

Assessment report

November 2004

Initial Performance Assessment

Transport for London

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Introduction

- 1 The Audit Commission has recently undertaken an Initial Performance Assessment (IPA) of the Greater London Authority (GLA) and the functional bodies which form the GLA group. The purpose of this assessment is to examine the current performance by the GLA and the functional bodies in the delivery of their services, and their ability to improve.
- 2 IPA is based on the same principles and methodology as the Commission's programme of Comprehensive Performance Assessment (CPA) of councils throughout England. CPA is part of the wider improvement agenda set out in the local government white paper Strong Local Leadership – Quality Public Services. The white paper encourages greater focus on improved services for local people by freeing good authorities from central government controls and restrictions, and providing poorer authorities with more, better focused support for improvement. CPA is the first step in this process, that of making an overall judgement of where each authority stands.
- 3 Transport for London (TfL) is one of the functional bodies in the GLA group. The others are: the London Development Agency, the London Fire and Emergency Planning Authority, and the Metropolitan Police Authority. This report presents an analysis of TfL's overall performance.
- 4 The official version of this report is also available on the Audit Commission's web site at www.audit-commission.gov.uk. The Audit Commission cannot verify the accuracy of and is not responsible for material contained in this report that may have been reproduced by another organisation or individual.

Summary of Initial Performance Assessment judgements

- 5 Transport for London is an excellent organisation. It has a clear vision of what it is seeking to achieve and has made good progress in the way in which it has set out to deliver its priorities. In its relatively short life it has already secured some significant improvements to transport in London and it is developing and implementing robust plans for further improvements.
- 6 TfL has a clear and ambitious vision for transport in London that is derived from the Mayor's Transport Strategy and the government's transport policies. It has a good understanding of the problems and opportunities affecting transport in London now and in the future and understands the impact it has on non-transport issues such as crime and equality. The vision of an integrated transport system is shared across TfL and by many of its partners. TfL has a strong business plan which, coupled with strong leadership and effective management, sets out the agenda for TfL in the medium and longer term.
- 7 The ambition is supported by clear priorities and TfL's use of scenario-based financial planning enables it to target its resources to those priorities. TfL organises itself by mode of transport. Each mode has the flexibility to recycle savings to priorities, but this practice does not extend to the reallocation of resources between modes to address corporate priorities. Additional income from the congestion charging scheme has been spent in addressing general transport priorities such as road safety and bus network improvements. TfL has not identified any explicit non-priorities. It has identified areas which are lower priorities, such as major road improvements.
- 8 TfL has demonstrated an ability to focus on key issues and projects to ensure that they are delivered. It has strong mechanisms in place to ensure that it focuses its work on priority areas and meetings are well-structured with clear decision-making. It has not been distracted by the addition of London Underground to the TfL group. TfL's ability to focus has contributed to its significant achievements in the delivery of its ambition. Projects such as the congestion charge and bus improvements have significantly improved target areas of transport provision and relieved congestion. The overall quality of transport services, given the context in which they operate, is good. Areas that are improving less quickly are lesser priorities, or can only be addressed in the longer term, such as improving the underground.
- 9 TfL has the overall capacity and skills that it needs to deliver further improvements to services, but has specific capacity problems in some key internal areas such as human resources and procurement. TfL is actively addressing these areas through initiatives such as the efficiencies review and introducing a shared service centre for human resources. TfL, as an amalgam of a number of predecessor organisations, has the desire to become 'one TfL', although it has further work to do to achieve this. It is also investing in its partnership working and in areas that have a direct impact on the quality of life of Londoners such as tackling crime through the introduction of the Transport Operational Command Unit (TOCU). TfL has increased its contract monitoring and performance management capacity to enable it to manage the large and complex public private partnership (PPP) and private finance initiative (PFI) contracts.

However, it is unclear whether its extensive use of consultants for a range of activities has helped TfL to build its internal capacity. Business cases in support of the use of consultants state the predicted benefits but there is no evidence of systematic post-implementation review to ensure that expected benefits were realised.

- 10 TfL has a track record for opening itself up to challenge in some areas. The board, panels and committees provide effective internal scrutiny by reviewing and challenging projects and decisions. However, the fact that panels and committees are held in private limits public accountability and transparency. Internal scrutiny is supplemented by effective challenge from GLA officers and the Mayor's office. The London Assembly was consulted on and provided an input to the development of the Mayor's Transport Strategy. However, external scrutiny has had limited impact on TfL because the scrutiny programme is not closely aligned with the Mayor's transport priorities and TfL's business plans.
- 11 TfL is a self-aware organisation. A range of internal and external learning opportunities has been taken, although TfL does not have mechanisms in place for sharing systematic learning between different areas of the organisation. There is a range of robust future plans that support TfL's ambitions and most plans are re-assessed as circumstances change. However, TfL's plans do not put sufficient emphasis on some aspects of its role as a strategic transport authority: it gives comparatively less weight to reducing the need to travel, a key aim of the London Plan, focusing instead on its service facilitation and delivery role. Plans are in place to address areas where TfL has not been successful in the past and TfL is not afraid to take difficult decisions in order to deliver its plans. The government's spending review 2004 (SR2004) puts TfL in a strong financial position to deliver its ambitions. TfL is putting into place a wide range of improvement programmes across the spectrum of its responsibilities.

Summary of assessment scores

Top level question	Theme	Grade	Weighted score
What is TfL trying to achieve?	Ambition	4	8
	Prioritisation	3	6
	Focus	4	4
How has TfL set about delivering its priorities?	Capacity	3	3
	Performance management	3	3
What has TfL achieved/not achieved to date?	Achievement in quality of service	3	9
	Achievement of improvement	4	4
	Investment	3	9
In light of what TfL has learned to date, what does it plan to do next?	Learning	3	3
	Future plans	4	4
Weighted score			53
Initial performance assessment category			Excellent

Next steps – improvement planning

- 12 The Audit Commission has undertaken the IPA to assist in developing an audit and inspection programme which offers strategic regulation.
- 13 Strategic regulation means:
 - ◆ targeting inspection and audit to ensure greatest impact where it is needed most;
 - ◆ reducing the amount of regulation, particularly for excellent and good organisations;
 - ◆ delivering co-ordinated and proportionate audit and inspection that focus on the experiences of people who need and use public services;
 - ◆ carrying out audit and inspection that support the audited and inspected organisations' improvement work and take account of their views; and
 - ◆ minimising duplication, bureaucracy and the burden of regulation.
- 14 Following the IPA, the organisation will consider the findings and clarify its priorities for improvement. Auditors and inspectors will liaise with the organisation to ensure its work and resources are also targeted to support the delivery of improvement in these areas as well as comply with their statutory duties.
- 15 The Audit Commission will also work with appointed auditors, other inspectorates and regulators, the Government Office for London and the Office of the Deputy Prime Minister to discuss the findings of the IPA and co-ordinate future audit and inspection effectively.
- 16 A summary of the audit and inspection plan agreed with the organisation will be published on the Audit Commission's website when improvement planning discussions are completed.

Context

The locality

- 17 London is a large and diverse capital. It has a population of approximately 7.1 million. The population is younger and more ethnically diverse than the rest of the UK population and is growing. Forty-six per cent of the workforce is under 35 compared to 39 per cent nationally, 29 per cent of residents are from minority ethnic communities and more than 300 languages are spoken in London. The population is expected to increase by around 800,000 by 2016.
- 18 London's economy is driven predominantly by its financial, business and creative industries. Twenty-five per cent of the world's largest companies have their European headquarters in London and the city generates more wealth than any other region of the country. Thirty million tourists visit London each year contributing around £15 billion to the economy and 75 per cent of international arrivals to the country pass through the capital.
- 19 London has high levels of deprivation and need. Thirty-five per cent of London's children live in poverty – the highest proportion of any English region. In inner London this increases to 48 per cent. There are high numbers of jobless people. Access to primary care is poor.
- 20 Surface and underground rail networks are more extensive than other world cities. Of the 3.8 million people who work in London, 723,000 commute from outside. Thirty per cent of jobs are concentrated in a small part of central London, which leads to a high level of demand and congestion. There is little spare capacity in road, rail or underground systems at peak times. An exceptionally high proportion of travel is undertaken on public transport and much of this infrastructure is old. Bus services in London are not de-regulated, unlike the rest of Great Britain. The London bus network is the largest urban bus system in the world.
- 21 The Greater London Authority (GLA) is a directly elected regional authority providing strategic city-wide government for London. It became operational in July 2000. The organisation comprises a directly elected mayor (the Mayor of London) and an elected assembly (the London Assembly), composed of 25 members grouped in 14 constituencies. Following elections in June 2004, the Conservative party hold nine seats, the Labour party hold seven, the Liberal Democrats have five and the Green Party and UK Independence Party both hold two. The current mayor is Labour.
- 22 The Mayor plays an executive role, making decisions on behalf of the GLA. The Mayor is required to prepare statutory strategies that address London-wide issues. The Assembly has a scrutiny role and is able to investigate issues of importance to Londoners.

- 23 The Mayor and the Assembly set the budgets for the GLA and the London-wide authorities for economic development, transport, the police and fire (the functional bodies). These are the London Development Agency (LDA); Transport for London (TfL); the Metropolitan Police Authority (MPA) which has responsibility for the Metropolitan Police Service (MPS); and the London Fire and Emergency Planning Authority (LFEPA).
- 24 These organisations, together with the GLA itself, are collectively referred to as the 'GLA group'. The forecast outturn for the GLA group in 2003/04 was £7.9 billion. The budget for 2004/05 is £8.8 billion (£5.7 billion net). The GLA's 2004/05 budget requirement is £56.3 million, which is £0.4 million higher than for 2003/04.

Transport for London (TfL)

- 25 TfL is the strategic transport authority for the capital city and was formed from 15 predecessor bodies from central and local government and the voluntary sector. Its strategic role involves:
- ◆ taking an overall, long-term view of London's transport needs;
 - ◆ integrating transport services across the modes;
 - ◆ integrating transport policies with other mayoral objectives, to support sustainable development; and
 - ◆ administering approximately £140 million transport funding each year to the 33 London boroughs.
- 26 The strategic challenge for TfL is to secure a transport infrastructure that will address London's economic, social and environmental needs, both now and for the future. The challenges include providing for significant projected increases in population and employment, and supporting major projects such as the London Olympics bid. TfL provides a range of transport services. It contracts out the running of bus services (with the exception of a few routes operated directly by East Thames Buses), manages eight of the piers on the River Thames, and is responsible for the Woolwich Ferry which is run by the London Borough of Greenwich under an agency arrangement. TfL regulates both taxis and private hire vehicles; operates tram and light rail services, maintains London's main roads, and has responsibility for traffic lights across London. It also runs Victoria Coach Station and the London Transport Museum. For the mobility impaired, TfL supports the taxi card scheme and provides door to door transport via Dial-a-Ride.

- 27 London Underground was transferred to TfL in July 2003, completing the structure of the new organisation. This was later than originally planned and followed a period of extensive negotiation and debate about the proposed funding arrangements for much needed investment in underground infrastructure modernisation. Some three million passengers use the underground each day and many stations and lines operate at full capacity. Much of the system is old, access is often difficult and track conditions lead to cancellations and delays. To tackle this backlog, a PPP was implemented with the last contracts signed in April 2003. Under the PPP, TfL, through London Underground Ltd (LUL), will continue to specify and run services, employing train and station staff. LUL has entered into three 30-year PPP contracts with private companies (called Infracos) to deliver the rehabilitation and maintenance of LUL's track, tunnels, rolling stock, signalling systems and stations.
- 28 The Mayor has extensive powers over TfL. He has chosen to be a member of the TfL board and, under the GLA Act 1999, he is accordingly required to chair it. The appointment of board members is entirely at the discretion of the Mayor, although in practice there is an independent element to the process in accordance with the requirements of the GLA code of conduct. Currently there are 13 board members who represent a wide variety of interests and expertise. In addition, there are three non-voting special advisors. The transport strategy for London is developed by the Mayor. TfL is managed by a Commissioner and a team of managing directors and chief officers. TfL's total budget for 2004/05 is some £4.9 billion. Just under half of its funding comes through government grant. The London Assembly is responsible for scrutinising TfL's activities and those of the Mayor.
- 29 TfL employs over 19,000 staff directly and many services are operated under contract. For example, as described above, maintenance and upgrading of the underground is contracted out and the vast majority of bus services are also contracted out to private bus companies.
- 30 TfL carried out a self-assessment against each of the Initial Performance Assessment themes. The self-assessment was informed by a peer challenge commissioned by TfL and undertaken by the Improvement and Development Agency (IDeA) in January 2004. TfL has published its self-assessment on its website at www.tfl.gov.uk.

What is TfL trying to achieve?

Ambition

- 31 TfL is strong in this area with few identifiable weaknesses.
- 32 There is a clear and ambitious vision for transport in London. The Mayor's overall vision for London is that of an exemplary sustainable world city. This is underpinned by 15 objectives, three of which directly address transport: to improve and expand public transport in London; to reduce congestion in London; and to improve international, national and regional transport in London. Other objectives, such as improving safety, health, accessibility, tourism, the economy and the environment also have strong links to transport.
- 33 The London Plan, the Mayor's Transport Strategy and TfL's business plan combine to articulate the vision and how it will be delivered. TfL is fulfilling its strategic role and adding value by developing comprehensive, long-term ambitions for transport in London. The vision is based on a clear understanding of the problems and opportunities that face London, including the history of the existing transport systems and the need for development to cope with predicted population and employment growth to 2016.
- 34 TfL demonstrates an understanding of its impact on other mayoral priorities such as crime reduction and equality of opportunity and has strategies in place to contribute to such areas. For example, the investment by TfL in additional policing on the transport network and other safety and security measures has enabled TfL to contribute to the Mayor's priorities around visible policing and crime and disorder in addition to the specific priorities of safety and security included in the Transport Strategy. Other work contributes to the delivery of environmental priorities such as TfL's aim to reduce bus emissions of particulate matter to 20 per cent of 1997 levels by December 2005.
- 35 The London Plan and the Mayor's Transport Strategy were developed through extensive consultation and TfL has also consulted on its business plan 2004/05 to 2009/10. There is widespread stakeholder understanding of the long-term ambitions in the Mayor's Transport Strategy and, within TfL itself, people at all levels share the vision of an integrated transport system. However, despite TfL's efforts, the consultation and development process for the business plan, which translates the longer-term aspirations into specific resourced actions, has not enabled all stakeholders to see how their views have been taken into account. Given that TfL is dependent on partners to deliver some of the vision, this, if not addressed, may undermine implementation.
- 36 The vision reflects the government's transport objectives and TfL's business plan makes an articulate case to government for increased funding as part of the government's spending review 2004 (SR2004). The results of the spending review were announced several months after TfL's business plan was published and it is therefore based on a robust set of funding scenarios – setting out clearly what can be achieved if the existing baseline budget remains and what can be achieved with funding 'beyond the baseline'. It clearly sets out the implications of different funding levels in terms of delivering the government and the Mayor's transport objectives. The business plan and supporting documentation identify clear long-term targets and outcomes for London.

- 37 TfL's ambitions concentrate on developing the transport infrastructure and improving the quality of public transport in London. TfL is aware of its role in contributing to the development of cohesive and sustainable communities, but this is not an explicit goal, except where projects are linked to regeneration schemes such as the Thames Gateway. However, it does provide small scale investments to improve the local environment and support local communities such as safe routes to schools and various town centre schemes. Community strategies for London's boroughs make some reference to working with TfL to achieve improvements to transport, and many of TfL's plans affect one or more boroughs. Relationships with the London boroughs, although improving, vary and TfL has not consistently and effectively accessed the local knowledge that the boroughs can contribute to TfL's strategy development and project delivery.

Prioritisation

- 38 Strengths outweigh weaknesses.
- 39 The transport priorities for London are clear. They are based on a range of information about the current condition of transport systems and future needs and take into account both the local context and wider national considerations. Long-term priorities are set out in the Mayor's Transport Strategy and short and medium-term priorities for improvement are in TfL's business plan. These priorities are clearly aligned with and support the ambition for transport in London and can be summarised under three headings:
- ◆ a growing London;
 - ◆ an accessible and safer London; and
 - ◆ a cleaner, greener London.
- 40 The business plan published in October 2003 makes it clear what the implications of not achieving the priorities will be. TfL has not explicitly stated what is not a priority for improvement. However, it implicitly identifies which areas are lesser priorities through the structure of the business plan. In this, TfL outlines what it will achieve with current funding and what could be achieved with more money. TfL has been clear that investment in major road improvements is a lower priority. The scale of investment in non-motorised modes (walking and cycling) is significantly lower than that for the mass transport modes although this is still a priority for TfL and it is investing or improving conditions for walkers and cyclists.
- 41 TfL's scenario-based financial planning system enables it to target resources to priorities effectively. Within the budget, there is a clear framework for dealing with both planned and unplanned expenditure. Resources are allocated to priorities within each modal business and additional income from the congestion charging scheme has been invested across a range of services in line with corporate priorities. Within each modal business there is scope to invest savings into priorities but this practice does not extend to switching resources between modes. This restricts the scope to target resources to priorities in a corporate and integrated manner.

- 42 The basis of the allocation of money to priorities is not always transparent and some stakeholders do not accept the rationale for the emphasis on major public transport projects such as the Thames Gateway Bridge. Prioritising investment between large and small-scale projects has been a challenge to TfL but it has recently developed systems to enable this in some areas.
- 43 TfL has taken steps to inform stakeholders of priorities for improvement, for example through events, high-level meetings and regular newsletters. It attempted to engage stakeholders in priority-setting for the 2004/05 to 2009/10 business plan but had limited success with some groups. However, through the SR2004 process this improved, reducing the risk of a lack of ownership from some stakeholders whom TfL may later rely on to contribute to delivery. TfL has not always made clear to stakeholders how their views have influenced priorities. Internally, some staff are unclear on how their work relates to the priorities. Although it has a number of internal communication channels, TfL lacks mechanisms to test whether corporate messages, such as the identification of priorities, are reaching staff at lower levels within the organisation.

Focus

- 44 TfL is strong in this area and has few identifiable weaknesses.
- 45 TfL's ability to focus is strong, as demonstrated through its track record in the delivery of ambitious key projects. Examples include the implementation of congestion charging, bus improvements and the pedestrianisation of Trafalgar Square.
- 46 The Mayor has shown consistently strong leadership on transport issues and has recruited an exceptionally capable and experienced management team. This combination of leadership and managerial skills enables TfL to focus on its priorities effectively. The Mayor's office plays a strong role in ensuring that TfL focuses on mayoral priorities, including non-transport priorities. It has strong mechanisms in place to enable focus, including the business planning process, the monthly business management review process and constructive mechanisms to quickly resolve issues between the corporate directorates.
- 47 Reports to the board, panels and committees are well-structured and composed with clear recommendations. Decisions are recorded effectively and minutes are detailed enough to be a clear record of meetings. Forward plans for committees, panels and board meetings are flexible enough to deal with both planned items and those which arise and need to be dealt with at the next available meeting.
- 48 TfL does not get distracted from delivering on its priorities. It has mechanisms in place to deal with situations such as accidents or industrial disputes and other potentially distracting events. When new legislation or guidance is issued it is flexible enough to be able to absorb this without detracting from the delivery of priorities. For example, the directorate of traffic management was introduced in May 2003 in response to government concerns that, across the country, the arrangements for the management of street and road works were not sufficient to deal with acute congestion problems. TfL's experience following the introduction of the directorate contributed to the development of the Traffic Management Act 2004.

- 49 Over the past year, TfL has expanded its focus to include responsibility for London Underground. Despite its objections to the PPP system, TfL has demonstrated its determination to bring about improvements to underground services and to actively manage the PPP contracts. To date the inclusion of London Underground within TfL has not affected its ability to focus on its other priorities.

How has TfL set about delivering its priorities?

Capacity

- 50 Strengths outweigh weaknesses.
- 51 TfL has the capacity and skills it needs to deliver good quality services. It has a range of experienced and capable staff and managers from diverse backgrounds, and is self-aware about its capacity. Leadership within TfL is strong. It has a high-profile, experienced management team and board, mixing private and public sector backgrounds and expertise. The organisation is effectively managed and led. TfL recognises that there is more to do to integrate the 15 constituent businesses into 'one TfL' with a common culture and practices. TfL has made considerable progress in this area particularly in the short time since London Underground joined Transport for London and is actively considering the extent to which further integration would benefit service users.
- 52 It has focused its capacity building on the individual modes to ensure that they can deliver services and improve them. This has been successful. However, it has taken time to review the capacity it needs in its central and corporate service areas such as procurement and human resources (HR) to make its support services fit for purpose. TfL has drawn heavily on a number of consultants since its inception, both to review the organisation and its structures and processes and to carry out specific tasks which TfL did not have the internal resource to do. The expenditure on consultants amounted to some £178 million in 2002/03. TfL has not fully demonstrated that its use of consultants provides value for money or has been used effectively to develop its own capacity for the future.
- 53 TfL's financial and business planning processes are strong. It has the financial capacity to meet its short term aims and, while waiting for the results of the spending review to be announced, made a commitment not to initiate any expenditure that would require more than baseline funding in 2005/06 onwards until it knew what its funding allocation would be. This is a prudent approach and demonstrates corporate ownership of financial issues at the highest level, as well as the strength of financial planning within the organisation.
- 54 TfL has a number of complex contracting and financial arrangements which require careful monitoring and management. This includes the 30-year PPP contracts with infrastructure companies to upgrade the underground, and a range of PFI contracts covering key priority areas such as congestion charging. TfL takes its contract management and monitoring role seriously and is developing the capacity to manage these complex contracts. It has also decided to use prudential borrowing and has included this in its post SR2004 plans.
- 55 There is a clear decision-making and accountability framework set out in TfL's standing orders. Senior managers and the board understand the framework but there is some confusion lower down the organisation, leading to a lack of transparency and some uncertainty when middle managers need to have decisions signed off.

- 56 TfL's weakest areas in terms of capacity are around HR. Given the complexity of the organisation and the fact that many staff do not yet recognise 'one TfL' this is a significant issue. However, TfL in its current form is a new organisation and some issues could not be realistically addressed until London Underground became part of the group. The organisation is actively addressing the issues.
- 57 Training and development of staff is not systematic across TfL and sickness levels have been high. Currently, HR policies and practices are inconsistent and in some places, ad hoc. Similarly equal opportunities policies are not consistently applied and TfL has some way to go to become an exemplary employer in terms of equalities and inclusion. The percentage of employees from black and minority ethnic (BME) communities is almost representative of the composition of the London workforce. However, female and BME employees are poorly represented in senior posts. TfL has not met its targets for employing people with a declared disability.
- 58 TfL has recognised that it needs to improve its approach to equalities and inclusion and this is illustrated by the recent appointment of a director of equalities and inclusion reporting directly to the commissioner and by its review of its original race equality scheme. In addition a number of other positive steps have been taken that are making a difference in the organisation. For example, TfL has built equalities and inclusion issues into business planning and business case assessments, delivered equalities and inclusion training to key staff, begun to monitor recruitment and retention more effectively and launched a women's action plan.
- 59 TfL's use of partnerships to enhance capacity and achieve its objectives is mixed. It has been successful in its joint working with the Metropolitan Police over TOCU and with the Strategic Rail Authority (SRA) regarding development of rail services. However, TfL initially failed to demonstrate a genuine approach to working in partnership with the London boroughs. It has had difficulty with balancing its roles of being the major service provider as well as a strategic enabler and equal partner. As a result, some relationships are not fully constructive. TfL has recognised this and taken action, including the establishment of the borough partnerships unit. More recently, it successfully engaged many stakeholders in lobbying around SR2004. Partnership working with the boroughs, the voluntary sector and other public sector bodies is now improved, although further work is required to convince some partners that their views are properly listened to. TfL continues to work on improving relationships.
- 60 Coordination across the GLA group is effective at policy and project levels but is less so on corporate matters and efficiency. There is considerable co-ordination of activity across the GLA group between the functional bodies and the GLA. For example 30 GLA group networks and policy groups exist in which TfL is an active member. These include an umbrella group, the GLA integration unit, which is chaired by the Mayor. These are most effective for project planning, such as Thames Gateway and Olympic project groups. Partnership working is less effective in areas such as procurement where the joint purchasing power of the group is not fully exploited.

Performance management

- 61 Strengths outweigh weaknesses.
- 62 TfL's planning and performance management systems are driven by its ambition and priorities. Effective corporate and business unit monitoring mechanisms are in place, including regular reports to the board on progress against the business plan and business unit deliverables. These reports include both narrative and performance indicator information. These processes, together with the application of tools such as best value reviews, enable it effectively to challenge and scrutinise its own performance and to drive service improvement.
- 63 There are effective accountability frameworks in place for senior managers and TfL operates a number of appraisal processes for its staff. However, it does not have a consistent performance appraisal process that cascades business priorities into personal priorities and targets. In some areas of the organisation staff are very clear on what their role is in delivering the business plan but in others they are not. In some instances the lack of a robust and consistent performance appraisal process has hindered managers in addressing performance issues. However, TfL is addressing this issue through the development of a 360 degree performance management system to be implemented across TfL from April 2005.
- 64 TfL's risk management processes are good. They are used in both planning and delivering services. Risks are not restricted to financial issues but encompass a full assessment of the implications of decisions and proposals. Different approaches to risk management have been employed in London Underground and other parts of TfL and steps have been taken to join them up.
- 65 TfL has some mechanisms in place to measure value for money, particularly around assessing the benefits of new projects. It has a track record of securing savings through its efficiencies programme. In 2003/04 a target of £13 million savings was set and £20 million was achieved. TfL now plans to achieve more than £1 billion cumulative savings across its support and front line services by 2009/10. However, TfL has not yet consistently demonstrated that it is providing value for money across the full range of its activities.
- 66 Mechanisms for capturing and using feedback from customers vary across TfL with inconsistent customer service standards in place. In some respects this is a symptom of TfL's newness as an organisation in its current form, but from a customer's perspective it is a key issue.
- 67 There are effective mechanisms in place to ensure that mayoral ambitions and priorities are translated into TfL's ambitions, plans and targets. These include the cross-GLA business planning process, regular performance monitoring of TfL by the GLA's officers, and the active role of the mayoral directors in specific priority areas.

What has TfL achieved/not achieved to date?

Achievement in quality of service

- 68 Strengths outweigh weaknesses.
- 69 Overall, given the context of London - over seven million residents, 3.8 million people working in the capital, 723,000 of whom commute from outside - and its transport infrastructure, some of which is very old, TfL has made some significant achievements in service quality. Stakeholder satisfaction is high with many aspects of the services that TfL is responsible for. Most areas of dissatisfaction relate to areas where TfL has not yet made sufficient improvement to meet public demands or where it is constrained by inherited infrastructure; for example, the underground. Almost one in four Londoners now mention transport as one of the best things about living in London and 74 per cent find London an easy city to get around.
- 70 This is not an assessment of the absolute quality of transport in London, which is often determined by historical factors. It is an assessment of achievements against the themes of the Mayor's transport priorities and the additional transport-related priority, reducing the need to travel, which has been included in the London Plan. In the four years that TfL has existed it has completed a number of high profile projects that contribute to the current quality of transport in London and to the delivery of the transport priorities and TfL's strategies. The focus has been on improving the quality of the existing transport service and infrastructure where this is feasible, while putting into place a range of plans and projects to deliver higher levels of quality in the future.
- 71 The extent of improvement is outlined in a later section of this report. The following paragraphs set out an assessment of achievements against the Mayor's priorities.

A growing London

- 72 London's population is predicted to grow but existing transport systems are frequently overcrowded and lack overall capacity. London's transport system needs to serve the millions of people who live or work in, or visit London. The capital has a lower reliance on the car than other parts of the UK; the underground supports around three million trips each weekday including the journeys to work of 35 per cent of those working in central London. In 2003/04 over 1.7 billion bus trips were taken and on an average weekday 5.7 million trips are made on around 6,800 buses; 42 per cent of bus travel in England takes place in London whilst the capital makes up only 15 per cent of the population of England.

- 73 London is a congested city with slower average road journey times than the rest of the country. The structural quality of the main road network is variable. In 2003/04, 11.5 per cent of the Transport for London Road Network (TLRN) was in need of major repair. In the previous year the figure was 14.2 per cent, putting TfL in the worst 25 per cent of highway authorities, according to best value performance indicator 96 (BVPI 96). The TLRN accounts for only 5 per cent of London roads but carries over a third of London traffic. This puts significant pressure on the road surface and poor conditions cause additional wear for vehicles and extra road noise.
- 74 TfL has focused on reducing traffic congestion and improving journey time reliability for all road users. TfL's congestion charging scheme has operated smoothly with minimal disruption to traffic and no significant delays on roads on the periphery of the zone. Some stakeholders are, however, concerned about perceived over-zealous enforcement of congestion charging.
- 75 The London Traffic Control Centre (LTCC), which is operated in conjunction with the Metropolitan Police Service, enables TfL to co-ordinate traffic facilities, such as traffic lights, to make best use of the available capacity. LTCC facilitates quick and effective responses to major incidents and congestion; for example, by deploying TOCU congestion teams. Other control centres, such as those for the underground and the buses, also enable TfL to co-ordinate transport provision.
- 76 Wherever possible works are planned to minimise disruption and avoid road closures. In 2002/03 there was an average of only 0.04 days of delay on traffic sensitive roads per kilometre (BVPI 100) – putting TfL in the best 25 per cent for traffic authorities in England.
- 77 A priority of the Mayor is to encourage a shift away from car use to public transport. Consequently, TfL has focused on its bus services. The quality of most aspects of bus services is good. Buses are more frequent and operate for longer hours than in other cities. For example, buses in London run at greater frequency than other European cities such as Paris, with up to 30 an hour on some routes at peak times. Ninety per cent of households are within 400 metres of a bus service and only 21 per cent of Londoners have not used a bus in the past year. Both of these statistics compare favourably with other UK cities.
- 78 Bus fares were kept low in the Mayor's first term to reflect the policy of encouraging bus use and the importance of buses to the capital and to promote social inclusion. This has led to high and increasing levels of subsidy. Fare increases have been announced recently to help pay for a significant transport investment programme.
- 79 TfL has been awarded beacon council status for bus services. The quality of its work to reduce crime and fear of crime on public transport is a particular strength. Bus service reliability in London is only slightly below that for other parts of England – an average of 98 per cent compared with an average of 99 per cent elsewhere. The 'on time' performance on low-frequency routes and night buses is 78 per cent and 81 per cent respectively in the first quarter of 2004/05. Some staff and users report lower standards of service on buses in outer London, in terms of driver behaviour and personal safety.

- 80 Satisfaction with bus services in London presents a mixed picture. Overall satisfaction with bus services by passengers in London scores around 77 out of 100. Looking at the data in more detail, satisfaction with service reliability, value for money and information is generally higher, but satisfaction with the security at stops and on board, staff service, comfort and overcrowding is lower.
- 81 TfL has been responsible for London Underground since July 2003. The current level of service is affected by the history of the service before it became part of TfL.
- ◆ Under TfL the reliability of the London Underground has reached a good level of efficiency: in 2003/04 95 per cent of scheduled trains in the peak were operated and only 0.33 per cent of peak time trains were cancelled due to operator non-availability (the major factor within TfL's control). Ninety-six per cent of lifts and escalators were available during 2003/04 and all but one underground station is staffed during traffic hours. Train frequencies on all underground services comply with TfL's turn up and go standards.
 - ◆ Operating costs for London Underground are broadly similar to those in Paris and New York. Fares cover a substantially higher proportion of the service costs in London where there is less subsidy element. London Underground fares are more expensive than in most other comparable world cities.
 - ◆ Some staff and users report lower standards of service in outer London in staff behaviour, customer care and station standards. London Underground services have been affected by industrial relations issues. This sometimes left passengers to seek alternative transport and TfL made additional buses available. TfL has now reached a multi-year agreement with trade unions in an effort to improve industrial relations. Customer satisfaction with London Underground is 76 per cent (2003/04).
- 82 London has the largest heavy rail network of four world cities – Paris, New York, Tokyo and London. TfL is not responsible for national or regional rail services but it has been working with the Strategic Rail Authority (SRA) to improve the quality of London's over ground rail trains through an SRA investment programme. Initiatives have included the introduction of frequent metro-style operations on four key commuter routes in south London and include a minimum of four trains an hour on Mondays to Fridays, and moves towards an integrated and a simplified fares structure.
- 83 In addition to providing mass transport services, TfL either directly provides or funds a range of smaller, local transport initiatives. Overall, existing conditions for walking and cycling are not good, as confirmed by a recent report produced for TfL. For example, the condition of footways (pavements) is poor. In 2002/03, 28 per cent of footways were in need of repair, which is worse than average for highway authorities.
- 84 TfL has published 19 good quality cycling guides, covering all of London. These are free to members of the public. The average four-mile journey in Central London takes just 22 minutes by bicycle compared to around 40 minutes in a car. Free cycle parking facilities are provided and cyclists are exempt from paying the congestion charge. Most people who cycle in London do so to and from their place of work.

An accessible and safer London

- 85 Accessibility to the bus system is good. Most buses are modern and 92 per cent are accessible to people with disabilities (July 2004), making London buses the largest accessible fleet in the world. However, some wheelchair users still report problems using accessible buses. Groups representing people with mobility difficulties find that bus drivers are not always sufficiently helpful to disabled passengers. All DLR trains have step-free access and Victoria coach station offers free mobility assistance to all passengers. There are now 41 accessible stations on the underground but it remains largely inaccessible for many people due to unavoidable stairs and escalators. Only 54 per cent of TLRN pedestrian crossings have facilities for people with disabilities. This was is in the worst 25 per cent for transport authorities in 2002/03.
- 86 More than 61,000 Londoners were registered to use the dial-a-ride service in 2003/04, 24 per cent of whom use wheelchairs. These registered users completed around 1.3 million trips with an average trip distance of 1.7 miles. Satisfaction with dial-a-ride is high (93 per cent in 2003/04). TfL's website meets accessibility standards thus ensuring that information about services is accessible.
- 87 The Oyster card is effective as a cashless payment system and its roll out to buses went smoothly. However, the Oyster card system is not totally inclusive – it requires payment of a deposit and a photo-ID card, both of which are barriers to some people. Seven-day travel cards for buses and the underground do not require a photo-ID but do require a deposit and may not be the most economical option for some passengers.
- 88 The scale and integration of public transport services, including ticketing, information and service integration compares favourably with other transport systems in the UK and abroad. London Underground stations are kept clean and underground trains are largely free of graffiti. On the DLR, satisfaction with train and station cleanliness at December 2003 was 92 per cent and 91 per cent were satisfied with safety and security. There are 2,100 licensed minicab operators and there are help points at a number of bus stations with remote CCTV monitoring at some bus stands; 4,500 buses are fitted with CCTV cameras. In addition, there are over 900 staff in the TOCU, around 450 of whom are transport police community support officers.
- 89 Access to information about services is good, including that available through the journey planner system. TfL's website is also good. TfL is currently piloting 'individualised marketing' to encourage people who do not use public transport to do so.
- 90 However, the current lack of ticket integration with Network Rail diminishes the customer experience. In London and the South East in 2003, only 63 per cent of passengers were satisfied with their experience of ticket buying compared to 75 per cent satisfaction in Scotland and for the passenger transport executives in England. This is outside TfLs direct control but it has been working with others to try to facilitate improvements.

A cleaner greener London and non-transport priorities

- 91 TfL is not actively pursuing the London Plan objective of reducing the need for travel on a significant scale. Its focus is on the infrastructure and quality of service provided. However, it does have a range of objectives aimed at reducing travel demand and has worked with the GLA to ensure that plans for new developments include work place travel plans. It has promoted several schemes, many in conjunction with London Boroughs, such as 'safe routes to school', bike week' and 'car free day'. TfL's actions in introducing the congestion charge and the modernisation of the bus fleet, introducing more efficient engines with lower emissions, has had a positive impact on air quality but London's air remains more polluted than any other UK city and amongst the worst in Europe. A significant proportion of energy consumed by TfL is from renewable sources.
- 92 TfL is also addressing non-transport mayoral priorities. For example, TOCU is contributing to general crime reduction, not just transport-related crime. Bus service improvements are a positive factor in reducing social exclusion.

Conclusion

- 93 The level of quality across TfL's services is realistic in light of the context and constraints. The major constraint on TfL and the quality of service received by the public is the condition of the infrastructure, its age and its lack of spare capacity, particularly the London Underground system. TfL is actively managing those elements of the system that are within its control, in order to deliver good services.
- 94 The level of quality achieved is in line with the high priority set for transport by the Mayor and TfL. The Mayor's Transport Strategy particularly emphasises the importance of improving and expanding bus services and this has been achieved. TfL sets targets for key operational performance and is meeting them in most cases. In 2002/03 TfL met 25 (74 per cent) of its key operating targets for surface transport, street management and the DLR.

Achievement of improvement

- 95 TfL is strong in this area with few identifiable weaknesses.
- 96 TfL has delivered significant improvements in London's transport system. There are a number of large-scale, high profile projects that have contributed to delivering key aspects of the Mayor's Transport Strategy and TfL's business plan. These include the implementation of congestion charging, the development and implementation of the Oyster card and significant improvements to bus services. The congestion charging scheme, bus improvements and other measures have combined to produce a 4 per cent absolute reduction in car use across London. Congestion charging has reduced congestion in central London by 30 per cent with no significant adverse impacts on traffic outside the zone. These are unique achievements by both UK and world standards.

- 97 Key improvements that contribute to the delivery of the Mayor's Transport Strategy and to an improved quality of life for those who live in or visit London include:
- ◆ early evidence suggests that accidents have reduced and air quality has improved within the congestion charging zone;
 - ◆ bus service reliability and usage have increased:
 - ◆ the average bus travel speed has increased from 10.4 kilometres per hour to 12 kilometres per hour. Boarding and reliability has been improved through the introduction of 'bendy' or articulated cashless buses and an increase in the number of passengers using pre-paid tickets. Excess waiting times have reduced by 40 per cent;
 - ◆ the number of bus passengers has increased to six million per day, its highest level since 1969. The growth is the fastest experienced since 1945. Bus usage increased by 7.3 per cent between 2001/02 and 2002/03. The number of people who have not used a bus within the past year has reduced from 29 per cent to 21 per cent. Bus use is growing amongst all social groups, including groups A and B. (By contrast, bus use is falling across parts of England.) Passenger satisfaction scores have improved consistently since early 2001 from 74 to 78 (out of 100);
 - ◆ cycling levels on the TLRN have increased. The increase is most significant in the congestion charging zone (30 per cent) but the increase on other TLRN roads is also considerable at 18 per cent;
 - ◆ using transport, including as a pedestrian or cyclist, is safer than previously:
 - ◆ serious and fatal accidents have reduced London-wide by 25 per cent compared with the late 1990s. This is on course to meet the government's target of 40 per cent reduction by 2010 and is ahead of the national average of 20 per cent reduction. The number of serious and fatal injuries on the TLRN has also reduced from 1,645 in 2000 to 1,418 in 2003. Slight injuries have also declined by 10 per cent;
 - ◆ the condition of the road and footways network is now improving, and the percentage of crossings with facilities or disabled people has also slightly increased;
 - ◆ security on 20 key public transport routes has improved through the introduction of TOCU; and
 - ◆ 16 per cent more people use night buses following the addition of 15 new routes, and crime on the underground is down by 55 per cent since 2001/02. Taxi touting in central London is down and the numbers of people using illegal minicabs has reduced from 14 per cent to 8 per cent, as a result of TfL publicity and the introduction of minicab licensing.

- 98 TfL has improved some aspects of London Underground's service. More of the underground's schedule was operated in 2003/04 than in 2002/03 and fewer trains were cancelled due to operator non-availability. Escalator and lift availability at stations has improved. Graffiti on trains has been substantially reduced.
- 99 TfL has improved the accessibility of its transport system. For example, in 2002/03 an additional 200,000 trips were provided for people with disabilities as a result of TfL funding to the Association of London Government (ALG) borough taxicard scheme and there has been an increase of 2 per cent in accessible underground stations. In 1999 only 35 per cent of buses were accessible to people with physical disabilities. This has steadily improved to 92 per cent in 2004. TfL has improved its travel information for London buses and journey planner. However, people with physical disabilities continue to find using the underground and Routemaster buses difficult.
- 100 Overall, TfL has delivered a range of high profile and key improvements in London's transport systems. Improvements are in line with priorities and contribute to improving the quality of life of service users. The areas that are not improving at the same rate include the infrastructure of the underground which will take 30 years to fully upgrade, walking and cycling, reducing travel needs, the quality of pavements, and personal safety.

BVPs and other PIs

- 101 Of the 18 transport best value performance indicators for 2003/04 where comparisons can be made with the previous year, all improved except one. (This was the number of pedestrians killed or seriously injured, which worsened only slightly and is still on target to be reduced by 40 per cent by 2010). Of the other 80 transport key performance indicators that TfL monitors, such as safety, customer satisfaction and operating efficiency, some 85 per cent improved.

Non-transport priorities

- 102 In its four years of existence TfL has achieved a great deal in key target areas. This includes improvements in line with the Mayor's non-transport priorities such as:
- ◆ planning for London's growth – improving the transport infrastructure and reducing congestion in the context of a growing population are key components of the Mayor's economic policies;
 - ◆ helping to address social exclusion – through the expansion of bus services which are most important for people on low incomes because of low fares; and the introduction of reduced fares for children, older people and students;
 - ◆ improving environmental quality – through cleaner buses and absolute reductions in the number of car trips;
 - ◆ reducing crime and the fear of crime – transport-related actions, such as TOCU, have had a wider impact;

- ◆ affordable housing – improving the transport infrastructure and frequency of services means that more housing in less expensive outlying areas is accessible (although conversely house prices tend to increase near improved transport links); and
- ◆ cultural and creative diversity – improved accessibility to cultural areas such as the South Bank, plus schemes like ‘Platform for Art’.

Investment

- 103 Strengths outweigh weaknesses.
- 104 TfL is putting into place many of the building blocks it needs to enable future improvement. These range from investments such as the efficiencies programme and the implementation of an integrated business system, to improving the capacity of the traffic management unit, to delivering more effective road traffic control systems, road asset management systems and road safety campaigns.
- 105 A number of investments are not yet fully embedded but are starting to deliver improvement and savings. For example, the investments being made in changing the way that TfL procures materials and services realised £14.9 million savings in 2003/04. This is predicted to increase to £37 million in 2004/05 as the change programme is delivered.
- 106 Plans for the HR shared services centre are well developed but it will not ‘go live’ until January 2005. The predecessor organisations that now make up TfL had different approaches to HR. This has led to inconsistency in the new organisation and potentially places TfL at risk by not having consistent approaches to disciplinary and grievance procedures and recruitment. TfL recognises the need for a consistent approach and the provision of consistent specialist expertise to managers. However this approach has yet to be fully implemented and relies on the application of the integrated business system to HR processes.
- 107 The introduction of the integrated business system is key to embedding the vision of becoming ‘one TfL’. It has been implemented in all business units and TfL is starting to reap the benefits through tighter checks and balances, consistent approaches to purchasing and more consistent and efficient performance reporting.
- 108 TfL has invested in its partnership working, particularly with the borough councils. This has led to some improvement but some boroughs are still not satisfied that their views are listened to and that their value is understood by TfL. A consultation toolkit has been developed to enable TfL to better consult on its small, medium and large schemes with the appropriate partners. The equalities and inclusion team supports the use of the consultation toolkit by helping to identify which community groups need to be consulted.

- 109 TfL has invested in areas where service improvements are needed. In particular it has invested substantially in:
- ◆ the Transport Operational Command Unit to improve enforcement and to reduce crime associated with transport;
 - ◆ the London Traffic Control Centre, to improve traffic flows, capacity and safety; and
 - ◆ training for bus drivers to improve standards of customer care, leading to a BTEC qualification.
- 110 TfL has secured significant additional resources to deliver its ambitions. The results of SR2004 also give it a longer than normal settlement period providing a more solid foundation on which to plan its investments. TfL ensures that it invests its income from schemes such as congestion charging in priority areas. It has flexible expenditure plans that enable it to take advantage of income that is above the projected level. It is managing significant investments in the underground through a PPP, and numerous PFI projects. TfL's business plan acts as the organisation's medium term financial plan and is robust.
- 111 TfL has a track record for opening itself up to challenge in some areas. For example it has made much use of consultants to review existing structures and processes and recommend new ways of working. This has contributed to the ability of the organisation to deliver. It carries out a number of best value and other internal reviews each year. The board, panels and committees provide effective internal scrutiny by reviewing and challenging projects and decisions. However, the fact that panels and committees are held in private limits public accountability and transparency. Internal scrutiny is supplemented by effective challenge from GLA officers and the Mayor's office.
- 112 The London Assembly was consulted on and provided an input to the development of the Mayor's Transport Strategy. The GLA also has effective processes for scrutinising TfL's budget and spending plans. However, overall scrutiny by the London Assembly has had limited impact on TfL. Areas subject to scrutiny, include the Chancery Lane derailment, the Crossrail project and the Government's proposals in its White Paper for rail in London. The impact on TfL of scrutiny is limited because the scrutiny programme is not closely aligned with the Mayor's transport priorities and TfL's business plans.

In the light of what TfL has learned to date, what does it plan to do next?

Learning

- 113 Strengths outweigh weaknesses.
- 114 TfL is a self-aware organisation. It is aware both of what it has achieved and of the areas that need to be addressed, such as completely fulfilling its vision of becoming 'one TfL'. Its internal processes, such as business management reviews, contribute to this self awareness and lead to changes being made to address issues. It is also aware of what needs to be done to address London's transport infrastructure issues and development needs. There are examples of learning within London Underground on safety and of using the learning from managing complex contracts in renegotiating and letting new ones. The TfL board has extensive expertise on transport issues. This is a valuable source of learning, advice and challenge.
- 115 TfL is a complex organisation that is made up of what were 15 different predecessor bodies. In its relatively short life TfL has made efforts to put a range of effective learning mechanisms into place. There are examples of cross-business learning, such as in relation to risk and project management. However, learning has yet to become systematic. A systematic approach to identifying learning from across the organisation will play a key role in further developing 'one TfL'. Knowledge about the business as a whole and how different parts relate is extensive at senior management levels, but is much more limited at operating levels. This leads to multiple representatives attending meetings with partners, some of whom see TfL as uncoordinated and over-staffed as a result.
- 116 TfL has learned from other world cities. For example it has benchmarked fares and operating costs and has visited other transport systems operating similar schemes to the Oyster card. However, less attention is paid to more local learning and comparison. While it is true to say that in the UK, TfL is a unique organisation in terms of its scale and range of transport responsibilities, there are areas where it could learn from other bodies. It has carried out some comparisons with other passenger transport authorities in England. TfL's approach to working with and learning from the London boroughs is improving but it has not taken full advantage from the knowledge and experience that London borough councils have on areas such as community consultation, preferring to place more reliance on its own experience.
- 117 There is some evidence of learning from the GLA's other functional bodies but this is limited. The group has joint bodies in some areas but lacks effective systems to ensure good practice is routinely spread. For example, TfL has been slow to learn from the GLA's performance on equalities and diversity issues. However, there are examples of TfL sharing information with other public services, such as the Metropolitan Police Service as part of joint projects.

Future plans

- 118 TfL is strong in this area with few identifiable weaknesses.
- 119 TfL has a range of robust future plans that support the Mayor's Transport Strategy and wider plans for London. Strategies are in place for non-motorised modes such as cycling and walking, as well as passenger transport and car traffic. TfL's plans are robust and linked to resource projections. The post SR2004 Business Plan (2005/06 – 2009/10) sets out very clearly what TfL will achieve over the next five years and how the additional funding and longer-term settlement, together with money from the prudential borrowing scheme will be used to improve London's transport infrastructure. The business plan has been developed in partnership with a range of stakeholders who also supported TfL in lobbying government for the settlement which they have received. However, the Mayor's Transport Strategy was produced before the London Plan and it is not clear through the 2005/06 – 2009/10 business plan how TfL intends to address its strategic role regarding the ambition in the London Plan for reduced travel demand.
- 120 TfL has plans in place to address the major weaknesses in London's transport infrastructure such as the plan for renewal and expansion of the city's underground system. It has a draft five-year investment plan which sets out TfL's investment programmes across the full range of TfL's responsibilities including the projects it intends to fund the London boroughs to deliver. The areas of weakness identified in this report are largely addressed by TfL's future plans.
- 121 TfL is constantly reviewing its organisational capacity to address issues and meet changing demands. It is pro-active in planning for its future organisational needs. For example it has begun a restructure to enable it to deliver its remit under the Traffic Management Act 2004. It is an organisation that is not afraid of taking difficult steps or tough decisions in order to deliver the vision. It has plans to build on the investments it has already made such as the implementation of its integrated business system to fully realise the benefits.
- 122 TfL engages managers in developing future plans but there is limited ownership from staff and partners. There have been efforts made to involve partners in planning and the SR2004 and the business planning process that followed have improved partner involvement.
- 123 Most plans are re-assessed as circumstances change. An example is TfL's race equality scheme, a statutory requirement under the Race Relations (Amendment) Act 2000. The revised scheme covers the whole of TfL, whereas the previous scheme pre-dated London Underground joining TfL.
- 124 TfL has plans to make its services more accessible in line with the Disability Discrimination Act which requires service providers to make reasonable provision for people with disabilities. For TfL this means ensuring that people with disabilities do not find it unreasonably difficult to use stations, bus stops and boarding points, ticket booths, sanitary provision and cafes and restaurants. The most expensive plan is to have 100 London Underground stations with step-free access by 2020. TfL, like other organisations, is potentially open to legal challenge if people consider that access arrangements to facilities, such as London Underground stations, are unreasonably difficult.

- 125 It is uncertain whether under the terms of the PPP, TfL will be able to deliver the required improvement to the underground's track, tunnels, rolling stock, signalling systems and stations whilst at the same time maintaining service quality. TfL inherited the agreement and experience of its operation has identified a number of issues; for example, late return of infrastructure following weekend maintenance impacting adversely on service availability. TfL is endeavouring to overcome these difficulties but is not confident that the present contract arrangements are in the best interests of service users.
- 126 There are effective liaison arrangements across the GLA group on financial and budget issues and these are linked to ambitions and priorities through the GLA's business planning process. TfL's business plan for 2005/06 – 2009/10 takes the Mayor's 2004 election manifesto into account.

Summary of theme scores and strengths/weaknesses

Theme	Grade	Strengths	Weaknesses
Ambition	4	<p>Clear and ambitious vision for transport in London reflecting wider national and mayoral priorities</p> <p>TfL has a good understanding of the problems and opportunities affecting transport in London</p> <p>TfL understands its impact on issues such as crime reduction and equality of opportunity and has plans in place for these areas</p> <p>Vision of an integrated transport system is shared across TfL</p> <p>Strong business plan</p>	<p>Ambition not fully supported by all stakeholders; for example, some London boroughs</p>
Prioritisation	3	<p>Clear transport priorities for London</p> <p>Clear basis for priorities reflecting national and London need</p> <p>Financial planning enables effective targeting of available resources to priorities</p>	<p>Savings are re-allocated to priorities within but not across modes</p> <p>Some stakeholders do not see their influence on, or the rationale for, some important priorities</p>
Focus	4	<p>TfL has demonstrated that it is able to focus on the delivery of key projects such as the congestion charge and bus improvements</p> <p>Strong mechanisms in place to ensure focus on priorities including the business planning process and monthly business management reviews</p> <p>TfL’s meetings and decision making structure are clear, well planned and recorded</p> <p>The inclusion of London Underground has not distracted TfL from its work in other modes</p>	

Theme	Grade	Strengths	Weaknesses
Capacity	3	<p>Strong leadership and effective management</p> <p>TfL has the capacity and skills it needs to deliver good quality services</p> <p>Strong financial and business planning processes</p> <p>Increased capacity to manage complex contracts such as the PPP and PFI schemes</p> <p>Clear decision-making and accountability framework</p>	<p>One TfL not yet achieved</p> <p>Human resources and equalities are under-developed</p> <p>Cannot demonstrate whether use of consultants has improved internal capacity</p>
Performance management	3	<p>Planning and performance management systems driven by ambitions and priorities</p> <p>Good risk management processes</p> <p>Some mechanisms in place to measure value for money especially for new projects or services</p> <p>Effective mechanisms to ensure delivery of mayoral priorities</p>	<p>Performance appraisal processes not consistent</p> <p>Not consistently demonstrating value for money across full range of activities</p>
Achievement in quality of service	3	<p>TfL's service quality is good overall in the context in which it operates and in comparison with others</p> <p>Quality of service is in line with TfL priorities</p>	<p>Some areas require improvement; for example, the underground and accessible bus stops</p>

Theme	Grade	Strengths	Weaknesses
Achievement of improvement	4	<p>Range of high profile key improvements in London’s transport systems have been delivered</p> <p>Areas that are not improving significantly are in line with lower priorities</p> <p>Performance against BVPIs is improving</p> <p>Improvements have been made that contribute to non-transport priorities</p>	Reducing the need to travel not adequately addressed
Investment	3	<p>Putting key building blocks into place internally; for example, the implementation of integrated business systems</p> <p>Investments in areas that will make a direct impact on the quality of life of Londoners such as the introduction of TOCU</p> <p>Key internal investments starting to deliver improvement</p> <p>The board, panels and committees provide effective internal challenge</p>	Scrutiny is not sufficiently aligned to priorities and plans and has had limited impact
Learning	3	<p>TfL is a self-aware organisation</p> <p>Range of learning opportunities taken – both internally and externally</p> <p>Service and process improvements made as a result of learning</p>	<p>Limited learning between the functional bodies and the GLA</p> <p>Learning is not shared systematically</p>

Theme	Grade	Strengths	Weaknesses
Future plans	4	<p>Range of robust future plans that support the Mayor’s Transport Strategy and wider plans for London</p> <p>SR2004 has enabled TfL to develop resourced plans to deliver significant improvements to transport in London</p> <p>Most plans are reassessed as circumstances change</p> <p>Plans in place to address areas where projects have not been completely successful</p> <p>Not afraid of taking difficult steps or tough decisions in order to deliver the ambition</p>	<p>Unclear how TfL will address London Plan aim to reduce travel demand</p>

Scoring key:

- 1 - Weak
- 2 - Weaknesses outweigh strengths
- 3 - Strengths outweigh weaknesses
- 4 - Strong

Appendix – Framework for Initial Performance Assessment

- 127 This Initial Performance Assessment was carried out under the Local Government Act 1999. Bodies that are best value authorities for the purposes of the Local Government Act 1999 have a general duty under Section 3 of that Act to secure continuous improvement in the exercise of their functions. Section 10 gives the Audit Commission the power to inspect authorities' performance of the general duty of improvement.
- 128 The assessment for TfL was undertaken by a team from the Audit Commission and took place over the period 10-21 May 2004.
- 129 This report has been discussed with TfL, which has been given the opportunity to examine the Audit Commission's assessment. This report will be used as the basis for improvement planning by the authority.