

# TRANSPORT *FOR* LONDON

## AGENDA

### BOARD MEETING

**TO BE HELD IN ROOM AG16  
ROMNEY HOUSE, MARSHAM STREET, LONDON SW1P 3PY  
ON TUESDAY 29<sup>th</sup> MAY 2001, STARTING AT 10.00 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. Please note that members of the press should use the Tufton Street Entrance.

1. Apologies for absence Oral Item
2. Minutes of previous Board meetings  
2.1 [Board meeting held on 13<sup>th</sup> March 2001](#)
3. Matters arising, not covered elsewhere
4. PPP Update Oral Item
5. [Commissioner's Report](#) Paper by TfL
6. Finance and Performance  
6.1 [Finance and Performance Report](#) Paper by TfL  
6.2 [Budget](#) Paper by TfL  
6.3 [TfL Business Plan](#) Paper by TfL
7. [Update on Major Rail Schemes](#) Paper by TfL
8. Reports from Committees  
8.1 [Safety, Health and Environment Committee](#) Oral Item
9. Any Other Business

# **Transport for London**

Minutes of a meeting of the Board  
held on Tuesday 13<sup>th</sup> March 2001, starting at 10.00 a.m.  
in Room AG16, Romney House, Marsham Street, London SW1P 3PY

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**Present:** Ken Livingstone (Chair)  
**Board Members:** Dave Wetzel (Vice-Chair)  
David Begg  
Stephen Glaister  
Kirsten Hearn  
Mike Hodgkinson  
Oli Jackson  
Susan Kramer  
Robert Lane  
Joyce Mamode (Items 10 to 17)  
Paul Moore  
Steven Norris  
David Quarmby (Items 17 to 22)  
Tony West

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

**Others  
in attendance :** Robert Kiley  
Betty Morgan  
Maureen Nolan  
Michael Swiggs  
Jay Walder

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## **10/01 APOLOGIES FOR ABSENCE**

Apologies for absence had been received from Jimmy Knapp. Nicky Gavron, normally in attendance at meetings, had also sent her apologies.

## **11/01 MINUTES OF THE PREVIOUS MEETINGS**

The minutes of the previous meeting held on 23<sup>rd</sup> January and the private meeting held on 8<sup>th</sup> February were **agreed** as a true record.

## 12/01 MATTERS ARISING

- 12.1/01 Statistical breakdown of the workforce (Minute 04.1/01)  
It was **noted** that the Chair had requested a report from Angela Mason on monitoring gay and lesbian issues. It was further **noted** that TfL had been continuing work in this area, in consultation with Lee Jasper.
- 12.2/01 Mayoral Requirements for London Rail Network (Min 12/01).  
It was **noted** that the draft guidance would be circulated to Board Members when finalised.

## 13/01 REPORTS

### 13.1/01 Commissioner's Report

The Commissioner gave an oral update on recent and future developments, and highlighted the major items on the agenda. It was **noted** that in future, this item would take the form of a written report.

#### *Corporate governance*

The main focus of the Board meeting was to agree the new decision making framework for TfL and the new Standing Orders to enable the new structure to take effect.

#### *PPP*

Extensive negotiations on PPP had taken place over the previous month with the DETR and Treasury and discussions were continuing. The main issue remained that of unified management control. At a private meeting of the Board held on 1<sup>st</sup> March, progress had been reviewed and legal advice taken. At that meeting, the Board delegated to the Commissioner the decision on whether, and when, TfL should seek a judicial review of PPP on the grounds that, as currently framed, the proposals were inconsistent with TfL's statutory duties. The Commissioner remained optimistic that a solution could be achieved in the near future.

#### *London Underground*

A series of regular meetings had been initiated to facilitate the integration of London Underground into TfL.

### *Appointments*

Jay Walder had recently been appointed Managing Director, Performance and Finance, and Jeroen Weimar had been appointed Chief of Staff to the Commissioner. Appointments to the posts of Director of Communications and Chief Press Secretary would be announced in the near future.

Ian Brown, Chief Executive of Docklands Light Railway, would be advising the Commissioner over the next six months on rail service initiatives.

### 13.2/01 Development of Performance Indicators and monthly Performance Reports (January 2001)

A paper outlining the further progress made to date in reviewing performance indicators for TfL and for London Underground was considered.

The following points were **noted** during discussion:

- it was anticipated that, in future, the Advisory Panels and the Finance and Audit Committee would examine the Performance Reports in depth;
- an overview comparison with the London economy was suggested as a useful addition in future;
- it was **agreed** that consideration should be given to the inclusion of data on assaults in future reports;
- the suggestion of utilising CCTV equipment to cut down on assaults was **noted**. The Commissioner reported that he proposed working on this proposal in co-operation with the Metropolitan Police Authority, covering employees and customers in buses, taxis and London Underground. It was **noted** that the board of London Bus Services Ltd. examined data on assaults on buses on a regular basis and that TfL was collaborating with the MPA on measures to reduce violence on buses;
- work undertaken on social inclusion issues (including mystery shopper surveys) should be extended;
- it was **agreed** that the report should be taken in business sections in future;
- it was **noted** that London Underground had been specifically invited to send a representative to the meeting to provide background information, but no representative was present;

- queries were raised on the performance of the Woolwich Ferry and it was **agreed** that an explanatory note should be circulated to Board Members.

13.3/01 Best Value Performance Plan

A paper updating progress made on Best Value and the arrangements in place to implement Best Value in TfL was considered.

It was **noted** that TfL was under a statutory requirement to approve the Plan. A copy of the full Plan was available to Board Members on request.

Following discussion, the Board **noted**:

- (i) the summary of the Best Value Performance Plan, and the intention that the full Plan should be finalised and approved by the Managing Director, Finance and Performance and published before 31 March;
- (ii) the performance indicator projections for 2001/02; and
- (iii) the draft programme of Best Value Reviews (to be considered by the Commissioner and his management team, finalised and then included in the published version of the Best Value Performance Plan).

13.4/01 Health, Safety and Environmental Policy Advisory Group

David Quarmby supplied a short report as follows:

- the Health, Safety and Environmental Policy Advisory Group had met on 21<sup>st</sup> February, at which a presentation had been made on Safety Management Systems in place across TfL. Specific work had been identified to take forward on bus service contracts and Croydon Tramlink;
- a need had been identified for safety advisors to present an overview on current systems across TfL at the next meeting, scheduled for 19 April;
- the principles of Safety Key Performance Indicators (SKPIs) had been developed and a work programme had been identified to specify the level of detail and consistency required for SKPIs across TfL;

- issues of importance concerning the health and safety obligations of contractors had been identified. The issues surrounding Section 3 liabilities would be clarified by seeking Counsel's opinion;
- comments from TfL Safety Advisers on the draft Transport Strategy had been included in the Board paper 8.1; and
- TfL's response to the HSE Consultation Document on Health and Safety Responsibilities of Directors had been made by the deadline of 9 March.

#### 14/01 REVISIONS TO DECISION-MAKING FRAMEWORK

A paper outlining the revised governance proposals for TfL was considered. It was **noted** that an informal discussion of Board Members had been held on 5<sup>th</sup> March, at which Board Members had discussed the outline of the proposed structure.

The Commissioner outlined the proposed new structure under which the TfL Board will set policy, agree strategic direction and oversee the performance of the executive team. All day to day operational responsibility will be delegated to the Commissioner, who will be advised by an Executive Management Group. Three Board committees (Remuneration, Finance & Audit, and Health & Safety) will report directly to the Board and ensure that key areas are monitored by Board Members. Three Advisory Panels would ensure that Board Members provide strategic advice on the development and implementation of policy to the Commissioner.

Board Members welcomed the proposals. During discussion, the following points were **noted**:

- the quorum for the proposed committees and Advisory Panels (in particular the Remuneration committee) appeared to be low, although it was noted that the size and composition of the groups had not been finalised. The Chair suggested the use of alternates at meetings to cover any Board Members' absences;
- it was considered that there was an argument for increasing the level for disposals of land property transactions;
- the Terms of Reference of the Rail Services Panel should include reference to national rail issues;
- consideration should be given to applying a limit on cumulative totals of approval of transactions (of which the Board should be aware);

- a gender-neutral approach should be employed consistently throughout the Standing Orders and equal opportunities should be incorporated into the terms of reference of all the Panels and committees;
- it was suggested that the name of the Surface Services Advisory Panel should be changed to Surface Transport panel and the name of the Rail Services Advisory Panel should be changed to Rail Transport Advisory Panel.

It was **noted** that the Executive Management Group will include integration issues within its remit and it was **agreed** that this should be incorporated into its Terms of Reference.

It was **noted** that an additional group, to examine the appraisal of large capital projects, was under consideration.

Following discussion:

- (i) the proposed decision making framework was **agreed**;
- (ii) Standing Orders 1-5, as outlined in the Board paper, which would give effect to the proposed framework, were **agreed**;
- (iii) the power to determine the quorum and make initial appointments of members and officers to the committees, groups, bodies of members and officers and bodies of officers as described in the Appendices to Standing Order No. 1 was delegated to the Chair, in consultation with the Commissioner;
- (iv) the power to make any minor drafting amendments to the Standing Orders was **delegated** to the Commissioner;
- (v) it was **agreed** that the Standing Orders should be reviewed formally in one year's time.

## 15/01 **2001/02 BUDGET**

A paper outlining the decisions taken by the GLA Assembly on 15<sup>th</sup> February, confirming the proposed budget allocations within T/L, and reporting on the current position concerning the proposed arrangements for funding proposed programme for 2001/02 was considered.

Following discussion:

- (i) the budget allocations to individual business units and deliverables against these, as outlined in paragraphs 4.1 to 4.3 and Appendices 1 and 2 in the Board paper, were **agreed**, subject to determining a process to deliver the required efficiency savings referred to in paragraph 5.1 of the Board paper;
- (ii) the level of reserves, cash management proposals and monitoring arrangements outlined in paragraphs 4.5 and 4.5 and Sections 6 and 7 of the Board paper were **agreed**;
- (iii) it was **agreed** that authority be delegated to the Managing Director, Finance and Performance/Chief Finance Officer to agree borrowing facilities to meet the requirements set out in paragraph 6.2.3 of the Board paper; and
- (iv) the Board confirmed the continuation for 2001/02 of a variable rate overdraft limit of £20 million for TfL.

## 16/01 **FARES**

### 16.1/01 Bus fares Proposals for May

A paper recommending a number of bus fares and ticketing initiatives for implementation in May 2001 was considered.

The main proposals under consideration aimed at non-regular travellers comprised:

- the introduction of a carnet of bus tickets for single bus journeys, to be known as the Saver;
- the replacement of the two current zonal One Day Bus Passes by a single ticket valid across London; and
- a reduction in the price of All-zones Bus Pass season ticket.

Board Members **agreed** that it would be desirable if tickets were available for sale at a wide variety of outlets, such as Underground stations, newsagents close to stations, ticket machines at roadsides and petrol stations.

Following discussion, the Board **agreed** to recommend to the Mayor the package of fares measures as outlined in paragraphs 7 to



10 in the Board paper, to be introduced with effect from 20 May 2001.

16.2/01 Targeted Fares Initiatives

A paper outlining the fares initiatives of free travel for schoolparties visiting cultural events and discounted fares for travelcard holders on riverboat services was considered. It was **noted** that these initiatives had been agreed in line with the Mayor's strategy on fares, as set out in previous papers to the Board.

It was **noted** that Annex A provided for a maximum group size of 10 school children with one accompanying adult, but it was considered that this should be increased to provide for more than one accompanying adult per group.

The fares initiatives, as outlined, were **noted**.

17/01 **RESPONSES TO THE MAYOR'S DRAFT STRATEGIES**

It was **noted** that the Mayor had issued his draft Transport Strategy for public consultation in January 2001, with a closing date for comments on 30<sup>th</sup> March 2001. A special meeting of Board members had been held on 20<sup>th</sup> February to discuss the draft Transport Strategy and the Economic Development Strategy. A detailed note of the meeting would be circulated to Board Members.

A paper summarising the main points raised by Board Members at that meeting and also the comments of TfL Officers was considered. In addition, two papers summarising the comments from TfL Officers on the Mayor's draft strategy on Air Quality and Biodiversity were considered.

It was **noted** that the Mayor's Spatial Development Strategy was of particular relevance and the fifteenth draft was shortly to be published.

Following discussion, the Board **noted** the comments made by the Board and TfL Officers on the four following draft strategies:

- Transport Strategy
- LDA draft Economic Development Strategy
- Air Quality Strategy
- Biodiversity Strategy

In addition, the Board **agreed** that the comments should be forwarded to the GLA (the LDA in the case of the Economic Development Strategy), along

with the detailed comments from Board Members and TfL Officers. It was further **agreed** that Board Members should forward additional comments to the Commissioner.

Joyce Mamode left the meeting.

## 18/01 TAXI ISSUES

The Chair introduced this item with a statement regarding his view of the need to address a number of issues affecting supply and demand of taxis and minicabs in London, and a number of strategic issues affecting the augmentation of, and facilities granted to the service suppliers; and the service levels sought by all sections of London's population.

### 18.1/01 Taxi fares in 2001

A paper outlining proposals for a change in fares for licensed London taxis was considered. It was **noted** that the proposed increase was the first change in fares since TfL had assumed control from the DETR.

During discussion, it was **noted** that at this stage, and pending further strategic discussions with the taxi trade (and the upgrading of taxi meters to a universal standard) there would be no change in the night tariff.

Following discussion, it was **agreed** that:

- (i) the licensed basic taxi tariff would be revised on 28<sup>th</sup> April 2001;
- (ii) the basic tariff should be increased to achieve a 5.5% increase in the average taxi fare, as specified in the Appendix to the Board paper; and
- (iii) no change will be made to the minimum fare, or to extra charges;

It was further **agreed** that the Commissioner be authorised to sign the London Cab Order 2001 to bring the new tariff into effect.

18.2/01 Private Hire Consultative Document

A paper seeking approval to finalise and issue the consultation document on Driver Licensing for London's private hire drivers and to review the existing private hire operator regulations was considered.

Following discussion, the Board **agreed** that, subject to any further suggestions from Board Members (by 23<sup>rd</sup> March), the consultation document be finalised and issued by the Commissioner.

It was **noted** that the responses, when considered, should be reported to the TfL Board.

It was further **noted** that the existing Operator Regulations will be reviewed.

19/01 **FUTURE OF EAST THAMES BUSES**

A paper outlining the future options available for London Buses Limited (trading as East Thames Buses), which had been discussed by the Management Board on 27<sup>th</sup> February, was considered.

The Board **agreed** the recommendations made by the Management Board on 27<sup>th</sup> February, as outlined below, subject to the Director of Bus and River Services obtaining further legal advice.

The Management Board recommended that, subject to an ability to pass a "best value" test for the 2001/2 budget, the following items should be pursued as soon as possible:

- (a) the current routes operated by East Thames Buses (ETB) should not be re-tendered for the present time and ETB should continue to operate these routes;
- (b) ETB will not bid for any other routes;
- (c) ETB should be established as a basis for market intervention in the event of operator failure, excessive high bidding or unremedied poor performance;
- (d) the financial and operational performance of ETB should continue to be separately reported to TfL;

- (e) for as long as ETB does not tender for bus routes, the Director of Bus and River Services should be appointed as Chair of ETB but that in all other respects ETB will remain independent of LBSL; and
- (f) ETB should be managed separately, locally and appropriately for an operation of its size; and a permanent Managing Director should be sought through competitive advertisement.

The Board **agreed** to delegate to the Commissioner authority to approve any changes that may arise to the recommendations set out above.

It was **noted** that Transport Trading Limited, as the Majority Shareholder, will effect the appointment of the Director of Bus and River Services as Chair of ETB.

20/01 **PROCEDURAL ITEMS**

20.1/01 Chair's Actions for endorsement

The following Chair's actions, which had been taken since 23<sup>rd</sup> January 2001, were **endorsed**:

Date	Action	Taken By
13 <sup>th</sup> February	Advance payment of compulsory purchase compensation payable to London borough of Enfield.	D. Wetzel
15 <sup>th</sup> February	Operation and maintenance of the Docklands Roads into the A13 DBFO contract.	D. Wetzel
22 <sup>nd</sup> February	Approval for London Bus Services Ltd to take a lease of office space and parking spaces at Trinity Business Park, Chingford.	D. Wetzel

21/01 **ANY OTHER BUSINESS**

There being no further business, the meeting closed at 12.30 p.m.

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## **TRANSPORT FOR LONDON**

**SUBJECT: COMMISSIONER'S REPORT FOR MAY 2001**

**MEETING DATE: 29 May 2001**

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### **1. PURPOSE**

This is the Commissioner's written report for May 2001. This report:

- Reviews the operational performance of TfL's businesses since the last Board meeting;
- Informs the Board of strategic issues and challenges facing TfL; and
- Updates the Board on recent TfL initiatives and management team actions.

### **2. INTRODUCTION**

This is the first meeting of the Board under our new governance arrangements and follows the first cycle of panel and committee meetings.

The Streets Management and Surface Transport panels met on 27 April and the Rail Transport panel met on 30 April. All three panels considered detailed performance reports from the relevant TfL businesses and have provided valuable input and guidance to the management team.

The Finance and Audit Committee chaired by Mike Hodgkinson met on 3 May. This meeting considered TfL's performance against the 2000/01 budget, the budget for the current fiscal year and end of year budget and proposals for the preparation for TfL's business plan and budget for future years. A separate report to the TfL Board by Jay Walder further covers these issues.

The Health Safety and Environment Committee chaired by David Quarmby met on 11 May. There is also a report from their committee on the agenda of this board meeting.

### **3. INTEGRATING TfL ACTIVITIES**

TfL is a unique organisation. We are the only transit authority in the world which covers such a wide range of transport modes within a metropolitan area. However we are still a relatively young organisation composed of a number of operational businesses with long histories of autonomy. Integrating and moving them forward is a major part of our challenge.

TfL's management structure now reflects the broad groupings around Surface Transport, Street Management and Rail Services (although the latter will be largely defined by the eventual arrangements around the Underground). Street Management is starting to take a more holistic view of road users (especially pedestrians and cyclists) compared to its predecessors. Similarly we are examining how the various modes within Surface Transport can work together. On major projects such as the London Bus Initiative we are using expertise and skills from across TfL.

This is, however, only a start. We still have a lot more to do to integrate TfL's activities. The Panel discussions have highlighted inconsistencies in data collection and performance information.

We have inherited different ways of understanding customer needs and perceptions; setting service standards; and assessing the quality of our performance.

The corner stone to a strong, purposeful and integrated organisation will be our business planning process. This has already been discussed at the Finance and Audit Committee and also features on the main TfL Board agenda. The business plan will take its lead from the Mayor's Transport Strategy and set out TfL's coasted operational plans for the next five years. Our first business plan will be complete by the end of this calendar year.

#### **4. CURRENT PERFORMANCE ISSUES**

Our performance information is far from perfect; we have too much information which is poorly focused on the operational needs of our business. We must avoid endless debate about the merits of different indicators. The business planning process will identify the relevant performance data that senior management and the TfL Board can use to better understand, monitor and influence TfL's operations. It will take some time to get this right.

An overview of operational performance is provided in the Finance and Performance report, but there are some particular issues that I would like to draw to your attention.

##### **4.1 *Passenger demand***

There has been a steady increase in passenger journeys across our major modes (4.5% for buses; 4.6% for Underground) over the past year. This growth in public transport use has been accompanied by an increase in general traffic levels of 2.4% on the Transport for London road network. Our internal revenue modeling indicates that the bulk of the increase in travel demand was due to the continued strength of the London economy and the growth of London's population over the course of the year.

We need to know more about the demand drivers for all our transport modes and have better information on what is happening to the London economy. This is critical to our forward planning, particularly if we are to shift travel demand away from private road use towards public transport against a backdrop of ongoing population growth and economic expansion. I will be holding discussions with a number of public and private sector organisations to examine options how we improve the quality of economic data and analysis on the London economy.

##### **4.2 *Service reliability***

The overall performance of the bus service has improved since January, but from a low base. Scheduled mileage is also rising, reflecting increasing demand on existing routes and new services in areas previously without a bus service.

The level of lost mileage due to staff shortage is significant though reducing. We will be looking at the impact of the TfL bonus (introduced on 31<sup>st</sup> March) on staff shortages over the coming months. Traffic lost mileage remains a principal cause of poor service quality, due to unpredictable congestion, road works and inadequate enforcement. Peter Hendy has set up a performance task force to review the poorest performing routes and is addressing these with the contractors concerned. He is also looking for improved quality as well as higher volume through the shift to quality contracts.

On the Underground, lack of staff availability is a significant factor behind incidents and unplanned closures. I am glad to see they are introducing a series of initiatives to reduce cancellations due to train operators not being available.

#### **4.3 *Passenger safety***

Safety is of prime importance to TfL. I intend to put a more detailed report to a future TfL Board meeting to discuss the safety issues on our transport system. This is an area which highlights the complexities of our different modes. On closed systems such as DLR and Underground we are in control of the vehicles and environment through which they run. Passenger safety can therefore be closely managed through the design and operation of the system. Buses are controlled environments internally, but interface with a range of external factors when passengers are entering and leaving; many of the passenger injuries involve third parties.

Managing safety on the TLRN is a very different proposition. We do not have direct control of the vehicles or means of controlling access to the system. Although we have an important role in designing a safe environment our degree of influence is of a different order. These complexities must be reflected in our approach to passenger and road user safety. The final version of TfL's London Road Safety Plan will be discussed at the next Street Management Panel.

#### **4.4 *Financial efficiency***

TfL's credibility also depends upon robust financial management. There is a detailed report from the Managing Director of Finance and Performance setting out our budgetary position and plans for the coming year.

### **5. INITIATIVES**

There are a number of recent initiatives on which I would like to update the Board. I have also included brief progress reports on two of our major projects.

#### **5.1 *Bus fares***

The Board approved a bus fares package in March which was implemented on 20<sup>th</sup> May, introducing the carnet ticket and cheaper bus passes and making a significant further step to reducing cash on the buses to improve journey times and staff security. Peter Hendy is looking into the possibility of an experiment with "no cash on the bus" on one route in the Autumn.

#### **5.2 *Taxi and private hire***

The Mayor has announced a package of changes for the black cab and private hire trades. These include:

- Tariff increases for taxis in the evening and at night,
- A review of taxi ranks,
- Investigating further methods for emission reduction,
- Enabling CCTV fitment in taxis.
- A review and strengthening of enforcement,
- A review and reform (without diminishing the standard) of the "knowledge",
- Broadening the base of potential taxi drivers to reflect London's diverse population,

- Reviewing the present “six mile” limit to taxis.
- Determining demand indicators for both modes,
- Establishing customer satisfaction indices for both modes,
- Reviewing the process of private hire licensing.

These are being taken forward by Peter Hendy, and a report will be brought to the Board later in the year. In the immediate future, private hire operators licensing is about to start and consultations on driver licenses will commence.

### **5.3 *Enforcement of bus lanes***

From 1 April 2001 TfL took over responsibility (from the Metropolitan Police) for the camera enforcement of bus lanes on the TLRN. This move allows for consistency of penalties across London – all bus lanes penalties are now £80 reduced to £40 for prompt payment – and for the income from penalties to be reinvested in an enhanced enforcement capability. During the summer we will be running a major communications campaign which will highlight the anti-social aspects of driving and stopping in bus lanes and at bus stops.

### **5.4 *Crossrail***

The Government has confirmed that TfL and the Strategic Rail Authority (SRA) should take forward new East-West rail link (cross-rail) as a joint venture. A Board paper on major projects on the Board agenda deals with this in more detail.

### **5.5 *Cycling centre of excellence***

We are establishing a Cycling Centre of Excellence to provide a focus to encourage cycling in London. The centre will be operational by July and its role will include:

- Leading on the LCN Project Management and provide technical support facilities to ensure delivery of the LCN and cycle friendly infrastructure on all of London’s roads’
- Providing an information and resource base on cycling matters,
- Communicating to the public the benefits of cycling as a mode of transport, through publicity, training and campaigns.

### **5.6 *Congestion charging***

The Congestion Charging Project remains on target for introduction in January 2003 on the assumption that it is included within the transport strategy. Updated traffic impacts have been produced, discussed with the Boroughs and are being incorporated into the emerging traffic designs. Comments have been made on the DETR’s draft Regulations for Congestion Charging which are expected to come into force in July 2001.

The details of the proposals contained in the draft Transport Strategy are being reviewed and incorporated into Statement of Requirements to potential bidders for the Congestion Charging Project services. Invitations to tender/negotiate to short-listed bidders were issued earlier in May. Recommendations will be made to the TfL board on the preferred bidder for the main core services contract in November.

We should discuss a fuller progress report on the Congestion Charging Project at the next TfL Board meeting. In the meantime Jay Walder is undertaking a comprehensive review of the project budget.



## **5.7 London Bus Initiative (LBI)**

The LBI now comprises two associated programmes of work, LBI 1 and LBI 2.

The 27 Whole Routes in LBI 1 are due to be completed by the end of March 2002. LBI 1 will deliver a package of work covering bus priority, enforcement, passenger safety and security, information, accessibility, and higher service levels.

Work on LBI 2 was started in March this year, with 43 routes identified in total. 18 of these routes are being taken forward immediately for completion by 2002/2003. All works programmed to service the congestion charging zone will be completed by December 2003 with the remaining works scheduled for completion by 2003/4. All 43 routes will have enforcement in place by Autumn 2003.

## **6. ISSUES**

There are some wider issues that I would like to bring to the Board's attention.

### **6.1 Transport strategy**

The consultation process on the Mayor's draft Transport Strategy closed on 30 April. There were over 100,000 inquiries and responses from the public, including over 8,000 formal responses.

The finalisation of the Transport Strategy, which should be published at the end of June, coincides with the publication of the Mayor's Spatial Development Strategy proposals (the "London Plan") and the draft Economic Development Strategy. TfL's programme has to reflect the wider GLA policy agenda and we will explore all opportunities for joint working.

### **6.2 Developing TfL's corporate vision and objectives**

As a new organisation we have the opportunity to define our corporate vision and objectives. This is fundamental to the future shape and structure of TfL. In doing so we need to integrate the Mayor's Transport Strategy with our business and operational plans. I would like to hold a more extended discussion with Board members in the Autumn on taking this forward.

### **6.3 Managing major projects**

We have been looking at the implementation of proposals within the draft transport strategy as a precursor to the detailed business planning process. Given the back-loaded nature of the Government's transport grant over the next three years we will need to manage our implementation programme carefully.

The management team are currently reviewing all major projects within TfL, in terms of operational and implementation issues as well as their financial implications. Through this process we will set milestones and deliverables for all projects. The Finance and Audit Committee will be receiving regular progress reports against all of these major projects. One of the points raised in the panel discussions has been that we need to address the issue of effectiveness of investment and I will be looking to ensure that this is reflected in our analysis.

#### **6.4 *Working with the Boroughs***

The implementation of the Mayor's Transport Strategy will require close and effective co-operation with the Boroughs. We recently launched our draft guidance to the Boroughs on the allocation of ITP funding in 2002/3 – of which £110 million has been allocated to them in this financial year. A key issue is to link funding to deliverables and tight monitoring of outputs. I am determined to bring greater clarity to our dealings in this area.

#### **6.5 *Enforcement and relations with the police***

Delivering transport improvements depends on effective enforcement. This will get more complicated and resource intensive as we extend our bus lanes, introduce London Bus Initiative routes and above all introduce congestion charging. We need to develop more effective working relationships with the various enforcement agencies.

It is my strong belief that a joint TfL/Police/Borough crackdown on traffic violations can uncover other civil and criminal misdemeanours. I have therefore asked Derek Turner to set up a senior level steering group to consider improvements to the policing of the public realm. The group includes officers from TfL, the Metropolitan Police Authority and the Metropolitan Police Service and met for the first time on 9 May 2001. The group will prepare an action plan, which I expect to come to the TfL Board in the autumn.

Greater cooperation between the Metropolitan Police Service and TfL was evident during the recent major events including May Day and Underground Strike in late March. This again required extensive planning by staff across TfL. I have spoken to both the Chair of the Metropolitan Police Authority and the Commander of the British Transport Police Underground Division to see how we can learn from these events and build on this collaboration.

#### **6.6 *Social inclusion***

Through the delivery of transport services, TfL has the potential to address major social exclusion issues such as access to effective and affordable transport. This agenda is at the centre of the Mayor's draft transport strategy and must be reflected at the core of what TfL sets out to do.

Developing a social inclusion strategy is a high priority and part of our wider corporate vision. The responsibility for addressing accessibility to TfL services lies firmly with the management teams of the operating divisions. I expect each of the panels to discuss the current position and progress at their next meetings, and we will bring a review paper to the Board on these issues.

### **7. *CONCLUSION***

TfL has made significant progress since its inception in July last year. The Mayor's Transport Strategy will set our agenda. We have started a detailed business planning process that will define our operational plans for 2002/3 and beyond to 2007. We have logical management and decision taking structures. We have good people, we must use our resources to deliver.

This is just the beginning. I have highlighted some of the issues in my report but there are further pressing demands which we still have to address. The focus of my management team is to ensure TfL delivers effective, efficient, integrated and reliable transport services. I welcome the Board's support in working towards that goal.

Robert R. Kiley  
Commissioner for Transport  
May 2001

**TRANSPORT FOR LONDON**

**BOARD PAPER**

**SUBJECT: FINANCE AND PERFORMANCE REPORT**

**MEETING DATE: 29 May 2001**

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**1. INTRODUCTION**

- 1.1 This report seeks to provide a review of current financial issues, including a summary of performance in 2000/01 and items discussed at the Finance and Audit Committee on 3 May. It also provides a summary of Service Performance information, recognising that performance reports for each of the TfL Business Units have already been reviewed in more detail at the Advisory Panels.
- 1.2 It should be noted that because of the difficulties of preparing the accounting information on a consistent 12-month basis and the move during the year to common accounting policies, the reader may experience some difficulty in interpreting the year-end financial data.

**2. 2000/01 FINANCIAL PERFORMANCE**

**TfL's First Year**

- 2.1 2000/01 represented a start-up year for TfL, with budgets for the organisation effectively being inherited from the predecessor bodies through a process run by the Government Office for London. The budgets allowed for a full year of activity, with the first 3 months being carried out by the predecessor bodies. Key factors affecting the first year budgets, and performance against them, included the following:
- £394m of grant funding was provided by Government, plus a further £10m from the Council Tax precept.
  - In January 2001, bus fares were frozen and LUL/DLR fares rose in line with inflation.
  - Accounting policies differed between predecessor bodies in certain respects. These have been rationalised during the year, including to take into account Local Authority accounting requirements with conversion from cash to accruals accounting. Budgets were not set on a consistent basis.
  - Some budgets (particularly Street Management) did not contain sufficient provision for accommodation and administration costs.

## Revenue Account

2.2 Based on unaudited Management Accounts, performance for the full year is summarised in the following table, including the 3 months prior to TfL being established:

	Full Year 2000/01		
	Actual	Budget	Variance to Budget
	£m	£m	£m
<b>Expenditure</b>			
London Buses	506	508	2
Docklands Light Railway	13	9	(4)
Street Management	128	103	(25)
TfL Central / Group Transport Services	40	48	8
Other services	28	28	
	715	696	(19)
<b>Income</b>			
London Buses	440	432	8
Docklands Light Railway	8	9	(1)
Street Management	12	20	(8)
Other services	24	22	2
	484	483	1
<b>Net Cost of Services</b>	<b>(231)</b>	<b>(213)</b>	<b>(18)</b>
PFI capital & interest charges	(25)	(24)	(1)
<b>TfL Net Revenue Costs</b>	<b>(256)</b>	<b>(237)</b>	<b>(19)</b>

2.3 Headlines are as follows:

### 2.3.1 Revenue Costs

- Total TfL costs totalled £715m, compared with £696m budgeted.
- The main variances were as a result of:
  - The move to a consistent set of accounting policies. Previously, under Government financing rules, much of the expenditure by the predecessor bodies within Street Management used cash based accounting. As a result of the move to accruals based accounting, Street Management's results for 2000/01 effectively contain approximately 14 months of expenditure due to the one time move from cash to accruals accounting. The impact of this is being quantified.

- In addition, DLR's results included the impact of other changes in accounting policies to secure consistency within TfL. In particular, this affected the Lewisham PFI contract reflecting the economic costs of the services provided rather than the cash payments made to the contractor, and expenditure on feasibility studies for the City Airport Extension which was assumed in the budget to be capital expenditure.
- There has been some deferral of expenditure and staff savings in the Centre.

### 2.3.2 Income

- Total TfL income from fares, activities undertaken by Street Management, and other services was broadly in line with budget at £484m.
- As a result mainly of higher growth in patronage than expected, Bus revenue on gross cost contracts was £8m higher than planned at £440m, compared with £432m budgeted.
- Street Management income was £8m less than budget (£12m compared with £20m), largely due to the reclassification of payments from the Boroughs for work undertaken on their behalf as contributions to capital, rather than revenue income.

### Capital Expenditure

2.4 Overall expenditure on capital is summarised in the following table:

	Full Year 2000/01		
	Actual	Budget	Variance to Budget
	£m	£m	£m
Street Management	190	167	(23)
Docklands Light Railway	19	23	4
London Buses	16	10	(6)
Other services	10	14	4
<b>Total capital expenditure</b>	<b>235</b>	<b>214</b>	<b>(21)</b>
Payments to Tramlink	1	6	5
Capital receipts and contributions	(23)	(24)	(1)
<b>Net Spend on Capital</b>	<b>213</b>	<b>196</b>	<b>(17)</b>

2.5 Headlines are as follows:

- Capital expenditure totalled £235m, compared with a budget of £214m.

- The main variances were as a result of:
  - Increased expenditure by Buses on Countdown, shelters and other bus infrastructure projects, utilising the higher than budgeted net income within LBSL (see para. 2.3.2).
  - Street Management's capital expenditure was £23m above budget, potentially due to a combination of the change from cash to accruals accounting, the inclusion of unbudgeted items, an overspend in relation to 2000/01 workplans, and work brought forward from 2001/02. The causes are being quantified.
  - A slower rate of expenditure in the DLR City Airport Extension, partially offset by the accelerated expenditure on new rail cars.
- The final payment to the Tramlink concessionaire, being subject to the achievement of the service levels, has now been delayed until 2001/02.
- Capital receipts and contributions ended the year just £1m less than budget. Lower asset sale proceeds, due mainly to the slower sale of the Street Management property, were almost fully offset by the reclassification of borough income as capital contributions (as noted in para. 2.3.1.).

### Cash Spend

2.6 The following table summarises the cash position for the year:

	Full Year 2000/01		
	Actual	Budget	Variance to Budget
	£m	£m	£m
Net revenue costs	(256)	(237)	(19)
Movement in working capital	38	31	7
Cash spend on operating activities	(218)	(206)	(12)
Net spend on capital	(213)	(196)	(17)
Movement in working capital	45	(1)	46
Cash spend on capital activities	(168)	(197)	29
Grant paid to predecessor bodies	96	72	24
GLA Transport grant	298	319	(21)
Precept funding	10	10	
Cash inflow from financing	404	401	3
<b>Movement in Cash Balances</b>	<b>18</b>	<b>(2)</b>	<b>20</b>

2.7 Headlines are as follows:

- Total grant to the predecessor bodies and TfL during the full year 2000/01 amounted to £404m (including the Council Tax precept).
- Cash payments during 2000/01 totalled £386m (£17m less than expected in the budget) – comprising £218m on operating activities and £168m on capital.
- This £17m favourable variance incorporates the additional expenditure on work carried out during the year on both revenue and capital, more than offset by a favourable variance in working capital balances of £53m. This working capital variance reflects the uncertainty at the time the budget was set over the timing of cash payments, the change to accrual accounting, and the high level of expenditure yet to be settled with contractors at year end, which may have an adverse impact on TfL's programmes in 2001/02.
- As a result, cash balances held at year end increased by £18m.

### **Staff Employed**

2.8 Staff numbers at year-end were almost exactly on budget at 2524, although agency staff within this total amounted to 394 compared with 175 allowed for in the budget. The Finance and Audit Committee noted the efforts being planned to reduce agency staff in 2001/02 and will monitor progress over the year.

## **3. OTHER KEY ITEMS DISCUSSED AT THE FINANCE AND AUDIT COMMITTEE ON 3 MAY**

### **TfL Budget 2001/02 Business Plan 2002/03**

3.1 Separate papers on these items are being presented to the Board.

### **Project Monitoring**

3.2 The Committee received a report on the current financial position on the Congestion Charging project, with the intention that the Managing Director Finance and Performance should conduct a comprehensive review of the project Budget and report back to the Committee with his conclusions. Two further projects identified for review by the Committee in July are the Bus Electronic Passenger Information project (Countdown), and the Bus and Underground Ticketing and Revenue Collection project (Prestige).

3.3 It was also noted that a number of projects and programmes in the 2001/02 Budget do not yet have clear milestones. These are being reviewed and will be available at the Finance and Audit Committee in July.



## **External and Internal Audit Plans**

- 3.4 The Committee reviewed the draft Audit Planning Memorandum prepared by TfL's external Auditors (KPMG), and also the proposed Internal Audit Work Plan for 2001/02.

## **4. SERVICE PERFORMANCE**

- 4.1 Service Performance for each of the TfL Business Units is now reviewed in detail at meetings of the Advisory Panels and the information presented to the Panels is seeking to reflect the views on Performance Measures previously put forward by Board Members.
- 4.2 TfL's performance information is far from perfect. Proposals for more effective measures for the future are being identified as part of the new Business Planning process that is being put in place to develop the 2002/03 Budget and Business Plan. This will include proposals for those measures to be used for target setting to drive improvements in key areas of the business, in line with the priorities from the Mayor's Transport Strategy.
- 4.3 It will take some time to get this right and, where necessary, to develop and implement appropriate new Performance Measures. In the meantime, the attached charts and tables provide a summary of performance across TfL. For presentation purposes, the information has been grouped under the following headings:
- Trends in the economy and patronage on TfL's main services.
  - Service provision.
  - Reliability.
  - Safety.
  - Customer satisfaction.
  - Workforce composition.

Commentary on the main issues and trends for each of the modes within these headings is provided in conjunction with the charts.

**Jay Walder**  
**Managing Director, Finance and Performance**  
May 2001

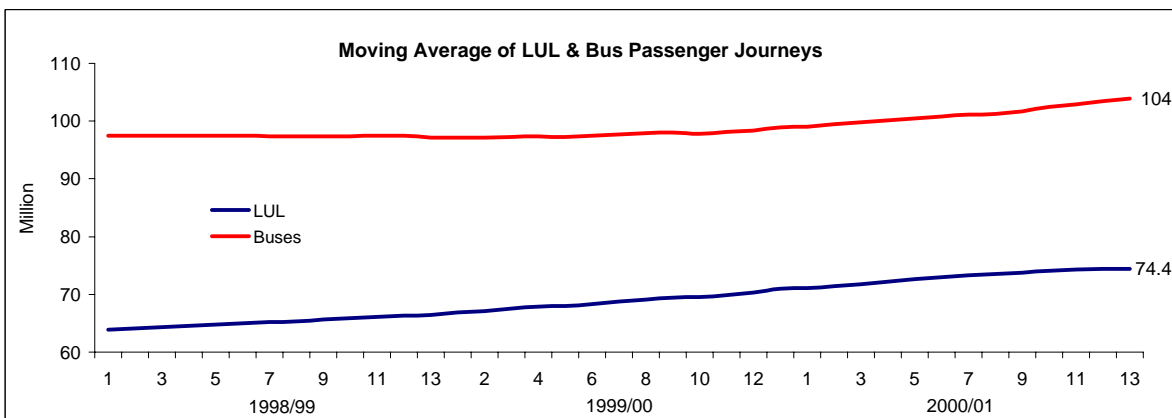
# 1. Trends in the Economy and Patronage on TfL's Main Services

General Economic Indicators for March 2001 & Trend \*

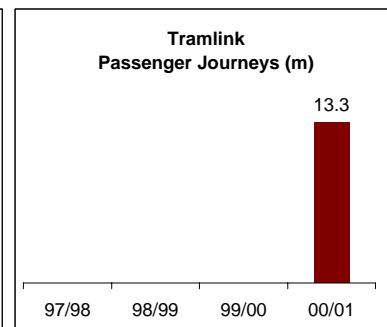
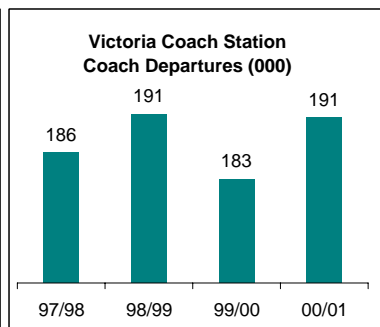
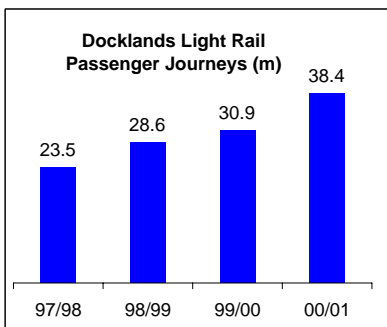
RPI - Headline	Base Rates	GDP Growth	Retail Sales	Ave Earnings	Central London FT Emplt	Central London PT Emplt	Tourist Visitor Nights	London Population
<i>monthly</i> <b>2.3% ↓</b>	<i>4 weekly</i> <b>5.5% ↓</b>	<i>quarterly</i> <b>2.4% ↓</b>	<i>monthly</i> <b>4.8% ↓</b>	<i>service sector</i> <b>4.4% ↓</b>	<i>quarterly</i> <b>-2% ↓</b>	<i>quarterly</i> <b>11% ↑</b>	<i>% year to date</i> <b>-7.4% ↓</b>	<i>annual</i> <b>0.7% ↑</b>

The latest economic data released in March continues to show a fall in inflation (2.3% in March compared with 2.7% last month), with lower housing costs as the main cause of the large fall. For the same period, retail sales volume growth increased by 4.8% year on year, while the latest quarterly central London full-time employment figures recorded a decline of 2% year on year. In contrast, part-time employment in London rose by a strong 11% in the final quarter of 2000. Tourist visitor nights in London remained weak, falling by 7.4% in February compared to a year ago.

\* data is for UK unless specified, and where the trend is the movement from the previous period's published data.



A rolling average of passenger journeys on the Underground and London Buses is shown above indicating that during 2000/01 LU patronage grew by some 4.6%, and by 17% over the three years since 1998/99. Growth in bus journeys also remained strong at 4.7% in 2000/01 and by 6.7% over the last three years.



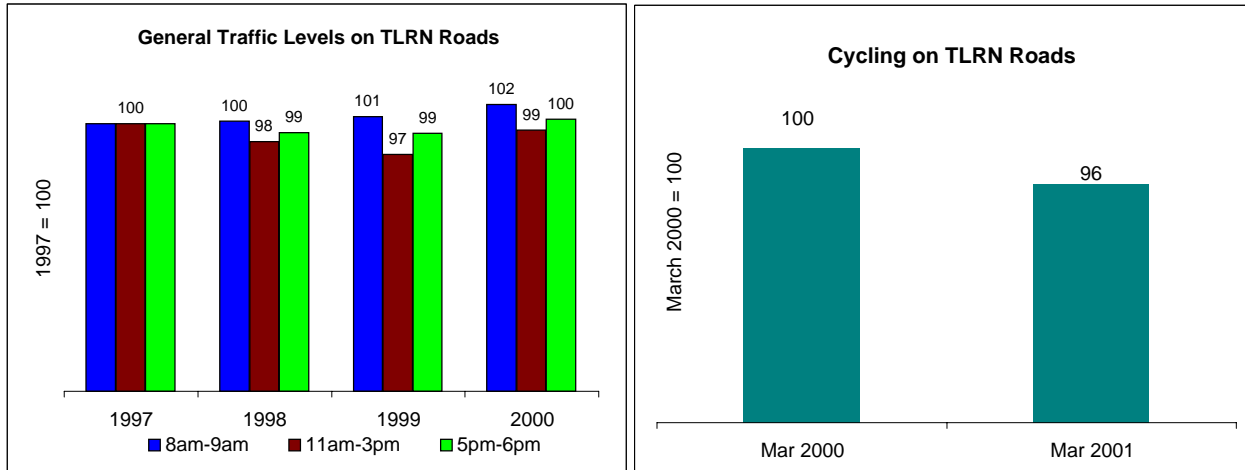
Increasing demand for TfL services was not restricted to bus and tube as shown in the charts above.

The rolling annual average of passenger journeys on Docklands Light Rail services continued to grow during 2000/01, reaching 38.4m journeys with growth recorded on all routes, in particular the Lewisham Extension which has had 12m journeys since its November 1999 opening date.

Coach Departures from the Victoria Coach Station increased to 190,600 in the 2000/01 financial year and this was 7% higher than budget and a year-on-year growth of 4%. The Coach Station benefited this year from higher than expected airport services and from the disruptions on the National Rail network.

In its first year of operation, journeys on the Croydon Tramlink totalled over 13m.

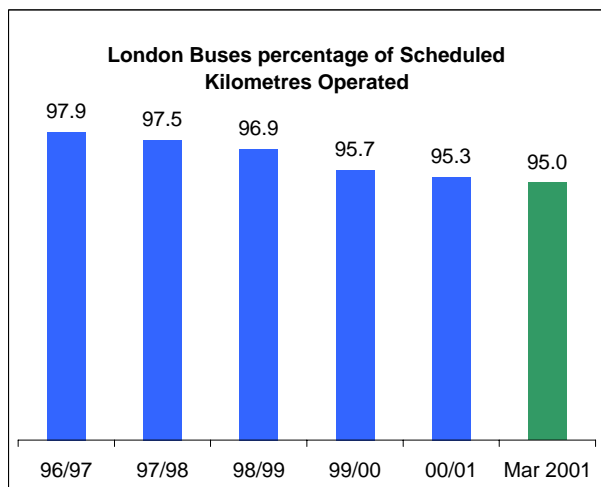
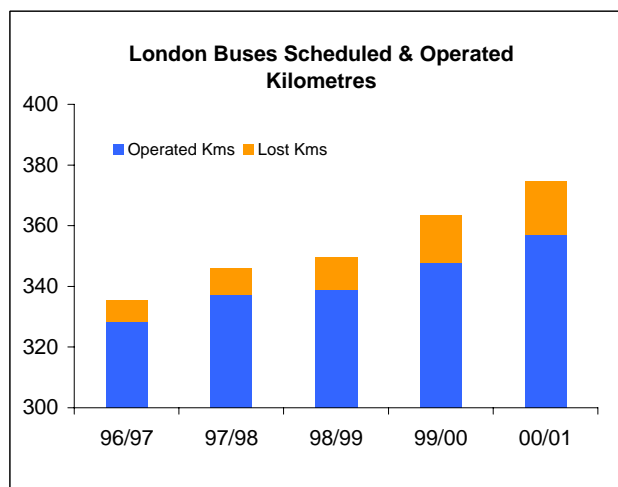
## 1. Trends in the Economy and Patronage on TfL's Main Services Traffic & Cycling levels on TLRN Roads



For the TLRN, this index records the average vehicles per hour per lane weighted by lane. The figures are derived from 23 permanent automatic traffic counters around the TLRN. Compared to 1997 levels there has been a slight but gradual increase in the AM peak (8am – 9am) of 2% over the 3 year period. After a slight fall between 1997 and 1998 there is a similar slight upward trend in both the inter peak (11am – 3pm) and PM peak (5pm – 6pm) periods. Overall the 2000 inter peak is 1% below the 1997 level and the 2000 PM peak is ½ % above the 1997 level.

This index of total cycle flow is derived from 48 automatic cycle counters spread over the TLRN. The base line figure of 100 relates to demand in March 2000 and is used as a comparison with the March 2001 data. There has been a relative fall in the level of cycling between the two months of 4%, possibly due to March 2001 being the wettest since 1988 and, with 104mm of rain was 40% above average

## 2. Service Provision



### Reasons for lost mileage in

Traffic congestion  
Staffing  
Mechanical

### March 2000

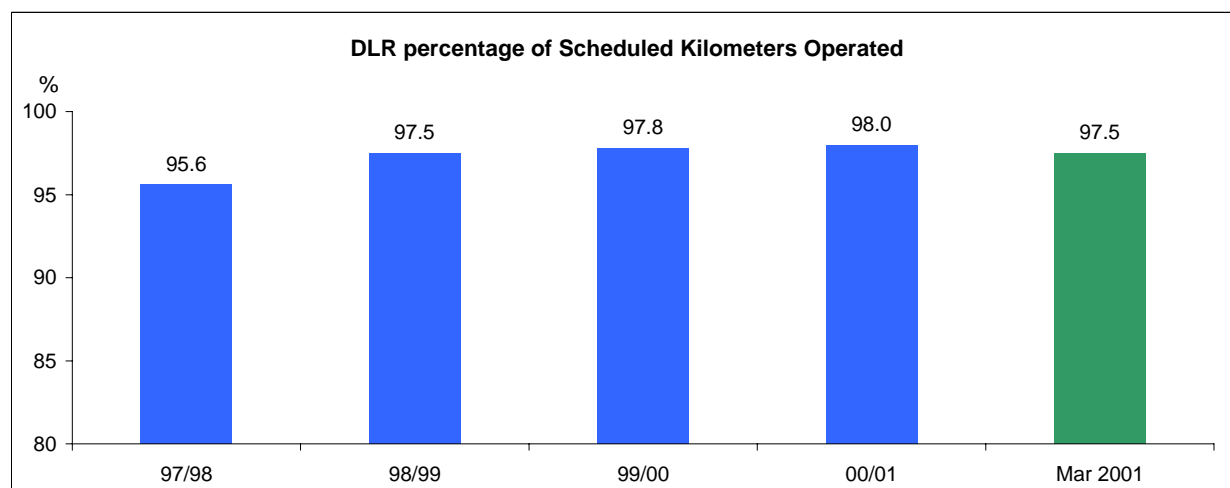
40%  
46%  
14%

### March 2001

54%  
32%  
14%

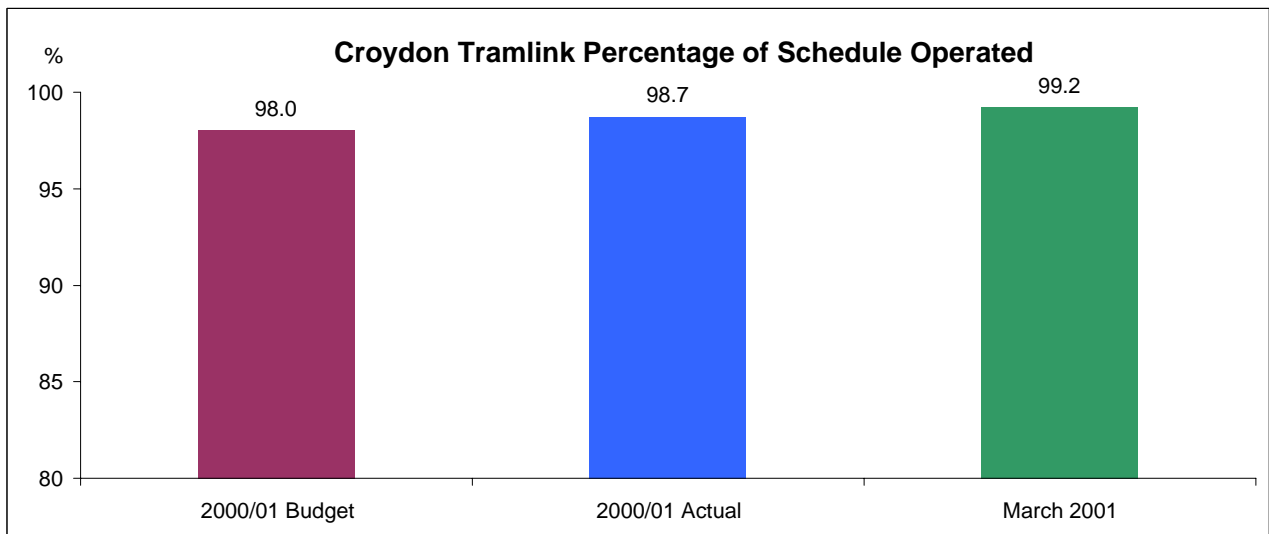
The operated kilometres as a percentage of schedule for March was 95.0% and this was 2.0% worse than budget. The key problem facing the bus network remains staffing. However, as shown this continues to show a significant improvement compared to last year.

For the year as a whole, the percentage of schedule operated of 95.3% continued the downward trend in the performance of this measure over the last few years, with all factors contributing to the increase in lost mileage. However, because of increases in the schedule, bus kilometres operated rose from 348m km in 1999/00 to 374.6m km in 2000/01.

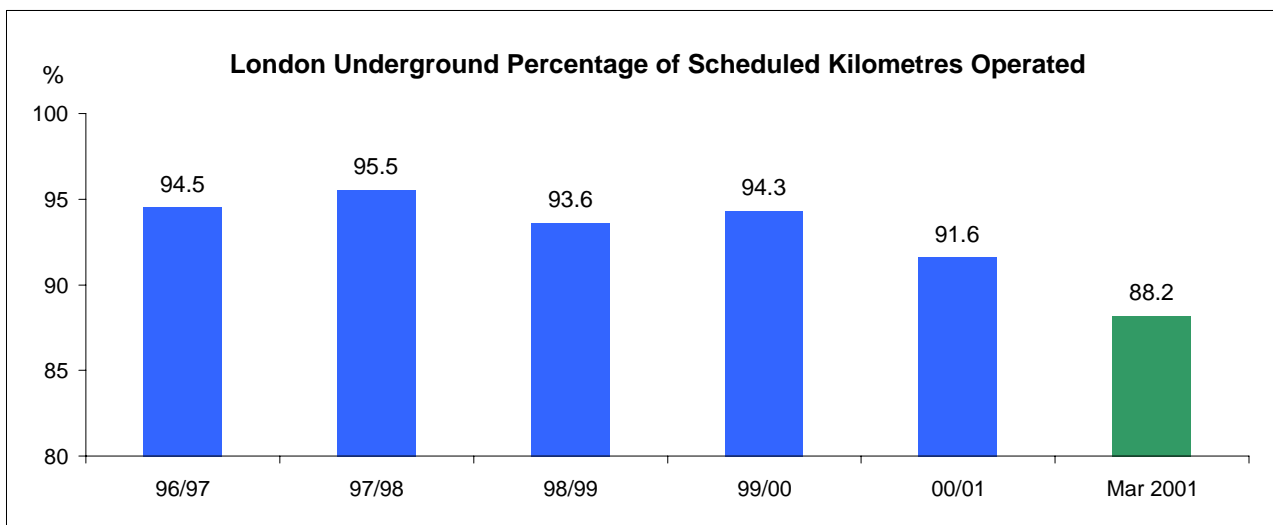


The target for this measure was not met in March, largely as a result of security alerts and a fatality which closed the west leg for almost a day. However, on average over the year the 98% result continued the improvement in service provision recorded over the last three years.

## 2. Service Provision



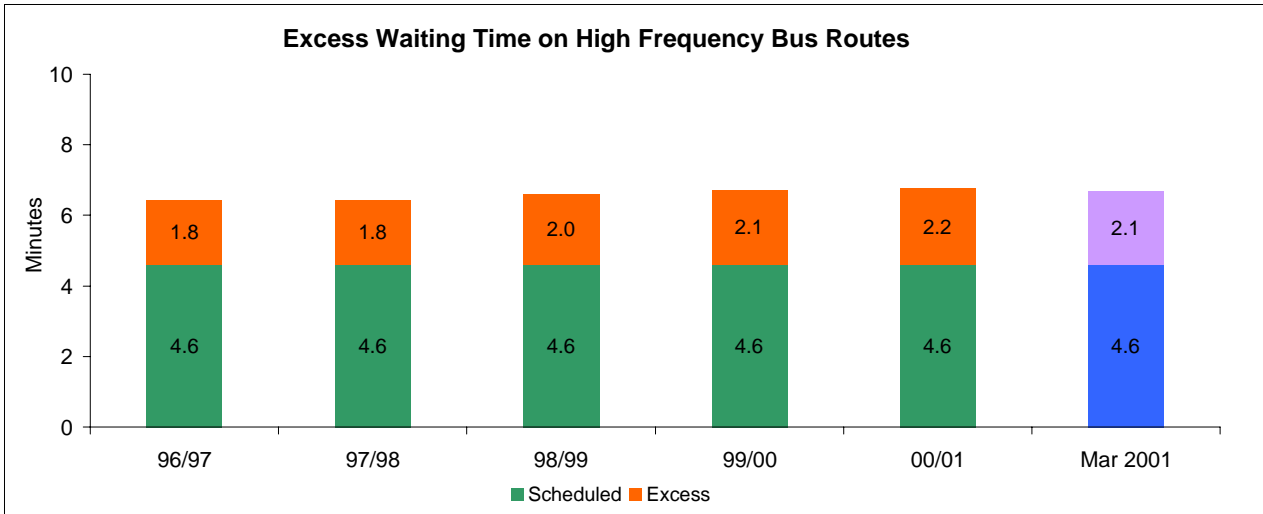
Performance in March has improved as the slightly reduced service currently scheduled on the Tramlink network continues to provide a more reliable service. The Concessionaire is undertaking a programme of technical reviews and enhancements to deliver the full specified service in a robust manner.



As a consequence of the BBC bomb explosion, the Central line was able to operate only half its scheduled service on Sunday 4th March and three-quarters on Monday 5th. Excluding strikes, LUL's overall performance in period 13 was almost identical to the previous period. At line level, and excluding strike losses, the best performing line was the Northern, which operated 97.9% of its schedule while the worst was the Bakerloo (82%) mainly as a result of staff shortages and infrastructure failures on the Railtrack section. The Jubilee, Piccadilly and Circle & Hammersmith lines also operated less than 90% of their schedules.

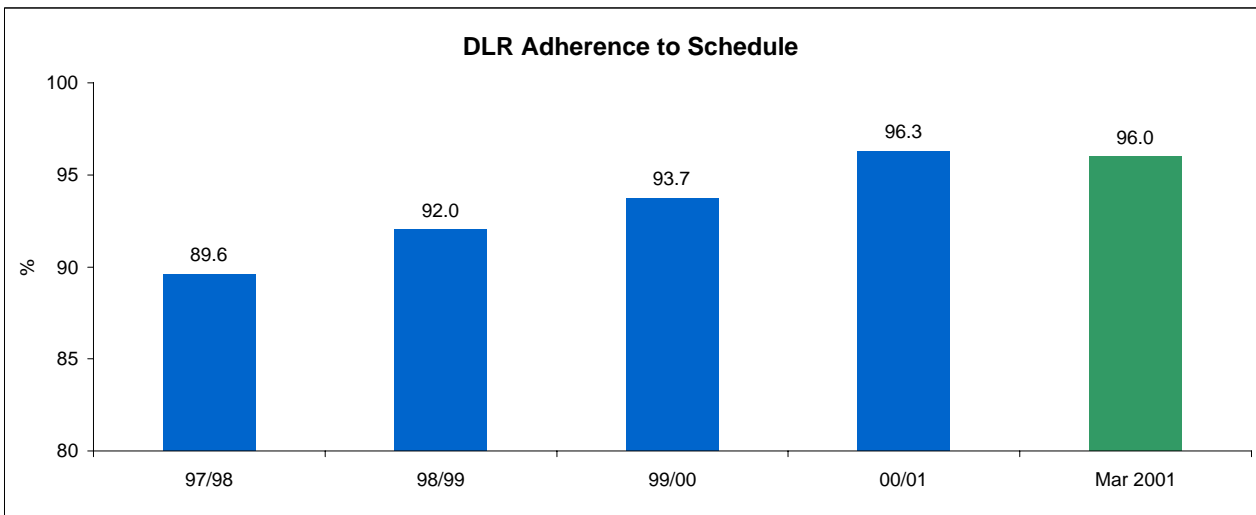
LUL recorded the lowest level of service in 2000/01 for more than five years.

### 3. Service Reliability



During 2000/01, the main impact of the deteriorating traffic conditions has been felt by high frequency routes. In addition to the underlying growth in road traffic, the level of roadworks is becoming increasingly significant as a cause of delays to buses.

This reflects in the small rise in Excess Wait Time. The magnitude of these increases would have been greater but for London Buses ongoing programme of introducing additional running time and other measures to improve reliability.



Results for March 2001 once again saw the franchisee achieve a very high level of reliability, almost the same as in February with the target of 96% being achieved. During the last four years, reliability of the service has seen a significant improvement, and is running at a very high level of punctuality.

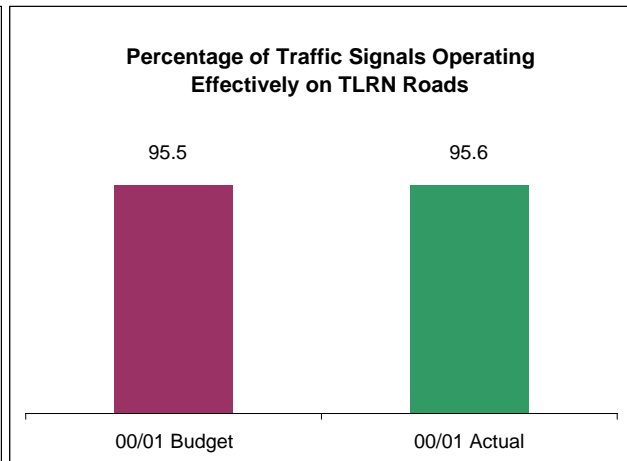
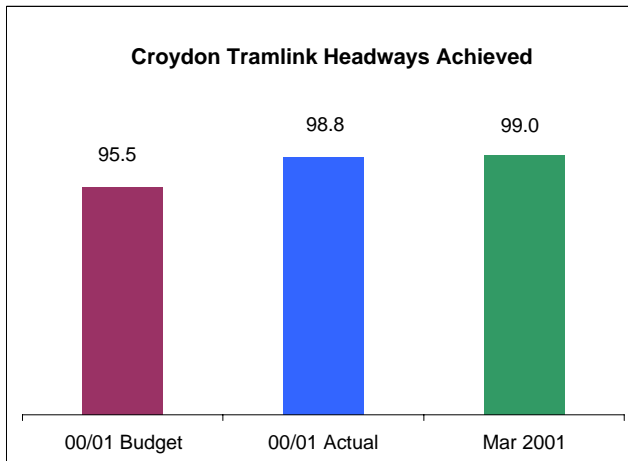
### 3. Service Reliability

#### LUL Excess Weighted Journey Time



Period 13 total excess journey time showed little change from period 12, despite strike action having a slightly greater impact than that in the previous period. This period, trains excess was down on all lines except the Bakerloo, Central and Metropolitan & Circle, while all lines recorded an increase in the impact of a number of incidents attributed to security alerts and suspect packages.

The excess for March 2001 was 9.01 minutes, an increase of 2.18 minutes compared to the same period last year, the majority of this increase resulting from the effect of strike action on line closures and an increase in train journey time.



The Croydon Tramlink indicator measures the percentage of services that achieve less than twice the scheduled headway (ie the interval between trams). As shown, in its first year of operation Croydon Tramlink services recorded 98.8% of headways achieved, and this was 3.3 percentage points higher than budget.

This performance indicator for traffic signals has been changed to represent traffic signals operating effectively. Signals that are all out, stuck, have no or a short or long right-of-way, or have detector faults are not included. The value for the year, using the new indicator is estimated to be 95.6%. The target for the year is 95.5%, based on the new indicator.

## 4. Safety

<b>Number of Fatalities and Injuries on Bus Services</b>						
	<b>Fatality</b>		<b>Major Injury</b>		<b>Total</b>	
	<b>Q4 00/01</b>	<b>2000/01</b>	<b>Q4 00/01</b>	<b>2000/01</b>	<b>Q4 00/01</b>	<b>2000/01</b>
<b>Passengers</b>	0	0	11	34	11	34
<b>Staff</b>	0	0	26	141	26	141
<b>Public</b>	6	15	15	80	21	95
<b>Total</b>	<b>6</b>	<b>15</b>	<b>52</b>	<b>255</b>	<b>58</b>	<b>270</b>

<b>Number of Fatalities and Injuries on Underground Services</b>						
	<b>Fatality</b>		<b>Major Injury</b>		<b>Total</b>	
	<b>Q4 00/01</b>	<b>2000/01</b>	<b>Q4 00/01</b>	<b>2000/01</b>	<b>Q4 00/01</b>	<b>2000/01</b>
<b>Passengers</b>	1	7	32	138	33	145
<b>Staff</b>	0	1	3	10	3	11
<b>Total</b>	<b>1</b>	<b>8</b>	<b>35</b>	<b>148</b>	<b>36</b>	<b>156</b>

Note : The consistency of data definitions for staff injuries needs to be examined



## 4. Safety

Killed & Injured on TLRN roads									
	Killed			Seriously Injured			Slight Injuries		
	1998	1999	2000	1998	1999	2000	1998	1999	2000
<b>Pedestrians</b>	51	38	39	450	363	387	1,336	1,381	1,384
<b>Cyclists</b>	6	6	7	141	119	108	882	913	760
<b>Powered 2 wheeler</b>	10	19	17	334	338	357	1,921	2,075	2,109
<b>Car User</b>	16	13	26	683	556	594	5,151	5,289	5,688
<b>Other</b>	3	6	4	138	110	106	1,068	1,097	1,151
<b>Total</b>	<b>86</b>	<b>82</b>	<b>93</b>	<b>1,746</b>	<b>1,486</b>	<b>1,552</b>	<b>10,358</b>	<b>10,755</b>	<b>11,092</b>

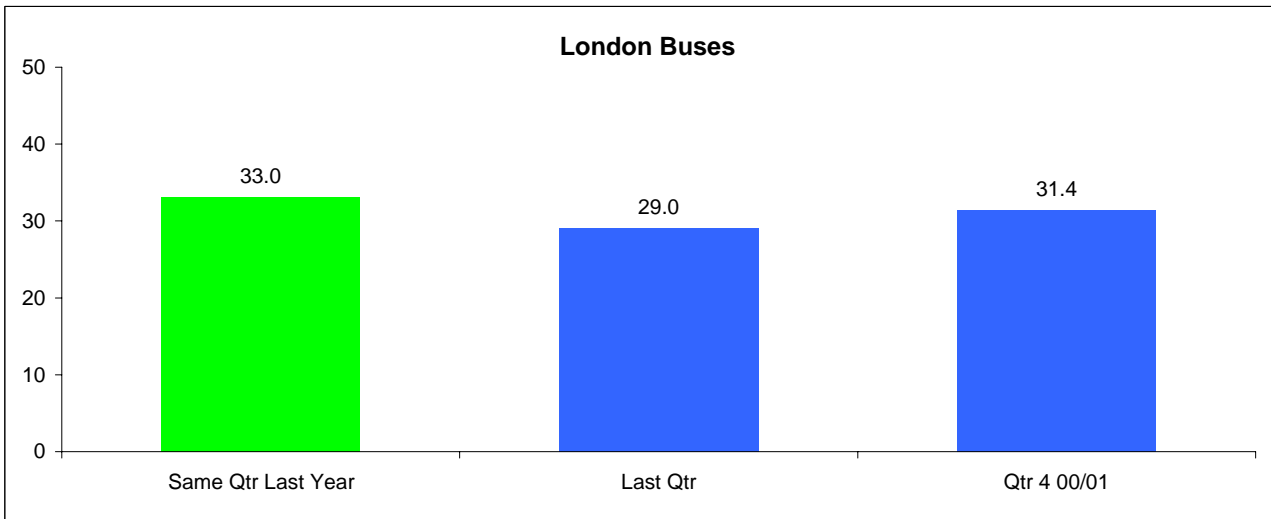
This indicator reports the number of killed and seriously injured (K&SI) casualties on the TLRN for the last three years. The data for each year is further split into road user groups.

Overall the numbers of K&SI casualties has declined between 1998 and 2000 in line with national trends. The greatest decline has been in the number of car users K&SI, a result of national speed and safety campaigns, better vehicle design and highway safety works. However the number of car users slightly injured is rising, following national trends as fewer casualties are seriously injured in road traffic accidents and a greater propensity than previously to report slight accidents.

There has been a downward trend in the number of cyclists K&SI despite the number of cyclists and length cycled increasing nationally over the last three years. To a greater degree the number of powered two wheeler (P2W) casualties K&SI has increased, reflecting the large growth in use of this mode of travel.

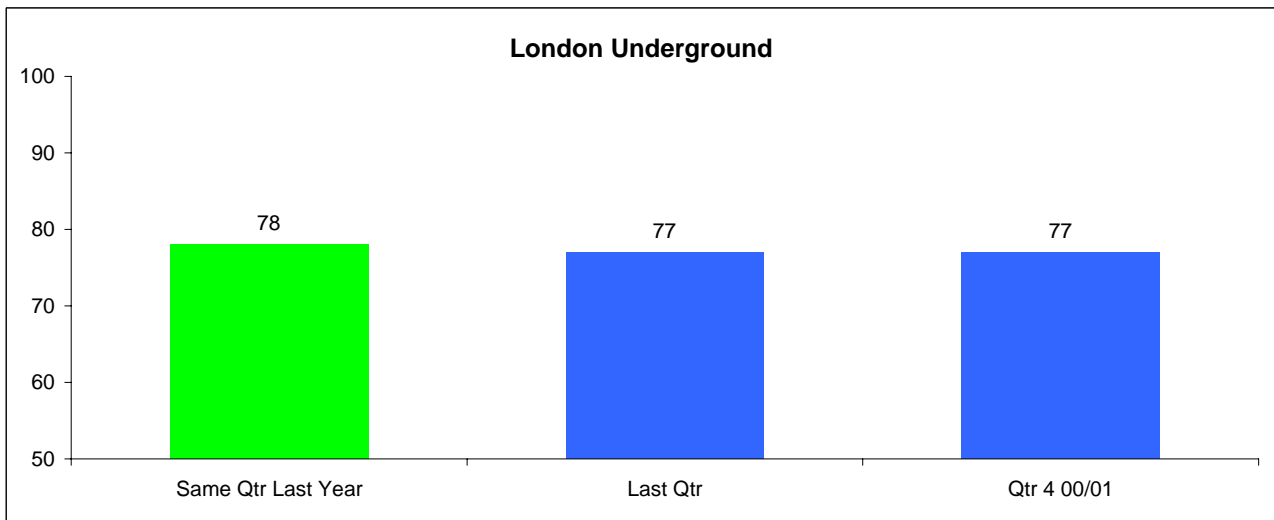
In terms of numbers killed the total number has risen, due largely to increases in car user and P2W fatalities. Although the level of pedestrian fatalities is declining, this road user group is still the most significant element of all fatal road accidents.

## 5. Customer Satisfaction



The proportion of very satisfied customers in the last quarter of 2000/01 (giving ratings of 9 or 10) has increased for ten measures and stayed the same for two since the last quarter. The increased satisfaction with journey time and service reliability are consistent with operational quality of service results for the current quarter.

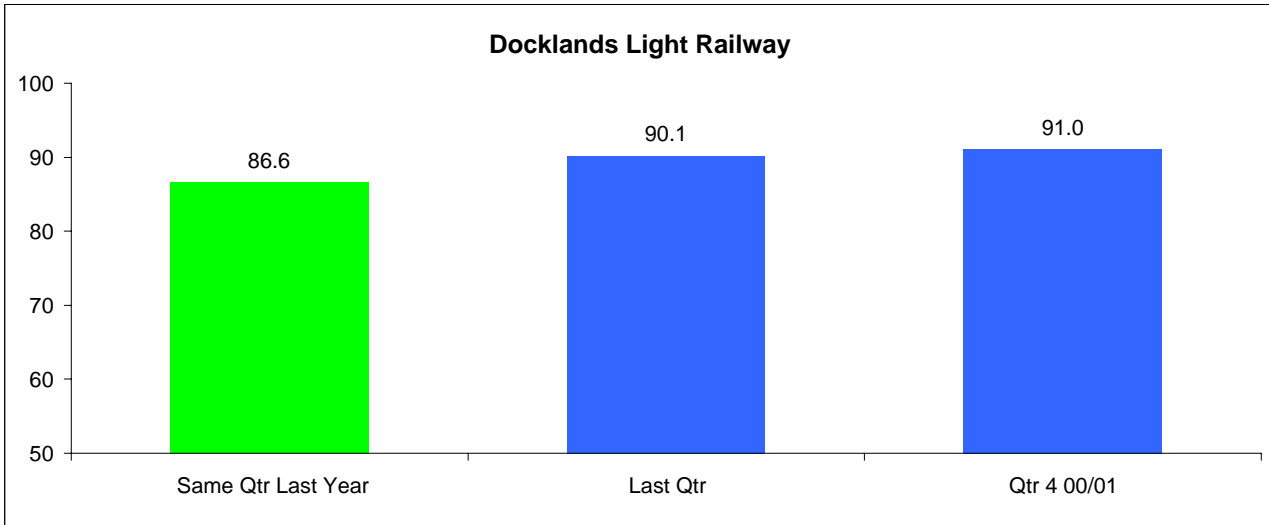
Compared to the corresponding quarter in 1999/00, the proportion of customers giving a rating of 9 or 10 (ie very satisfied) decreased for all twelve measures. It is believed that the fall in customer satisfaction ratings compared with previous years is due to expectations rising faster than performance.



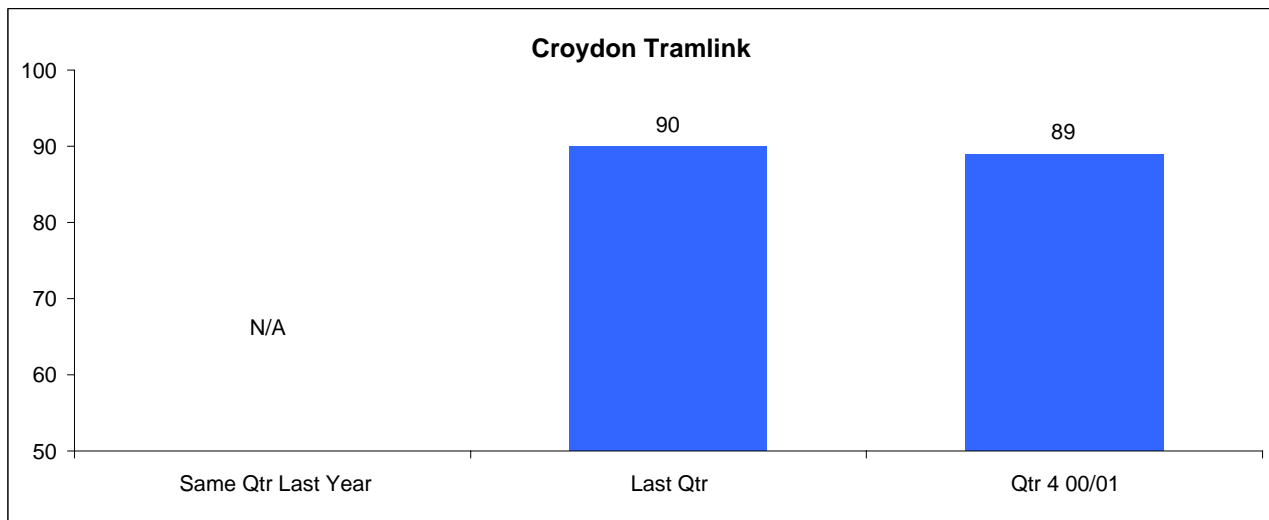
For this indicator customers are asked to rate the current level of service on a scale of 0 to 10 by responding to a single question :-  
 "Thinking of this particular Underground journey as a whole, from beginning to end, how satisfied were you with the service experienced today, as a score out of ten?"

The indicator is an average of these scores (x by 10).

## 5. Customer Satisfaction



The customer satisfaction results for the fourth quarter (January to March 2001) has improved slightly from the third quarter and indicates that all targets were met, matching the continuing improvements in service quality offered to passengers.



The satisfaction index is a measure of the customer's overall perception of their tram journey and represents the percentage of customers awarding a rating of 7.5 or better out of a possible maximum rating of 10, with 300 passengers being surveyed each quarter.

## 6. Workforce Composition

Employee Numbers - by Ethnicity								
	TfL - Corporate	TTL	Surface Transport	DLR	PCO	Street Management	East Thames Buses	Total
White	185.1	342.8	704.0	21.0	107.4	255.0	192.0	1807.3
Mixed Race	2.0	12.0	20.0	0.0	0.0	2.0	5.0	41.0
Asian or Asian British	5.0	17.9	30.0	0.0	8.0	28.0	14.0	102.9
Black or Black British	21.0	26.5	148.0	1.0	6.0	33.5	27.0	263.0
Chinese or other ethnic group	2.0	4.0	8.0	0.0	2.0	6.0	0.0	22.0
Totals	215.1	403.2	910.0	22.0	123.4	324.5	238.0	2236.3

Employee Numbers - by Gender								
	TfL - Corporate	TTL	Surface Transport	DLR	PCO	Street Management	East Thames Buses	Total
Male	126.8	223.1	701.0	15.0	88.4	250.5	224.0	1628.8
Female	88.3	180.1	209.0	7.0	35.0	74.0	14.0	607.5

Employee Numbers - by Disability								
	TfL - Corporate	TTL	Surface Transport	DLR	PCO	Street Management	East Thames Buses	Total
Disability	12.0	21.0	23.0	0.0	3.0	7.0	0.0	66.0

Employee Percentage Figures - by Ethnicity								
	TfL - Corporate	TTL	Surface Transport	DLR	PCO	Street Management	East Thames Buses	Total
White	86%	85%	78%	95%	87%	78%	81%	80%
Mixed Race	1%	3%	2%	0%	0%	1%	2%	2%
Asian or Asian British	2%	4%	3%	0%	6%	9%	6%	5%
Black or Black British	10%	7%	16%	5%	5%	10%	11%	12%
Chinese or other ethnic group	1%	1%	1%	0%	2%	2%	0%	1%
Totals	100%	100%	100%	100%	100%	100%	100%	100%

Employee Percentage Figures - by Gender								
	TfL - Corporate	TTL	Surface Transport	DLR	PCO	Street Management	East Thames Buses	Total
Male	59%	55%	77%	68%	72%	77%	94%	73%
Female	41%	45%	23%	32%	28%	23%	6%	27%

Employee Percentage Figures - by Disability								
	TfL - Corporate	TTL	Surface Transport	DLR	PCO	Street Management	East Thames Buses	Total
Disability	6%	5%	3%	0%	2%	2%	0%	3%

## 6. Workforce Composition

The above tables show details (full time equivalents and percentages) of the current workforce of the constituent parts of Transport for London (TfL), broken down by ethnic group, gender and employees declaring disability.

### **Equality and Diversity Initiatives**

The Corporate HR team has been joined by Gregor Forde who has the role of Equalities and Diversities Manager. Gregor is actively leading on all pan TfL initiatives and policies. He has joined a diversity network that will offer TfL the opportunity to benchmark good practice in other organisations.

Arising from the External Equalities Audit conducted by "Pheonix HR" of London Bus Services and East Thames Buses, TfL Corporate HR have developed an Equalities and Diversity Action Plan which will be circulated widely for consultation.

Lord Herman Ousley has been commissioned to take an overview of the policies and plans being implemented, run a series of seminars on Equality issues and comment on draft terms of reference for the senior level Equality Steering Group being established.

TfL Corporate HR recently took part in the Windsor Fellowship Open day at Kensington Town Hall. The fellowship will be forwarding applications from Fellows who wish to be sponsored by TfL. This is part of the TfL initiatives to increase the number of ethnic minority graduates in the workforce.

As part of the TfL positive Action Plan links have been established with Holland Park Community School which has a substantial number of ethnic minority students. TfL will be offering work experience to students in July 2001.

TfL are actively supporting the Mayor's multi-cultural anti-racism activities. This will include prominent participation in the Mardi Gras (Gay National Pride Celebration) in June, the Respect Festival in July and Nottinghill Carnival in August 2001.

The Equality and Diversity Plan together with the other initiatives outlined are aimed at raising the profile of TfL as an organisation striving to become a leading Equality and Diversity employer. TfL will continue to develop links with individuals and organisations that can provide support in this goal.

**TRANSPORT FOR LONDON**

**BOARD PAPER**

**SUBJECT: TfL 2001/02 BUDGET**

**MEETING DATE: 29<sup>th</sup> May 2001**

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**1. Purpose**

1.1. To inform Board members of the latest position on TfL's 2001/02 Budget and the proposed arrangements for funding the programme.

**2. Background**

2.1 At its meeting on the 13 March 2001, the TfL Board received a comprehensive report on the 2001/02 budget which :-

- \* set out the budget allocations to the business units within TfL's overall £830m level of net expenditure, and the proposed performance levels, projects and programmes included in the allocations;
- \* reported on the proposed level of reserves (revised to £10m), monitoring arrangements, and the intention to put a process in place to deliver the £10m overall efficiency saving; and
- \* reported on the proposed arrangements for bridging the gap in funding between the £830m of budget expenditure and the now settled £731m of Transport grant and precept.

2.2 To the extent that there is still a shortfall after taking into account working capital and GLA grants the budget assumed, based on written legal advice, that Transport Trading Ltd would borrow on a short term basis to fund its public transport services. In addition to the £25m grant aid from other GLA bodies, the budget endorsed by the Board assumes net external borrowing by TTL of £63m over the last three months of the year. This was designed to provide the maximum cover likely to be needed should expenditure plans be achieved in full.

### **3. Current Situation**

- 3.1 When, subsequently, the Managing Director Finance and Performance requested a formal legal opinion in regard to the earlier interpretation, Counsel reconsidered his advice and concluded that Transport Trading Ltd cannot borrow in excess of TfL's borrowing limit. TfL and GLA are now engaged in discussion with other Counsel to better understand the constraints. The issue is also being discussed with the Government Office for London. To the extent that TTL does not have the capacity to borrow, action will be taken to revise the budget to ensure expenditure is kept within the available resources.
- 3.2 A further problem also exists in preparing the budget for 2002/03 in that preliminary plans for that year developed during the 2000 business planning cycle assume expenditure of roughly £500m in excess of the guideline Government funding for that year. Consideration has been given to this issue in the context of the Transport Strategy, but its resolution may also have an impact on the programmes to be taken forward in the 2001/02 budget. It is worth noting that plans for future years from 2003/04 onwards will form part of the Government's new review of spending (SR2002) which is expected to start later this year, and as such will be open to bids for additional funding.

### **4. Budget Reviews**

- 4.1 As discussed at the TfL Board on 13 March, the Managing Director Finance and Performance undertook an intensive programme of Budget Reviews with each Business Unit and Corporate department in early April. Not surprisingly for an organisation that has started up only recently, these reviews brought out a number of issues that will need to be resolved as we move forward over the next few months. These include:
- \* The 2001/02 budget was completed in advance of the draft Transport Strategy and in an environment where the longer-term financial constraints were not fully integrated into the plans for 2002/03 and beyond. As a result, some of the programmes in the current budget year assume substantial expenditure that may not be available in future years.
  - \* Some of the budget programmes are forging ahead with contractual commitments building-up for both 2001/02 and 2002/03.
  - \* At present some of the budget programmes are not full scoped or clearly defined, and a number do not have clear milestones / deliverables.
  - \* In the past, control has often been exercised principally on an input cost basis and this may not result in the achievement of the planned deliverables. Moreover, the one-year budget process has meant that multi-year projects have not been treated as a whole.
  - \* The budget includes the heavy use of consultancy and agency staff to cover for permanent positions.
  - \* Despite the financial constraints noted above, some areas of the business may need strengthening in terms of additional resources in 2001/02.

## **5. Actions**

5.1 As a result of these reviews and the revised legal advice on borrowing, a number of actions have been identified:

- \* The process of financial oversight, control and adherence to project milestones and budget will be strengthened. Milestones and deliverables for all key projects will be presented to the Finance and Audit Committee and Advisory Panels at the next Board cycle. Thereafter, these milestones will be used for monitoring purposes and variance reporting.
- \* TfL finance and legal departments will continue to work with Counsel to determine a clear position on our ability to borrow.
- \* We will explore other areas of financial flexibility including the potential for additional grants from GLA functional bodies, actions that can be taken under the Local Government and Housing Act 1989 to increase the limit on TfL's borrowing capacity, and the financing arrangements and phasing of major project schemes.
- \* At the same time, we need to maintain flexibility in the event that we are unable to secure additional resources or borrowing capacity. Toward that end, we are developing a list of uncommitted spending or enhancements where physical work has not yet started to ensure that TfL balances its budget, and that spending is directed towards our priorities and managed within available resources. TfL will not incur unfunded expenditure.
- \* A constrained spending programme for 2002/03 will be developed as one of the initial steps in the business planning process and it would also have a consequential impact on the 2001/02 budget.
- \* Specific actions will be identified to meet the efficiency savings target of £10m.

Revisions to the Budget to take account of these actions will be put to the next meeting of the Advisory Panels, Finance and Audit Committee and TfL Board in the next Board cycle.

## **6. Recommendations**

6.1 The TfL Board is asked to NOTE the current position in implementing the 2001/02 Budget and to AGREE the actions set out in paragraph 5.1 above



**TRANSPORT FOR LONDON**

**BOARD PAPER**

**SUBJECT: TfL BUSINESS PLAN 2002/03 ONWARDS**

**MEETING DATE: 29 May 2001**

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**1. PURPOSE**

- 1.1 To inform the Board of a new process and schedule for the development of the TfL Business Plan. The purpose of the Business Plan is to facilitate decision-making at TfL and within the business units.

**2. BACKGROUND**

- 2.1 As a new organisation in a rapidly changing external environment, it is not surprising the existing business planning process has gaps and needs significant improvement. The Commissioner has indicated that the Business Plan should be the fundamental document for strategic decision-within TfL.
- 2.2 The Managing Director, Finance & Performance consulted with the business units regarding their internal planning and decision-making processes, and has developed a revised Business Plan process to be implemented this year for the 2002/03 financial plan and updated annually. The Business Plan process is consistent with the internal processes in place at the majority of business units. This paper provides a summary of the recommended Business Plan process.

**3. ALTERNATIVES**

There is no real alternative to developing a TfL Business Plan.

**4. IMPACT ON FUNDING**

- 4.1 There is no specific budget allocated to the Business Plan process. The Business Plan will be managed by a single unit reporting to the Managing Director, Finance & Performance. The resources and expertise required to complete the Business Plan will be reallocated from existing resources.

- 4.2 The Business Plan process will result in a more efficient allocation of resources at TfL for corporate needs, priorities and investments.

## 5. PROPOSALS

### 5.1. Proposed Principles for the TfL Business Plan

5.1.1. **The Business Plan must facilitate strategic decision-making.** The Business Plan must enable TfL to make strategic decisions regarding corporate needs, priorities and investments. To do so, it must:

- explicitly outline choices for TfL Executive Management and the Board;
- facilitate the implementation of the Mayor's Transport Strategy;
- provide the basis for setting priorities and allocating resources;
- provide a clear sense of direction to business units and support their customer service delivery;
- provide the basis for dialogue with external agencies.

5.1.2. **Performance measurement must be completely integrated into the business plan.**

The business plan will identify top-level Performance Indicators that allow the business units, TfL Executive Management, the Board, and external parties to continuously monitor how well TfL is implementing its business plan and operating its businesses.

5.1.3. **The Business Plan process must allow for extensive dialogue between TfL corporate and the business units.** TfL Finance and Performance is responsible for plan preparation, but this will require extensive and continuous dialogue with the business units and external stakeholders. The process must allow the Commissioner and Senior Management to engage with the business units on both medium and long-term choices.

5.1.4. **The Business Plan must facilitate joint initiatives across business units.** For joint initiatives, such as the London Bus Initiative, interchange projects or major rail schemes, business units will be required to specify clear lines of authority and accountability. In some cases these lines of authority and accountability must extend beyond TfL and its businesses (e.g. SRA and the boroughs).

5.1.5. **Outputs of the process must include the TfL Business Plan, budget proposal to GLA, and the bid for Government funding.** These outputs will be reviewed and approved by Executive Management, the Finance & Audit Committee, and the Board.

- Business Plan for next year (2002/03) plus five years; strategic initiatives by business units; an infrastructure investment plan; targets for system-wide performance indicators; and determination of resource needs and alternatives.
- Budget Proposal for the next fiscal year.

- Bid to Government and GLA for future funding through the SR2002 process.

5.1.6. **Responsibility for the Business Plan process should be centralised in one unit reporting to the Managing Director for Finance & Performance.** The resources and expertise required to complete the Business Plan will be reallocated from existing resources.

5.1.7. **Ongoing monitoring of the new business planning process will be critical to its effectiveness.** This monitoring will provide a mechanism for any necessary refinements to the process. The recommended process should be put into effect immediately to meet the needs of the 2002/2003 Financial Plan.

## 5.2. Proposed Process and Schedule for the TfL Business Plan

5.2.1. **TfL provides clear and consistent corporate guidance to the business units.** Planning Guidelines issued 15 May included:

- Operational Strategies and Performance Indicators to facilitate the implementation of the Mayor’s Transport Strategy. TfL Finance and Performance has proposed Six Operational Strategies to support the key priorities in the Mayor’s Transport Strategy. For each Operational Strategy, three to five “headline” Performance Indicators are proposed, including both “hard” measures and customer satisfaction. **Annex 1** outlines the proposed Business Plan Operational Strategies and Draft Performance Indicators for each strategy.

TfL Finance and Performance is consulting with the business units to agree the top-level Performance Indicators that will drive the Business Plan. Not all of the potential Performance Indicators are currently available; proxy measures may be required while the proposed new Performance Indicators are developed.

- Consistent assumptions for economic and demographic forecasts, fare policy, business case appraisal process, submittal formats, etc.

5.2.2. **Business Units submit proposals to TfL consistent with corporate guidance.**

Business units submit proposals for a six-year plan (budget plus five years). The submission consists of four elements – Base Plan, Strategic Initiatives, Infrastructure Investment Plan, and Performance Targets – which are described in detail below.

- a) **Base Plan.** Each Business Unit will prepare a “constant quality” Base Plan. The Base Plan will include the Business Unit’s requirements to maintain current levels of performance during the 6-year plan horizon.

The Base Plan must describe the available resources (e.g. fares and other income) and required additional resources (financial, human, etc.) to deliver the Business Unit’s service plan. To the extent that existing contractual commitments are included in the Base Plan, these should be identified. In addition, the Base Plan must explain the rationale for any changes to the current service plan and funding levels.

The Base Plan will be submitted in advance of the other elements of the Business Plan. TfL Finance & Performance will review the proposed Base Plans and their implication for the 2002/03 budget versus indicative funding. Based on this review, TfL Finance & Performance will provide direction to the business units on the extent to which additional initiatives will be considered for the 2002/03 fiscal year.

- b) **Strategic Initiatives.** Each business unit will propose a limited number of actions or programmes to support each Operational Strategy (approximately 3 initiatives per strategy, or a total of 15-20 initiatives). The Business Unit must be prepared to implement the proposed initiative if it is approved and funded. Particular emphasis should be placed on initiatives that can be implemented and achieve results in 2-3 years. Each Business Unit must co-ordinate its Strategic Initiatives with other TfL businesses and local authorities, and indicate who is responsible for delivery of joint initiatives.
- c) **Infrastructure Investment Plan.** Business Units will also provide a 6-year Investment Plan. The Investment Plan will describe investments by type (e.g. maintain good repair, system improvement, or network expansion) and programme (e.g. buses, bridges, IS/IT). The Investment Plan will include all proposed investments required to support the Base Plan and proposed Strategic Initiatives, regardless of capital or revenue funding source. A Needs Assessment or comparable analytic framework will support the Investment Plan.
- d) **System Performance Measure Targets.** Business Units propose targets for improvement of TfL top-level performance measures, assuming approval of the proposed Base Plan and Initiatives. These targets will be revised in the final TfL Business Plan on the basis of funded initiatives.

**5.2.3. Preparation of the Business Plan must be an annual process.** The Business Plan preparation process in 2001 for the 2002/03 plan is accelerated; in future years the budget and Business Plan cycles will progress in a less compressed timeframe. The following schedule is proposed for the Business Plan in 2001 (see **Annex 2** for Schematic of the Business Plan process).

### Proposed Schedule for 2001 Business Plan

Date	Action
15 <sup>th</sup> May	TfL issues corporate guidance for Business Plan preparation (Achieved)
15 <sup>th</sup> June	Business Units submit proposed Base Plans
16 <sup>th</sup> – 30 <sup>th</sup> June	TfL review and scrutiny of Base Plans
3 <sup>rd</sup> July	Progress Report to Finance & Audit Committee
20 <sup>th</sup> July	Business Units propose full Business Plans
20 <sup>th</sup> July – 24 <sup>th</sup> Aug.	TfL review and scrutiny of Business Plans
28 <sup>th</sup> Aug – 15 <sup>th</sup> Sept.	Chief Officer's Group review of Business Plans Presentation to Advisory Panels
4 <sup>th</sup> Sept.	Progress Report to Finance & Audit Committee
16 <sup>th</sup> – 30 <sup>th</sup> Sept	Preparation of TfL Business Plan and Budget for 2002/03
Late Sept./Early Oct.	Finance & Audit Committee review and approval of Budget and Business Plan
Mid-Oct.	TfL Board review and approval of Budget and Business Plan
26 Oct.	Budget proposal to GLA Bid to Government funding (SR2002)
30 <sup>th</sup> Oct.	Update to Finance & Audit Committee
Ongoing	Performance monitoring

**5.2.4. A Business Plan working group will maintain open communication between TfL and the business units.** This working group is being established and will include all the key players across TfL involved in business planning. The working group will be led by TfL Finance & Performance, and will provide a forum for input from the business units and for assistance during the preparation of budgets and business plans.

### **5.3. Involvement of the Board**

The TfL Board will be closely involved in the Business Plan process throughout the development of the proposed 2002/03 Budget and the Full 6 Year Business Plan. Board

participation will include input to the process through the Finance and Audit Committee and Advisory Panels, and review and approval of the final Business Plan by the Finance and Audit Committee and the full Board.

It is therefore proposed that the Board should consider the various stages of work as follows:

- Progress Reports to the Finance and Audit Committee at their scheduled July, September, and October meetings.
- Draft Plan Review and Input by the Advisory Panels and Finance and Audit Committee in August and September concurrent with TfL Executive Management review.
- Review and Approval by the Finance and Audit Committee and full Board at special meetings to be scheduled in late-September through mid-October.

## **6. RECOMMENDATION**

- 6.1 The Board is asked to consider and endorse the proposals set forth here for the development and implementation of a revised Business Planning process in TfL to produce a Full 6 Year Business Plan and proposed 2002/03 Budget.

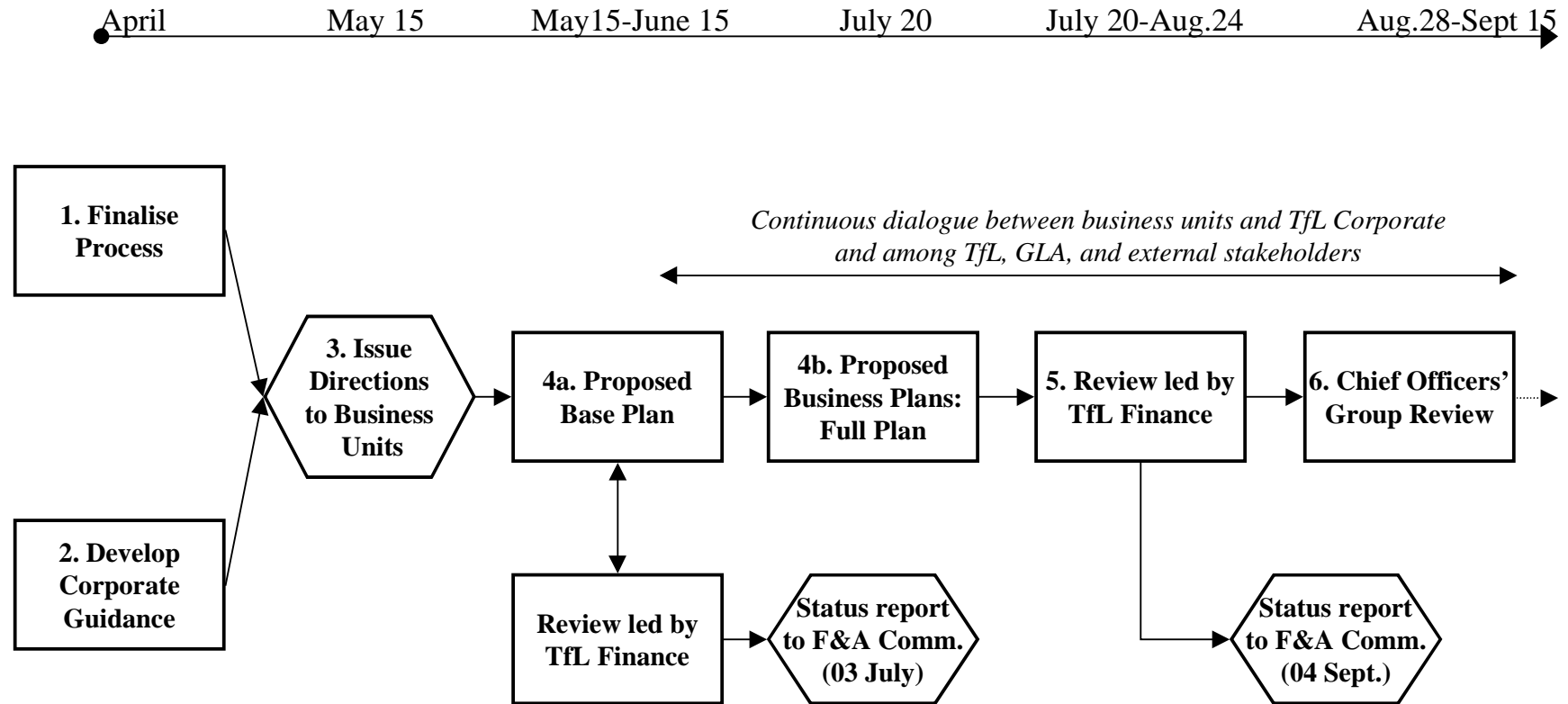
**Proposed TfL Operational Strategies and Performance Indicators**

<b>Business Plan Operational Strategy</b>	<b>System-wide Performance Indicators</b>
I. Improve system safety and customer security	<ul style="list-style-type: none"> <li>• Customer/employee/road injury and casualty rates</li> <li>• Incidence of crime</li> <li>• Customer Satisfaction Survey: personal security</li> </ul>
II. Improve financial efficiency (Best Value planning and implementation)	<ul style="list-style-type: none"> <li>• Net cost of services (gross margin)</li> <li>• Unit cost measures</li> </ul>
III. Reduce traffic congestion, and increase public transport usage and network capacity.	<ul style="list-style-type: none"> <li>• Demand: passenger journeys/traffic flow</li> <li>• Supply: volume of service supplied</li> <li>• Mode share (walking/cycling/public transport)*</li> <li>• Customer Satisfaction: crowding and congestion**</li> </ul>
IV. Improve network reliability and service delivery quality	<ul style="list-style-type: none"> <li>• Reliability: average/long waits and road journey time reliability</li> <li>• Scheduled vs. Operated mileage</li> <li>• Bus lane enforcement</li> <li>• Condition: % of assets in good repair**</li> <li>• Customer Satisfaction: Reliability</li> <li>• Overall Satisfaction (London-wide or by mode)</li> </ul>
V. Improve network integration (including SRA) and support of local authority initiatives	<ul style="list-style-type: none"> <li>• Multi-modal travelcard usage</li> <li>• Total door-to-door journey times*</li> </ul>
VI. Improve access to the transport system	<ul style="list-style-type: none"> <li>• % of network accessible (vehicles, buildings and infrastructure)</li> <li>• London-wide Transport Survey: Access*</li> </ul>

\* Potential measure for monitoring the Mayor's Transport Strategy; may require additional development as a London-wide measure.

\*\* Measure is currently under development; will work with business units to develop as part of the Business Plan process.

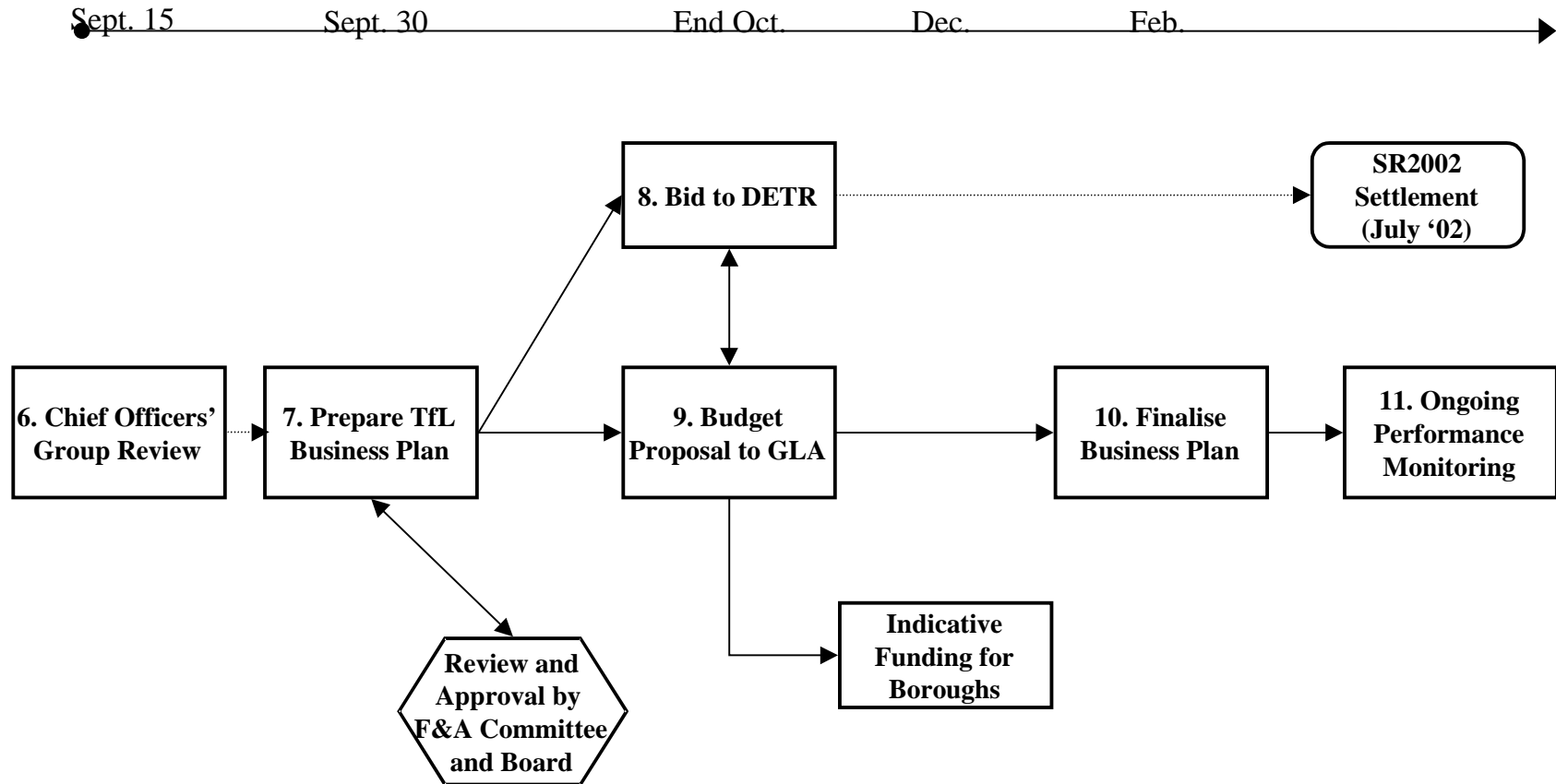
**Business Plan Process: Schematic**



*Continued*



## Business Plan Process: Schematic



*Continuation*

## TRANSPORT FOR LONDON

### BOARD PAPER

**SUBJECT: MAJOR RAIL SCHEMES**

**MEETING DATE: 29<sup>TH</sup> MAY 2001**

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#### **1. PURPOSE**

This paper summarises the current position on the major rail schemes involving the National Rail Network. This is an updated version of the paper presented to the Rail Transport Advisory Panel on 30 April 2001.

#### **2. CROSSRAIL AND THE HACKNEY – SOUTH WEST LINE**

At their last meeting the Mayor and Sir Alastair Morton agreed in principle to jointly take forward these two projects. Overall the schemes will support the Government's and the Mayor's transport strategies sustaining London as a world city. The specific benefits are to relieve congestion on the rail and Underground networks, reduce the need to interchange, improve access to and across the central area and to stimulate and serve regeneration areas.

The projects are in different stages of development. CrossRail has a well-defined route across the central area and is therefore some two years ahead of Hackney-Southwest in terms of development.

The government has now confirmed its support for both projects to be taken forward. This will be on the basis of a 50/50 partnership between the SRA and TfL (this represents joint and equal commitment as opposed to attempting to measure inputs). It is proposed that this be achieved by means of a company owned equally by the two parties. This would have a Board of Directors nominated by the two groups and would be chaired by an appropriate person acting as the public face of the project. DETR supports this with each of the two sponsoring bodies receiving 50% of the Government ringfenced funds for CrossRail with this being released to the promotional company against agreed budgets and plans. In practice this means that the budget of the promotional company would have to be approved by TfL and the SRA.

Over the next 18 months the key tasks will be to evolve a joint phased development programme:

For the CrossRail element:

- Redefine the project outside the central area to serve London's transportation and regeneration needs, including study of interchange and park and ride issues
- Consult with the Boroughs and the people of London on the revised proposal
- Agree on the principles of the project and core service patterns
- Determine options for the organisation and funding of the project
- Agree on the appropriate statutory approval mechanism
- Commence preparation of the plans and documents necessary for the approval process.

For Hackney-Southwest:

- Review the role of the project in the light of the draft transport strategy and London's needs
- Consult with Boroughs and the people of London on the proposal
- Reach agreement with SRA and others on the principles of the project and service patterns
- Agree on the broad definition of the project.

For CrossRail the aim is to complete this work and be in a position for a decision to be taken to proceed to the statutory approval stage, within about 18 months. In a similar timescale the Hackney-Southwest project will have been defined and a judgement can then be made on how quickly it can be progressed in parallel with CrossRail but deploying resources in a phased way. A key issue for CrossRail will be services to Heathrow, Thames Gateway and how the line should support continued development of Docklands – particularly the Isle of Dogs. For Hackney-Southwest even wider issues of route need to be determined with a particular priority being to establish how it can support the regeneration of inner north-east London and the Lee Valley.

### 3. THAMESLINK 2000

The Transport & Works Act Public Enquiry for the project will be officially closed in the first week of May 2001. Following closure, the Planning Inspector will write his report and submit it to the Secretary of State for Transport. Assuming that the Inspector recommends the granting of power to Railtrack for the construction of the project, it is likely that formal approval will not be given by the Government until the summer of 2002 at the earliest.

At the request of the Mayor TfL commissioned an independent report of the implications of the project at London Bridge. This report, which generally supported the need to provide enhanced rail capacity in the London Bridge area, was submitted to the Inquiry and will be formally taken into consideration by the Inspector in reaching his recommendations.

In the meantime, TfL will continue to work with both Railtrack and the SRA on the planning of the project. In particular, over the next six months, it is envisaged that two major studies will be carried out:

1. **Determination of the Service Pattern** – working with the SRA to analyse the optimal service pattern for the project, particularly in light of the Mayor's Transport Strategy. It is anticipated that this work will be used as part of the Franchise Replacement process for the newly created Thameslink 2000 Franchise.
2. **Access and Interchange Study** – working with Railtrack to identify opportunities for improving access and integration between Thameslink 2000 and other modes within Greater London.

### 4. CHANNEL TUNNEL RAIL LINK

The Channel Tunnel Rail Link has been divided into 2 sections. London and Continental Railways (LCR) began construction of Section 1 from Cheriton to Fawkham Jcn in 1998. The work is within budget and on schedule for opening in 2003 when it will be purchased from LCR by Railtrack.

An Agreement to construct Section 2 was announced on 3 April 2001 between LCR, Government and Railtrack. LCR will progress Section 2, take part of the construction risk, Railtrack will provide expertise during construction and operate the line on completion, expected to be by the end of 2006. LCR will retain ownership of Section 2 but Railtrack will operate the whole line.

## 5. EAST LONDON LINE EXTENSIONS

The scheme will extend the ELL northward and southward to connect to the NRN and provide a more strategic railway which will increase accessibility to public transport and provide new journey opportunities.

LUL has TWA powers for a northern extension to Dalston including connection to the North London Line. LUL awaits the Secretary of State's decision on the southern extension following a Public Inquiry in late 2000.

The SRA is funding LUL undertaking design and doing sufficient initial construction work to preserve powers for the northern extension.

TfL is working with the SRA on development of the scheme. Three areas of studies being led by TfL will be carried out:

- **Determination of the Service Pattern** – TfL have an agreement in principle with the SRA that we will determine the service patterns on the extended railway. We therefore need to consider the best service pattern for the project, in light of the Mayor's Transport Strategy.
- **Access and Interchange Study** – to identify opportunities for improving access and integration, both on the new stations on the northern extension, and also the existing stations to be served by the new services.
- **Organisation and Control** – working with the SRA and London Underground on the complex inter-organisational relationships for construction and operation of the extended line. A paper on this will be brought to the next meeting of the panel.

## 6. LONDON PROGRAMME OFFICE

A proposal to create a London Programme Office, to be jointly funded by Railtrack, TfL and the SRA is currently being considered. This Director-level Committee would co-ordinate all the major rail projects in London and ensure consistency of approach and function, and manage the interfaces between projects within London. For each individual major project there would be a Project Board.

## 7. IMPACT ON FUNDING

The TfL 2001/2 budget currently includes the following allocations:

- CrossRail development: £14m (Govt. ring fenced – allocation between TfL and SRA now to be split 50/50)
- Hackney-Southwest development: £1.6m
- Thameslink 2000 service studies: £0.2m
- East London Line extensions integration development: £2m

**8. RECOMMENDATION**

The TfL Main Board are asked to Note the progress on Major Rail Projects.

**Submitted by:  
Richard Smith  
Director of Integration**