

Meeting: Board

Date: Tuesday 2 June 2020

Time: 10.00am

Place: Teams Videoconference

Members

Sadiq Khan (Chair)

Heidi Alexander (Deputy Chair)

Cllr Julian Bell

Kay Carberry CBE

Prof Greg Clark CBE

Bronwen Handyside

Ron Kalifa OBE

Dr Alice Maynard CBE

Anne McMeel

Dr Mee Ling Ng OBE

Dr Nelson Ogunshakin OBE

Mark Phillips

Dr Nina Skorupska CBE

Dr Lynn Sloman

Ben Story

How decisions will be taken in current circumstances

To reduce unnecessary travel and to maintain social distancing in the current circumstances, Members will attend a videoconference or teleconference briefing in lieu of a meeting of the Board.

As TfL does not benefit from the changes in the Coronavirus Act 2020 in relation to the holding of public meetings, any decisions that need to be taken will be discussed at the briefing and will be taken by the Chair using Chair's Action. A note of the meeting recording decisions taken, including the key issues discussed, will be published on tfl.gov.uk.

As far as possible, TfL will run the briefing as if it were a meeting but without physical attendance at a specified venue by Members, staff, the public or press.

- Papers will be published in advance (or reasons given for any late papers) on tfl.gov.uk [How We Are Governed](#)
- The briefing will be webcast and the public and press will be able to review the Part 1 discussion.
- A guide for the press and public on attending and reporting meetings of local government bodies, including the use of film, photography, social media and other 2 means is available on www.london.gov.uk/sites/default/files/Openness-in-Meetings.pdf.

Further Information

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

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

Howard Carter, General Counsel
Friday 22 May 2020

**Agenda
Board
Tuesday 2 June 2020**

1 Apologies for Absence and Chair's Announcements

2 Declarations of Interests

General Counsel

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

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

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

General Counsel

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

4 Decision Making During Covid-19 Emergency Measures, Use of Delegated Authority and Actions List (Pages 15 - 24)

General Counsel

The Board is asked to note the meeting arrangements during the Covid-19 emergency measures, the use of Chair's Action and the updated actions list.

5 Commissioner's Report (To Follow)

Commissioner

The Board is asked to note the Commissioner's Report, which provides an overview of TfL's response to Covid-19. This paper will be published on 29 May 2020, so that it contains the most up to date information for Members to consider.

6 Elizabeth Line Operational Readiness and Crossrail Update
(Pages 25 - 28)

Commissioner

The Board is asked to note the paper.

7 Finance Update - TfL Funding Agreement and Emergency Budget (To Follow)

Chief Finance Officer

The Chair, following consultation with the Board, is asked to note the terms of the funding arrangements from Government and approve an Emergency Budget as set out in the paper. This paper will be published on 29 May 2020, as the Budget is being developed following agreement of Government funding.

8 Statutory Chief Finance Officer (Pages 29 - 32)

General Counsel

The Chair, following consultation with the Board, is recommended to appoint a Statutory Chief Finance Officer and update the list of staff that are authorised to act in the absence of the Statutory Chief Finance Officer.

9 Report of the meeting of the Finance Committee held on 11 March 2020 and Briefing held on 12 May 2020 (Pages 33 - 38)

Committee Chair, Ron Kalifa OBE

The Board is asked to note the summary report.

10 Any Other Business the Chair Considers Urgent

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

11 Date of Next Meeting

Wednesday 29 July 2020 at 10am.

12 Exclusion of Press and Public

The Board is recommended to agree to exclude the press and public from the meeting, in accordance with paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended), in order to consider the following items of business.

13 Agenda Part 2

Papers containing supplemental confidential or exempt information not included in the related item on Part 1 of the agenda.

14 Statutory Chief Finance Officer (Pages 39 - 40)

Exempt supplemental information relating to the item on Part 1 of the agenda.

[page left intentionally blank]

Transport for London

Minutes of the Meeting

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

Members

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

Executive Committee

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

Also in attendance

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

Staff

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

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

No apologies for absence had been received from Members.

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

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

02/01/20 Declarations of Interests

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

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

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

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

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

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

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

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

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

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

05/01/20 Commissioner's Report

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

The key issues arising from the overview and discussion were:

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

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

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

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

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

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

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

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

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

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

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

The Board noted the Commissioner's Report.

06/01/20 Crossrail Update

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

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

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

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

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

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

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

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

The Board noted the paper.

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

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

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

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

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

The Board noted the report.

08/01/20 TfL Viewpoint Survey Results 2019

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

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

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

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

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

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

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

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

The Board noted the paper.

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

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

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

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

The Board noted the report.

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

The Chair of the Committee, Anne McMeel, introduced the item. The Committee had agreed that second and third line assurance teams at TfL and Network Rail should participate in assurance and risk workshops with Crossrail to ensure an aligned understanding of the Crossrail delivery programme and its risks.

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

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

The Board noted the report.

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

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

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

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

The Board noted the report.

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

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

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

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

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

The Board noted the report.

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

There was no urgent business.

14/01/20 Date of Next Meeting

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

The meeting closed at 12.44pm.

Chair: _____

Date: _____

Board



Date: 2 June 2020

Item: **Decision Making During Covid-19 Emergency Measures, Use of Delegated Authority and Actions List**

This paper will be considered in public

1 Summary

- 1.1 This paper informs Members of the position of TfL meetings during the current restricted travel period, as the country controls the spread and impact of Covid-19. It then informs the Board of any use of delegated authority, issuance of Mayoral Directions to TfL and progress against actions agreed at previous meetings, since the last scheduled meeting of the Board on 22 January 2020.
- 1.2 As TfL does not benefit from the changes in the Coronavirus Act 2020, that allow some local authorities to meet by videoconference, ordinary meetings are not being held during the period of restricted travel. Members will receive briefings on the scheduled dates of Board, Committee and Panel meetings. Any decisions required will be taken, following briefings, under the Chair's Action provision in Standing Orders.
- 1.3 In lieu of the meeting of the Board scheduled for 18 March 2020, a teleconference was held with Members. The Chair then approved items that required decision by Chair's Action on 29 March 2020. A note of the issues discussed by Members on 18 March 2020 and the decisions subsequently taken was published on tfl.gov.uk (Appendix 1).
- 1.4 There has been no other use of Chair's Action exercising authority delegated by the Board since 29 March 2020.
- 1.5 The actions from previous meetings generally relate to briefings and agenda items or site visits. As these are not practicable or relevant at present, the list will be reviewed with the Deputy Chair. All essential health and safety actions will be taken forward.

2 Recommendation

- 2.1 **Members are asked to note the exercise of Chair's Action on 29 March 2020.**

3 Decision Making During the Covid-19 Emergency Measures

- 3.1 TfL does not benefit from the changes in the Coronavirus Act 2020 that allow some local authorities to meet by videoconference. Therefore, Members will receive briefings on the scheduled dates of Board, Committee and Panel meetings.
- 3.2 These briefings will be run, as far as reasonably practicable, as if TfL did benefit from the meeting provisions in the Coronavirus Act 2020. Papers will be published in advance, with the discussions streamed or recorded so that they can be viewed by the public and press. Where decisions are required that cannot wait until ordinary meetings resume, these will be taken by Chair's Action with a note of the issues raised and decisions taken subsequently published on tfl.gov.uk.
- 3.3 The minutes of meetings held before the Covid-19 travel restrictions were introduced will be included on the agenda for information but will be submitted to the next ordinary meeting for approval.

4 Use of Chair's Action and Delegated Authority

- 4.1 A meeting of the Board was scheduled for 18 March 2020, with the agenda and papers published on 10 March 2020. We were aware that a quorum would not be achieved for the meeting, following government advice on 16 March 2020, that everyone should limit non-essential travel to help control the spread of Covid-19.
- 4.2 As soon as it was known that the meeting of the Board would not be quorate, a notice was included on tfl.gov.uk to advise the press and public that the meeting would not go ahead. It also advised that Board Members would be consulted on the issues that required decision on the published agenda and that the Chair would then be asked to exercise Chair's Action to approve those decisions, which would be reported to the next meeting of the Board.
- 4.3 In lieu of the Board meeting, a conference call briefing was held from 10am on 18 March 2020. Several items on the Board agenda required decisions to be taken. A note of the Board's discussion was provided to the Chair, who took decisions in relation to these matters under Chair's Action. A note of the issues raised by Members on 18 March and the decisions taken under Chair's Action on 29 March 2020 was published on tfl.gov.uk on Monday 30 March 2020 and is attached as Appendix 1.

5 Actions List

- 5.1 The actions from previous meetings generally relate to briefings and agenda items or site visits. As these are not practicable or relevant at present, the list will be reviewed with the Deputy Chair. All essential health and safety actions will be taken forward.

6 Mayoral Directions to TfL

- 6.1 The Greater London Authority Act 1999 (as amended), permits the Mayor to issue to TfL general directions as to the manner in which TfL is to exercise its functions or specific directions as to the exercise of its functions (or not to exercise a power specified in the direction). Directions are also often made in relation to the implementation of matters in respect of which the Mayor delegates statutory powers to TfL.
- 6.2 The Mayor makes Mayoral Directions through Mayoral Decisions. Papers for Mayoral Directions set out the financial and other implications. If those implications change over time, that will be reported to the GLA.
- 6.3 All Mayoral Decisions are issued in writing, with the information that is not exempt from publication included on the GLA's Decisions Database on its website: <https://www.london.gov.uk/about-us/governance-and-spending/good-governance/decisions?order=DESC>.
- 6.4 Mayoral Directions fall into three broad categories: those addressing technical issues relating to statutory powers; those related to commercial development activities; and those related to projects and programmes. Mayoral Directions relating to TfL are reported to the Board's Committees for discussion as soon as possible after they are received by TfL or published. Regular reports will list the relevant Directions for as long as they are applicable.
- 6.5 Annually the Audit and Assurance Committee considers the list as part of its consideration of the annual audit plan to ensure that appropriate audit resource is applied to assurance on TfL's work in implementing Mayoral Directions. This will also be kept under review at each quarterly meeting of that Committee.
- 6.6 A summary of current Mayoral Directions to TfL is now maintained on the "How we are governed" page on our website, with links to the relevant Mayoral Decisions: <https://tfl.gov.uk/corporate/about-tfl/how-we-work/how-we-are-governed>. That page will be updated as and when further Directions are made.
- 6.7 Since the last report to the briefing of the Board on 18 March 2020, there have been no new directions to TfL.

List of appendices to this report:

Appendix 1: Exercise of Chair's Action 29 March 2020

List of Background Papers:

Papers from the scheduled meeting of the Board on 18 March 2020.

Contact Officer: Howard Carter, General Counsel
Number: 020 3054 7832
Email: HowardCarter@tfl.gov.uk

[page left intentionally blank]

TfL Board Decisions Approved by Chair's Action 29 March 2020

On 18 March 2020, the Members of TfL were consulted on the exercise of Chair's Action for several decisions that would have been taken by the Board on that date, if it had been able to meet. The note below summarises the discussion on each item, the reason why Chair's Action was appropriate as none of the decisions could wait until the next meeting of the Board and the recommendations of Members to the Chair of TfL.

On 29 March 2020, the Chair of TfL exercised Chair's Action to approve the matters set out in the note below.

TfL Board Decisions – Consultation on Use of Chair's Action: 18 March 2020

Attendance

Members: Heidi Alexander (Deputy Chair), Cllr Julian Bell, Kay Carberry CBE, Prof Greg Clark CBE, Bronwen Handyside, Ron Kalifa OBE, Dr Alice Maynard CBE, Anne McMeel, Dr Mee Ling Ng OBE, Dr Nelson Ogunshakin OBE, Mark Phillips, Dr Nina Skorupska CBE and Dr Lynn Sloman.

Executive Committee: Mike Brown MVO (Commissioner), Howard Carter (General Counsel), Simon Kilonback (Chief Finance Officer), Andy Lord (Managing Director London Underground and TfL Engineering) and Alex Williams (Director of City Planning).

Also in attendance: Sarah Gasson (Interim Head of Corporate and Public Affairs), Shamus Kenny (Head of Secretariat), Tony King (Interim Group Finance Director and Statutory Chief Finance Officer) and Will Norman (Walking and Cycling Commissioner).

Introduction and Issues deferred

A meeting of the Board was scheduled for 18 March 2020, with the agenda and papers published on 10 March 2020.

On 16 March 2020, the Government issued advice for everyone to limit non-essential travel to help control the spread of the COVID-19 virus. As it was known that the meeting of the Board would not be quorate, a notice was included on tfl.gov.uk to advise the press and public that the meeting would not go ahead. It also advised that Board Members would be consulted on the issues that required decision on the published agenda and that the Chair would then be asked to exercise Chair's Action to approve those decisions, which would be reported to the next meeting of the Board.

In lieu of the Board meeting, a conference call briefing was held from 10am on 18 March 2020. The issues raised in the call and the recommendations of Members are recorded below.

Julian Bell was welcomed to his first discussion on Board decisions following his appointment to the Board.

Mike Brown provided a briefing and answered questions from the Board on TfL's contingency planning and the impact of the virus. Members were informed that he had agreed to defer his departure as Commissioner, in May 2020, to help see TfL through this difficult period over the coming months. Members commended Mike Brown on his leadership, now and throughout his time as Commissioner, and thanked him for agreeing to stay on for a short period.

Members noted that decision-making contingency plans were being developed for the coming months, if the Board and its Committees were not able to meet. Further details would be provided to Members in due course.

The Secretariat would also investigate means of facilitating attendance at meetings and informal briefing by video conference and how to maintain transparency in decision making for the public and key stakeholders.

The agenda for the meeting of the Board on 18 March 2020 included a proposal to delegate authority to the Finance Committee to approve the Treasury Management Strategy and related Treasury Management Policies for 2020/21 and future years. While Members supported this in principle, it was agreed that the decision would be limited to 2020/21 as approval for future years could be taken when the Board was again meeting.

2020/21 TfL Scorecard

As the 2020/21 TfL Scorecard was an internal measure, which would need to be substantially rewritten to focus on the new priorities arising from the management of the COVID-19 virus, Members agreed that no decision would be recommended under Chair's Action. Approval for the Scorecard would be sought once the new priorities and a revised Budget had been agreed.

Members noted the consideration of the draft Scorecard by the Finance Committee including the changes to the Carbon and Housing targets. The Committee and Members discussed the new Healthy Streets measures on people killed and seriously injured, which now included buses. When the Scorecard was brought back for approval, the 2019/20 comparator figures would be amended to reflect the new definition to support the monitoring process. While Members were keen to ensure that the Scorecard and Risk Registers continued to provide them with assurance on TfL's performance, it was agreed that special measures would be required for 2020/21 given the COVID-19 situation, to enable staff to focus on providing key services, safety and TfL's finances. The revised Scorecard would therefore be simplified.

Approval of Treasury Management Strategy (TMS), Treasury Management Policies and the TfL Group Policy Relating to the Use of Derivative Investments

Item 4 (Matters Arising) of the agenda for the meeting of the Board on 18 March 2020, proposed that the Board delegate to the Finance Committee the approval of the Treasury Management Strategy (TMS), the Treasury Management Policies and the TfL Group Policy Relating to the Use of Derivative Investments for 2020/21 and future years.

Each year, the Finance Committee considered the TMS and the related policies in detail, using its expertise and knowledge, before making a recommendation to the Board. The Board currently delegated authority to the Committee to make any changes to the TMS in-year. In line with the delegation of other matters to Committees to take decisions within their area of expertise, it was proposed that these matters now be delegated to the Finance Committee.

On 11 March 2020, the Finance Committee considered the strategy and policies and supported their approval and the proposed delegation of authority by the Board.

A decision was required by Chair's Action as TfL was required to approve the TMS, TM Policies and the policy on the use of Derivative Investments before 1 April 2020.

Members supported the proposal but recommended that the Chair only approve the delegation for 2020/21 as that was time critical, with a view to approving the authority for future years when the Board was able to meet again in public.

Members agreed that the Chair of TfL be recommended to delegate to the Finance Committee by Chair's action the approval of the following strategies and policies for 2020/21:

- 1 the Treasury Management Strategy (TMS) including the Investment Strategy, the Borrowing Strategy, the Liquidity Strategy, the Risk Management Strategy and the Counterparty Exposure Limits;**
- 2 any changes to the TMS during the year;**
- 3 the Treasury Management Policies; and**
- 4 the TfL Group Policy Relating to the Use of Derivative Investments.**

TfL Budget 2020/21

Item 8 of the agenda for the meeting of the Board on 18 March 2020 sought approval of the TfL Budget 2020/21. Members of the Board had informally reviewed the financial summaries and analysis on 26 February 2020.

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

A decision was required by Chair's Action as TfL was required to set a Budget before 1 April 2020.

Members recognised that TfL's Business Plan and Budget would be severely impacted by the need to manage the spread of the COVID-19 virus. A full review of the Budget would be undertaken in Quarter 1 2020/21, once the impact of the COVID-19 situation was better understood. Members would be regularly updated and given the opportunity to input into the review process.

Members agreed to recommend to the Chair of TfL that by Chair's action he:

- 1 approve the TfL Budget 2020/21, as set out on the appendix to the paper; and**
- 2 authorise the Chief Finance Officer to make any editorial or other minor changes he considered appropriate prior to its publication.**

TfL Prudential Indicators 2021/22 to 2022/23

Item 9 of the agenda for the meeting of the Board on 18 March 2020, set out the proposed TfL borrowing limits and other Prudential Indicators under the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code (the Code), which were consistent with the proposed Treasury Management Strategy for 2020/21 and the principles underpinning the proposed long-term TfL Capital Strategy. These limits and indicators were based on figures in the draft 2020/21 TfL Budget.

Under the Prudential Code, TfL was required to adopt Prudential Indicators which support decision making on planned capital expenditure, borrowing and treasury management activities. The proposed Prudential Indicators for 2020/21 and the following two years were attached to the paper as Appendix 1. In line with guidance from CIPFA, Treasury Management Indicators were shown separately in Appendix 3.

Under Capital Finance regulations, local authorities were also required each year to set aside some of their revenues as provision for debt. TfL had a statutory duty to make an annual statement as to its policy for the calculation of this provision. The paper on the agenda set out and sought approve of the TfL Policy Statement on Minimum Revenue Provision.

Members noted that, in light of the current situation, a change was proposed to increase the authorised debt limit for 2020/21 from £14,445.2m to £14,945m to preserve TfL's liquidity. Further changes would be required once agreement was

reached with the Department for Transport on the financing of the additional resource required by the Crossrail project.

The proposed Prudential Indicators had been prepared based on existing accounting standards. However, TfL would be required to apply the new lease accounting standard, IFRS 16 Leases, which superseded IAS 17 Leases, in 2020/21. The impact of the application of this standard was expected to be the recognition of an additional £2.4bn of lease liabilities and related right-of-use assets on the Balance Sheet as at 31 March 2021. The expected impact of the implementation of IFRS 16 on the Prudential Indicators and Debt Limits was set out in Appendix 2 of the paper. The figures in Appendix 2 were based on the budgeted IFRS 16 figures included in the Financial tables presented in the appendices of the 2020/21 TfL Budget. TfL's rating agencies had been updated with the expected impact of IFRS 16 on TfL's financial statements as preparation work had progressed. Final indicators prepared on an IFRS 16 basis would be submitted for approval by the Board during the 2020/21 financial year.

A decision was required by Chair's Action, regardless of the necessity for review in Quarter 1 2020/21, as TfL was required to agree its Prudential Indicators before 1 April 2020.

A full review of the Budget would be undertaken from Quarter 1 2020/21, as the impact of the COVID-19 pandemic situation was better understood. This would also necessitate a review of the Prudential Indicators and further approval would be sought in due course.

Members recommended to the Chair of TfL that he exercise Chair's action to:

- 1 approve the TfL Prudential Indicators as set out in Appendix 1 of the Board paper for 2020/21 and the following two years, subject to an amendment to reflect an increase in the authorised debt limit for 2020/21 from £14,445.2m to £14,945m;**
- 2 approve the Treasury Management Indicators as set out in Appendix 3 of the Board paper for 2020/21 and the following two years; and**
- 3 approve the Annual TfL Policy Statement on Minimum Revenue Provision set out in section 7 of the Board paper.**

HGV Safety Permit Scheme - Approval of Joint Arrangements for administration and enforcement

Cllr Julian Bell, as the Chair of the London Council's Transport and Environment Committee (TEC) declared an interest in this item and took no part in the discussion, other than to advise that the meeting of the TEC scheduled for 19 March 2020 would not be held but the decision was likely to be taken outside of a formal meeting.

Item 11 of the agenda for the meeting of the Board on 18 March 2020, sought approval for TfL to enter into joint arrangements with London Councils' TEC for TfL to administer and enforce the London HGV Safety Permit Scheme (the Scheme) on its behalf.

The Scheme was the implementation mechanism for the world's first Direct Vision Standard (DVS), which TfL had created to improve the safety of all road users. It was a key measure supporting the Mayor's Vision Zero goal of eliminating all deaths and serious injuries from London's streets by 2041.

The HGV Safety Permit Scheme launched on 28 October 2019 with a 12-month pre-compliance period, within which hauliers/operators could apply for a permit.

A decision was required by Chair's Action to enable TfL to prepare for enforcement of the Scheme from 26 October 2020.

TfL expected the enforcement and administration of the HGV Safety Permit Scheme to be cost neutral over the life of the scheme. The net operational costs would be covered by the enforcement income that TfL collected, and no surplus was expected.

Members recommended to the Chair of TfL that he exercise Chair's Action to approve TfL entering into joint arrangements with the London Councils' Transport and Environment Committee (TEC) for TfL's administration and enforcement of the HGV Safety Permit Scheme by means of the delegation by the TEC of its functions to TfL, as set out in Appendix 1 of the Board paper.

Appointment of the Commissioner of Transport for London

Item 12 of the agenda for the meeting of the Board on 18 March 2020 provided details of the recruitment and selection process being undertaken to support the appointment of a Commissioner of Transport for London.

Mike Brown, at the request of the Mayor, had willingly agreed to defer his departure as Commissioner to help lead TfL through the unprecedented COVID-19 virus situation. As that situation was ongoing and the recruitment process would still be required, Members agreed that it was still appropriate for a delegation to be approved.

Members noted that interviews had been scheduled for the end of March 2020 but this was subject to review in the current situation. Members would be updated on changes to the timetable.

Members recommended to the Chair of TfL that he exercise Chair's action to approve a delegation to the Chair of TfL, in consultation with the Interview Panel, to appoint a Commissioner of Transport for London and, should it prove necessary, the appointment of an interim Commissioner.

Board



Date: 2 June 2020

Item: Elizabeth Line Operational Readiness and Crossrail Update

This paper will be considered in public

1 Summary

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

2 Recommendation

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

3 Crossrail update

- 3.1 Crossrail Limited (CRL) has been focussed on meeting the immediate challenge posed by Covid-19 and moving the programme forward safely. It has indicated that Covid-19 will have an impact on the programme but at this stage it is too early to say how that impact will be felt.
- 3.2 Physical works on all sites were temporarily paused following the decision to implement a safe stop on 24 March 2020. Crossrail is working with its contractors to get physical works back up and running. All CRL sites continue to observe strict social distancing protocols with the numbers of people at each location strictly limited at all times. Workers are required to avoid the use of public transport where at all possible.
- 3.3 CRL paused the testing of the technical railway systems (Dynamic Testing) following the safe stop of physical works with software development for the train and signalling systems continuing. While Dynamic Testing remained possible at the sites outside of London, CRL is working with the supply chain to finalise the restart strategy for testing of the railway's central section.
- 3.4 In line with the safe stop and the general industry response to Covid-19, Network Rail temporarily paused station enhancement work on the east and west of the route. It has since identified opportunities to support delivery and resumed enhancement work on the east and west while adhering to latest Government and Public Health England guidance.
- 3.5 Essential and business critical work has continued across the programme supported by those across CRL and the supply chain working remotely. The focus is to progress programme activity that supports the entry into intensive operational testing, known as Trial Running, at the earliest opportunity. This

includes the vital assurance and safety certification that must be completed before the Elizabeth line can open. This is being assisted by teams who are conducting assurance verification and validation work at the central station sites. This work, which is not construction activity, involves photographing and inspecting physical assets. CRL and its contractors are regularly looking at existing working arrangements and exploring opportunities to further build capabilities in line with government guidance to maintain momentum and without compromising the safety of the workforce or the public.

- 3.6 Health and safety remain a priority for CRL and overall performance is kept under constant scrutiny. As well as a focus on physical health, mental health and wellbeing of staff is equally important. To support those working remotely, CRL has launched the Crossrail Resource Hub to assess the overall health and wellbeing of the organisation and to signpost employees to the existing wellbeing support and services provided. In May, CRL hosted a 'Stepping Up' week focussed on mental health and wellbeing.
- 3.7 Despite the challenges presented by Covid-19, the project has recently been able to handover to TfL the first central section station, Custom House, along with Royal Oak Portal and North Woolwich Portal. These are significant milestones for the programme to support intensive operational testing of the railway (Trial Running) in addition to Pudding Mill Lane Portal, Victoria Dock Portal, and Mile End Shaft previously handed over to TfL. In addition, a further three central section stations have been certified as ready for Trial Running: Liverpool Street, Whitechapel and Woolwich.
- 3.8 Having undertaken a series of independent reviews into the status of the shafts and portals, CRL has agreed handover dates with the delivery, technical and operator organisations and has identified an action plan to address the challenges.
- 3.9 All Engineering Safety Justifications (ESJs) for the Routeway have now been submitted by the Tier 1 contractors for review by CRL. These ESJs are a crucial milestone that, once approved by CRL, will allow subsequent assurance required to enter Trial Running to be started.

4 Elizabeth line readiness

- 4.1 Since Monday 18 May 2020, TfL Rail services increased to a near full service and continue to operate with good reliability. All services to and from Reading are now being operated with full length trains (nine carriages) and the reduced length trains (seven carriages) that they replaced are being transferred to the Shenfield line to allow the 30-year-old Class 315 trains to be withdrawn.
- 4.2 The Office of Rail and Road granted us authorisation on 7 May 2020 to operate the full-length Class 345 trains in the tunnels to Heathrow airport using the European Train Control System Level 2 signalling system. We will start to run the new trains between Paddington and Heathrow in the next few weeks.

- 4.3 Work continues on readiness for Trial Running, although in the short-term operational training has been paused due to the current restrictions. Ways are being sought to resume training including building the operations control capability through virtual Incident Command exercises and remote mentoring.
- 4.4 The Elizabeth Line Readiness Group has been established to oversee an agreed completion and readiness plan between CRL and TfL. The group will initially focus on the necessary steps to achieve Trial Running but will then continue into planning for full Elizabeth line services. The following outlines the group's progress and current actions.
- 4.5 We have identified an opportunity for CRL to transfer the LU interface stations early (Tottenham Court Road, Farringdon, Liverpool Street and Whitechapel) to us as the IM. This collaborative approach has required the assessment of trade-offs to focus efforts on what is needed to support operations. The early transfer will facilitate an early start to station familiarisation and allow us to draw on our extensive experience in accepting and operating stations. Due to current site access restrictions, we are unable to start staff familiarisation though detailed planning is underway to assess mitigations.
- 4.6 Our engineering teams are developing a process to assist CRL in the review of the remaining assurance paperwork being prepared by the Tier 1 contractors. The intention is for our teams to complete the remaining paperwork where possible without relieving the Tier 1 contractors of their accountability. This will accelerate the handover delivery and remove this risk from the critical path.
- 4.7 CRL is developing a Covid-19 recovery plan, which will form the basis of a revised delivery baseline. Our teams are supporting the development of the new schedule to ensure all parties are committed to the successful delivery of the new programme.

List of Appendices:

None

List of Background Papers:

None

Contact Officer: Andy Lord, Managing Director London Underground and TfL
Engineering

Number: 020 3054 6931

Email: AndyLord@tfl.gov.uk

Contact Officer: Howard Smith, Chief Operating Officer - Elizabeth line

Number: 020 3197 5976

Email: HowardSmith@tfl.gov.uk

[page left intentionally blank]

Board



Date Issued: 2 June 2020

Item: Statutory Chief Finance Officer

This paper will be considered in public

1 Summary

- 1.1 Under Standing Orders, the appointment and removal of the statutory Chief Finance Officer (CFO) is a matter reserved to the Board. As TfL does not benefit from the meeting arrangements in the Coronavirus Act 2020, this paper consults Members on the proposed appointment of a statutory CFO and asks the Chair to approve the decision by Chair's Action.
- 1.2 Following the departure of the previous postholder on 31 July 2019, interim arrangements have been in place for the role of statutory CFO and those staff that can deputise for that role in the absence of the postholder. These arrangements were approved by Chair's Action, which also noted the intention that the new Group Finance Director, when appointed, would undertake the statutory CFO role going forward and authority for this would be sought in due course.
- 1.3 TfL has recently made an appointment to the role of Group Finance Director and is seeking approval for that postholder to be appointed as the statutory CFO. Following other staff changes, it is also proposed to update the list of staff that may deputise in the absence of the statutory CFO.
- 1.4 The names of the proposed postholders are on the related paper included on Part 2 of the agenda. The information is exempt from publication, by virtue of paragraphs 1 and 3 of Schedule 12A of the Local Government Act 1972, as it contains information relating to an individual(s) and the financial and business affairs of TfL. Any discussion of that exempt information must take place after the press and public have been excluded from this meeting. Once the decision has been taken, the names of the person appointed as statutory CFO and the names of those that may deputise will be made public.

2 Recommendations

- 2.1 **The Chair of the Board (in consultation with Board Members) is asked to note the paper and to:**
 - (a) **appoint the Group Finance Director, named in the paper on Part 2 of the agenda, as statutory Chief Finance Officer (CFO) with effect from the date of this approval;**

- (b) agree that that any one of individuals named in the paper on Part 2 of the agenda, are authorised to undertake the statutory CFO responsibilities if the statutory CFO is unavailable; and**
- (c) authorise any of the Commissioner, Chief People Officer and the General Counsel to take any steps necessary or consequential to implement the matters approved above.**

3 Appointment of Chief Finance Officer

- 3.1 The Greater London Authority Act 1999 requires the appointment by TfL of an appropriately qualified person as statutory CFO. This role is required to ensure that TfL has made arrangements for the proper administration of its financial affairs. Under Standing Orders, the appointment and removal of the statutory CFO is a matter reserved to the Board.
- 3.2 Given these requirements, it is important that TfL has appointed a suitably qualified person or persons to act as TfL's CFO, both in the management position and as the statutory CFO.
- 3.3 As part of the Transformation Changes to the Finance Directorate, changes were made to several of the most senior roles. The post of Group Financial Controller was replaced, with its responsibilities subsumed into a new role of Group Finance Director. The former Group Financial Controller postholder was also the statutory CFO and it was always intended that the new Group Finance Director, when appointed, would also hold the appropriate qualifications to be appointed as the statutory CFO. The statutory CFO reports directly to TfL's Chief Finance Officer, Simon Kilonback.
- 3.4 On 2 April 2019, the Chair of the Finance Committee exercised Chair's Action to note the departure of the then statutory CFO and to appoint a suitably qualified individual to act as the interim statutory CFO from 31 July 2019. On 14 July 2019, the Chair of the Finance Committee again exercised Chair's Action to update the interim arrangements and noted the intention that the new Group Finance Director, when appointed, would undertake the statutory CFO role going forward and authority for this would be sought in due course.
- 3.5 TfL has recently made an appointment to the role of Group Finance Director, with effect from 1 April 2020 and is seeking approval for that postholder to be appointed as the statutory CFO. Following other staff changes, it is also proposed to update the list of staff that may deputise in the absence of the statutory CFO. The names of the individuals are in the paper on Part 2 of the agenda. The people appointed to the role of statutory CFO and to deputise for that role will be published once the decisions have been made.

List of appendices to this report:

A paper containing exempt supplemental information is included on Part 2 of the agenda.

List of background papers:

Chair's Actions papers approved by the Chair of the Finance Committee on 2 April and 14 July 2019 and reported to the Board on 24 July 2019.

Contact Officer: Howard Carter, General Counsel
Number: 020 3054 7832
Email: HowardCarter@tfl.gov.uk

[page left intentionally blank]

Board



Date: 2 June 2020

Item: Report of the Meeting of the Finance Committee held on 11 March 2020 and the Briefing held on 12 May 2020

This paper will be considered in public

1 Summary

- 1.1 This paper provides a short summary of the items considered by the Finance Committee at its meeting on 11 March 2020 and its briefing on 12 May 2020.

2 Recommendation

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

3 Committee Agenda and Summary – 11 March 2020

- 3.1 The papers for the meeting of the Committee held on 11 March 2020 were published on 3 March 2020 and are available on the TfL website:
<https://tfl.gov.uk/corporate/publications-and-reports/finance-committee>
- 3.2 The main matters considered by the Committee were:
- (a) Use of Delegated Authority;
 - (b) Finance Report – Period 11, 2019/20;
 - (c) Treasury Activities;
 - (d) Treasury Management Strategy 2020/21;
 - (e) Treasury Management and Derivative Investments Policies;
 - (f) Investment Strategy 2020/21 – Non-Financial Assets;
 - (g) 2020/21 TfL Scorecard;
 - (h) General Fund Balance;
 - (i) Telecoms Commercialisation Project;
 - (j) Strategic Risk Update – Inability to Meet Changing Demand (SR9);
 - (k) TfL Energy Purchasing; and
 - (l) Members' Suggestions for Future Discussion Items.

- 3.3 A summary of the items discussed and decisions taken at the meeting is provided below. The more detailed minutes of the meeting will be published ahead of the meeting of the Committee on 24 June 2020.

4 Issues Discussed

Use of Delegated Authority

- 4.1 The Committee noted the paper, which set out the use of delegated authority since the previous meeting. The only item to report was a Mayoral Direction relating to implementing a bus driver retention scheme.

Finance Report – Period 11, 2019/20

- 4.2 The Committee noted the report, which set out TfL's financial results to the end of Period 11, 2019/20 – the year-to-date period ending 1 February 2020. At that time, net operating surplus was £560m (£66m better than the revised Budget) and headline income was lower than target. Operating costs were £66m lower than Budget, driven mainly by contingency that had not been required. Underlying costs were slightly better than revised targets at £6m due to savings on staff costs and contracts. The net cost of operations (operating deficit) was £74m better than target so TfL remained on target to meet the strategic goal of having a surplus by 2022/23.
- 4.3 The capital spend, including renewals and new capital investment, remained behind revised expectations with some additional slippage of £40m in savings, delays from commercial negotiation and other external factors.
- 4.4 In response to the information provided on the total capital expenditure by programme including capital renewals, it was agreed that consideration be given to the process for how to organise as a Board to engage agilely with the major projects.

Treasury Activities

- 4.5 The Committee noted the paper, which provided a brief update on key treasury activities for the reporting period from 20 September 2019 to 21 February 2020.

Treasury Management Strategy 2020/21

- 4.6 The Committee noted the paper, which set out the proposed Treasury Management Strategy (TMS) for 2020/21 which supported the objective of prudence and financial sustainability. It also recommended that the Board delegate authority to approve the TMS and related policies to the Committee in future.
- 4.7 The TMS included TfL's proposed strategies for investment, borrowing, liquidity and risk management for the financial year 2020/21, as well as proposed counterparty exposure limits. It also set out TfL's borrowing requirement. There were no major changes to the TMS compared to the

2019/20 version. All investments referred to were held for treasury management purposes only.

Treasury Management and Derivative Investments Policies

- 4.8 The Committee noted the paper, which set out the proposed Treasury Management Policies and TfL Group Policy Relating to the Use of Derivative Investments which supported the commitment to financial prudence through risk management.
- 4.9 Given the ability of the Committee to review the TMS and related policies in detail, it was suggested that the Board delegate approval of the TMS and related policies to the Committee going forward at its next meeting.
- 4.10 **Post meeting note:** At its briefing in lieu of a meeting on 18 March 2020, the Board recommended that the Chair approve the delegation to the Finance Committee to approve the TMS and related policies for 2020/21 only, to enable the decision on the long-term delegation to be taken when the Board was able to formally meet. The Chair approved the delegation on 29 March 2020 and the Chair of the Finance Committee approved the TMS and related policies on 30 March 2020.

Investment Strategy 2020/21 – Non-Financial Assets

- 4.11 The Committee noted the paper and approved the Commercial Development Investment Strategy 2020/21 – Non-Financial Assets. The strategy set out how TfL planned to manage and grow its various commercial assets. Updated statutory guidance required the strategy to include reference to other non-financial assets held primarily for or partially to generate profit.

2020/21 TfL Scorecard

- 4.12 The Committee noted the paper and recommended that the Board approve the 2020/21 TfL Scorecard at its next meeting. The proposed TfL Scorecard 2020/21, including targets, floor targets and weightings, provided information to track business performance against the in-year objectives.
- 4.13 **Post meeting note:** At its briefing in lieu of a meeting on 18 March 2020, the Board recommended that the Scorecard not be approved as it would need to be substantially reviewed to reflect the impact of Covid-19.

General Fund Balance

- 4.14 The Committee noted the paper and approved the increase in the target General Fund balance to £500m, in light of the current and future risks, both operational and financial, faced by the TfL Group.
- 4.15 A benchmarking exercise was carried out as part of the business planning process which looked at the split of reserves across the balance sheet. For many local authorities, the General Fund reserve balances sat within a range of 4.5 to 5 per cent.

- 4.16 Considering the unique size and long-term nature of TfL's capital investment programme, and its risk profile, it was recommended that the target level for the General Fund be set at a figure of £500m. This represented approximately five per cent of TfL's total gross expenditure, comprising operating expenditure, debt servicing costs and capital expenditure, for each year of the term of the Business Plan.

Telecoms Commercialisation Project

- 4.17 The Committee noted the paper and approved the Land Authority and Financial Authority sums. The paper set out the approach and process undertaken to identify a new commercial partner (the Concessionaire) to fund, build, operate and monetise telecommunications infrastructure using TfL assets and generate a long-term revenue stream for TfL, to be achieved off-balance sheet.
- 4.18 The Concessionaire would deliver a range of telecommunications services that directly supported the Mayor's Transport Strategy to improve digital connectivity in London, specifically connectivity and ensuring better access to public sector property for digital infrastructure. The concession agreement was structured so that key financial, commercial and delivery risks resided with the Concessionaire.

Strategic Risk Update – Inability to Meet Changing Demand (SR9)

- 4.19 The Committee noted the paper, which provided an update on Strategic Risk 9 (SR9), the inability to meet changing demand. It explained the current understanding of the status of the risk and the control measures that were kept under continuous review and formed a core part of the business planning process.

TfL Energy Purchasing

- 4.20 The Committee noted the paper, which provided an update on progress of activities to procure renewable, grid-supplied energy to the TfL network, in support of the ambition for TfL's rail services to be zero carbon by 2030.
- 4.21 Crown Commercial Services were developing several options covering the source and procurement routes for a pilot renewable energy Power Purchasing Agreement. In parallel, TfL had commissioned independent advice on its wider purchasing strategy. It was also exploring financial models for the direct supply of renewable energy to the TfL network via private wire connection.
- 4.22 A full procurement strategy would be brought to the meeting of the Committee in June 2020; an authority request for renewable energy purchasing would be brought in due course. It was agreed that an informal briefing for Members on the procurement strategy would also be held before the next meeting.

Members' Suggestions for Future Discussion Items

- 4.23 The Committee noted the forward plan and there were several suggestions raised by Members for future discussion items relating to: Transport Innovation; Energy as a service; and Rapid Charging Points.

5 Committee Agenda and Summary – 12 May 2020

- 5.1 A videoconference briefing of the Committee was called for 12 May 2020, in lieu of a meeting, to comply with the social distancing and travel restriction measures in place to control the spread of Covid-19. To maintain transparency, TfL held the briefing as if it benefitted from the provisions in the Coronavirus Act 2020 that allow certain local authorities to meet remotely. A recording of the briefing was placed on the Mayoral Webcast page of London.gov.uk immediately after the meeting. The agenda for the briefing was issued on 5 May and the papers were published on 11 May 2020; these are available on the TfL website: <https://tfl.gov.uk/corporate/publications-and-reports/finance-committee>.
- 5.2 The main matter considered by the Committee was the Finance Update – COVID-19 Financial Planning.
- 5.3 A summary of the item discussed at the briefing is provided below. A more detailed note of the briefing will be published ahead of the meeting of the Committee on 24 June 2020.

Finance Update – COVID-19 Financial Planning

- 5.4 The Committee considered an urgent update paper on TfL's financial position and progress with discussions with government for funding.
- 5.5 The emergency lockdown measures introduced by government to suppress the spread of Covid-19, while also requiring TfL to run as many services as possible to support key workers, had an immediate and substantial impact on TfL's financial position and would also have serious medium and long-term consequences.
- 5.6 The Board had been kept informed of TfL's efforts and the impact on its staff, services and finances. Tribute was paid to the 42 colleagues (at the time of the briefing) who had died due to coronavirus, which included six people who worked directly for TfL, 32 people who worked for its bus operators and four who worked for partner organisations.
- 5.7 Members noted the revenue impact of Tube ridership being down 95 per cent and bus ridership 85 per cent against TfL's fixed costs for maintaining essential services and connectivity. A number of cost saving measures had been put in place, including furloughing over 7,000 staff and implementing the safe stop of major project activities over 300 construction projects. These savings would not cover the loss from the steep decline in revenue, which for the full year was anticipated to be over £4bn.

- 5.8 Additional safety measures had also added to costs, which would increase further as TfL ramped up services as travel restrictions were lifted but social distancing measures remained in place.
- 5.9 Members were updated on TfL's regular and constructive discussions with government since mid-March 2020 and noted the approach taken to other providers of transport services. The government recognised TfL's key role in supporting the recovery of London's recovery through transport but also through its own supply chain. TfL had taken an open book approach with government to developing its Emergency Budget up to 30 September 2020, which was predicated on getting government funding.
- 5.10 Members noted that if a funding package was not agreed imminently, the Chief Finance Officer was obliged to consider if a report would need to be issued under section 114 of the Local Government Finance Act 1988, as TfL had a legal duty to maintain a balanced budget over the year. If a report was issued, the Board would need to meet to discuss the impact and any new expenditure that could worsen the situation would be suspended.
- 5.11 The Deputy Mayor for Transport commented that agreement on a funding package would have to be reached within the next 48 hours. There was no sustainable way forward without government support and TfL had a full role to play in London's recovery. If agreement was not reached, the Chief Finance Officer would have no option but to consider issuing the section 114 notice, the impact of which would be unthinkable and had some serious implications for Tube and bus services.
- 5.12 She concluded that the back and forth discussions with government risked becoming a major distraction to TfL's focus of increasing service levels and ensuring safe journeys. She had spoken personally to the Transport Secretary and the Mayor had asked to speak to the Chancellor but had not received a response yet. Government engagement was needed to resolve the matter and move forward.
- 5.13 On behalf of the Board Members, the Chair expressed their thanks to the management team and everyone across the network for their hard work in extraordinary circumstances.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the Finance Committee on 11 March and 12 May 2020.

Contact Officer: Howard Carter, General Counsel
Number: 020 3054 7832
Email: HowardCarter@tfl.gov.uk