "life" on these properties will make this difficult in some cases.
- 5.14 TfL is aiming to progress plans to sell around 50 units during the current financial year. These are outlying properties, well away from the front line and which would not be required for any of the options outlined above. Because of the continuing uncertainty, TfL is not currently programming any more sales of properties in the area.

- 5.15 The estimated open market value of these properties at March 2003 was £64m. Should TfL proceed with the Bound Green inherited scheme this figure would be significantly reduced.
- 5.16 In addition to the above properties TfL also owns 31 properties on the A406 Golders Green Road and two on Regents Park Road. 10 of these are currently let to the London Borough of Barnet. No disposals are programmed until the 2005/06 financial year, though again this will be reviewed. The open market value of these properties in March 2003 was £7.6m.
- 5.17 Approximate implications as to disposal and retention of property are set out in the table below:-

Option	Properties available for immediate disposal	Properties to be acquired	Properties for disposal following detailed design
Properties not required for either improvement scheme	50	0	0
2 lane/junction Schemes	325	10	100
Inherited Schemes	0	80	120

6. COMPULSORY PURCHASE ORDER

Whichever option is decided upon by the Board some additional property will need to be acquired as above. It is hoped that this will be achieved through negotiation, but TfL may need to consider Compulsory Purchase Orders should these negotiations fail. Such proposals will be brought to the Board (if necessary) when it is clear which improvement schemes are to be implemented.

7. RECOMMENDATIONS

7.1 It is recommended that Board endorse:-

- (i) applying to government for additional funding for the inherited schemes and to commence work on (i) appropriate environmental measures and (ii) other worthwhile short term work in Bounds Green, Regents Park Road and Golders Green Road which can be progressed irrespective of which improvement scheme is ultimately implemented or which would offer value for money if superseded by any other option. Useful progress can then be made in the area on appropriate traffic management, safety and environmental measures at minimal abortive cost;
- (ii) taking steps to retain the necessary safeguarding lines for the construction of the inherited schemes;

- (iii) the disposal of only such properties that would not be required for any of the improvement schemes, subject to the Mayor's approval (pursuant to paragraph 12(1) to Schedule 11 of the GLA Act 1999);
- (iv) receiving a further report in due course on the results of the bid to government; and
- (v) making any necessary amendments to the Business Plan to be approved on 29 October 2003 to ensure consistency with the option endorsed by the Board.

JOINT STATEMENT BY THE LONDON BOROUGHS OF BARNET AND ENFIELD

Barnet and Enfield were concerned with the original decision of the Mayor and Transport for London not to progress the three major schemes for the North Circular Road in North London. These are the Bounds Green to Green Lanes Improvement, Golders Green Road Junction Improvement and the A406/A1/A598 Regents Park Road Junction Improvement. We are also concerned about the inadequacy of the alternative proposals brought forward by TfL. Barnet and Enfield wish to see a major improvement to this section of the A406 to address the serious issues of congestion, safety and environmental impacts in a wide area surrounding this part of the A406.

The concern with the decision to abandon the original major improvement schemes is that it was done without sufficient consultation or full consideration of the implications of that decision. The Mayor's Transport Strategy identifies the need to reduce traffic congestion, improve journey time reliability for car users, which will particularly benefit outer London where car use dominates. In addition, it accepts that there are a few locations where new road capacity could be appropriate to overcome a critical obstruction or bottleneck in order to assist wider economic, environmental and social objectives.

The draft London Plan proposes 45,000 new homes and 25,000 new jobs for North London by 2016 with a focus on the Upper Lee Valley, Tottenham Hale and Cricklewood/Brent Cross. The success of the redevelopment of Wembley Stadium will also be dependent on improved transport links in North London. The draft London Plan indicates very little transport infrastructure improvements in North London, in particular to assist with orbital movement. The North Circular Road is the key link between east and west London avoiding the congestion on road, rail and bus in Central London. The improvement of the A406 will be key to the success of the London Plan and should be recognised for the regeneration and environmental benefits that it will bring. The improved A406 could also assist in improving orbital public transport links in North London.

Barnet and Enfield are concerned that the recent proposals from TfL for the A406 were not supported by sufficient information and do not have the majority support of the local community or their elected representatives. Barnet and Enfield along with their neighboring authorities in North London, Haringey and Waltham Forest, would like to work jointly with you and Transport for London to implement improvements which are appropriate to the strategic role of the North Circular Road, as part of the revised Transport Strategy to be developed next year. This should include the development of long term solutions to the problems in the area, whilst pursuing short term solutions that will not compromise the major improvement of the North Circular Road. This will give an opportunity for proper consultation on the future of the A406 in North London.

Barnet and Enfield therefore requests that neither the Mayor nor TfL take any further action affecting the future of land or housing in the areas under consideration, that could compromise any future major improvements to the North Circular Road, until the further joint work with the boroughs is undertaken and complete.

At the meeting between the Mayor and Councillors and MPs from Barnet, Enfield and Haringey on the 22nd May 2003 we welcomed the Mayor's agreement that something needs to be done to tackle the problems caused by congestion on the North Circular Road and his acceptance that implementing the original 'national' improvement schemes is the only sensible way forward.

Barnet and Enfield welcome the Mayor's agreement to apply to Government for additional funding for the inherited schemes and we offer our support to help to achieve this. Clearly there is a need for us to work together in developing the bid and timing will be crucial. We feel that it is imperative that an early start is made by Transport for London in bringing the plans and supporting material for the schemes up to date and that full consultation with the boroughs is undertaken. The Mayor and Transport for London should ensure that when the application is made for funding for the A406 to Government as part of the Spending Review, that there is a robust case for these schemes so that they can compete equally with other transport proposals that are being put forward for consideration. Barnet and Enfield are concerned that to date no evidence has been produced by TfL to indicate that a robust case is being prepared, although this has been requested on a number of occasions. Barnet and Enfield would welcome confirmation in the decisions by the TfL Board that this initiative includes all three inherited schemes and an indication of what will occur if the bid is unsuccessful.

We also welcome the supportive comments of the Transport Commissioner at the London Assembly on 11 June. In particular, that there is no question that "the much smaller project pales by comparison to what should be done on that roadway" and we agree that it would make no sense to implement the smaller-scale schemes as long as the effort is underway to seek financial support from Central Government to implement the inherited schemes.

Now that there is full agreement that the inherited schemes are essential to tackle congestion and support the regeneration of large areas of North London, we feel that there is a need to consider alternative sources of funding in case the Government should decide it is unable to fund them directly through the transport grant. We would like to work with TfL to consider alternative options, including private finance opportunities, and feel that it is necessary to start this work now, rather than to be faced with further delay after the Government's announcement next summer. We would welcome the Mayor and TfL's suggestions as to how this can be progressed, particularly in the light of the decision of the Board on the 29th July 2003 in relation to the withdrawal of funding for the A406 schemes.

Barnet has asked for further information about the proposed amendments to the revised TfL schemes following the public consultation last summer. Barnet have been informed

that this information is not yet available. Barnet are not unwilling to make further comments on these revised plans, however the lack of further information currently makes this impossible.

Barnet and Enfield are concerned that the public consultation carried out last summer for the TfL revised schemes was flawed and that elements of those proposals are causing a great deal of anxiety with the local communities affected by the schemes. We would therefore request that if the revised TfL schemes are to be implemented that further public consultation is undertaken. In addition, we request that the decision of the Board on 29th October 2003 and its implications, including the proposed traffic management measures, are conveyed in writing immediately to all those who responded to the public consultation in the summer of 2002.

For the avoidance of doubt, Barnet would like the Board to be aware that the consultation report for the revised Bounds Green scheme, which they considered at their 20th March 2003 meeting, does not reflect the Council's position accurately. The Council supports the implementation of all three inherited schemes and would also support the implementation of small-scale interim measures where necessary. The report wrongly suggests that this amounts to the support for the revised TfL scheme. A letter to this effect was sent to TfL on 19th March 2003 after the Council became aware of the content of that report.

Barnet and Enfield welcome the opportunity to contribute to the Report to be considered by the TfL Board on this important matter for North London and its local communities.

London Borough of Barnet

London Borough of Enfield

6 October 2003

A406 Project

Summary of Faber Maunsell Ltd's Scheme Assessment Reports

1. Mayor's Objectives

1.1 TfL's consultants, Faber Maunsell Ltd, have carried out an assessment of the inherited schemes and the TfL scheme against the objectives of the Mayor's Transport Strategy which states in Policy 4G.8 that the following criteria should be broadly met:

- Contribute to London's economic regeneration and development.
- Do not increase the net traffic capacity of the corridor unless essential to regeneration.
- Provide a net benefit to London's environment.
- Improve safety for all users.
- Improve conditions for pedestrians, cyclists, disabled people, public transport and business.
- Integrate with local and strategic land use planning policies.

Where schemes worsen conditions against any of these criteria, there will be a presumption that the scheme should not proceed unless benefits in other areas very substantially outweigh any disbenefits.

1.2 The following summarises this assessment of the likely levels of compliance of the various A406 North Circular Road improvement schemes with the Mayor's Policy under those economic, environmental, safety and planning headings. The improvement schemes include proposals for the "inherited schemes" which consist of the 3 lane scheme at Bounds Green and grade-separated junctions at Regents Park Road and Golders Green Road and the "smaller TfL schemes" which consist of a 2 lane scheme at Bounds Green and lesser junction works at Regents Park Road and Golders Green Road. Furthermore the improvement schemes have been compared with respect to the relevant sections of the other Mayor's Strategies as currently published, the details of which are set out in the full report.

2.0 Contribution to London's Economic Regeneration and Development

2.1 The Mayor's 'London's Economic Development Strategy' published by London Development Agency states that transport investment will support sustainable economic development by:

- Tackling transport congestion and unreliability where they are acting as barriers to London's economic efficiency and competitiveness.
- Developing the network and capacity to meet the requirements of London's growth areas.
- Improving access to key regeneration and development areas.
- Improving access to and within town centres to develop their capacity and role.

2.2 It is considered that the inherited schemes, by virtue of their positive effects with respect to relieving traffic congestion, ability to handle the predicted traffic flows in design year and improved access facilities at each of the major junctions will offer considerable support to sustainable economic growth. This will particularly apply to improving access to Inner East London and West London, both of which are served by the North Circular Road corridor.

2.3 Adjoining schemes have been completed and offer consistent dual carriageway standards. Therefore unless this section of the A406 is improved to three lane dual carriageway standards throughout (as proposed under the inherited schemes), with

grade separated junctions, it would remain a weak link in a route which otherwise supports sustainable development.

- 2.4 The smaller TfL schemes offers a dual two lane layout, with no grade separation and would therefore have an inherent lower level of service. Over time this would have the effect of reintroducing congestion to this section of the network and would have no major contribution to London Economic regeneration or development.

3. No increase to the net traffic capacity of the Corridor unless essential to regeneration.

- 3.1 The inherited schemes will not increase the overall traffic capacity within the corridor but will improve the corridor to a traffic capacity standard compatible with the A406 improvement schemes either side. In the local context, the improved capacity of this section of the North Circular Road would alleviate congestion due to rat-running on more unsuitable local, residential roads and delays to bus operations. The overall picture would be of limited growth potential and significant transfer of traffic back to the strategic road network, where it should be.
- 3.2 The smaller TfL schemes would result in considerable pressure to redevelop the now derelict land acquired for the inherited schemes, which is likely to result in high density development and additional vehicular demands on local and trunk road network. The smaller TfL schemes could, therefore result in congestion rising still further with increased overspill into the surrounding road network.

4.0 Provide a net benefit to London's Environment

- 4.1 The inherited schemes were designed before there was a statutory requirement for a formal Environmental Statement to be produced. However, the consideration of environmental issues did play a key part in the development of the inherited schemes, with many detailed studies and surveys having been undertaken on a range of environmental topics. Commitments have been made at various stages of the schemes development for the provision of certain key environmental features, including noise barriers, screen walls, provision for cyclists, landscaping, planting by agreement, etc. The inherited schemes have significant environmental benefits under the following headings:
- 4.2 Traffic Noise - Currently a large number of properties in the vicinity of the North Circular Road experience high levels of traffic noise. Many of these would benefit from the inherited schemes as through traffic would be routed into tunnel or cuttings, retained by vertical walls, lined with sound absorbing materials. In addition the provision of earth mounding and screen walling would attenuate noise from the remaining traffic using the surface roads. Calculations show few properties, mainly at the western and eastern ends of the inherited schemes, would experience an increase in noise levels. Noise insulation works were carried out in 1994 on all properties affected by increased noise due to traffic and construction works.
- 4.3 With the smaller TfL schemes, with no grade separation, it would be more difficult to mitigate the foregoing effects as traffic would continue to operate at-grade for the entire length of the smaller TfL schemes. Noise levels at sensitive locations such as Bowes Primary School would be difficult to mitigate by virtue of the proximity of the dual carriageway.
- 4.4 Visual Impact / Landscape Treatment - The roads have been designed to fit into the existing landform and proposals for new landscape works have been prepared to further integrate the new road into the surroundings. Overall there would be a reduction in both visual intrusion and visual obstruction resulting from the road being in tunnels and cuttings in some places in the case of the inherited schemes. This

reduction, combined with the detailed proposals for earth mounding, screen walling and extensive areas of new planting would in time enhance the visual quality of the area as a whole.

- 4.5 Environmental barriers would be introduced along lengths of the inherited schemes that would act as visual as well as noise screens. These would be designed to be in harmony with their local surroundings.
- 4.6 On the local service roads, materials for the newly paved areas would be carefully chosen to complement and enhance their surroundings wherever practicable. The new structures, walls and barriers would be designed to provide visual interest and harmony with the surrounding townscape.
- 4.7 With the smaller TfL schemes no separation of traffic below ground level is envisaged. This would mean that screening of views of the road would be far more difficult and more extensive use of barriers and trees would be necessary.
- 4.8 Severance and Amenity - The inherited schemes should reduce severance by removing traffic from local streets with residential and commercial frontages. Severance would also be reduced in the areas of the covered underpasses and through the introduction of subways and footbridges. Junctions would be controlled by traffic signals incorporating pedestrian phases across each arm. Since the provision of such facilities at the existing signals is limited it would become much easier to cross the North Circular Road.
- 4.9 The removal of through traffic from Bowes Road, other local roads and rat runs would improve amenity for pedestrians and residents.
- 4.10 For the smaller TfL schemes traffic will continue to use local roads with residential frontages. There are no subways or footbridges planned and the presence of a dual two lane trunk road in its intended location will serve to exacerbate the effects of severance and amenity over time.
- 4.11 Air Quality – The inherited schemes would take through traffic away from building frontages, thereby reducing the impact of pollution. In the vicinity of the schemes, reduced congestion would generally improve air quality. Modelling studies for the inherited scheme indicate that levels of carbon monoxide would be less than for smaller, at grade, schemes. For nitrogen dioxide the less congested, faster moving traffic for the inherited schemes would result in more emissions than the smaller TfL schemes. However, this difference would be offset by the increased distance of the closest occupied properties from the road. It can therefore be concluded that the inherited schemes would result in better air quality than would be the case if the smaller TfL schemes were implemented.
- 4.12 Water Quality, Ecology and Contaminated Ground - Highway drainage from the inherited schemes would be designed to limit the discharge of storm water to quantities agreed with the Environment Agency. Watercourses would be protected against pollution. Some areas of minor ecological interest have been identified which would be affected to a limited extent by the proposals. Wherever possible, new planting would be carried out to form improved habitat sites. Sites containing ground which may have become historically contaminated would be carefully monitored during construction and suitable remedial measures adopted.
- 4.13 It is likely that similar protection of water courses and habitat sites would be necessary with the smaller TfL schemes. However, the possible sites of contaminated ground may be fewer than for the inherited schemes.

5.0 Improve Safety for All Users

- 5.1 The inherited schemes would contribute greatly to safety for all users. Previous estimates showed savings of 3 fatal, 40 serious and 150 slight accidents per annum with the inherited schemes in place. Safer conditions would be created by grade separation of the local and longer distance traffic. Minor roads would no longer have direct access onto the A406 but would be linked together using the local road networks and, where necessary, purpose built link roads. Highway lighting to modern standards would be provided throughout the inherited schemes.
- 5.2 For the smaller TfL schemes there would also be a contribution to greater safety but to a lesser degree than for the inherited schemes. Pedestrians would still be forced to cross the A406 at-grade at the major junctions and the potential for traffic-related accidents would increase over time due to the lack of grade separation.
- 6.0 Improve Conditions for Pedestrians, Cyclists, Disabled People, Public Transport and Business.**
- 6.1 Pedestrians - Currently, conditions for pedestrians on and around the North Circular Road are extremely poor. The A406 presents an intimidating environment for pedestrians and this probably results in people being inhibited from making short journeys on foot which involve crossing the road at the existing junctions.
- 6.2 On the inherited schemes, construction of underpasses and grade separation of the junctions with the more important local roads would make it safer for pedestrians to cross the road. Pedestrian phases would be included at all the signal controlled junctions, some footbridges and a wide and spacious subway are proposed.
- 6.3 For the smaller TfL schemes there would be provision of improved pedestrian phases at the signal controlled junctions. However this must be set against the lack of grade separation, footbridge or subway provision which, over time, would result in a return to the inhibitive environment currently facing pedestrians at these locations.
- 6.4 Cyclists - There are no current specific provisions for cyclists either along or across the route of the North Circular Road within the Bounds Green to Green Lanes section. Routes for cyclists parallel to but separated from the North Circular Road would be provided along most of the length of the inherited schemes.
- 6.5 Similar cyclist routes would be provided for the smaller TfL schemes although there would be fewer facilities. For the central section of the smaller TfL schemes there would be no grade separation of A406 traffic. Accordingly cyclists (and pedestrians) would have to continue their journeys parallel to the A406 in a close proximity to the eastbound carriageway or adjacent to a heavily used bus lane provision at the eastern end. This is considered to offer disadvantages as compared with the inherited schemes. There would also be no removal of A406 traffic from the junctions and therefore north-south movements for cyclists would be inhibited. Similarly cyclists using conventional roads within the corridor would have to contend with rat-running traffic.
- 6.6 Disabled People – Both improvement schemes would provide facilities for disabled and visually impaired people. On the smaller TfL schemes however, the presence of increased traffic at the non grade separated junctions will tend to make the crossings, particularly at Green Lanes, more difficult and intimidating than for the inherited schemes.
- 6.7 Public Transport - Public Transport facilities will be repositioned within the inherited schemes to better advantage. Grade separation and reduced congestion would also greatly free the passage of buses.

6.8 The smaller TfL schemes would provide dedicated bus lanes but the lack of grade separation at junctions would result in congestion for buses.

6.9 Business - The London Economic Development Strategy states that the aim is to attract key businesses to remain and expand in London. With relief from traffic congestion new businesses will be attracted to locate in London and to build supply chains in the area. This will serve to ensure that London will provide a base for important companies, including those which are recent inward investors. The inherited schemes are seen as an essential link in the A406 corridor which will assist in relieving traffic congestion. The inherited scheme would offer scope for the reduction in delay to deliveries and service vehicles and may also provide some opportunity to implement non-car lanes in order to assist the flow of heavy lorries and buses on certain sections. The smaller TfL schemes would not offer the same level of relief from traffic congestion, particularly in peak periods. Furthermore there would be little scope for reduction in delay to deliveries or for non-car lanes.

7.0 Integration with Local and Strategic Land Use Planning Policies

7.1 London Borough of Enfield - It is adequately demonstrated from sections 2 to 6 of the adopted Unitary Development Plan (Ref. 4), (Enfield into the 21st Century) London Borough of Enfield that the inherited schemes conforms to all the criteria in the above LBE policies. Additionally it is acknowledged in the UDP that the Council have supported the inherited schemes in principle. The schemes are delineated on the Unitary Development Plan proposals map as New Road or Major Highway scheme/Junction Improvement (inherited). The inherited schemes are therefore seen as fully integrated and compliant with LBE's current Local and Strategic Land Use Policies.

7.2 However the smaller TfL schemes, whilst complying to some degree with the foregoing requirements are not fully supported by the Council and are therefore not seen as integrated or compliant with LBE's policies.

7.3 Haringey Council - The inherited schemes reflects the objectives of Haringey Council as set out in their adopted Unitary Development Plan (Ref. 5).

7.4 The smaller TfL schemes are not fully supported by the Council and are therefore not seen as integrated or compliant with the Councils policies.

7.5 London Borough of Barnet - In the revised deposit draft of their Unitary Development Plan (Ref. 6), London Borough of Barnet acknowledged that the A406 improvement had been proposed in the past and may at some time be reintroduced. Under Borough Context (7.1.18) it is stated that the borough's road routes have relatively poor orbital (east-west) connection. This situation causes specific transport problems for the borough, in particular the effect of through traffic in residential areas.

7.6 It is inferred from statements in the Plan that London Borough of Barnet recognise the longstanding proposals for the inherited schemes and may support its implementation following a review of the strategic network in due course. However the smaller TfL schemes are not fully supported by the Council and is therefore not seen as integrated or compliant with the Councils policies.

8.0 Conclusions

8.1 Each of the criteria outlined in the Mayor's Transport Strategy and all relevant sections from the other current Mayor's Strategies have been examined with respect to the effects of implementation of the inherited schemes and the smaller TfL schemes. It can be seen that the inherited schemes conforms in all areas with the Strategies and its implementation is considered to be appropriate particularly with

regard to those economic, environmental, safety and planning matters contained therein.

- 8.2 Furthermore, the strategic and local policies stated in the Unitary Development Plans for the three London Boroughs are closely followed in the design and anticipated levels of service of the inherited schemes.
- 8.3 Without the inherited schemes the unsatisfactory situation on the North Circular Road between Bounds Green and Green Lanes will gradually worsen. The existing A406 carriageways, particularly on Bowes Road and Telford Road are of inadequate width for the volumes of traffic currently choking them. The existing junctions are unsatisfactory, mainly due to the fact that they are at-grade. The improved sections of A406 at Pinkham Way and Great Cambridge Road on both sides of the inherited schemes are currently feeding large volumes of traffic with associated heavy goods vehicle content into what is a heavily congested urban area with residential and commercial frontages.
- 8.4 The smaller TfL schemes, whilst being seen as a temporary solution to this congestion would only partly serve to improve it. The lack of grade separation at the major junctions with Bounds Green Road would be a major shortcoming. Furthermore, the provision of a dual two lane scheme would not offer the level of service for the volumes of traffic expected to use the corridor in the future.
- 8.5 The Mayor's Transport Strategy (4G.102) states that London's strategic roads must operate effectively. These are important to movement and accessibility across Greater London and should function as the first choice routes for longer distance traffic. Furthermore, in 4G.4, the Strategy states that there is now an urgent need to tackle congestion, concentrating on those areas where it is worst. The Strategy proposes re-invigoration of those established policies and programmes that have proved to have worthwhile effects and it is considered that the inherited schemes accord in all respects to those sentiments.

TRANSPORT FOR LONDON

TfL BOARD

SUBJECT: VARIATION OF THE ALG TEC AGREEMENT

DATE: 29 OCTOBER 2003

1. PURPOSE

To seek approval from the TfL Board for the signing of a variation to the agreement which establishes the Association of London Government Transport and Environment Committee (the ALG TEC) and to authorise the Managing Director, Surface Transport to approve and sign future changes to the agreement provided that changes which would fundamentally alter the nature of the ALG TEC shall continue to be reserved to the Board.

The purpose of the variation is to ensure that all members of the ALG TEC can share data relating to vehicle keepers who persistently evade traffic, parking and congestion charging penalty charges.

2. BACKGROUND

Transport for London is required to belong to a joint committee with the London Boroughs for purposes relating to the appointment of Parking and Traffic Adjudicators by virtue of section 73 of the Road Traffic Act 1991 (as amended by section 283 of the Greater London Authority Act 1999). The joint committee that fulfils this role is the ALG TEC.

The ALG TEC is established as a joint committee under section 101(5) of the Local Government Act 1972. TfL's Standing Orders (No.2: Scheme of Delegation, paragraph 14(ix)) states that approval of the terms of reference of a joint committee with boroughs is a matter reserved to the TfL Board. The agreement sets out the terms of reference for the ALG TEC.

TfL has been a member of the ALG TEC since August 2000 and continued its membership when the ALG TEC Agreement was revised and re-entered into by all parties on 13 December 2001.

In addition to its role in the adjudication service the ALG TEC is also responsible for a range of other matters, some of which involve TfL. In particular, the ALG TEC maintains a Persistent Evaders database, a database on hire vehicles and a Cloned ('Ringers') database.

The Board's approval is sought to vary the Agreement in respect of the sharing of personal data, particularly in reference to the Persistent Evaders database. The provisions of the Data Protection Act 1998 relating to the concept of data sharing are somewhat problematic. However, by including a specific reference to the sharing of personal data in the ALG TEC joint agreement the sharing of this information between the parties to the joint agreement will be put on a footing more akin to sharing the information within different

parts of a single organisation. This should strengthen the position that the sharing of this data is in accord with the Act.

The sharing of personal data relating to persistent offenders / evaders will enable the boroughs and TfL to assist each others' enforcement activities with regard to locating particular vehicles and taking appropriate enforcement action.

3. ALTERNATIVES

As referred to in paragraph 2 above, TfL is required to belong to a joint committee with the London Boroughs for purposes relating to the Parking and Traffic Adjudication service. Each London Borough has also been asked to sign the variation.

If TfL were to not sign the variation to the agreement then the variation would not be valid for any of the members of the ALG TEC and the current version of the agreement would remain in force unchanged.

4. IMPACT ON FUNDING

The variation to the ALG TEC agreement will have no impact on the TfL budget. The variation does not make any changes to the funding of the ALG TEC.

5. RECOMMENDATIONS

The Board is requested to:

1. authorise the variation to the ALG TEC agreement as set out above and for the Managing Director, Surface Transport to sign the variation; and
2. authorise the Managing Director, Surface Transport to approve and sign future changes to the agreement provided that changes which would fundamentally alter the nature of the ALG TEC shall continue to be reserved to the Board.

For detailed enquiries on the content of this report, please contact:

Name Patrick Troy, Head of Traffic Enforcement
Telephone 020 7941 3175

TRANSPORT FOR LONDON

TfL BOARD

SUBJECT: FUTURE OF THE SAFETY, HEALTH AND ENVIRONMENT COMMITTEE

MEETING DATE: 29TH OCTOBER 2003

1. INTRODUCTION

The Safety, Health and Environment Committee (SHEC) suspended its activities between March and October 2003. During this period a number of steps were taken to improve the functioning of Health, Safety and Environment (HSE) assurance processes and a SHEC meeting under a revised format was held on 6th October 2003.

2. STEPS TAKEN TO IMPROVE FUNCTIONING OF HSE PROCESSES

- The Director of Group Health Safety and Environment (HSE) with responsibility for HSE assurance processes at Group level took up his position on 1st August 2003
- The Terms of Reference for SHEC have been redrafted for acceptance at this meeting of the Board. (see 'Revised TfL Standing Orders' situated elsewhere on Board Agenda). Principal changes are to:
 - improve clarity
 - reduce the minimum number of meetings of from 6 to 4 per annum
 - reduce the quorum from 3 to 2 out of 4 Board Members
 - have operational businesses represented by their Managing Directors
- A process has been agreed by which Quarterly HSE reports will be produced in the businesses to an agreed format, consolidated by the Director of Group HSE and reviewed by the Commissioner and Managing Directors at the Chief Officers Group meeting. The reports will then be submitted to SHEC. More detailed work on the format and content of these reports has begun and outline agendas for an annual programme of SHEC meetings has been proposed.

The above issues were discussed with SHEC Board Members at an informal meeting held on 16th September 2003. It is recognised that it will take some time to fully implement all of the planned improvements to the HSE assurance processes but sufficient improvement has been achieved for SHEC to function effectively.

The principal items considered by the first SHEC meeting, in its revised form, are attached at Appendix 1.

3. RECOMMENDATION

The Board is asked to NOTE the steps taken to improve the functioning of Health, Safety and Environment assurance processes and the principle items considered at the first SHEC meeting held in its revised form on 6th October 2003.

Safety, Health and Environment Committee Meeting, 6th October 2003

Principal items

- SHEC agreed that the revised Terms of Reference for SHEC should be submitted to the TfL Board for approval on 29th October 2003.
- SHEC discussed and supported the proposed improvements to the HSE assurance processes in TfL including the outlined format for simplified and standardised reports to SHEC. The reports to SHEC would in future focus on assurance, highlighting areas for improvement, major incidents and recognise areas where things had gone well. It was agreed that further discussions were needed to better define SHEC's role in relation to environmental matters.
- The Managing Directors of the operational businesses addressed key items from their written reports. Items raised and discussed included:
 - Incidents, including disruptions to DLR services and damage from demonstrations, associated with the Defence Exhibition at the Excel Exhibition Centre in Docklands.
 - Rolling stock issues in LUL were identified as a matter of concern in relation to length of time likely to be taken to complete engineering works, particularly on the Central Line. LUL were actively addressing these with the Infracos.
 - A report from the Institute of Occupational Medicine, Edinburgh on possible health effects of dust in the Tube had confirmed no significant risk to staff or passengers.
 - It was noted that the number of signals passed at danger (SPADs) in LUL was not decreasing. Whilst this was not a significant concern in regard to safety it had significant impacts on service reliability / performance. LUL continue to examine ways to bring about improved performance.
 - Surface Transport has successfully put in place H&S management systems across the Surface Transport modes, thereby providing a significantly sounder and more consistent basis for H&S management. Work is underway to revise the overarching 'new' Surface Transport H&S management system following recent restructuring.
 - Bus collisions with low bridges remains a concern for Surface Transport, though risk to passengers is limited as the great majority of incidents are on buses that are not in service. LBSL is examining the possibility of installation of an on-board 'bridge clear system' to mitigate the risk of such collisions.
 - Incidents involving powered two wheel vehicles continue to give rise to concern in terms of the number of 'killed and seriously injured'. Whilst this is a difficult area in which to take effective action there is a recognised need to

continue to seek ways to effectively intervene. To that end a review of possible options for action is being undertaken.

- A pilot trial of an HSE 'Safety Climate' Questionnaire was successfully completed in the Public Carriage Office and as a result of weaknesses revealed, a Health and Safety professional is being recruited. Other areas of the business were recommended to consider using the Questionnaire, which LUL and the Infracos have already used.

TRANSPORT FOR LONDON

TfL BOARD

SUBJECT: PROPOSED REVISIONS TO TfL STANDING ORDERS

MEETING DATE: 29 OCTOBER 2003

1. PURPOSE

- 1.1 TfL's Standing Orders have been reviewed to reflect current circumstances and the structural changes following the transfer of London Underground (including LT Property) to TfL. An opportunity has also been taken to streamline the Standing Orders and remove a lot of the process which will now be covered elsewhere in TfL's control document hierarchy, i.e. in the policy frameworks, which are currently being prepared to cover the spectrum of TfL activities.
- 1.2 The TfL Board is requested to approve the revised Standing Orders. The Standing Orders were endorsed by the Audit and Finance Committees at their meetings on 23 September 2003 and 15 October 2003.

2. BACKGROUND

- 2.1 At the TfL Board on 11 June 2002, the Board approved revisions to TfL Standing Orders to take account of organisational changes which occurred since March 2001 and to accommodate changes identified through the Commissioner's review in the way TfL conducts its business. The Board noted, at that time, that further changes would need to be made to the Standing Orders to take account of the transfer of LUL to TfL, which would be submitted to the Board for approval at the appropriate time
- 2.2 Minimal changes to the Standing Orders were approved by the Board via a written resolution which took effect on 15 July 2003, the date of LUL's transfer to TfL. The changes provided LUL and its senior management with the authority to conduct business as a subsidiary of Transport Trading Limited (TTL). This more substantial tranche of changes is intended to provide an updated set of Standing Orders designed to enable TfL to conduct its substantially expanded business in the most efficient and effective manner.

3. PROPOSED CHANGES

- 3.1 As referred to in paragraph 1.1 above, TfL's Standing Orders have been reviewed to take account of the transfer of London Underground (including LT Property) to TfL. The Standing Orders have also been streamlined to remove a lot of the process which will be covered by TfL's document hierarchy, ie policies, standards, guidance and procedures. Standing Order Nos 2, 3, 4 and 5 have been combined into one Standing Order to be entitled 'TfL's Scheme of Delegation'. In addition, non-substantive amendments have been made to provide greater clarity and understanding.
- 3.2 The revised TfL Standing orders take account of the review of the constitution and terms of reference of the Safety, Health and Environment Committee (Appendix 1 of Standing Order No 1).
- 3.3 In relation to Land Transactions (Appendix 3 of Standing Order No 2 refers) all land transactions (regardless of financial limit) will need to be approved by the Director of Group Property and Facilities who has replaced the TfL Property Consultant. The Director of Group Property and Facilities will approve not only the terms of the transaction, as currently required, but also give the final in principle decision as to whether or not the transaction should be entered into. The new proposal effectively gives the Director of Group Property and Facilities control over all property decisions across the TfL Group. The Director of Group Property and Facilities has also been included (in Standing Order No.2) as one of the TfL Officers who can give the Mayor's opinion in respect of land transactions. In addition, together with the Chief Officer with responsibility for Corporate Services, the Director of Group Property and Facilities has also been given an increased level of authority for the approval of property transactions that generate income.
- 3.4 A summary of the changes to the Standing Orders and a full set of the revised Standing Orders are attached as Appendices 1 and 2.

4. RECOMMENDATIONS

- 4.1 The TfL Board is requested to approve the revised TfL Standing Orders.

ATTACHMENTS

Appendix 1: Summary of substantive changes made to the TfL Standing Orders

Appendix 2: Revised set of TfL's Standing Orders

SUMMARY OF SUBSTANTIVE CHANGES MADE TO TfL'S STANDING ORDERS

In addition to minor and non-substantive changes, a summary of the main proposed amendments is provided below: -

All references in Standing Order No 1 to the Solicitor and Head of Legal Services have been changed to General Counsel and/or the Head of Legal Services and all references to the Internal Audit Director have been changed to Director of Internal Audit.

Standing Order No 1 – Decision-making Structure and Proceedings and Appendices 1 to 7 – Terms of Reference

- The provision requiring TfL to co-operate with LRT has been deleted as this is no longer relevant.
- Attendance by non-members – all non-members required to be in attendance at meetings can now provide a representative if they cannot attend.
- Meetings held by telephone or by video conference facilities – additional wording has been included to refer to the public also being able to hear the proceedings (in addition to Members) for meetings held in public session.
- Distribution of Papers – agenda and papers are to be despatched 5 (as opposed to 3) working days before a meeting. This is in accordance with an earlier Board request.
- Members' Interests – additional wording has been included to note that members will not have a conflict of interest in LRTPF matters solely on the grounds of a TfL interest in the LRTPF or by being a member of LRTPF. This reflects standing practice in such matters.
- Reporting by officers and access to the Chair and/or Board – a new provision has been added which gives a right to certain officers to raise matters directly with the Chair and/or Board. This merely formalises an existing situation.
- Access to Advice by Board Members and Chief Officers – a new provision has been added which gives a right to Board Members and Chief Officers to obtain legal or other professional advice. This right previously existed for the Chairs of the Finance and Audit Committees and has been extended to include other Board Members and Chief Officers.
- General Provisions – subordinate bodies – the more specific attribution of provisions to subordinate bodies eliminates some repetition and provides greater clarity.
- Subordinate Bodies – the Executive Management Group has been deleted as it is considered that this meeting adds no value to the organisational framework since it is merely COG in a different guise.
- Subsidiary Companies – although the LRTPF Trustee Company Ltd is a wholly owned subsidiary of TfL, the power to appoint Directors is constrained by the Trust Deed and the TfL Board can only appoint TfL Director representatives to the Board. A provision has therefore been included to refer to the Board arranging for the appointment and removal of Directors of subsidiary companies,

but only the TfL director representatives on the LRTPF Trustee Company Limited.

- Reporting Arrangements – a new provision has been added which requires subordinate bodies to report quarterly to the Board on all matters considered by them in accordance with their terms of reference. This provision previously existed for Committees of TfL but not other subordinate bodies. This reflects an appropriate level of accountability and is a matter of good governance.
- Delegation – references in Standing Order No 1 to TfL's Scheme of Delegation have been deleted as these are wholly covered within Standing Order No 2.
- Register of Documents – the requirement for the Secretary to keep a register of documents to which the seal is applied has been deleted as it is anachronistic to require this in Standing Orders.
- Terms of Reference of Panels and Committees – these have been drafted in a consistent format and references to provisions already included in the body of the Standing Order have been deleted as this is considered unnecessary.
- Finance Committee Terms of Reference – a paragraph has been included at the end of the terms of reference to indicate that a schedule will be submitted to each meeting summarising any project approvals, given by the Commissioner or the Managing Director, Finance and Planning, since the last meeting and project approvals likely to be sought under their authority prior to the next meeting (where these are known of).
- Safety, Health and Environment Committee – the number of meetings held per year has been reduced from 6 to 4 as this is believed to be an acceptable minimum. An opportunity has also been taken to tidy up the terms of reference of the Committee, to enable matters relating to legal assurance and audit to be linked together. In response to a specific request made by the Audit Committee, reference to risks also including security risks has been added.
- Glossary – the glossary has been revised to reflect TfL's current position and is attached at Annex 1 to Standing Order No 1. To enable the Commissioner to appoint persons to act in his absence (other than the Managing Director, Finance and Planning), the definition of Commissioner now includes 'any Chief Officer acting in such capacity.'

Standing Orders No 2 – Scheme of Delegation

- Introduction – the repetition regarding the membership of TfL has been deleted as this is covered in Standing Order No 1.
- Terms of Delegations – there has been some tidying up of this section with new sub-headings inserted, with some provisions being redrafted to aid greater clarity. The substance of this section remains unaltered.
- Matters reserved to the Board for Decision – in the current Standing Orders, the appointment and removal of directors of subsidiary companies (but not the subsidiaries of subsidiary companies) is a matter reserved for the TfL Board. In order to enable TfL to delegate what is mainly a procedural matter to the shareholder representative of the subsidiary company, it is recommended that this no longer be a matter reserved to the Board. The TfL Board can still appoint and remove such directors but it gives the additional flexibility for this to be done by the shareholder representative. In addition, reference to the making and withdrawing of Compulsory Purchase Orders (CPOs) as being a matter reserved to the Board has been amended to refer to 'a programme of CPOs', to prevent each individual CPO having to be submitted to the Board for approval. Also

General Counsel and the Director of Internal Audit have been added to the Officers which need to be appointed and removed by the Board, on the basis that these Officers comprise the organisation's assurance providers. In addition, a provision has been added to the matters reserved to the TfL Board, namely 'Anything else which the TfL Board thinks fit' to enable other matters to be considered by the TfL Board as appropriate.

- Delegation: General Provisions – this has been amended to require compliance with Appendices 1, 2 and 3 of the Standing Orders (formerly Standing Orders 3, 4 and 5) to reflect that these are now an integral part of the Standing Orders.
- Delegation to wholly owned subsidiary companies of TfL – delegations have been added to clarify that LBSL has the power to install bus shelters.
- Delegations to Officers and Subsidiaries – specific delegations have been revised to reflect organisational changes. Currently LBSL has power to carry out procurement authority for all of Surface Transport. This has been extended to cover all of TfL, in the same way as applies for LUL. The delegation is subject to the consent of the relevant Chief Officer.
- Authorisations in Relation to the Mayor's Opinion – The Director of Group Property and Facilities has also been included as one of the TfL Officers who can give the Mayor's opinion in respect of land transactions.
- All the Appendices have been re-written to a greater or lesser degree compared to their original versions scattered throughout the former Standing Orders. Much of the process has been removed as this will be covered elsewhere in TfL's document hierarchy. With the exception of Appendix 3 relating to Land Transactions, there is no significant change to their application.
- The application of all three Appendices to the LRTPF Trustee Company Limited has been excluded as the LRTPF Trustee Company Limited must have an unfettered right to make investment decisions in respect of the LRT Pension Fund in accordance with its Trust Deed.
- Appendix 1 combines the current Appendix 1 of Standing Order No 2, relating to the approval of projects, and those elements of the now deleted Standing Order No 3 that dealt with authorisation of expenditure. A footnote has been added to the Scheme of Approvals to indicate that a schedule will be submitted to each Finance Committee Meeting summarising any project approvals, given by the Commissioner or the Managing Director, Finance and Planning, since the last meeting and project approvals likely to be sought under their authority prior to the next meeting (where these are known of).
- Appendix 2 restates the appropriate parts of the now deleted Standing Order No 4 on procurement and disposal transactions. The Heads of Procurement in each TfL Business Unit have been authorised to the same level of authority as "Senior Officers" for transactions. This is because the TfL Heads of Procurement report to one level below Chief Officer and therefore do not fall within the definition of Senior Officer.
- Appendix 3 restates the appropriate parts of the now deleted Standing Order No 5 on land transactions. In relation to Land Transactions (Appendix 3 of Standing Order No 2 refers) the Director of Group Property and Facilities will approve the terms and method of all land transactions and make the final in principle decision on whether or not the transaction can be entered into; the current Standing Orders require the TfL Property Consultant to approve the terms of transactions but not to make the in principle decision. The new proposal effectively gives the Director of Group Property and Facilities a veto over all property decisions across the TfL Group. An additional authority to settle land compensation claims has

also been included with the Director of Group Property and Facilities having authority up to £10 million to agree such claims. Approval and amendment (including withdrawal) of a programme of Compulsory Purchase Orders will, however, continue to be reserved to the TfL Board. In addition, together with the Managing Director, Corporate Services, the Director of Group Property and Facilities has also been given an increased level of authority for the approval of property transactions that generate income. The means of establishing the approval authority required for a land transaction has also been modified in recognition of the role of the newly created Group Property and Facilities Directorate in managing all TfL's land and property transactions.

- Appendix 3 clarifies that in dealing with a rent review, the level of authority required for the transaction relates to the difference between the old and new rent payable over the remaining life of the lease.

TRANSPORT for LONDON

STANDING ORDER NO 1: DECISION-MAKING STRUCTURE AND PROCEEDINGS

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TRANSPORT for LONDON

STANDING ORDER NO 1: DECISION-MAKING STRUCTURE AND PROCEEDINGS

INTRODUCTION

1. TfL came into being under the provisions of the Greater London Authority Act 1999 (“the Act”) which, together with other legislation, sets out TfL's duties and powers.
2. This Standing Order shall, where applicable, be read and interpreted together with the provisions of the Act, and other relevant legislation, and any amendment to or re-enactment of those provisions. The powers of TfL and its subsidiaries (and their subsidiaries) are restricted to powers conferred by the Act and other legislation.
3. In these Standing Orders, words and phrases shall have the meanings as set out in the Glossary, attached at Annex 1.

PURPOSE

4. TfL is required to exercise its functions to secure and facilitate the implementation of the Mayor's Transport Strategy and the provision of safe, integrated, efficient and economic transport facilities and services to, from and within Greater London.
5. TfL is required to exercise its functions in accordance with guidance and directions issued to it by the Mayor under section 155 of the Act. Any such guidance and directions received by the Commissioner (the nominated official for receipt of such guidance and directions) shall be kept by the Secretary and notified to the next meeting of the Board; the Secretary is required to communicate them to such officers of the TfL Group as he/she thinks appropriate.

PROCEEDINGS

Open Government

6. Meetings of the Board shall be open to the public except where the Board determines that all or part of a meeting shall be held in closed session.
7. Where a meeting or part of a meeting is open to the public, all agendas and papers relating to the public part of the meeting shall be made available to the public, except where the Commissioner, in consultation with the Chair, otherwise determines.
8. Documents, including documents to be disclosed to the Authority, which contain commercially or otherwise sensitive information relating to the TfL Group, and which are not therefore to be made available to the public, shall be marked appropriately.

Membership

9. Membership of the Board is required to consist of not less than 8 but not more than 15 members appointed by the Mayor. Where the Mayor chooses to be a member of the Board, the Mayor is required to appoint not less than 7 or more than 14 other members of the Board.
10. A member appointed by the Mayor shall cease to be a member of the Board in the event that he/she becomes a member of any body listed in paragraph 2(4) of Schedule 10 to the Act. The Mayor may remove a member of the Board from office by notice in writing. A member may also resign by giving written notice to the Secretary.
11. A list of members of the Board shall be kept by the Secretary. Appointments and removals from office made by the Mayor and resignations by members shall be notified to the next meeting of the Board after notification has been received.

Chair/Vice Chair

12. The Mayor is required to designate one of the members of the Board to be Chair and another of the members to be Vice Chair of the Board. Where the Mayor is a member of the Board, he/she is the Chair of the Board.
13. In the absence of the Chair, the Vice Chair will chair Board meetings. When neither the Chair nor the Vice Chair are present, those members present shall elect a chair from amongst themselves.

Quorum

14. The quorum of the Board shall be 4 members. Members participating in the meeting by way of telephone or video conferencing facilities count towards the quorum (paragraphs 19 and 20 of this Standing Order refer).
15. A member shall not be counted in the quorum present at a meeting in relation to a resolution on which he or she is not entitled to vote (see paragraphs 40 to 42 relating to Members' Interests).
16. No business may be transacted at a meeting of the Board unless a quorum is present.

Attendance by non-members

17. The Commissioner, General Counsel, the Head of Legal Services, the Managing Director, Finance and Planning, the Chief Finance Officer and the Secretary (or their designated representatives) shall be present at Board meetings to provide advice.
18. Other officers, consultants, advisers and any other person may, with the agreement of the Chair, attend meetings of the Board in order to provide advice or guidance.

Meetings held by telephone or by video conferencing facilities

19. Members of the Board may participate at Board meetings by telephone or by the use of video conferencing facilities where this would enable members to hold a meeting over long distances provided that all members and the public (the latter in relation to public meetings) can hear one another and members can participate in the proceedings. Alternative arrangements may be made where a member cannot participate in this way by reason of a disability.
20. All Board meetings held by telephone or via the use of video conferencing facilities will be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, in London.

Frequency of meetings and special meetings

21. Board meetings will be held every 2 months or at such other frequency as determined by the Board.
22. All ordinary meetings of the Board shall be convened by the Secretary.
23. A special meeting of the Board may be called at any time by the Chair or by the Secretary, after consultation with the Chair (or in his/her absence the Vice Chair).
24. A special meeting of the Board may also be called by the Secretary on the requisition of any 4 members of the Board, delivered in writing to the Secretary. The requisitioned meeting will be held within 10 days of receipt of that requisition by the Secretary.

Agenda

25. The agenda for a meeting of the Board shall set out the business to be considered at the meeting. No business other than that set out in the agenda shall be considered at the meeting except items of urgent business provided the Chair is agreeable and reasonable notice has been given to all members of the Board.

26. A member of the Board may place items on the Agenda for a meeting of the Board. Written notice of such items must be submitted to the Secretary at least 14 days before the meeting. Members' items notified after that time will only be considered at the meeting if the Chair agrees they are urgent.

Distribution of papers

27. The agenda and papers for a Board meeting shall normally be sent out 5 working days before any meeting of the Board and will be deemed to have been received on the following day. Shorter notice periods for meetings held by telephone or videolink, in accordance with paragraphs 19 and 20 above, may be determined by the Secretary, following consultation with the Chair.
28. Papers may be distributed using e-mail with the specific agreement of the respective members. The non-receipt by any member of the Agenda and papers for a meeting shall not invalidate the business transacted at that meeting.
29. Papers may not be tabled at a Board meeting without the permission of the Chair.

Items not considered at a meeting

30. Agenda items which are not considered at a meeting of the Board shall be carried forward for consideration at the next ordinary meeting of the Board unless considered at a special meeting of the Board.

Voting

31. Decisions may be taken by the Board by common consent. Failing common consent, the agreement of more than half of the whole number of voting members present is required. This may be determined by oral expression or a show of hands.
32. If the voting on any question is tied, the Chair shall have a second or casting vote.

33. The names and votes of members voting shall not normally be recorded in the minutes, but any member may require that his or her vote be recorded and any 4 members may require that the names of those who voted, how they voted and the names of those that abstained be recorded.

Written resolutions of the Board

34. A resolution in writing passed by a quorum of members shall be as valid and effectual as if it had been passed at a meeting of the Board, provided that the number of members who support the resolution is greater than those who have expressly opposed the resolution or, where equal in number, the Chair has supported the resolution. Such written resolution may comprise several documents in like form, each indicating the approval by one or more members.

Minutes

35. The draft minutes of meetings of the Board, including the minutes of any special meeting, shall be circulated with the agenda for the next scheduled meeting of the Board. Where the previous meeting was a private Board meeting, draft minutes will be circulated by the Secretary within one month of the meeting, or with the papers for the next private Board meeting, if earlier. Action lists shall be circulated to Chief Officers and other relevant officers within 48 hours of the Board meeting.
36. Minutes shall be kept of all proceedings of the Board, including the names of the members present at each meeting.
37. Minutes of all meetings of the Board shall be signed by the person acting as chair of the proceedings to which the minutes relate or any subsequent proceedings in the course of which the minutes are approved as a correct record.

Members' interests

38. If a member of the Board knowingly has any interest, whether direct or indirect

and whether pecuniary or not, in any matter that is brought up for consideration at a meeting of the Board, or any subordinate bodies, he/she shall disclose the nature of the interest to the meeting. No Member of the Board shall be excluded from any function in respect of the London Regional Transport Pension Fund (LRTPF) Trustee Company Ltd, solely on the grounds of a conflict of interest either because of TfL's interest in the LRTPF, or because that individual is a member of the LRTPF.

39. This declaration may be made at the meeting or in advance in writing to the Secretary and will be recorded in the minutes.
40. Where any such disclosure is made, unless the Mayor, pursuant to paragraph 13(3) of Schedule 10 to the Act, removes the disability, the member shall not take any part in any deliberation or decision of the Board or any of its subordinate bodies in relation to that matter.
41. Where the Mayor exercises his/her power in accordance with the above, the removal of the disability and the Mayor's reasons for doing so shall be recorded in the minutes of the meeting.
42. Unless the meeting decides otherwise, a member who has made a disclosure will be excluded from that part of any meeting at which any contract, proposed contract or other matter in which he or she has such an interest is under consideration.
43. A register of all interests disclosed by members of the Board shall be maintained by the Secretary.

Reporting by officers and Access to the Chair and/or Board

44. The Commissioner, the Chief Finance Officer, General Counsel, the Head of Legal Services, the Director of Internal Audit and the External Auditors shall be entitled to report directly to or raise any matters with the Board and/or the Chair of the Board on any matter within their professional jurisdiction.

45. The Commissioner will submit a report to each ordinary meeting of the Board.

Access to Advice by Board Members and Chief Officers

46. Board Members, Chief Officers and the Chief Finance Officer may obtain legal or other appropriate professional advice on any matter relating to the discharge of their duties, which will be paid for by TfL. Where Board Members seek external advice in accordance with this paragraph, General Counsel shall be given written notice of that fact, from where advice has been sought and the likely cost of such advice.

ORGANISATION – GENERAL PROVISIONS

Subordinate bodies

47. The Board may establish subordinate bodies from time to time. Where the Board establishes a subordinate body, the Board may establish terms of reference, membership, the chair, quorum, frequency of meetings, reporting arrangements and secretarial arrangements.

48. The provisions of paragraphs 8, 13, 15, 16, 18-20, 22, 23, 25-32 and 34-43 shall apply to subordinate bodies except that reference to the Board shall refer to committees/panels/other meetings as appropriate, references to Board Members shall refer to members of committees, panels or other meetings as appropriate and references to the Secretary shall refer to the Meeting Secretary (except where express reference is made to the Secretary).

49. Committees and sub-committees may sub-delegate or set up subordinate bodies, subject to any conditions imposed by the Board.

50. Where a committee or sub-committee establishes a subordinate body, subject to any conditions imposed by the Board, the committee or sub-committee shall establish terms of reference, membership, the chair, quorum, frequency of meetings, reporting arrangements and secretarial arrangements for the subordinate body.

51. Where a committee or sub-committee includes persons who are not members of the Board, those persons may not vote.
52. The following subordinate bodies of the Board have been established: -
- (i) Safety, Health and Environment Committee;
 - (ii) Audit Committee;
 - (iii) Remuneration Committee;
 - (iv) Finance Committee;
 - (v) Rail Transport Advisory Panel;
 - (vi) Underground Advisory Panel; and
 - (vii) Surface Advisory Panel
53. The membership and terms of reference of the above are set out in Appendices 1 to 7.

Subsidiary and Associate or Joint Venture Companies

54. The Board shall approve the adoption of, or any changes to, the memorandum and articles of association of subsidiary companies (but not the subsidiaries of subsidiary companies or LTIG). The Board may arrange for the appointment and removal of directors of subsidiary companies, but only the TfL Director representatives on the LRTPF Trustee Company Limited and not subsidiaries of subsidiary companies.
55. Subsidiary companies may only create or acquire their own subsidiaries with the approval of the Board. Subsidiary companies shall approve the memoranda and articles of association of their own subsidiaries, any changes to those memoranda and articles and shall appoint and remove the directors of their

subsidiaries.

56. The Board shall approve the memoranda and articles of association of any Associate or Joint Venture Company in which TfL or any of its subsidiaries have a shareholding.

Reporting Arrangements

57. Subordinate bodies will report quarterly to the Board on matters considered by them which fall within their terms of reference.

Members – Right to Inspect Documents

58. A member of the Board may, for the purposes of his/her duty as a member and no other, inspect any document in the possession of TfL or of a subsidiary company of TfL. Applications to inspect a document should be made to the Secretary specifying the reason why the member wishes to inspect a particular document or class of documents. A copy of a document may be made available to a member subject to an undertaking of confidentiality in appropriate circumstances.
59. A member shall not knowingly apply to inspect, or request a copy of, any document relating to a matter in which he/she has any interest whether direct or indirect, and whether pecuniary or not.
60. The Commissioner and/or General Counsel (or in his or her absence the Head of Legal Services) may decline to allow inspection of any document which is or would be protected by privilege in the event of legal proceedings, if necessary to protect the interests of TfL. The Secretary to the LRTPF may also decline to allow inspection of any document in the ownership of the LRTPF Trustee Company Ltd which is or would be protected by privilege in the event of legal proceedings or if reasonably necessary to protect the interests of the LRTPF Trustee Company Ltd or the LRTPF.

Sealing and Executing of Documents

61. The application of the seal of TfL shall be authenticated by the signature of any member or officer of TfL who has been authorised for that purpose. Unless otherwise determined by the Board, the TfL seal shall be authenticated by the signature of General Counsel, the Director of Corporate Governance and Deputy Company Secretary, the Head of Legal Services, the Commissioner and any of the Chief Officers.

62. The Commissioner, Chief Officers, General Counsel, Director of Corporate Governance and Deputy Company Secretary, the Head of Legal Services and any officer authorised for that purpose are authorised to sign contracts or other documents on behalf of TfL.

SAFETY, HEALTH AND ENVIRONMENT COMMITTEE

Membership

Chair : David Quarmby

Members : Kirsten Hearn
Murziline Parchment
Dave Wetzel

In Attendance: *A representative from each of operational business areas will be in attendance.*

Director of Group Health, Safety and Environment

Richard Booth } external advisers

Stuart Natrass }

Other persons will, as the Chair of the Committee shall require, attend all or any part of a meeting.

Secretary : To be provided by TfL Company Secretariat

Quorum : Two Members

Frequency of Meetings

The Safety, Health and Environment Committee shall meet not less than 4 times a year or at such other frequency as determined from time to time by the Chair.

Terms of Reference

1. To satisfy itself, on behalf of the TfL Board, that the TfL Group discharges its legal duties in relation to health, safety and environmental matters with particular regard to the safety, health and welfare, as appropriate, of transport users, staff, the public at large and others on or about TfL transport systems and Group property and premises and to bring to the attention of those concerned matters for corrective action where needed;
2. To satisfy itself, on behalf of the TfL Board, that the TfL Group has in place appropriate health, safety and environmental policies, management systems, arrangements and procedures both to meet legal requirements and TfL policies, and to assess and control risks (including security risks), also always having regard for staff and members of the public with particular needs;
3. To review, and exceptionally to request, the carrying out of audits and reviews of health, safety and environmental management systems, policies, arrangements and procedures, as necessary, and to review progress with the implementation of recommendations arising from such audits;

4. To advise the TfL Board on performance and compliance in relation to the above;
5. To report quarterly to the TfL Board and to carry out an annual review of TfL health, safety and environmental performance and submit a report to the TfL Board.
6. To advise the TfL Board on health, safety and environmental policy, strategy and specific issues as required by the TfL Board;

In carrying out its terms of reference the Safety, Health and Environmental Committee will give due regard to the principle of equal opportunity for all people.

AUDIT COMMITTEE

Membership

- Chair : Mike Hodgkinson
- Members : Oli Jackson
Murziline Parchment
David Quarmby
- In attendance: Managing Director, Finance and Planning
Chief Finance Officer
Director of Internal Audit
General Counsel
External Auditors
Other Chief Officers or senior management as the Chair of the Committee shall require, shall attend all or any part of a meeting.
- Secretary : To be provided by TfL Company Secretariat
- Quorum : Three Members

Frequency of Meetings

The Audit Committee shall meet not less than four times a year or at such other frequency as determined from time to time by the Chair. As referred to in paragraphs 22, 23 and 46 of this Standing Order, meetings of the Committee shall be convened by the Meeting Secretary, and special meetings may be called at any time by the Chair or the Secretary in consultation with the Chair. Meetings of the Audit Committee may also be convened by the Managing Director, Finance and Planning, the Chief Finance Officer, Director of Internal Audit or the external auditors.

Terms of Reference

- a) To satisfy itself with the arrangements put in place by management to ensure that the TfL Group prepares its annual accounts and reports in accordance with all relevant legislation and accounting standards;
- b) To obtain assurance as to the adequacy of the systems of internal control in place throughout the TfL Group. Internal control is not restricted to financial control but includes, inter alia, the arrangements that management has put in place for: -

- the systematic identification of business risks and mitigating controls, and procedures for ensuring these are properly implemented and effective;
 - legal compliance;
 - budgetary control; and
 - ensuring a systematic approach to minimise the risk of fraud.
- c) To ensure that an adequate and effective system of internal audit is maintained;
- d) To maintain an oversight of corporate governance throughout the TfL Group and receive, on an annual basis, reports from General Counsel and the Director of Internal Audit on the implementation, operation of and compliance with TfL's Code of Corporate Governance;
- e) To review plans for Best Value (or equivalent) reviews; the Committee will be kept apprised of proposed Audit Commission inspections, will receive copies of any Audit Commission inspection reports and will receive internal reports on the implementation of procedures and controls to address issues raised therein;
- f) The Committee may call upon any Chief Officer or other TfL member of staff to provide it with information, either orally or in writing. The Audit Committee may also have access to all TfL Group records and documentation.

Relationship with Internal Audit

- g) The Audit Committee will review the risk evaluation, audit plans and scope of Internal Audit and shall be able to require Internal Audit to carry out specific investigations;
- h) The Audit Committee will review and discuss audit findings and monitor management responses to these findings to ensure appropriate follow-up measures are taken;
- i) At least annually, Members of the Audit Committee shall meet with the Director of Internal Audit without any TfL officer being present.

Relationship with External Audit

- j) The Chief Finance Officer shall make available to the Audit Committee such information and explanations as it requires in order for it to carry out its review of the Annual Report and Accounts, Annual Audit Letter and other external audit reports and discuss with the External Auditors any issues arising from the audit;

- k) The Audit Committee will review the Annual Report and Accounts, including any statements therein made by the TfL Board, and will monitor the accounting policies used in the preparation thereof;
- l) The Audit Committee will meet with the External Auditors before their audit commences to communicate any matters of which it considers the External Auditors should be aware, and to review its audit plans and scope; the Committee will assist the External Auditors by providing communication with the TfL Board, and review External Audit Annual Audit Letters, together with management's responses;
- m) Following the completion of each statutory audit, the Audit Committee will review the performance of the External Auditors;
- n) At least annually the Members of the Audit Committee shall meet with the external auditors without any TfL officer being present.

In carrying out its Terms of Reference the Audit Committee will give due regard to the principle of equal opportunity for all people.

FINANCE COMMITTEE

Membership

Chair : Mike Hodgkinson

Members : Stephen Glaister
Kirsten Hearn
Susan Kramer
Dave Wetzel

In attendance: Other Chief Officers (including the Managing Director of Finance and Planning and the Chief Finance Officer) or senior management as the Chair of the Committee shall require, shall attend all or any part of a meeting.

Secretary : To be provided by TfL Company Secretariat

Quorum : Three Members

Frequency of Meetings

The Finance Committee shall meet not less than 6 times a year or at such other frequency as determined from time to time by the Chair.

Terms of Reference

The Finance Committee will advise on and assist the TfL Board with issues relating to financial matters and, in particular, in providing advice in relation to: -

- a) TfL's Budgets proposals for their submission to the Board;
- b) Annual Accounts;
- c) The Annual Report;
- d) The Business Plan;
- e) Transactions over £100 million;
- f) Budgeted projects over £100 million and unbudgeted projects over £25 million;
- g) Delegation of financial functions;

- h) Formation of subsidiary companies of TfL and their subsidiaries and the disposal of subsidiary companies and their subsidiaries;
- i) Formation of any Associate or Joint Venture Company by TfL or its subsidiaries and the disposal of any such company;
- j) Acquisition of more than 25% of the shareholding of companies by TfL or its subsidiaries and the disposal of such shareholding;
- k) Disposal of a part of TfL's or its subsidiaries' undertaking;
- l) Making and amending TfL standing orders in relation to the Scheme of Delegation;
- m) Schemes for transferring property, rights and liabilities between TfL and its subsidiaries or between subsidiaries, including subsidiaries of subsidiaries;
- n) The programme of compulsory purchase orders and any amendments (including withdrawals) to the programme (by order confirmed by the Secretary of State and submitted to him/her with the consent of the Mayor);
- o) The general level and structure of fares for public passenger transport services and/or charges for other public passenger transport facilities and fares for hackney carriages;
- p) Establishment of, and keeping under review, a policy for TfL exercising its power to borrow;
- q) Establishment of, and keeping under review, a policy for TfL exercising its power to issue guarantees and indemnities associated with guarantees;
- r) Establishment of, and keeping under review, a policy for TfL exercising its power to give financial assistance; and
- s) Establishment of, and keeping under review, a Treasury Management Policy.

A Schedule will be submitted to each meeting, summarising any project approvals given by the Commissioner or the Managing Director, Finance and Planning, since the last meeting and project approvals likely to be sought under their authority prior to the next Committee meeting (where these are known of).

In carrying out its Terms of Reference the Finance Committee will give due regard to the principle of equal opportunity for all people.

REMUNERATION COMMITTEE

Membership

Chair	:	The Mayor
Members	:	Mike Hodgkinson
In attendance:		Managing Director, Corporate Services
Secretary	:	Director of Corporate Governance and Deputy Company Secretary
Quorum	:	Two Members

Frequency of Meetings

Meetings shall be held when requested by the Chair but there shall be at least one meeting of the Committee each year.

Terms of Reference

To review the remuneration of the Commissioner and Chief Officers on behalf of the TfL Board.

In carrying out its terms of reference the Remuneration Committee will give due regard to the principle of equal opportunity for all people.

RAIL TRANSPORT ADVISORY PANEL

Membership

Chair ; Bob Kiley

Vice Chair : Susan Kramer

Members : David Begg
Ian Brown
Bob Crow
Kirsten Hearn
Paul Moore
David Quarmby
Jay Walder
Tony West

In attendance: Bryan Heiser (External Advisor)
Other Chief Officers or senior management as the Chair of the Panel shall require, shall attend all or any part of a meeting.

Secretary : To be provided by TfL Company Secretariat

Quorum : Three Members

Frequency of Meetings

The Rail Transport Advisory Panel shall meet not less than 6 times a year or at such other frequency as determined from time to time by the Chair.

Terms of Reference

The Rail Transport Advisory Panel will advise and assist the Commissioner with issues relating to rail services and, in particular, the following: -

- 1) overseeing the development of TfL policies in relation to rail services reflecting the Mayor's transport and other strategies, including making recommendations on guidance to the Strategic Rail Authority on strategic issues including franchising integration and new project development;
- 2) preparing the rail services' components of TfL's Business Plan and Budget proposals;

- 3) monitoring the implementation of the rail services component of the Mayor's Transport Strategy, including reviews of the effectiveness of the Business Plan and key policy initiatives;
- 4) evaluating overall business performance and reviewing Best Value plans and performance indicators in relation to rail services;
- 5) considering integration proposals and monitoring progress on the implementation of TfL access, inclusion and transport equality strategies in relation to rail services; and
- 6) considering reports on the evolving needs of rail services passengers and monitoring levels of customer satisfaction.

In carrying out its Terms of Reference the Rail Transport Advisory Panel will give due regard to the principle of equal opportunity for all people.

UNDERGROUND ADVISORY PANEL

Membership

Chair : Bob Kiley

Vice Chair : Stephen Glaister

Members : Bob Crow
Kirsten Hearn
Susan Kramer
Tim O'Toole
Murzline Parchment
David Quarmby
Jay Walder
Tony West
Dave Wetzel

In attendance: Bryan Heiser (External Advisor)
Other Chief Officers or senior management as the Chair of the Panel shall require, shall attend all or any part of a meeting.

Secretary : To be provided by TfL Company Secretariat

Quorum : Three Members

Frequency of Meetings

The Underground Advisory Panel shall meet not less than 6 times a year or at such other frequency as determined from time to time by the Chair.

Terms of Reference

The Underground Advisory Panel will advise and assist the Commissioner with issues relating to Underground services and, in particular, the following: -

- 1) overseeing the development of TfL policies in relation to Underground services reflecting the Mayor's transport and other strategies and new project development;
- 2) preparing the Underground components of TfL's Business Plan and Budget proposals;
- 3) monitoring the implementation of the Underground component of the Mayor's Transport Strategy, including reviews of the effectiveness of the Business Plan and key policy initiatives;

- 4) evaluating overall business performance and reviewing Best Value plans and performance indicators in relation to the Underground;
- 5) considering integration proposals and monitoring progress on the implementation of TfL access, inclusion and transport equality strategies in relation to the Underground; and
- 6) considering reports on the evolving needs of Underground passengers and monitoring levels of customer satisfaction.

In carrying out its Terms of Reference the Underground Advisory Panel will give due regard to the principle of equal opportunity for all people.

SURFACE ADVISORY PANEL

Membership

- Chair : Bob Kiley
- Vice Chair : Paul Moore
- Members : David Begg
Bob Crow
Stephen Glaister
Kirsten Hearn
Peter Hendy
Oli Jackson
David Quarmby
Jay Walder
Tony West
Dave Wetzel
- In attendance: Lynn Slomon } external
Bryan Heiser } advisers
Richard Webster
Other Chief Officers or senior management as the Chair of the Panel shall require, shall attend all or any part of a meeting.
- Secretary : To be provided by TfL Company Secretariat
- Quorum : Three Members

Frequency of Meetings

The Surface Advisory Panel shall meet not less than 6 times a year or at such other frequency as determined from time to time by the Chair.

Terms of Reference

The Surface Advisory Panel will advise and assist the Commissioner with issues relating to street management, bus, river, tram, taxi and private hire services and, in particular, the following: -

- 1) overseeing the development of TfL policies in relation to street management and surface transport reflecting the Mayor's transport and other strategies;

- 2) preparing the street management and surface transport components of TfL's Business Plan and Budget proposals;
- 3) monitoring the implementation of the street management and surface transport components of the Mayor's Transport Strategy, including reviews of the effectiveness of the Business Plan and key policy initiatives;
- 4) evaluating overall business performance and reviewing Best Value plans and performance indicators in relation to street management and surface transport;
- 5) considering integration proposals and monitoring progress on the implementation of TfL access, inclusion and transport equality strategies in relation to street management and surface transport; and
- 6) considering reports on the evolving needs of street users and surface transport customers and monitoring levels of user and customer satisfaction.

In carrying out its Terms of Reference the Surface Advisory Panel will give due regard to the principle of equal opportunity for all people.

TRANSPORT for LONDON

GLOSSARY

Act means the Greater London Authority Act 1999.

Associate or Joint Venture Company means a company which is an associate or joint venture as defined in financial reporting standards issued from time to time by the Accounting Standards Board.

Authority means the Greater London Authority.

Board means the membership of TfL from time to time as constituted under paragraph 2 of Schedule 10 to the 1999 Act.

Chair means the Chairman of the Board.

Chief Finance Officer means the officer appointed under section 127 of the 1999 Act.

Commissioner means the Commissioner of Transport for London or any Chief Officer acting in such capacity.

Head of Legal Services means the designated individual or individuals in TfL undertaking this role.

Head of Procurement means the designated individuals in TfL undertaking this role.

Land Transaction means the acquisition or disposal of land and buildings or interests in, or rights over, lands and buildings including:

- a) the purchase, sale or exchange of freehold or leasehold land; and
- b) the purchase, grant, assignment, surrender, release or variation of leases, tenancies, covenants, easements and licences;

and includes the settlement of compensation claims related to land and buildings or interests in, or rights over, land and buildings.

L RTPF means London Regional Transport Pension Fund.

LTIG means London Transport Insurance (Guernsey) Limited.

Mayor means the Mayor of London.

Mayor's Opinion means the opinion of the Mayor (or of the person to whom the Mayor has delegated the power to give such opinion) which is required pursuant to paragraph 12(1) of Schedule 11 to the Act in relation to the disposal of property which is not required by TfL for the purposes of the discharge by TfL of any of its functions.

Procurement Instructions and/or Procedures means Procurement Instructions and/or Procedures or such similar documents as may be applicable in particular business areas all as amended from time to time.

Project means a non-recurring, time-related package of work with specific outputs and deliverables. Related projects should be considered as a single project for the purpose of this Standing Order.

Subordinate bodies means committees, sub-committees, bodies of members and officers, bodies of members or officers

TfL means Transport for London.

TfL Chief Officer or **Chief Officer** includes any Managing Director, any Director reporting directly to the Commissioner and any other TfL Officers acting in such a capacity.

TfL Group means TfL and its subsidiaries and their subsidiaries. References to a subsidiary of TfL includes a subsidiary of a subsidiary of TfL, unless otherwise stated.

TfL Officer or Officer includes any office holder or employee (full or part-time, temporary or permanent) of TfL.

TfL Senior Officer or **Senior Officer** includes direct reports to Chief Officers and Chief Operating Officers and other posts thus designated by the Chief Officer.

TRANSPORT for LONDON

STANDING ORDER NO 2: SCHEME OF DELEGATION

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TRANSPORT for LONDON

STANDING ORDER NO 2: SCHEME OF DELEGATION

INTRODUCTION

1. Transport for London ("TfL") is a statutory corporation established by section 154 of the GLA Act 1999 ("The Act").
2. This Standing Order shall, where applicable, be read and interpreted together with the provisions of the Act, and other relevant legislation, and any amendment to or re-enactment of those provisions.
3. In this Standing Order, words and phrases shall have the meanings as set out in the glossary, attached at Annex 1 of Standing Order No. 1.

Duties and Powers

4. The Act imposes duties and confers powers on TfL. Those duties and powers are TfL's functions. In general, TfL has discretion as to who may discharge those functions on its behalf. However, in the case of certain specified activities, that discretion is limited. Those activities specified by the Transport for London (Specified Activities) Order 2000 made by the Secretary of State for the Environment, Transport and the Regions must be carried on by TfL through a company limited by shares (which may be a subsidiary of TfL).

Bodies to whom TfL may delegate

5. Subject to any express provision contained in the Act, the Board of TfL may arrange for its functions to be discharged by:
 - (a) any committee of TfL;
 - (b) any sub-committee of such a committee;
 - (c) any wholly owned subsidiary of TfL;
 - (d) any member or officer of TfL; or
 - (e) any body of members or officers of TfL.

Conditions Attached to Delegations

6. Where the Board makes arrangements for the discharge of any of its functions: -
 - (a) the person or body to whom the discharge of a function is delegated must exercise that delegated authority subject to any conditions imposed by the Board; and
 - (b) the Board may itself discharge a function even though it has delegated the discharge of that function.
7. Unless the Board imposes a condition to the contrary, a committee or sub-committee may sub-delegate the discharge of a function delegated by the Board subject to the requirements set out in paragraph 6 above and subject to any conditions imposed by the relevant committee or sub-committee. In addition to the Board, the relevant committee and sub-committee may themselves discharge the delegated function.
8. Only the Board may delegate to a wholly owned subsidiary of TfL.
9. Only committees and sub-committees may sub-delegate. In particular, an officer exercising delegated powers may not sub-delegate to another officer (see 'General Delegations to Officers – paragraphs 19-21).

Joint Discharge of Functions

10. The Act enables TfL to enter into arrangements with one or more local authorities for the joint discharge of their respective functions.

MATTERS RESERVED TO THE BOARD FOR DECISION

11. The following matters are reserved to the Board for decision:
 - (i) Provision of strategic guidance for securing or facilitating the implementation of the Mayor's Transport Strategy and the provision of safe, integrated, efficient and economic transport facilities and services to, from and within Greater London;

- (ii) Approval of TfL's Budget proposals for submission to the Mayor;
- (iii) Approval of Annual Accounts of the TfL Group;
- (iv) Approval of the Annual Report for the TfL Group;
- (v) Approval of the Business Plan;
- (vi) Approval of transactions over £100 million, save in respect of emergencies where the Commissioner, or in his/her absence the Managing Director, Finance and Planning, may approve unbudgeted expenditure for works urgently required to safeguard the operation or protect the assets of the TfL Group (any such approval to be submitted at the earliest opportunity to the Board for ratification);
- (vii) Approval of budgeted projects over £100 million and unbudgeted projects over £25 million save in respect of emergencies where the Commissioner, or in his/her absence the Managing Director, Finance and Planning, may approve unbudgeted expenditure for works urgently required to safeguard the operation or protect the assets of any part of the TfL Group (any such approval to be submitted at the earliest opportunity to the Board for ratification);
- (viii) Appointment of, and delegation to, committees, sub-committees, bodies of members and officers and bodies of members or officers (provided that a committee or sub-committee can also arrange for the discharge of any of its functions by a body or individuals as permitted by paragraph 8 of Schedule 10 to the 1999 Act);
- (ix) Approval of arrangements with one or more local authorities for the joint discharge of functions, including approval of the appointment and terms of reference of any joint committee;
- (x) Delegation of any of TfL's functions to a subsidiary company;
- (xi) Subject to (viii) above, delegation of any of TfL's functions to a member or officer;
- (xii) Appointment of advisers to subordinate bodies [i.e. committees, sub-committees and bodies of members and officers and bodies of members or officers] (other than on an ad hoc basis) upon the recommendation of the Commissioner;
- (xiii) Formation of subsidiary companies of TfL and their subsidiaries and the disposal of subsidiary companies and their subsidiaries;
- (xiv) Formation of any Associate or Joint Venture Company by TfL or its

- subsidiaries and the disposal of any such company;
- (xv) Acquisition of more than 25% of the shareholding of companies by TfL or its subsidiaries and the disposal of such shareholding;
 - (xvi) Disposal of any part of TfL's or its subsidiaries' undertakings;
 - (xvii) Making and amending TfL Standing Orders;
 - (xviii) Approval of changes to the memorandum and articles of association of subsidiary companies (but not subsidiaries of subsidiaries);
 - (xix) Approval of any changes to the memorandum and articles of association of any Associate or Joint Venture Company where TfL has more than a 25% shareholding;
 - (xx) Approval of memorandum and articles of association of any Associate or Joint Venture Company in which TfL or any of its subsidiaries has a shareholding;
 - (xxi) Approval, for submission to the Mayor, of Schemes for transferring property, rights and liabilities between TfL and its subsidiaries or between subsidiaries, including subsidiaries of subsidiaries and Schemes for the transfer of key system assets under Section 217 of the Act;
 - (xxii) Approval of (subject to obtaining the Mayor's written consent as required by the Act) the promotion of, or opposition to, local Bills in Parliament;
 - (xxiii) Approval of, or objection to, (subject to obtaining the Mayor's written consent as required by the Act) an application for an order under the Transport and Works Act 1992 or any statutory amendment or re-enactment of that Act;
 - (xxiv) Approval of the making and amending of byelaws and regulations;
 - (xxv) Approval and amendment (including withdrawal) of a programme of compulsory purchase orders (by order confirmed by the Secretary of State and submitted to him/her with the consent of the Mayor);
 - (xxvi) Determination of fares for hackney carriages;
 - (xxvii) Consideration of statutory reports of the GLA Monitoring Officer (Section 73 of the Act), the Chief Finance Officer (Part III Chapter V of the Act) and public interest reports, statutory recommendations and advisory notices issued by TfL's external auditors (sections 133-135 of the Act);

- (xxviii) Consideration of Ombudsman reports where there has been a finding of maladministration with injustice in relation to highways and transport planning. (Public complaints about the provision of passenger transport services by TfL will be dealt with via the London Transport Users' Committee);
- (xxix) Appointment and removal of the Commissioner;
- (xxx) Appointment and removal of the Chief Finance Officer, General Counsel and Director of Internal Audit;
- (xxxi) Establishment of and keeping under review a policy for TfL exercising its power to borrow, including determining TfL's annual borrowing limits;
- (xxxii) Establishment of and keeping under review a policy for TfL in relation to Treasury Management;
- (xxxiii) Establishment of and keeping under review a policy for TfL exercising its power to issue guarantees and indemnities associated with guarantees;
- (xxxiv) Establishment of and keeping under review a policy for TfL exercising its power to give financial assistance;
- (xxxv) Anything that by law is reserved to the Board;
- (xxxvi) Anything which the Commissioner considers should be referred to the Board for decision; and
- (xxxvii) Anything else which the TfL Board thinks fit.

Note: The list of matters reserved for decision by the Board does not preclude other matters being referred to the Board for decision.

DELEGATION: GENERAL PROVISIONS

12. All delegated authority conferred by the following paragraphs of this Scheme of Delegation must be exercised: -
 - (a) subject to any restrictions imposed by law;
 - (b) in accordance with any conditions imposed by the Board or any committee or sub-committee of the Board with authority to do so;

- (c) in accordance with such guidance or directions as may be issued to TfL by the Mayor;
- (d) having regard to TfL's statutory duty to exercise its functions for the purpose of securing the provision of safe, integrated, efficient and economic transport facilities and services to, from and within Greater London;
- (e) consistent with the purpose of securing and facilitating the implementation of the Mayor's Transport Strategy;
- (f) having regard to the principle of equal opportunity for all people;
- (g) within the financial framework established by TfL. No expenditure may be incurred in the exercise of delegated authority unless there is budget provision for that expenditure except where any express delegation in relation to unbudgeted expenditure is provided for in these Schemes of Delegation;
- (h) in accordance with TfL's policies and priorities;
- (i) in accordance with TfL Schemes of Delegation, including schemes of delegation for Scheme for Financial Authority (Appendix 1), Procurement and Disposal Transactions (Appendix 2), and Land Transactions (Appendix 3).

DELEGATIONS IN CASES OF URGENCY

13. In cases of urgency, the Chair may discharge any function of TfL on its behalf provided that, before exercising that delegated authority, the Chair shall as far as possible consult with or arrange for consultation with Members of TfL who can be readily contacted (where possible and practicable the written resolution procedure referred to in paragraph 34 of Standing Order No. 1 should be used).

DELEGATION TO COMMITTEES OF TfL

14. There is delegated from the Board to each committee of TfL the discharge of those functions of TfL which fall within their terms of reference (Appendices 1-7 of Standing Order No. 1 refer), other than any matter reserved to the Board for decision, in accordance with paragraph 11 above.

DELEGATION TO WHOLLY OWNED SUBSIDIARY COMPANIES OF TfL

15. There is delegated from the Board to each wholly owned subsidiary of TfL the discharge, in the course of that subsidiary's business, of all functions of TfL for which that subsidiary has responsibility including those functions of TfL which constitute the carrying out of an activity specified in the Transport for London (Specified Activities) Order 2000.
16. Without prejudice to the generality of paragraph 15, there is delegated from the Board to London Bus Services Limited:
 - (a) the discharge of the functions conferred on TfL by section 181 and 183 of the Act (determination of the London Bus Network and addition or variation of a network service);
 - (b) the discharge of the functions conferred on TfL by sections 185 to 190 of the Act (grant of London service permits);
 - (c) the discharge of functions contained in section 104 of the London Passenger Transport Act 1934 as amended, conferred on TfL by section 301 of the Act.
17. Without prejudice to the generality of paragraph 15, there is delegated from the Board to LBSL, London Underground Limited and DLR the discharge of the functions conferred on TfL by paragraph 1 (1) of Schedule 17 to the Act (authorisation of persons to collect penalty fares).

DELEGATION TO THE COMMISSIONER OF TfL

18. There is delegated from the Board to the Commissioner or, in his/her absence, the Managing Director, Finance and Planning, the discharge of all functions of TfL other than:
- (a) any matter reserved to the Board for decision, in accordance with paragraph 11 above;
 - (b) any matter delegated to committees of TfL, in accordance with paragraph 14 above;
 - (c) any matter delegated to wholly owned subsidiaries of TfL, in accordance with paragraphs 15 to 17 above; and
 - (d) any matter the subject of a specific delegation to another officer in accordance with paragraphs 22, 24, 25 and 27 below.

DELEGATION TO OTHER OFFICERS OF TfL

(i) General delegations to officers

19. There is delegated from the Board to each Chief Officer including any Acting Chief Officer the discharge of all functions of TfL for which he/she has managerial and/or professional responsibility other than: -
- (a) any matter reserved to the Board for decision, in accordance with paragraph 11 above;
 - (b) any matter delegated to committees of TfL, in accordance with paragraph 14 above;
 - (c) any matter delegated to wholly owned subsidiaries of TfL, in accordance with paragraphs 15 to 17 above; and

- (d) any matter the subject of a specific delegation to another officer, in accordance with paragraphs 22, 24, 25 and 27 below.
20. There is delegated from the Board to each Officer below the level of Chief Officer the discharge of all functions of TfL for which he/she has managerial and/or professional responsibility provided that: -
- (a) the Chief Officer to whom he/she is responsible has delegated authority in relation to any matter in respect of which that Officer proposes to exercise delegated authority; and
 - (b) that Officer has obtained the consent of the Chief Officer, to whom he/she is responsible (or, in the absence of such Chief Officer, the Commissioner), to the exercise of that delegated authority.
21. The authority delegated to Chief Officers and Officers below the level of Chief Officer in accordance with paragraphs 19 to 20 above is concurrent with the authority delegated to the Commissioner by paragraph 18 above and may not be exercised in respect of any matter where the Commissioner has exercised his/her delegated powers or has given a written indication of his/her intention to do so. In addition to the matters set out in paragraph 12 above, all delegated authority conferred by paragraphs 19 to 20 above must be exercised in accordance with any conditions issued from time to time by the Commissioner.

(ii) Specific delegations to officers and subsidiaries

Chief Officer with Responsibility for Surface Transport

22. Subject to the above, there is delegated from the Board to the Chief Officer with responsibility for Surface Transport and, with his/her written consent, to each Senior Officer responsible to that Chief Officer, the discharge of the functions of TfL as highway authority, local authority (in respect of matters within the managerial and professional responsibility of that Chief Officer), traffic authority, or street authority, including but without limitation the discharge of the functions of TfL conferred by: -

- (a) the Highways Act 1980;
- (b) the Road Traffic Regulation Act 1984;
- (c) the New Roads and Street Works Act 1991; and
- (d) section 275 of the 1999 Act.

23. Without prejudice to the generality of paragraph 15 above, there is delegated to the Chief Officer with responsibility for Surface Transport and, with his or her written consent, London Bus Services Limited, procurement activity in relation to all functions of TfL.

Chief Officer with Responsibility for Public Carriage Office

24. There is delegated from the Board to the Chief Officer with responsibility for the Public Carriage Office and, with his/her written consent, to Senior Officers responsible to the Chief Officer with responsibility for the Public Carriage Office the discharge of the functions of TfL relating to:

- (a) Hackney carriages (section 253 of, and Schedule 20 to, the 1999 Act and the legislation there referred to and any subordinate legislation made thereunder); and
- (b) private hire vehicles (section 254 of, and Schedule 21 to, the 1999 Act and the legislation there referred to and any subordinate legislation made thereunder).

25. Without prejudice to the generality of paragraph 24 above, there is delegated from the Board to the Chief Officer with responsibility for the Public Carriage Office and, with his or her written consent to London Bus Services Limited, the discharge of the functions in respect of taking all steps necessary to institute and pursue prosecutions under the Private Hire Vehicles (London) Act 1998.

Chief Officer with responsibility for London Underground

26. Without prejudice to the generality of paragraph 15 above, there is delegated to the Chief Officer with responsibility for London Underground Limited and, with his or her written consent, London Underground Limited, procurement activity in relation to all functions of TfL.

Managing Director, Finance and Planning

27. There is delegated from the Board to the Managing Director, Finance and Planning or, in his/her absence, the Chief Finance Officer, the discharge of the functions of TfL relating to traffic related agreements (revenue agreements) with train operating companies, bus operating companies and others, including entering into such agreements, amending and revoking such agreements and making payments pursuant to such agreements.

General

28. The authority delegated by paragraphs 22 to 27 above is exercisable subject to compliance with any conditions issued from time to time by the Commissioner.

AUTHORISATIONS IN RELATION TO MAYOR'S OPINION

29. In respect of land, so long as this function is delegated to TfL by the Mayor, the Commissioner, the Managing Director, Finance and Planning, the Chief Officer with responsibility for Corporate Services and the Director of Group Property and Facilities are each authorised to give the Mayor's Opinion.
30. In respect of temporary disposals of land of up to 15 years where the land is not required by TfL for the discharge of its functions for the period of the proposed disposal or where TfL reserves the right to take back the land when it is required, there is delegated to each Chief Officer and the Director of Group Property and Facilities (in addition to the authorisation under paragraph 29 above) the power to give the Mayor's Opinion in respect of land for which he/she has managerial and/or professional responsibility.
31. In respect of property other than land, so long as this function is delegated to TfL by the Mayor, Officers and subsidiaries, listed in paragraph 5 of Appendix 2 of this

Standing Order, are authorised to give the Mayor's Opinion for Transactions (as defined in Appendix 2) for which they have approval authority in accordance with that paragraph.

SCHEME FOR FINANCIAL AUTHORITY**INTRODUCTION**

1. TfL is subject to the local government finance regime. Capital finance controls apply to TfL. The Mayor has influence over capital spending priorities through the preparation of a capital spending plan. TfL is responsible for the administration of the TfL Group's financial affairs and accounts. TfL follows the local authority accounting framework in the preparation of its Annual Accounts. TfL is subject to audit by auditors appointed by the Audit Commission. Auditors for Transport Trading Limited (TTL) and TTL's subsidiaries are appointed by their respective Boards.
2. TfL's subsidiaries shall comply with this Standing Order insofar as it is not inconsistent with their statutory obligations under the Companies Acts.¹
3. A Chief Finance Officer (who may also be the Managing Director, Finance and Planning) must be appointed, in accordance with section 127 of the 1999 Act, to carry out the functions of the post in accordance with the provisions of Section 114 of the Local Government Finance Act 1988 ("the 1988 Act"). He or she will make a report to the Board in respect of decisions which would lead to unlawful expenditure or an unlawful course of action which is likely to cause loss or unlawful items of account or a deficit budget.
4. In preparing a report under section 114 of the 1988 Act, the Chief Finance Officer shall consult the Commissioner or in his absence the Managing Director, Finance and Planning or the Director of Internal Audit as appropriate.
5. Reports made under section 114 of the 1988 Act above must be considered at a meeting of the Board held within 21 days beginning from the day on which copies of the report are sent. The public access provisions of Part VA of the Local Government Act 1972 will apply to such a meeting.

¹ The Board of the LRTPF Trustee Company Limited must have an unfettered right to make investment decisions in accordance with its Trust Deed and therefore the provisions of this Appendix 1 do not apply to the LRTPF Trustee Company Limited.

AUTHORISATION OF EXPENDITURE

6. Approval of the TfL Group Budget provides authorisation for TfL Chief Officers and subsidiary companies to incur expenditure, collect income and redistribute funds to relevant third parties in respect of their allocated budgets, subject to:-
- (a) the existence of appropriate provision in the budget (or the written approval of those authorised to enter into unbudgeted expenditure);
 - (b) compliance with TfL's Standing Orders;
 - (c) securing specific approval, where required;
 - (d) any restrictions or conditions included in business or service plans;
 - (e) compliance with financial, procurement and land transaction policies approved by the Board from time to time;
 - (f) compliance with financial standards or instructions issued by the Managing Director, Finance and Planning from time to time; and
 - (g) compliance with authorisation procedures and instructions for TfL Chief Officers, subsidiary companies and other officers issued from time to time.

SCHEME OF APPROVAL FOR PROJECTS

7. Projects require approval by the appropriate body or individual as set out in the table below

Group /Subsidiary	Authorising Body	Authority to approve project submissions up to: -	
		for Budgeted Projects *	for Unbudgeted Projects **
TfL Group			
	TfL Board	Unlimited	Unlimited
	Commissioner *** (in his/her absence the Managing Director, Finance and Planning)	£100,000,000	£25,000,000 save for emergencies where the Commissioner may approve unbudgeted expenditure for works urgently required to safeguard the operation or protect the assets of any part of the TfL Group.
	Managing Director,*** Finance and Planning (in his/her absence the Chief Finance Officer)	£25,000,000	£10,000,000 save for emergencies where the Managing Director Finance and Planning may, in the absence of the Commissioner approve unbudgeted expenditure for works urgently required to safeguard the operation or protect the assets of any part of the TfL Group.
	Chief Officers reporting directly to the Commissioner	£5,000,000	£1,000,000
	Senior Officers authorised by Managing Director, Finance and Planning	£2,000,000	£1,000,000
TfL Subsidiaries			
TTL, LBSL, DLR, LUL		£2,000,000	£1,000,000
LRSL, VCSL, LBL		£1,000,000	£500,000

* Projects for which there is full funding in the current year's Budget and future years of the Business Plan

** Projects for which there is insufficient or no funding in the current year's Budget and future years of the Business Plan.

*** A schedule will be submitted to each Finance Committee Meeting, summarising any project approvals given by the Commissioner or the Managing Director, Finance and Planning, since the last Committee meeting and project approvals likely to be sought under their authority prior to the next meeting (where these are known of).

PROCUREMENT AND DISPOSAL TRANSACTIONS

INTRODUCTION

- 1 A definition of Transaction, as referred to in this Appendix, is set out in Attachment 1.
- 2 A Transaction does not include the obtaining of informal or low value quotations in accordance with applicable Procurement Instructions and/or Procedures, or information for budgeting purposes.¹
- 3 Prior to negotiating or otherwise undertaking a Transaction appropriate authorisation of expenditure must be obtained in accordance with Appendix 1.
- 4 The written approval of the Group Treasury Manager must be obtained before any Transaction which will or may constitute a Credit Arrangement² is entered into.
- 5 The Mayor’s Opinion must be obtained before any Transaction involving the disposal by the TfL Group of any property³ which is not required for the purposes of the discharge by TfL of any of its functions is completed.

RESPONSIBILITIES AND AUTHORITIES

- 5 Prior to being entered into, and subject to paragraph 6 below, Transactions (including variations to Transactions) must be approved at the following levels of authority: -

Value	Level
TfL Group	
(a) Unlimited	The Board.

¹ The Board of the LRTPF Trustee Company Limited must have an unfettered right to make investment decisions in accordance with its Trust Deed and therefore the provisions of this Appendix 2 do not apply to the LRTPF Trustee Company Limited.

² For further information as to what constitutes a Credit Arrangement see the guidance notes published by the Group Treasury Manager.

³ Property is not limited to land and/or buildings but includes assets and materials.

(b) Up to and including £100,000,000	The Commissioner or in his/her absence the Managing Director, Finance & Planning. If in the view of the Commissioner, a Transaction has exceptional or unusual features warranting the attention of the Board or is of a high risk nature it must be approved by the Board (regardless of the levels of authority delegated in this Standing Order) unless it has already been approved by the Board.
(c) Up to and including £25,000,000	Each Chief Officer
(d) Up to and including £5,000,000	The Head of Procurement in each TfL Business Unit and each Senior Officer reporting directly to a Chief Officer, subject to obtaining the written consent of the Chief Officer to whom he/she reports.
(e) Up to and including £500,000	Each TfL officer below the level of Senior Officer subject to obtaining the written consent of the Chief Officer to whom he/she ultimately reports.
Transport Trading Limited (TTL)	
(f) Up to and including £5,000,000	TTL, subject to any conditions issued from time to time by the Managing Director, Finance and Planning.
London Underground Limited (LUL)	
(g) Up to and including £5,000,000	LUL, subject to any conditions issued from time to time by the Managing Director, Finance and Planning.
London Bus Services Limited (LBSL)	
(h) General Transactions: Up to and including £5,000,000	LBSL, subject to any conditions issued from time to time by the Managing Director, Finance and Planning.
(i) Transactions for the provision of bus services: up to and including £100,000,000	LBSL, subject to any conditions issued from time to time by the Managing Director, Finance and Planning.
London River Services Limited (LRSL)	
(j) Up to and including £5,000,000	LRSL, subject to any conditions issued from time to time by the Managing Director, Finance and Planning.
Victoria Coach Station Limited (VCSL)	
(k) Up to and including £5,000,000	VCSL, subject to any conditions issued from time to time by the Managing Director, Finance and Planning.

London Buses Limited (LBL)

(l) Up to and including £5,000,000 LBL, subject to any conditions issued from time to time by the Managing Director, Finance and Planning.

Docklands Light Railway Limited (DLR)

(m) Up to and including £5,000,000 DLR, subject to any conditions issued from time to time by the Managing Director, Finance and Planning.

Any person authorised to give a written consent pursuant to this Standing Order may restrict the level of the procurement authority of the person in respect of whom that consent is given.

Where LBSL or LUL is exercising delegated authority pursuant to Paragraph 23 or 26 of this Standing Order, the level of authority for the purposes of this Appendix, shall correspond to the level of authority of LBSL or LUL as applicable.

- 6 Where a call-off contract has been entered to facilitate the supply of low value consumables, each officer employed by TfL, may with the authority of the responsible Senior Officer, authorise the supply of consumables within the terms, conditions, defined scope and price structure of such a contract up to a limit of £1,000 in any single call-off.
- 7 Variations to a Transaction must be approved in accordance with applicable Procurement Instructions and/or Procedures. Where a variation substantially alters the terms and conditions of a Transaction it must be referred for approval by either the same level of authority at which the original Transaction was authorised or if, after the variation, the value of the Transaction requires a higher level of authority, by a person with that higher level of authority.
- 8 A TfL officer with delegated authority to discharge any function on behalf of TfL may not transfer or sub-delegate that authority in any way whatsoever.
- 9 Transactions must not be broken down into lower value Transactions to avoid a requirement for authority at a particular level, UK Procurement Regulations or EC Procurement Directives.

- 10 Where a Transaction is of an indefinite duration, the estimated value for the purposes of paragraph 5 above, is the value of the consideration TfL (or a subsidiary) expects to pay in the first four years. For specific guidance refer to applicable Procurement, Instructions and/or Procedures.
- 11 All sums expressed in this Standing Order are exclusive of Value Added Tax.

ESTABLISHING A TRANSACTION

- 12 Transactions should (other than in nominal or other circumstances defined by Chief Officers and/or in Procurement Instructions and/or Procedures or EC Procurement Directives or UK Procurement Regulations) only be entered into following a competition conducted through a tender process or by competitive quotation.
- 13 Notwithstanding any other authority given by this Standing Order, where it is proposed that a Transaction over the value of £500,000 be awarded other than through a competitive process, the Managing Director, Finance and Planning must be informed before any approach is made to a supplier. Such a Transaction may be subject to review by the Managing Director, Finance and Planning (or such person as he/she may nominate from time to time) if he/she so requires. Where the Managing Director, Finance and Planning has been directly involved in the Transaction, the Commissioner must be informed and the Transaction may be reviewed by the Commissioner (or such person as he/she may nominate from time to time).
- 14 All Transactions must be expressed to be governed by English Law unless otherwise agreed by the Head of Legal Services. Transactions must also be subject to the jurisdiction of the English Courts unless an alternative dispute resolution procedure is required by English Law or otherwise agreed by the Head of Legal Services.

DEFINITION OF TRANSACTION

In this Standing Order, Transaction shall include the following activities: -

- (i) any activity either orally or in writing which commits, or may be taken to commit, TfL (or a subsidiary) to any contractual relationship, including the issue of letters of intent and variations to contracts;
- (ii) the process of obtaining supplies, services and works including seeking formal written tenders or proposals in accordance with applicable Procurement Instructions and/or Procedures;
- (iii) the settlement of any claim for additional payment not covered by an existing contract or arrangement;
- (iv) the imposition of remedies for breach of a contractual commitment e.g. calling of bonds and guarantees, exercising step-in or termination rights; or
- (v) the sale or other disposal of surplus material and assets.

LAND TRANSACTIONS

INTRODUCTION

- 1 Land Transactions require authorisation in accordance with this Appendix and authorisation of expenditure in accordance with Appendix 1, in addition to any authorisations required pursuant to the Act or other statute.¹
- 2 If the Mayor's Opinion and/or the Secretary of State's consent is required, the Land Transaction cannot be completed unless and until the opinion and/or consent is obtained.
- 3 The written approval of the Group Treasury Manager must be obtained before any Land Transaction which will or may constitute a Credit Arrangement² is entered into.
- 4 In addition to the authorisation required under paragraphs 10 to 12 below, all Land Transactions (including, without limitation, the terms and the method of any disposal or purchase) must also be approved by Director of Group Property and Facilities and the Land Transactions must be carried out in accordance with those approved terms.
- 5 All Land Transactions must be carried out in compliance with directions or guidance issued from time to time by the Director of Group Property and Facilities.
- 6 All Land Transactions must be undertaken in compliance with TfL's land and property policies.

¹ The Board of the LRTPF Trustee Company Limited must have an unfettered right to make investment decisions relating to property owned by the Pension Fund, in accordance with its Trust Deed and therefore the internal approval provisions of this Appendix 3 do not apply to the LRTPF Trustee Company Limited.

² For example, any transaction where TfL is becoming a lessee of land (as the result of the grant or assignment of a lease) may be a Credit Arrangement. For further information as to what constitutes a Credit Arrangement see the guidance notes published by the Group Treasury Manager.

CALCULATING THE LEVEL OF AUTHORITY

- 7 Any calculation of the level of authority required for any Land Transaction must: -
- (a) have regard to the total consideration which is to be paid or received pursuant to such Land Transaction;
 - (b) include all costs incurred in relation to the Land Transaction; and
 - (c) where an option forms part of such Land Transaction, assume that such option will be exercised (see Example 3 in Attachment 1 to this Appendix).
- 8 The consideration for the grant, or assignment, of a lease is the sum of: -
- (a) in the case of a lease with a term (or remaining term, in the case of an assignment) of 15 years or less, the annual rent multiplied by the term of the lease (or remaining term, as the case may be); or in the case of a lease with a term (or remaining term) of over 15 years, the annual rent multiplied by 15; and
 - (b) any premium or other consideration payable to purchase or secure the grant or assignment of the lease (excluding service charges, insurance premiums and other outgoings relating to the property).

Please Note: In cases where TfL has the right to break a lease, the number of years by which the annual rent is to be multiplied is the number of years from the year of acquisition by, or grant of the lease to, TfL to the year when the first break may be exercised or 15 years (whichever is the lesser period).

- 9 The consideration on a rent review is the amount of the increase in the rent payable over the remaining term of the lease or 15 years or the period until the next lease break (whichever is the lesser period) only.

Worked examples are included in Attachment 1 to this Appendix.

LEVELS OF AUTHORITY

10 In addition to the approval of the Director of Group Property and Facilities set out in paragraph 4 above, subject to paragraph 11 below (unbudgeted items), Land Transactions must be authorised in writing at the following levels of authority in respect of the consideration to be paid or received.

TfL Group	
(a) Unlimited	The Board
(b) Up to and including £100,000,000	The Commissioner, or in his/her absence, the Managing Director, Finance and Planning.
(c) Up to and including £25,000,000	The Managing Director, Finance and Planning or in his/her absence, the Managing Director, Corporate Services.
(d) Up to and including £10,000,000 (for income generating land transactions only)	Managing Director, Corporate Services or the Director of Group Property and Facilities
(e) Up to and including £5,000,000	Each Chief Officer and, subject to obtaining the written consent of the Chief Officer to whom he/she reports, each Senior Officer reporting directly to a Chief Officer.
(f) Up to and including £500,000	Each Officer below the level of Senior Officer subject to obtaining the written consent of the Chief Officer to whom he/she ultimately reports.
Transport Trading Limited ('TTL')	
(g) Up to and including £5,000,000	TTL subject to compliance with any conditions issued from time by the Managing Director, Finance and Planning.
London Underground Limited ('LUL')	
(h) Up to and including £5,000,000	LUL subject to compliance with any conditions issued from time to time by the Managing Director, Finance and Planning.
London Bus Services Limited ('LBSL')	
(i) Up to and including £5,000,000	LBSL subject to compliance with any conditions issued from time to time by the Managing Director, Finance and Planning.
London River Services Limited ('LRSL')	
(j) Up to and including £5,000,000	LRSL subject to compliance with any conditions issued from time to time by the Managing Director, Finance and Planning.
Victoria Coach Station Limited ('VCSL')	
(k) Up to and including £5,000,000	VCSL subject to compliance with any conditions issued from time to time by the Managing Director, Finance and Planning.

<p>London Buses Limited ('LBL')</p> <p>(l) Up to and including £5,000,000</p>	<p>LBL subject to compliance with any conditions issued from time to time by the Managing Director, Finance and Planning.</p>
<p>Docklands Light Railway Limited ('DLRL')</p> <p>(m) Up to and including £5,000,000</p>	<p>DLRL subject to compliance with any conditions issued from time to time by the Managing Director, Finance and Planning.</p>
<p>Approval of land compensation claims (including compulsory purchase settlements)</p> <p>(n) Up to and including £10 million</p>	<p>Director of Group Property and Facilities, or in his/her absence the Head of Finance (Property) or the Head of Property.</p>

Any person who is authorised to give written consent pursuant to this standing order may restrict the level of authority of the person in respect of whom the consent was given.

UNBUDGETED ITEMS

- 11 Where a Land Transaction is not a budgeted item of expenditure, the level of authority required is as follows: -

Consideration	Level
Unlimited	The Board
Up to and including £25,000,000	The Commissioner, or in his/her absence, the Managing Director, Finance and Planning

REVISION OF TRANSACTIONS

- 12 Where, in consequence of any revision to the terms of a Land Transaction, there is an increase in the total consideration being paid and as a result, the original level of authority will be exceeded, the requisite higher level of authority must be obtained before the transaction is entered into.

Worked examples for calculating the consideration when dealing with leases

Example 1 - Grant of a Lease

1. Assume transaction involves the grant of a lease for a term of 15 years at a current rental of £60,000.
2. The formula to calculate the level of authority is:
 $\text{£60,000 (yearly rental) } \times \text{ 15 (term of lease) } = \text{£900,000}$

Example 2 - Assignment of a Lease

1. Assume transaction involves the purchase/assignment of a lease which has a remaining term of 15 years at a current rental of £60,000. A premium of £30,000 will be paid on completion of the purchase/assignment.
2. The formula to calculate the level of authority is:

a)	£60,000 (yearly rental) x 15 (term of lease) =	£900,000
b)	Add premium	<u>£ 30,000</u>
	TOTAL	<u>£930,000</u>

Example 3 - Grant of a Lease with an Option

1. Assume transaction involves the grant of a lease for a term of 15 years at a current rental of £60,000.
2. The Lease will contain an option to purchase the freehold of the property. The open market value of the freehold as at the date of the grant of the Lease is £5,000,000.
3. The formula to calculate the level of authority is:

a)	£60,000 (yearly rental) x 15 (term of lease) =	£900,000
b)	Add option value	= <u>£5,000,000</u>
	TOTAL	<u>£5,900,000</u>

Example 4 – Rent Review

1. Assume transaction involves the review of rent payable under a lease which has a

remaining term of 10 years at a current rental of £50,000 per annum.

2. The new rent is £75,000 per annum.

3. The formula to calculate the level of authority is:

$\text{£75,000 (new yearly rent) - £50,000 (existing yearly rental) = £25,000}$

$\text{£25,000 x 10 (remaining term of lease) = £250,000}$

TRANSPORT FOR LONDON

TfL BOARD

**SUBJECT : SCHEME OF DELEGATION FOR THE LONDON
TRANSPORT STAFF WELFARE FUND**

MEETING DATE : 29TH OCTOBER 2003

1. INTRODUCTION

- 1.1 As part of the transfer from London Regional Transport (LRT) to Transport for London (TfL) TfL inherited the London Transport Staff Welfare Fund (LTSWF).
- 1.2 A Deed of Amendment and Substitution transferring ownership of the LTSWF was approved by the LT Board at meeting number 253 on 29 May 2003 (Minute 4994 refers) .
- 1.3 This Deed required a Scheme of Delegation to be approved for the authorisation of grants and loans from the LTSWF and this paper proposes such a scheme for the Board's approval.

2. BACKGROUND

- 2.1 The LTSWF was set up in 1948 by the London Transport Board "for the general welfare and benefit of persons who are or have been employed by the Board and of the dependants of such persons". Funding came from such sources as the sale of Lost Property and recipients of grants and loans included the LT (Retired Employees) Housing Association Ltd (who ran "Kenbrook" the now sold retirement home in Wembley), the LT Benevolent Fund and various Friendly Societies as well as individuals.
- 2.2 In recent years it has relied solely on income generated by investments made in earlier years to pay small grants and loans (typically £600 per individual) to staff and pensioners.
- 2.3 The LTSWF is currently valued at £530,000. The funds are held in Trust by the LRT Pension Fund Trustee Co. Ltd. (LRTPFTCL) who have appointed Fieldings Investment Management to manage the Fund on the basis of an investment strategy of 20% Fixed Interest : 80% UK Equities and Authorised Unit Trusts. Income is reinvested to the extent it is not required for loans/grants. Charles Stanley & Co Ltd are custodians of the investments. LRTPFTCL maintain accounts which are independently examined by Chartered Accountants Felton Associates.
- 2.4 The purposes for which the Fund may be used are set out in the Trust Deed, an extract of which is attached at Appendix A.

2.5 The arrangements for delegating authority to administer the Fund are set out in Appendix B. This requires agreement to a Scheme of Delegation, the proposals for which are set out in section 3 of this paper.

3. SCHEME OF DELEGATION

3.1 The Scheme of Delegation comprises the delegation of payment making powers to the following individuals :

(a) Dr Olivia Carlton, Head of Occupational Health, London Underground Limited (who formerly held delegated authority from LRT)

(b) Liz Barrett, Group HR Director TfL

(c) Louella Johnson, HR Director London Underground Limited

3.2 The future of the LTSWF will be considered more fully in a further paper to the Board at a later date, following discussions within TfL and LUL and with the Trustee.

4. RECOMMENDATIONS

The Board is asked to **APPROVE** delegations (under Clauses 3(a) & (b) of the amended LRSWF Principal Deed) as set out in para. 3.1 above.

Sue Timbrell
Director of Pensions

Purpose of the LT Staff Welfare Fund – Extract from the Trust Deed

The TfL Board can apply the Fund as they “may from time to time in their absolute discretion direct for –

- (a) the welfare health maintenance training education recreation or benefit-
 - (i) of any person who is in the service of the Board or who has left the service of the Board on account of redundancy or who has retired from the service of the Board on account of age or bodily or mental infirmity and
 - (ii) of the dependants of any person mentioned in sub-paragraph (i) of this paragraph or of any person who dies whilst in the service of the Board and
 - (iii) of any person in receipt of benefits from the pension scheme known as the LRT Pension Fund established by an interim trust deed dated 26 November 1986 or such other pension scheme as Transport for London may in writing nominate and the Trustee Company by Deed approve for this purpose.
- (b) the making of payments whether periodical or otherwise by way of reimbursement of or towards any expense incurred by any person or organisation upon whom any person mentioned in sub-paragraph (a) (i) of this paragraph is for the time being or has been wholly or partially dependent for support or if that person is dead upon whom he was so dependent at the time of his death or had previously been so dependent

Provided that nothing in this Deed shall afford to any person or organisation any right whatsoever to receive any payment from the Staff Welfare Fund

- (2) In this Deed -
 - (a) the expression “dependants” means and includes any persons who are for the time being wholly or partially dependent for support on the person in relation to whom they are described as dependants or if such person is dead who were so dependent for support or such person at the time of his death
 - (b) the expression “service of the Board” includes
 - (i) service in the employment of :
 - (A) Transport for London (“TfL”),
 - (B) any subsidiary of TfL, or

- (C) a Company which TfL formed, or joined with others in forming, by virtue of section 156 (1) of the Greater London Authority Act 1999 (“the 1999 Act”) and which is not a subsidiary of TfL,

and for this purpose “subsidiary” has the same meaning as in the 1999 Act.

- (ii) service in the employment of any private sector company by an individual who by virtue of that employment has or had at any time a right (whether statutory or contractual) to be a member of any prescribed LRT Pension Scheme, and for this purpose “private sector company”, “prescribed” and “LRT pension scheme” have the same meanings as in Schedule 32 to the Greater London Authority Act 1999.
- (iii) service in the employment of LRT or of any subsidiary of LRT and for this purpose “subsidiary” has the same meaning as in the London Regional Transport Act 1984 (“the 1984 Act”) and includes any company treated by virtue of Section 62 of the 1984 Act as a subsidiary for the purposes of the 1984 Act, or
- (iv) service in the employment of any subsidiary of the Board and for this purpose “subsidiary” has the same meaning as in the Transport Act 1962.”

Power of Delegation in respect of the LT Staff Welfare Fund

The Deed of Amendment and Substitution sets out how the TfL Board may exercise its powers as follows:

- “(a) The board of TfL (the “Board”) may determine that the power of TfL to give directions and to give or withhold any approval under this Deed may be exercised through such one or more of the members of the Board acting singly or jointly as the Board from time to time shall have authorised;

- (a) Any member or members of the Board who are authorised to exercise the powers in (a) above may delegate to any one or more responsible individuals on such terms and conditions as such member or members think fit, the day to day administration of the Staff Welfare Fund, including investigation as to whether it is necessary or desirable to make any payment from the Staff Welfare Fund and the making of such a payment if the individual is of the opinion that it is necessary or desirable. Any such responsible individual may be removed or replaced by a member of members of the Board who are authorised to exercise the powers in (a) above.”

TRANSPORT FOR LONDON

TfL BOARD

SUBJECT: TfL COMPANY SECRETARY

MEETING DATE: 29TH OCTOBER 2003

1. PURPOSE

- 1.1 Following Fiona Smith's appointment as General Counsel with effect from 20 October 2003, it is proposed that she be appointed as TfL Company Secretary with immediate effect.
- 1.2 Appointment of the Company Secretary requires an appropriate resolution of the TfL Board

2. RECOMMENDATIONS

- 2.1 The Board is asked to APPROVE Fiona Smith's appointment as Company Secretary of TfL .

AGENDA ITEM 12

**DOCUMENTS SEALED ON BEHALF OF TRANSPORT FOR LONDON FROM 15TH
JULY 03 – 13TH October 2003**

ITEM NO	DOCUMENT DESCRIPTION	DOCUMENT SEALED WITH
625	Trade Mark Assignment (Registration in Benelux)	London Regional Transport
626	Power of Attorney for the trade marks and designs Benelux	The Partners of Nederlandsh Octruoi Bureau
627	Application for Registration of Assignments of Trade Mark - China	London Regional Transport
628	Power of Attorney to the Trade Mark office of the State Administration for Industry and Commerce of the peoples Republic of China	CCPIT Patent & Trademark Law Office
629	Trade Mark Assignment (Germany)	London Regional Transport
630	Trade Mark Assignment (Hong Kong)	London Regional Transport
631	Trade Mark Assignment (Japan)	London Regional Transport
632	Power of Attorney Japan	-
633	Power of Attorney Assignment of Japanese Trade Mark application	-
634	Trade Mark Assignment (Malaysia)	London Regional Transport
635	Trade Mark Deed of Assignment (New Zealand)	London Regional Transport
636	Authorisation of Agent Baldwin	Shelston Water
637	Trade Mark Assignment (Singapore)	London Regional Transport
638	Certificate of Statutory Authority	-
639	Power of Attorney (Taiwan)	-
640	Deed of Assignment (Taiwan)	London Regional Transport
641	Assignment of Mark	-
642	Confidentiality Agreement with Steve Lewis of Black Mountain	Steve Lewis
643	Confidentiality Agreement with Black Mountain Cadre Limited	Black Mountain Cadre Limited
644	Joint Arrangement in connection with the enforcement of Bus Lane contravention's in London Borough of Haringey	The London Borough Of Haringey
645	Joint Arrangement under the 1996 London Authorities Act	The London Borough of Croydon

646	Section 8 Highways Act 1980 Agreement	London Borough of Barking and Dagenham
647	Section 8 Highways Act 1980 Deed of Easement - A406 Footbridge for access from landowner	Fresh Wharf Estates Limited
648	Section 278 Highways Act 1980 Agreement – Queens Road New Cross – construction of works on Highway Land adjacent to phase 1 Kender Estate Redevelopment London SE24	Hyde Housing Association Limited, Geoffrey Osborne Limited, Hermes Kreditversicherungs Ag
649	Deed of Release of Indemnity	Beecham Group Plc, Smithkline Beecham Plc
650	Deed Poll of Freehold Land at Newham Way	East Thames Housing Group
651	Transfer of Land from the London Borough of Hillingdon (Form TPI) A40 Western Avenue - –Junction Improvement at Swale Leys Road	The London Borough of Hillingdon
652	Agreement Relating to Financial Assistance, Taxicard	Association of London Government
653	Deed Poll, Transfer of Freehold Land situated in the London Borough of Newham	London Borough of Newham
654	Deed Poll, Transfer of Free Hold land situated in the London Borough of Newham	The London Borough of Newham
655	Deed Poll, Transfer of Free Hold Land, at East Ham, Newham	The London Borough of Newham
656	Deed Poll Transfer of Free Hold Land being half width of A13 Newham Way	The London Borough of Newham
657	Deed Poll, Transfer of Free Hold Land situated at Acton in London Borough of Ealing	The London Borough of Ealing
658	Purchase of Free Hold Land at Purfleet Rangers	Secretary of State for Defence
659	Deed of Agreement Instruction for Tendering Volume One Quality Submission and Financial Submission	Edmund Nuttall Ltd
660	An Agreement imposing obligations on the Centre International Limited relating to the use of confidential information provided by TfL in connection with services it carries out for TfL	The Centre International Limited

661	Section 1 Instructions to Tender Section 2 General Terms & Conditions Section 3 & 4 contract Specification & schedule of Rates	Microsense Ltd
662	Deed Poll of Transfer of Freehold Land within plots 12 & 12a and section 250 right taken over plot 12c within the London Borough of Barking and Dagenham	London Borough of Barking and Dagenham
663	Purchase of freehold land being half width of A13 Trunk Road	Hatton Autos
664	Deed of Assignment and Tender Submission with TfL & PSComm LLC(Including the instructions for Tendering articles of agreement and general conditions, specified contract requirements and the schedule of rates)	PSComm
665	Joint agreement under the 1996 London Local Authorities Act to allow TfL bus mounted cameras and static video cameras for enforcement of bus lanes.	LB Waltham Forest
666	Purchase of freehold land within Plot 35 at Newham Way	Mr and Mrs Langford
667	Deed for Contract No TfL1670	Norwest Hoist Construction Ltd
668	Agreement Relating to Financial Assistance	London Borough of Hounslow
669	Premium Lease of 31 Blenheim Terrace London NW8	Dancer Limited
670	Joint agreement in connection with the enforcement of bus lanes contraventions in London Borough of Islington	London Borough of Islington
671	Joint agreement in connection with the enforcement of bus lanes contraventions in London Borough of Bromley	London Borough of Bromley
672	Section 278 Highways Act 1980 Agreement for highway works at 845/857 London Road Thornton Heath	Lial UK GmbH
673	Contract by Deed Section 1 Instructions to tender and form of tender Section 2 General Terms & Conditions Section 3&4 contract specification and schedule of Rates	TE Beach (constructors) Ltd
674	Section 177 Highways Act 1980 Licence to overhang the highway at Holloway Road	London Metropolitan University
675	Purchase of freehold land previously known as 22, 29 & 31 Coventry Gardens Alfreds Way, Barking	National Power
676	Agreement Relating to Financial Assistance. TfL grant to London Borough of Croydon under s159 of the GLA Act 1999	London Borough of Croydon

677	S278 Highways Act 1980 Agreement for Highway Works being the construction and adoption of stairway at Tower Place	TST Tower Place, City of London, Eurohypo AG
678	Deed of agreement Children's Traffic Club	Boyfield Design Associates
679	Transport for London (Restructuring) Transfer Schemes 2003	TTL, LBSL, LUL
680	Consideration Deed – Relating to certain transfers made pursuant to the TfL (Restructuring)	TTL, LBSL, LUL
681	Section 278 Highways Act 1980 Agreement to enable TfL to carry out highway works to Foxley Lane, Croydon	McCarthy Stone (Developments) Ltd
682	Section 8 Highways Act 1980 Agreement to carry out highway works to London Borough of Croydon's highways	London Borough of Croydon
683	Lease relating to unit 7 Coulsdon North Industrial Estate, Station Approach, Coulsdon Surrey	Wallington Scaffolding
684	Agreement of lease relating to unit 8 Coulsdon North Industrial Estate Station approach Coulsdon Surrey	Maze Scaffolding Limited
685	Joint Arrangements under the 1996 London Local Authorities Act to allow TfL bus mounted cameras and static video cameras and static video cameras to enforce of bus lanes controlled by London Borough of Ealing	London Borough of Ealing
686	Joint agreement under the 1996 London Local Authorities Act in connection with the enforcement of bus lane contraventions in London Borough of Hackney	London Borough of Hackney
687	Section 278 agreement, execution of highway works at Purley Way Croydon	Daimlerchrysler UK Retail Ltd
688	Section 8 Highway Act 1980 Agreement to enable TfL to carry out highway works on Lambeth's highway for Waterloo Bus Station	London Borough of Lambeth
689	Deed Poll of Freehold Land known as plots 34&34a Fairhile Close.	Vijay Kara & Sheela Gajparia
690	TfL grant to the London Borough of Hounslow under Section 159 of the GLA Act 1999. The grant is not to exceed £70000 and used to improve the environment of Hounslow bus and LUL Hounslow East Interchange	London Borough of Hounslow
691	Deed of variation tot he duration of a joint arrangement dated 1 April 02 between TfL and London Borough of Croydon in connection with the enforcement of bus lane contraventions entered into pursuant to section 101 of the local Government Act 1972	The Mayor & Burgesses of the London Borough of Croydon

692	Deed of Agreement. Contract for Hardware Engineering service.	Traffic Signals (UK) Limited
693	Deed of Agreement. Contract for Hardware Engineering Services.	Capital Signals Limited
694	Deed of covenant and release. An agreement under which Barratt Homes Limited give Transport for London a covenant that will do nothing on its land that could affect the structural integrity of the public subway belonging to TfL which passes the Great West Road.	Barratt Homes limited SmithKline Beecham Plc
695	Deed Poll, transfer of Freehold Land.	Mr M A Quereshi
696	Section 278 Highway Act 1980. Agreement to carry out works to the Highway at Farnborough hospital access	Taylor Woodrow Construction Ltd
697	Purchase of Freehold Land. Transfer of Land required for A2 Shooters Hill/Tyler Road/Hyde Vale junction improvement.	The Right Honourable William Tenth Earl of Dartmouth
698	Joint Agreement under the 1996 London local Authorities Act to allow TfL bus mounted cameras and static video cameras to enforcement bus lane controlled by Boroughs	London Borough of Bromley London Borough of Croydon