

## TRANSPORT FOR LONDON

### BOARD MEETING – OPEN SESSION TO BE HELD ON 20 SEPTEMBER 2006 AT 1000 HOURS IN THE CHAMBER CITY HALL, THE QUEEN'S WALK, LONDON SE1 2AA

#### AGENDA

A Meeting of the Board will be held to deal with the following business:

1. Apologies for Absence
2. Minutes of the Previous Meeting held on 28 June 2006
3. Any Matters Arising from the Minutes

#### Business Items

#### Sponsor

- |  |   |
|--|---|
| 4. The Commissioner's Report                   | Peter Hendy, Commissioner                                   |
| 5. Operational and Investment Financial Report | Jay Walder, Managing Director Finance and Planning          |
| 6. Revenue Enforcement & Prosecutions Policy   | Jeroen Weimar, Director of Transport Policing & Enforcement |
| 7. Standing Orders Revision                    | Howard Carter, General Counsel                              |
| 8. TTL Appointments                            | Howard Carter, General Counsel                              |

#### Items for Noting

- |  |   |
|--|---|
| 9. Chair's Action re: ELL Contracts                      | Howard Carter, General Counsel              |
| 10. Directions and Delegations                           | Howard Carter, General Counsel              |
| 11. Report from the Finance Committee (oral)             | Sir Mike Hodgkinson, Chair of the Committee |
| 12. Report from Safety, Health and Environment Committee | Dave Wetzel, Chair of the Committee         |
| 13. Any Other Business                                   |   |

# TRANSPORT FOR LONDON

## MEETING OF MEMBERS OF THE BOARD – OPEN SESSION

**MINUTES** of the Board Meeting held in the Chamber, City Hall, The Queen's Walk, London, SE1 2AA at 10.00 am on Wednesday, 28 June 2006

**Present:** Dave Wetzel (Chair)  
Stephen Glaister  
Kirsten Hearn  
Paul Moore  
Sir Gulam Noon  
Patrick O'Keeffe  
John Ormerod  
Tony West

**In attendance:** Lord Toby Harris  
Bryan Heiser  
Murziline Parchment  
Lynn Sloman

Barry Broe	Director of Group Transport Planning & Policy
Ian Brown	Managing Director, London Rail
Peter Brown	Chief Operating Officer, Surface Transport
Stephen Critchley	Chief Finance Officer
Nicky Gavron	Deputy Mayor (for minute no's 45-56/06/06)
Mary Hardy	Director of Internal Audit
Peter Hendy	Commissioner
Gareth John	Director of Legal & Compliance
Richard Jones	LUL Energy Contracts Manager (for 45-56/06/06)
Peter McGuirk	Interim Director of Governance & Assurance
Tim O'Toole	Managing Director, London Underground
Ben Plowden	Managing Director, Group Communications
Duncan Symonds	Commissioner's Chief of Staff
June Taylor	KPMG
Valerie Todd	Interim Managing Director, Group Services
Jay Walder	Managing Director, Finance & Planning
Beth West	LUL Head of Commercial Finance (for 45-56/06/06)
Jo Chance	TfL Secretariat
Jeff Pipe	TfL Secretariat
James Varley	TfL Secretariat

### **45/06/06 Apologies for Absence**

Apologies for absence were received from Ken Livingstone, Sir Mike Hodgkinson, Honor Chapman and Murziline Parchment.

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### Declaration of Interests

Lord Toby Harris declared that he was an advisor to KPMG in relation to minute No. 56/06/06: Report from the Audit Committee held on 15 June 2006.

### **46/06/06** Minutes of the Previous Meeting held on 24 May 2006

The minutes of the previous meeting were **APPROVED** and signed by the Chair as a correct record.

### **47/06/06** Matters Arising

There were 5 actions arising from the minutes of the last meeting:

- (1) That crime and disorder implications should be considered whenever policy and service developments were being considered by the Board.

**This had been written in to the guidance given to authors who were preparing Board papers.**

- (2) Lynn Sloman had asked for an explanation of the basis for walking performance information.

**Peter Brown had responded in a letter dated 13 June 2006 which would be copied to all Board Members.**

**Action: Secretariat**

- (3) Lynn Sloman had also asked about utilisation of the Finsbury Park Cycle Facility and the Commissioner explained that he had visited the facility and in his view any underutilisation was more likely to be due to deficiencies in visibility of the facility rather than the daily charge of 50p. He saw a need for targeted marketing in this context and had asked Peter Brown to take this forward.

**A leaflet had been produced for local distribution to promote the facility with residents, traders and Finsbury Park station users. The cycle park was also being promoted within the publicity for the RISE festival that was taking place at Finsbury Park on 8 July 2006. TfL had also sent promotional material to local cycle clubs and shops for onward distribution to members and customers. Finally a signing strategy was being developed for application within the station and on-street to inform people of the location of the facility. The Commissioner had also asked for targeted marketing.**

- (4) Road network performance information had a long time delay, resulting in non-availability of significant information on this aspect of performance. For the future this would be addressed by reporting Road Network Information on a different timeline.

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**Road Network Performance and Business Planning Performance had been informed of this requirement and it would be addressed in future versions of the TfL Operational, Financial and Investment Programme Reports.**

- (5) The Mayor had asked Ed Thompson to review the structure of private hire operator fees, including definition of small versus large operators, before next year's revision.  
**Ed Thompson was taking this forward.**

### **48/06/06 Commissioner's Report**

The Commissioner introduced his report and highlighted issues that had arisen since the report had been written:

#### Transport 2025 (T2025)

- On Friday 23<sup>rd</sup> June consultation on T2025 had been launched; copies of the consultation document would be sent to Board Members through the Secretariat;

#### Pedicabs

- On Wednesday 28<sup>th</sup> June the Public Carriage Office published a consultation document on the licensing of pedicabs;

#### Stagecoach plc

- Stagecoach plc had announced the disposal of their London bus operations to Macquarie Bank Limited, subject to TfL's approval. This was being pursued; and

#### Congestion Charging Scheme

- On Tuesday 27<sup>th</sup> June an inaccurate article had appeared in the Evening Standard alleging that Congestion Charging was failing to deliver. A complaint had been made to the Evening Standard. The fourth annual Congestion Charging Report would be published shortly and would show the continuing success of the scheme in reducing congestion.

In response to a question from Patrick O'Keeffe regarding Macquarie Bank Ltd, the Commissioner assured the Board that TfL would seek to satisfy itself in all relevant issues, including staff conditions, before giving approval.

#### Transport Innovation Fund (TIF)

On 27<sup>th</sup> June 2006, the Department for Transport Secretary of State, Douglas Alexander, announced in Parliament the schemes to be taken forward under productivity element of the TIF. The statement did refer to Crossrail, and confirmed funding for the project would be subject to the recommendations made in Sir Michael Lyons Review.

#### Croydon Tramlink

An investigation was being carried out into the causes of the derailment on the Croydon Tramlink at Phipps Bridge. The Commissioner expressed concern over the state of repair of the assets.

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### Crossrail

The Mayor, TfL and business leaders had launched a campaign to encourage the Government to authorise and fund Crossrail.

### New Appointments

David Brown had been appointed as the new Managing Director of Surface Transport and was due to take up the post on 21 August.

Howard Carter had been appointed as the new General Counsel and was due to take up the post on 4 September.

### Possible Dispute on DLR

Ian Brown updated the Board on the current position.

**Post-Meeting Note:** Agreement reached between SERCO and RMT therefore there would be no dispute.

### Victoria Line Incident

Tim O'Toole updated the Board on the events of 30 May when passengers were held on a tube train, and then detrained, on the Victoria Line. The incident had happened at a time when the railway was moving over to engineering hours. A number of lessons had been learned from this and as a result London Underground (LU) had changed its operating rules to ensure that a similar incident did not re-occur. In response to questions raised by the Board, Tim O'Toole confirmed that LU had reacted in a positive way to the incident: those passengers involved had received a written and oral apology as well as £100 each.

### Asset Failures

Tim O'Toole reported on a series of asset failures, including that on Monday 26 June when engineering hours on the Piccadilly over-ran as the work that had been started had to be finished before the railway could be made operational again. LU were given advance warning of this and were able to run a replacement bus service.

The signalling system on the Central Line had also been lost on one occasion during the period, where trains had to be moved into the platforms and the whole system re-booted.

Overall, Tim O'Toole stated that in the last three years asset renewal on the Underground had improved, yet problems, as highlighted above, were still occurring, as asset renewal works should be further along than they were.

Tim O'Toole confirmed that the penalties that were incurred by the PPP Contractors were dependent on the time of day the incident occurred and its duration.

### Stratford Regional Station Upgrade

Jay Walder confirmed that the shortfall of £54 million in the Olympic budget was being pursued with both the Olympic Delivery Authority and the Department for

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Transport. It had been specifically acknowledged in the 5 year funding agreement that this cost was not TfL's responsibility.

### Free Travel for Under 18s in London

The Board congratulated TfL and the Mayor for the introduction of free travel for under 18s in London.

### Travel Demand Management (TDM)

Ben Plowden confirmed that 'before monitoring' of school travel patterns had been put in place so that once the school travel plans were introduced an analysis could be made of their impact.

He further confirmed, in response to a question from the Board, that the pilot schemes would be looking at transport barriers to those with disabilities.

Ben Plowden undertook to update Bryan Heiser and Kirsten Hearn, outside of the meeting, on the content of the TDM programmes.

**Action: Ben Plowden**

The Board noted that the School Travel Plans Programme was on track to meet its goal of 40% coverage of London schools by the end of 2006/07.

Ben Plowden confirmed that TfL had worked in conjunction with the Boroughs to identify which schools were included in this coverage.

Ben Plowden undertook to report back to the Board outside the meeting the results of the second year from the original personalised travel management pilots.

**Action: Ben Plowden**

### Public Service Agreement (PSA) Targets for delays on the TLRN

Peter Brown explained that these targets had been set by the Government who were keen to introduce a measure of performance improvement in response to the introduction of the Traffic Management Act. The targets were designed to measure all users of TfL's road network which made the formula for the target quite complex.

Lynn Sloman expressed a concern that the multi-modal target might incentivise perverse behaviours, or result in a curtailment of funding and asked that this be raised with the Department for Transport. Peter Brown undertook to look into this.

**Action: Peter Brown**

### 7 July

In response to a question from the Board, Peter Hendy confirmed that there were a number of events being held to mark the anniversary of the 7 July bombings. The Mayor, Peter Hendy and Tim O'Toole would be laying a wreath at Kings Cross and later at Tavistock Square. Buses would observe a two minute silence, as would the Tube, however, tube trains would remain in service to avoid a power surge if they were all to re-start at the same time.

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Tim O'Toole explained that an initial private space would be made available to the families of the victims at the relevant stations where they would be unveiling plaques in memory of those who died. TfL would then provide transport for the families to a luncheon and then afterwards to Regents Park. It might not prove possible to keep all the affected stations open during these events, although any decision to close the stations would be an operational decision made on the day.

### DfT Consultation on Mayor's Powers on National Rail in London

The Board noted that Ian Brown had prepared evidence regarding rail fares for the Transport Select Committee.

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

### **49/06/06** London Assembly 7 July Report

Peter Hendy reported that the London Assembly had published its review of the lessons to be learned from the response to the 7 July bomb attacks which contained inaccuracies and mis-understandings. Whilst the media had been briefed in advance of publication, there had been no consultation with those organisations named in the report. TfL felt it necessary to put in the public domain a response to the Assembly's report.

The Appendix to TfL's report set out in detail TfL's initial response. Peter Hendy noted that it was the individual acts of bravery of staff that had been vital to the rescue effort but that these acts were carried out under a structured management regime to deal with emergency incidents.

The Board **NOTED** the content of the report which would also support TfL's contribution to the response from the London Resilience Forum; the Board asked for a letter to the Chair of the London Assembly, on their behalf, expressing the Board's concerns about –

- The way in which publication of the report was conducted; the lack of review of the draft offered to those organisations named and quoted in the report and the fact that the press had been given advance notification of the contents of the report when those organisations were not; and
- The omissions and inaccuracies in the report.

The letter would also ask the GLA to review their procedures in producing reports such as this and it would be copied to the individual members of the London Assembly.

**Action: Secretariat**

It was **AGREED** that the lessons learned from the events of 7 July and the work being carried out with the GLA on disabled people and emergency planning would be circulated to Board Members.

**Action: General Counsel**

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### 50/06/06 TfL Annual Accounts

The Board **NOTED** that the accounts had been signed by the Chief Finance Officer and that he recommended them to the Board.

The Board **APPROVED** the Statement of Accounts subject to a private discussion to be held after the public Board meeting.

The Board **AGREED** that the Chief Finance Officer would make any adjustment arising from the ongoing work prior to the auditors signing their opinion. Should any changes to required to the Statement of Accounts which, in the opinion of the Chief Finance Officers, were material, he would seek the approval of the Board to those changes.

### 51/06/06 TfL Annual Report

Ben Plowden introduced the report and noted that the full accounts would be included in the Annual Report for the first time. He asked the Board if they had any comments on the proposed outline set out in the paper; the following issues were raised and other comments could be given to Ben Plowden outside of the meeting –

- Freight transport;
- Dial-a-Ride's 33 new vehicles – to note that TfL management had produced an innovative design for these;
- DLR City Airport and the lifts installed for improved disabled access;
- Public Carriage Office adding 20p to each fare to help pay for the cost of air quality improvements on taxis; and
- the PPP.

The Board **AGREED** the proposed outline of the 2005/06 Annual Report subject to any comments that were highlighted above or that were given to Ben Plowden outside of the meeting.

The Board **NOTED** that they would be asked to approve the 2005/06 Annual Report by telephone conference call in July.

The Board **NOTED** that at that stage it would be asked to delegate authority to Ben Plowden for final changes to the Annual Report.

### 52/06/06 Best Value Performance Plan (BVPP)

Stephen Critchley introduced the report, which TfL was required to publish in accordance with the Local Government Act 1999, by 30 June each year.

The Board **APPROVED** the contents of the Annex to the 2006/07 – 2009/10 Business Plan to form the overall 2005/06 BVPP.

The Board **DELEGATED** authority to the Managing Director, Finance and Planning to make any changes prior to publication by 30 June 2006.



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### 53/06/06 Modal Share Trends

Barry Broe introduced the report, which set out how mode shares had changed in London since 1999, updating the 2005 Board Paper with the most recent figures between 2004 and 2005.

The Board **NOTED**, among other figures, that between 1999 and 2005 in London total trips taken increased by 9%; car trips decreased by 1%; bus travel increased by 40% and cycling trips increased by 52%.

The Board **NOTED** that whilst the change between 2004 and 2005 was marginal the underlying fundamentals remained strong and the modal shift was being sustained.

The Board welcomed this good news and **NOTED** that it was now important to repeat the successes gained in Inner London, in Outer London.

Lynn Sloman commented that a joint walking and cycling target was not appropriate but would discuss this with Barry Broe outside of the meeting.

**Action: Lynn Sloman / Barry Broe**

The Board **NOTED** that the modal shift from the car to sustainable modes of transport was 4.1% from 1999 to date. The Board congratulated TfL for this success which was the highest modal shift achieved worldwide.

### 54/06/06 Approval to Award Bulk Supply Point Electricity Contract for London Underground

Tim O'Toole introduced the report and explained that the governance arrangements of awarding this contract had been reviewed by external auditors, Ernst & Young, who had confirmed that the processes involved were satisfactory. TfL Internal Audit would audit the processes later in the year.

Richard Jones explained, in response to a question regarding the use of renewable energy sources, that LU had commissioned a report from an external consultant regarding how LU could both use and invest in more renewable forms of electricity. With the current market mechanisms, even if LU were to buy more renewables this would not force an increase in overall investment in them. LU were also engaging with key suppliers in the South East to see if they could partner them in any forthcoming renewable initiatives.

Richard Jones undertook to provide Lynn Sloman with a copy of the external consultants report and Tim O'Toole undertook to provide an update to the Board on work in this area within the following 6 months.

**Action: Tim O'Toole / Richard Jones**

The Board –

**NOTED** that following a tendering exercise which was being undertaken in

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accordance with EU and UK procurement rules, it was proposed to award a Bulk Supply Point (BSP) electricity contract for two years (with one year renewal option) to whichever of the interested electricity suppliers offered the best financial and contractual terms (the Contract);

**NOTED** that the amount budgeted for BSP electricity for the following two financial years was £145 million;

**NOTED** that the overall price achieved under the new flexible purchasing strategy would be determined only when the price of all electricity requirements had been fixed, but that controls would be in place to limit whenever possible the total purchase cost to the approved budget levels;

**NOTED** that in accordance with TfL Standing Order No.2, Appendix 2 (Procurement and Disposal Transactions) the approval of the TfL Board was required to award the LUL contract;

**NOTED** the flexible purchasing strategy which would be implemented upon approval of this proposal (described in paragraph 4 of the paper);

**NOTED** that the LU Executive Committee would be responsible for determining the future purchasing strategy.

**DELEGATED** to the Managing Director LU the authority to agree the final terms of, and award the Contract, and sign, execute (if necessary by the affixing of the LU seal) and deliver on behalf of LU the Contract and any other related ancillary agreements, deeds or other documents in connection with the Contract.

**DELEGATED** to the Managing Director LU (transactions value up to £100 million), any one of the six nominated members of the LU Executive Committee set out in paragraph 5.5 of the paper (transaction value up to £25 million), and to any one of the six nominated members of the LU Executive Committee set out in paragraph 5.5 of the paper, the LU Energy Contracts Manager and the LU Head of Commercial Finance (transaction value up to £5 million) the authority to approve lock transactions upon recommendation from the ERM, subject to and in accordance with the transaction value limited and governance procedure set out in the paper;

**APPROVED** the proposal that LU adopt the new flexible purchasing strategy described in section 4 of the paper, utilising only the lock mechanism in order to diversify over time the price paid for electricity up to two years ahead, but whenever possible within agreed budget limits. **NOTED** that the TfL Finance Committee approved this proposal on 8<sup>th</sup> June 2006 for onward transmission to the TfL Board for approval.

### **55/06/06 Report from the Finance Committee held on 8 June 2006**

The Board **NOTED** the contents of the report from the Finance Committee.

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### 56/06/06 Report from the Audit Committee held on 15 June 2006

The Board **NOTED** that the Audit Committee has received a report from KPMG regarding the outstanding procedures for their audit work.

The Board **NOTED** the content of the report and, subject to a private discussion of the Board outside the public meeting, the Committee anticipated it would ask the Board to accept the recommendation of the Audit Committee that the Statement of Assurance on Corporate Governance should be signed by the Mayor and the Commissioner and **NOTED** that the Committee endorsed the recommendation of the Chief Finance Officer regarding the approval of the Statement of Accounts.

### 57/06/06 Direction from the Mayor – Design for London

Peter Brown introduced the report and in response to a question from the Board noted that the design team would have a good level of skill in accessibility issues. He further noted that TfL had a draft policy that could be used by its staff until Design for London was up and running.

Peter Brown undertook to provide Kirsten Hearn with a copy of the draft policy.

**Action: Peter Brown**

The Board **NOTED** the receipt of the Direction from the Mayor.

### 58/06/06 TfL's Representative on the Association of London Government, Transport & Environment Committee

The Board –

**CONFIRMED** the appointment of Ben Plowden as TfL's representative on the ALG TEC;

**APPOINTED** Pat Hayes, Director of Borough Partnerships as TfL's substitute representative on the ALG TEC; and

**NOTED** that TfL's representative would consult where necessary the Chair of TfL in relation to TfL's vote on the ALG TEC.

### 59/06/06 Documents Sealed on Behalf of TfL

The Board **NOTED** the list of documents sealed on behalf of Transport for London between 18 May and 13 June 2006.

### 60/06/06 Any Other Business

There being no further business the meeting closed.

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Signed by the Chair: \_\_\_\_\_

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

**ACTIONS ARISING FROM THE OPEN BOARD MEETING –  
28 JUNE 2006**

<b>Minute No:</b>	<b>Action:</b>	<b>Action to be taken by / Status:</b>
47/06/06	<p><u>Matters Arising</u> Lynn Sloman had asked for an explanation of the basis for walking performance information. Peter Brown had responded in a letter dated 13 June 2006, which would be copied to all Board Members.</p>	<p><b>Secretariat</b>  <b>COMPLETE</b></p>
48/06/06	<p><u>The Commissioner's Report</u></p> <p>To update Bryan Heiser and Kirsten Hearn, outside of the meeting, on the content of the TDM programmes.</p> <p>To report back to the Board outside the meeting the results of the second year from the original personalised travel management pilots.</p> <p>Lynn Sloman expressed a concern that the multi-modal target might incentivise perverse behaviours, or result in a curtailment of funding and asked that this be raised with the Department for Transport. Peter Brown undertook to look into this.</p>	<p><b>Ben Plowden</b> <b>COMPLETE</b></p> <p><b>Ben Plowden</b> <b>COMPLETE</b></p> <p><b>Peter Brown</b> <b>COMPLETE</b></p>
49/06/06	<p><u>London Assembly 7 July Report</u> The Board asked for a letter to the Chair of the London Assembly, on their behalf, expressing the Board's concerns about –</p> <ul style="list-style-type: none"> <li>• The way in which publication of the report was conducted; the lack of review of the draft offered to those organisations named and quoted in the report and the fact that the press had been given advance notification of the contents of the report when those organisations were not; and</li> <li>• The omissions and inaccuracies in the report.</li> </ul> <p>The letter would also ask the GLA to review their procedures in producing reports such as this and it would be copied to the individual</p>	<p><b>Secretariat</b> <b>COMPLETE</b></p>

Minute No:	Action:	Action to be taken by / Status:
	<p>members of the London Assembly. It was agreed that the lessons learned from the events of 7 July and the work being carried out with the GLA on disabled people and emergency planning would be circulated to Board Members.</p>	<p><b>General Counsel COMPLETE</b></p>
53/06/06	<p><u>Modal Share Trends</u> Lynn Sloman commented that a joint walking and cycling target was not appropriate but would discuss this with Barry Broe outside of the meeting.</p>	<p><b>Barry Broe TO BE DISCUSSED AT T2025 AWAY DAY</b></p>
56/06/06	<p><u>Approval to Award Bulk Supply Point Electricity Contract for London Underground</u> Richard Jones undertook to provide Lynn Sloman with a copy of the external consultants report and Tim O'Toole undertook to provide an update to the Board on work in this area within the following 6 months.</p>	<p><b>Tim O'Toole / Richard Jones ONGOING</b></p>
57/06/06	<p><u>Direction from the Mayor – Design for London</u> Peter Brown introduced the report and in response to a question from the Board noted that the design team would have a good level of skill in accessibility issues. He further noted that TfL had a draft policy that could be used by its staff until Design for London was up and running.</p> <p>Peter Brown undertook to provide Kirsten Hearn with a copy of the draft policy.</p>	<p><b>Peter Brown TO GO TO OCTOBER BOARD MEETING</b></p>

## **COMMISSIONER'S REPORT FOR SEPTEMBER 2006**

### **1. PURPOSE**

This report provides an overview of major issues and developments since 28 June Board meeting and updates the Board on significant projects and initiatives.

### **2. MODAL OPERATIONS**

#### **2.1 Surface Transport**

##### **2.1.1 Free Travel for Under 18's**

Following the Mayor's announcement in May 2006, 16-17 year olds who live in London and are in full time education were eligible to travel free on buses and trams from 1 September 2006.

##### **2.1.2 Bus Passengers**

Bus passenger journeys for period 5 (23 July – 19 August) show a 3.0% increase in journeys compared to last year. Year to date, bus passenger journeys are 4.6% below budget, but comparable to bus passenger journeys last year.

##### **2.1.3 Accessibility: Bus Wheelchair Ramp Reliability**

A major fleet-wide ramp audit was carried out across the bus network in July. Only eight ramps were found to be inoperative from of a total inspection number of 2,099 ramps. This equates to 99.6% functioning correctly, the best result to date.

##### **2.1.4 Stagecoach London**

On 30 August Macquarie Bank Limited completed the acquisition of the two Stagecoach London companies. The new name for the operations will be the East London Bus Group, with the company identities remaining as "East London" and "South East London / Kent". As part of the transaction, the defined benefit pension scheme for the staff of the two companies was fully funded by Stagecoach, a cost in excess of £60m. It is now probably the only fully funded defined benefit pension scheme in the transport industry.

##### **2.1.5 East London Transit**

Following completion of the public consultation for the East London Transit (ELT), agreement was secured from the London Borough of Redbridge for scheme implementation. However the London Borough of Barking and Dagenham rejected the proposal to route ELT through Barking Town Centre. Following Mayoral intervention and further discussion, it is understood the decision is likely to be reversed. TfL has committed to run ELT with the latest environmentally friendly hybrid vehicles of a size to maximise frequency. In addition, there will be community involvement, good urban design and personal travel management will be offered as people move in to the Barking Reach development.

##### **2.1.6 LondonWorks**

The progress of secondary legislation for street works permitting has been very slow and the complex nature of the work means that the DfT are struggling to resource the current published timetables. Consequently TfL has decided to wind down the system development work and optimise the value of investment to date. DfT has been advised that further LondonWorks development cannot proceed without certainty of delivery of secondary legislation.

### **2.1.7 Low Emission Zone**

On 25 July the Mayor announced that he would amend the Transport and Air Quality Strategies to enable the introduction of a Low Emission Zone for London. Work is now underway drafting a Scheme Order for consultation from November 2006. This will include consideration of whether to base Light Goods Vehicle (LGV) standards on age or EURO standards.

The standards to be adopted in the line with the Mayor's decision (and subject to further consultation) are:

- Euro III standard for PM10s from 2008 for HGVs, buses and coaches
- Heavy LGVs and minibuses in scope from 2010 (see below)
- Euro IV standard for PM10s from 2012 for HGVs, buses and coaches (slipped back from 2010)

TfL will undertake further work to consider the practicalities of including cars in the LEZ.

### **2.1.8 Road Safety**

Speed Awareness Courses are now being offered to drivers caught speeding by safety cameras. The first offers have been sent out and the first course, run by DRIVETECH, took place on 1 August. This initiative supports the TfL road safety programme and concentrates on changing attitudes and behaviours, rather than penalty points on licenses.

### **2.1.9 Congestion Charging Annual Monitoring Report**

The 4th Congestion Charging Annual Monitoring Report was published at the end of June. The report highlights that since the introduction of Congestion Charging in February 2003, London has benefited from:

- A reduction in congestion levels of 26% compared to 2002. However this reduction needs to be measured in the context of the long-term trend of increasing congestion across London. Measured against this overall background trend, congestion within the zone has fallen by 30%.
- Excess waiting time for buses has been reduced by 46% within the zone
- The charge has had no identifiable impact on the number of business starting up or closing down within the zone, when compared with the rest of London
- £122 million was raised by the end of the financial year to re-invest in London's transport system.

### **2.1.10 Notting Hill Carnival**

Roads were closed in the Notting Hill area as part of management arrangements for the annual carnival over the August Bank Holiday weekend. Bus operations ran smoothly, in line with the implemented contingency plans. No unexpected problems were encountered.



**2.1.11 Tour of Britain**

The Tour of Britain 2006, Britain's leading professional cycle race came to London on Sunday 3 September for the sixth and final stage of the tour. TfL staff worked with the Metropolitan Police and race organisers to safely escort the riders from the race start, in Greenwich Park, to the finish line in St James's Park. A number of difficult issues had to be managed and resolved during the event, but the experience gained will be invaluable when the Tour de France starts in London in July 2007.

**2.1.12 Road Casualties Figures**

The number of children killed and seriously injured (KSI) on London's roads has fallen from an average of 935 a year in the mid/late 1990s (the government baseline) to 355 in 2005, a 62 per cent reduction. The overall number of all killed or seriously injured on the roads has fallen by 45 per cent in the same period down from an average 6,684 a year to 3,650 in 2005. This is a 12 per cent drop on the 2004 figures.

The Government set a target of reducing the number of people killed or seriously injured by 40 per cent compared with the 1994-98 average by 2010, with a 50 per cent target for children. The Mayor of London recently increased the target in London to 50 per cent for KSIs and 60 per cent for child KSIs, which has already been met four years early.

While there has been a 34 per cent reduction in cyclist KSIs compared with the 1994-98 average, there has been an increase in the number of cyclists killed or seriously injured between 2004 and 2005. The figure has risen from 340 to 372. Cyclist fatalities have risen from 8 to 21, returning to around the pre-2004 annual average of 20. Though there has been a very significant increase in the number of cyclists this is clearly cause for concern and TfL are gaining a deeper understanding of the issue to see what more action can be taken.

**2.1.13 Dial-a-Ride BTEC Training**

A BTEC driving and customer service course for Dial-a-Ride drivers was introduced in March and, to date, 30 drivers have successfully attained a nationally recognised professional driving qualification. The course is based upon the TfL BTEC training for bus drivers and covers customer care, disability equality, vehicle operation and driving skills. The training is designed to ensure that drivers are confident to provide a friendly, safe, consistent level of professional service to all Dial-a-Ride customers.

**2.1.14 Ealing Bus Lanes**

Following a change of administration in the London Borough of Ealing, in June the Council announced the suspension of several bus lanes in Northolt. TfL submitted a formal objection to the experimental suspension on the grounds that it was not compliant with Mayor's Transport Strategy; did not follow the requirements of LIP Guidance; the proposal adversely affected GLA roads; the suspension of bus lanes would adversely affect reliability of bus operation; no mitigation was proposed to offset TfL's increased direct operating costs arising from this scheme and; the proposed suspension undermined the LCN+ network.

Both the Mayor and I met Cllr Stacy, the new leader of the London Borough of Ealing. TfL has offered to part fund a review of the bus priority in the corridor and the Mayor guaranteed to implement any resultant changes. A response from Ealing is awaited.

### **2.1.15 US Embassy**

As at 5 September the US Embassy owes £911,000 in unpaid Congestion Charge Penalty Charge Notices.

### **2.1.16 Taxi Licensing Transfer Project**

TfL has a contract with SGS United Kingdom Ltd to provide private hire vehicle licensing inspections. The contract provided an option that TfL could exercise, at its discretion, a requirement for SGS to undertake licensing inspection services for taxis. Following a best value review a decision was taken to exercise that option and SGS have been given notice, subject to contract, that they will be required to undertake licensing inspections with effect from April 2007.

The project to transfer taxi licensing inspection services from the PCO to SGS is going according to plan and is on target. The project incorporates an intention to introduce mid-year safety inspections, in addition to the annual licensing inspection, with effect from October 2007 subject to stakeholder consultation.

## **2.2 London Underground**

### **2.2.1 Industrial Relations - Pay Negotiations**

London Underground continued negotiations with the Trade Unions over a multi-year deal. Progress has been made but some issues remain outstanding.

### **2.2.2 PPP Annual Report**

On 24 July London Underground published its third annual report on the performance of the PPP, for the year to 31 March 2006.

The report cites examples of major projects where the Infracos, particularly Tube Lines, have demonstrated the ability to deliver on time and on budget. However, it also reports an unacceptable failure by Metronet and Tube Lines to meet the challenges laid down to them last year. Metronet have failed to deliver on their renewal programme, particularly stations, and to maintain the District line track to LU standards, while Tube Lines have failed to improve the performance of the Northern line to the standards demanded by LU and the PPP contract. The report is available from the TfL website at [www.tfl.gov.uk/pppreport](http://www.tfl.gov.uk/pppreport).

### **2.2.3 District line train refurbishment**

By the end of August 25 refurbished trains out of a total fleet of 75 were in service on the District line. The modernised trains are being delivered at a rate of around one per fortnight. A recent survey of customers on the line yielded extremely positive responses, with some 9 out of 10 respondents recognising improvements in the trains' seating, cleanliness and interior décor and around 70% saying that visual information and audio announcements had improved.

#### **2.2.4 New Victoria line trains**

The Victoria line Upgrade will see a fleet of 47 new trains introduced into service between 2009 and 2012. As part of the development of the new rolling stock, one of Metronet's contractual obligations is to conduct customer acceptance testing. For this purpose a mock-up carriage from the new fleet was on display at Euston Square Gardens from 17 July. The customer acceptance testing itself took place from 21 July to 3 August and included presentations to the Disabled Persons Transport Advisory Committee (DPTAC) - the Government's statutory advisors on the Rail Vehicle Accessibility Regulations (RVAR); the Mobility and Inclusion Unit (MIU) - Department for Transport department responsible for certification and enforcement of RVAR; the Royal National Institute for the Blind and; the Royal National Institute for Deaf People. Public viewing continued 5 - 10 August 2006. The process aims to ensure that London Underground's passengers are satisfied with the design of the new fleet. Results of the research will be announced in October.

#### **2.2.5 British Transport Police Review**

On 20 July the result of the Department for Transport's review of BTP was announced by the Secretary of State for Transport. The review has concluded that there remains a strong case for retaining a national specialist police force for the railways. No structural changes will be made to the way in which the policing of the railways is carried out, and the force will remain largely funded by the rail industry and by TfL.

#### **2.2.6 Metronet Annual Report**

The PPP contracts and the Greater London Authority Act 1999 established the position of the PPP Arbiter, whose primary responsibility is to support LU and the Infracos in reaching a fair agreement at each 7½-year Periodic Review of the PPP contracts. The Arbiter's responsibilities also include providing guidance or direction as requested by any of the parties.

Metronet may ask the Arbiter each year for guidance as to whether or not Metronet BCV and SSL have performed their activities to date in an overall efficient and economic manner and in accordance with Good Industry Practice. This is the Metronet Annual Report. In May 2006, Metronet made its first request to the Arbiter to conduct the Metronet Annual Report for BCV and SSL. Metronet made its submission to the Arbiter and LU on 30 June.

In accordance with the Arbiter's procedural guidelines, LU responded to Metronet's submission on 31 July. LU's responses set out its view as to whether BCV and SSL had been overall efficient and economic and applied Good Industry Practice in the first three years of the PPP Contract. This view was supported by a series of case studies which were in turn supported by expert reports. Additionally, LU commented on Metronet's submission.

The Arbiter has engaged consultants to support his review of both Metronet and LU's submissions. A series of meetings, attended by LU, have been held for Metronet to provide further information for the Arbiter. LU has received questions from the Arbiter on its submission and has responded to these.

The Arbiter is expected to provide his draft guidance in late September 2006. Metronet and LU will have 30 days to comment on this before the final guidance is issued in November 2006.

### **2.2.7 Waterloo & City Line Upgrade**

The Waterloo & City line reopened on Monday 11 September having been closed since April to allow for a major upgrade. Metronet has replaced the track between Waterloo and Bank, renewed the communications and electrical equipment as well as refurbishing the trains to include CCTV cameras in every carriage. Metronet failed to meet its own timetable for reopening, although LU expected only opening in the month of September.

### **2.2.8 National Rail Awards**

The Central line was named 'Best London Suburban Operator' at the National Rail Awards 2006 on 7 September, the first time LU has been a winner at these awards. Following on from LU's success at the HSBC Rail Business Awards in February 2006, where it was named Train Operator of the Year, this is further recognition of the progress London Underground has made. The Central line's success reflects its achievement in operating 97.1% of all scheduled kilometres last year – the best of all LU's lines – and in turning around the service from the low point of the Chancery Lane derailment in January 2003. A customer-focused and pro-active approach to running the service and to managing the relationship with Metronet, allied to incremental timetable improvements, have led to increased customer satisfaction which the judges identified as the key factor in the line winning the award.

## **2.3 London Rail**

### **2.3.1 Docklands Light Railway**

The new operational franchise run by Serco Docklands which began on 28 May has started well with two periods of best ever performance on the railway since 1997.

### **2.3.2 'London Overground'**

On 5 September the Mayor launched the 'London Overground'. This will be the brand used by the London Rail concession and will build on the existing commitments and initiatives to enhance, safety and security, capacity, frequency, staffing and ticketing when TfL becomes responsible for the North London Railway in 2007 and opens the East London Railway in 2010. At the launch, the Mayor also announced the intention to proceed with the Dalston Curve, incorporating the project into Phase 1. This project will integrate the East London Line and the North London Line, so vindicating the Mayor's decision to tender for a single train operating company to operate all North and East London Line services. This is a major step towards delivery of the Mayor's commitment to providing London's Orbital network.

### **2.3.3 East London Line Trains and Main Works Contract**

The contract for the supply of 24 three-car and 20 four-car electric multiple units to operate the London Rail Concession (North and East London Line) was awarded to Bombardier on 31 August 2006. The first delivery of the new stock is planned for October 2008.

The Main Works Contract is the subject of a separate update to the Board.

#### **2.3.4 Route Corridor Plans**

Network Rail's Cross-London Route Utilisation Strategy (RUS) was published on 31 August 2006. London Rail has worked closely with Network Rail on this strategy to ensure it takes account of the requirements of the North London Railway Concession and the associated upgrade programme. TfL's strategy for significant capacity and accessibility enhancements was in turn set by the Silverlink Metro Route Corridor Plan (RCP), completed in 2005.

TfL's Great Northern / Thameslink RCP is close to completion, principally for input into Network Rail's East Coast Main Line RUS, and work continues on TfL's Eastern and South London (including South East London) RCPs. The latter RCP will provide valuable input to the strategically important South London RUS on which Network Rail is now commencing work.

#### **2.3.5 North London Line Upgrade & Concession**

The North London Railway Infrastructure Programme (NLRIP) is being developed jointly with Network Rail to ensure that all necessary infrastructure works are completed in time to introduce new trains and enhanced services on the North London Railway. The NLRIP Project Scope includes improvements to capacity, reinstatement of tracks, new/reinstated platform faces and is designed to deliver the Output Specification included in the Invitation To Tender (ITT) for the London Rail Concession and sufficient capacity to meet the ODA's demand forecasts for the Olympics.

The ITT for the Concession was issued to the shortlisted bidders on 14 July 2006. The bids are due to be received by TfL on 9 October with evaluation completed by mid-November and a decision on next steps by mid-December, in line with the project programme.

#### **2.3.6 TfL's input to the National Rail 30 year strategy**

TfL is formalising its justification for investment in National Rail services in London in the form of a 'statement of case' by showing the degree to which this would support the Mayor's objectives for London. This draws heavily on London Rail's Rail 2025 strategy work. It will help TfL, not just with its input to the Government's National Rail 30-year strategy and associated "high-level output statement" (a description of what the government expects of the rail industry in terms of capacity, performance and safety), but also in its comprehensive spending review submission.

### **3. MAJOR PROJECTS & INITIATIVES**

#### **3.1 Stratford Regional Station Upgrade**

The validated estimate for the Olympic Enhancements is £104m for the capital works; the funding gap remains £54m with discussions ongoing between TfL, ODA, DfT and DCMS to resolve. The budget for the current design stage remains robust and the works are to programme.

#### **3.2 West London Tram**

Modelling validation is progressing and the project continues to be prepared to come before the Board before a TW Act Submission.

### **3.3 Thames Gateway Bridge**

The outline business case to secure private finance initiative credit support is currently going through Treasury for approval. Treasury support will be dependent on the project remaining off balance sheet and DfT have sought confirmation that the project would continue should this assessment change during the procurement process. The Official Journal to the European Union notice for the TGB concession is planned for issue in December 2006. The invitation to tender is currently being prepared and is planned for issue in May 2007. As part of this work a market testing exercise has been undertaken, which identified a number of interested consortia.

### **3.4 Cross River Tram**

Preparations are in hand for a public consultation to start in November 2006 on route options. Further work continues on possible locations for tram depots. Further design work has been undertaken on the Kings Cross terminus and proposal have been discussed with the GLA and developer in relation to the detail of the Section 106 agreements targeted for settlement in September 2006.

### **3.5 Croydon Tramlink Extension to Crystal Palace**

Following an extensive options appraisal, the proposed route alignments for the tram at the Crystal Palace Park have been agreed with the LDA. TfL will consult on a route that runs along the park periphery before terminating adjacent to the bus station on Crystal Palace Parade. An alternative on-street option that enters the park shortly before reaching the terminus will also be reviewed.

### **3.6 Finsbury Park**

Phase 4 (Interchange Gallery) work continues to schedule for completion by end of November 2006. High risk railway possessions were completed ahead of schedule. Overall the programme is on schedule for close out in March 2007.

## **4. CORPORATE OPERATIONS**

### **4.1 Group Property & Facilities**

During August TfL signed leases for new office space on the lower floors of the London Bridge Tower (The Shard) which is due for occupation in 2011 and for the Palestra building in Southwark which will be ready for occupation in Q4 2007. Both commercial transactions achieved excellent rental rates, providing long-term reductions in the unit cost of TfL's office accommodation.

### **4.2 Staff**

The 2006 graduate resourcing campaign has seen 85 posts filled. Of these, 33% are women, 23% are people from black, Asian and minority ethnic groups (BAME) and two are registered disabled people. Graduate demand within TfL continues to concentrate on those with engineering qualifications. TfL's overall staff employee target for BAME is 27%, against this years graduate entry level of 23%. To address this imbalance, TfL is commencing its 2007 campaign earlier to attract BAME graduates and position TfL as the employer of first choice.

### **4.3 Equality & Inclusion**

2006 is the 50th anniversary of London Transport's Overseas Direct Recruitment scheme. TfL is marking this anniversary by celebrating the contribution of a diverse workforce. Celebrations will recognise the valuable contribution of employees who have come from many parts of the world.

### **4.4 T2025**

Transport 2025 was launched for consultation at the end of June. Extensive modelling and analysis has continued to develop and evaluate further the policy options. The initial conclusions from the work will be presented to the Board at the 'Awayday' on 20 September, with the goal of producing a vision document in early November.

### **4.5 Oyster**

On the 29 August 2006, the Mayor launched the start of the international distribution of Oyster for visitors to London. The first markets are India, Hong Kong, Singapore, Spain, Portugal and the USA., although the service will be rolled out in other countries through to March 2007. Customers can purchase Oyster online via the country specific VisitBritain website or at walk in Visit Britain centres in the country. TfL will be monitoring take up of this new service and looking to roll out Oyster sales to other visitor channels over the coming months.

### **4.6 Travel Plans**

Sutton Town Centre has been selected as the first pilot to run the School, Personalised and Workplace travel plans in combination to determine the potential of TDM to maximise modal shift in London.

Travel Awareness campaigns and promotional activities, both locally and London-wide, are being implemented to reinforce and promote travel change. Much of the activity is focused on Good Going week, which takes place between 15-24 September, with 10 days of events promoting sustainable travel choices.

Six Local Implementation Plans (LIPs) have now been approved. TfL has now received 28 of the 33 Final LIPs, and a number of recommendations for approval are being finalised.

### **4.7 Annual Report**

The Board held a special meeting on 1 August 2006 at which the 2005/06 Annual Report was signed off subject to comments made. Responsibility for final changes to and ultimate sign-off of the Annual Report, including the incorporation of any further comments or amendments from the Commissioner was delegated to Ben Plowden, Managing Director, Group Communications. The report should be published by end of September.

### **4.8 Draft TfL Bill**

A draft TfL Bill is currently being prepared for deposit in Parliament on 27 November 2006. The Bill aims to provide TfL with supplementary powers in relation to the charging, collection, recording, refunding and payment of tolls in circumstances where TfL has made (and the Secretary of State has confirmed) a toll order

pursuant to the New Roads and Street Works Act 1991. The Bill was released for consultation on 23 August and the consultation will close on 13 October 2006. It is proposed to seek the consent of the TfL Board to the promotion of the Bill at the Board meeting on 26 October 2006.

### **4.9 Investment Programme Oversight**

The Investment Programme Oversight function continues to develop its assurance activities in respect of Investment Programme (IP) delivery. Improvements continue to be made to TfL's Investment Programme reporting capability, which is providing better visibility of both overall IP progress, as well as of the status of key projects and programmes across the modes.

Similarly, the use of the Independent Engineers as an additional means of assurance is continuing to progress. To date, a total of 7 reviews have been undertaken across TfL, with a further 25 scheduled for the remainder of this financial year.

The Oversight group is working with the modal operations to identify potential enhancements to TfL's project and programmes delivery capability. Recent initiatives include: public consents/approvals processes; training and development programme for project and programme managers; IT use to support IP delivery; and the use of different contract forms for the delivery of major projects.

### **4.10 Climate Change Strategy**

As you are aware, TfL has been developing a detailed climate change strategy for London's transport sector. This looks at TfL's current and projected overall carbon footprint, and that of London's transport sector more generally, and assesses what contribution different initiatives can make to reducing transport's carbon emissions. The overall aim is to meet the carbon targets announced in the revised London Plan (going to public consultation this month).

Briefings to the Surface and Underground Advisory Panels were held at the beginning of the summer on progress to date. Since then, specific initiatives have been developed with the business; in a number of areas these initiatives are still preliminary and need to be further developed. A fuller description of the initiatives proposed so far will be discussed with the Board at the Away Day, with funding one of the issues to be raised in the context of the business planning process.

Ultimately, TfL's agreed set of carbon reduction initiatives will form a key part of the Mayor's Climate Change Action Plan for London, to be launched later this year.

## **5. ADDITIONAL ITEMS**

### **5.1 Board Appointments**

I welcome the new appointments to the TfL Board, following their appointment by the Mayor. There are currently vacancies on all three TfL committees, including vacancies arising from the revised Standing Orders. These appointments will provide an opportunity to fill some of these vacancies, and the process to fill the two remaining vacant board positions by the end of the year continues.



I am discussing with Board members the establishment of two new panels - one to provide a similar level of scrutiny to Corporate Directorates as currently enjoyed by the modes, and the other to provide a forum for discussion of longer term strategic / planning issues. These cannot be established until there is a full complement of board members.

**5.2 Chief Officer Appointments**

I am pleased to welcome David Brown as the new Managing Director of Surface Transport. David joins us from the Go-Ahead Group where he was Chief Executive of the London Central and London General bus operations. As Managing Director of Surface Transport, David will be responsible for: London Buses, Streets Management, the Congestion Charge, Taxi and Private Hire Licensing, London Trams, Dial-a-Ride, London River Services, Victoria Coach Station, and TfL's corporate interest in Transport Policing and Enforcement.

I am also delighted to welcome Howard Carter as General Counsel. Howard will be responsible for advising the Chair, Board, myself and Chief Officers on all legal and contractual aspects of the business. Howard has 15 years experience in managing legal, secretariat, procurement and governance functions. He has worked in local government, for a national public body and in regional government. He has been Head of Legal and Procurement and Monitoring Officer at the GLA for the last five years. In this role he has co-ordinated legal issues across the GLA Group and between the bodies involved in delivering the 2012 Olympic Games. He also established and was a trustee of the London Bombings Relief Charitable Trust.

**Peter Hendy**  
**Commissioner for Transport**  
**Transport for London**  
**September 2006**

**TRANSPORT FOR LONDON**

**STAFF SUMMARY**

**BOARD**

**SUBJECT: TfL OPERATIONAL, FINANCIAL AND INVESTMENT PROGRAMME REPORTS – 1st QUARTER 2006/07**

**MEETING DATE: 20 SEPTEMBER 2006**

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**1. PURPOSE**

- 1.1 To inform the Board of TfL's financial position and highlight related performance issues arising during the first quarter of 2006/07 (01 April 2006 to 24 June 2006).

**2 INTRODUCTION**

- 2.1 Attached are two reports which detail TfL's performance over the first quarter of 2006/07. They are as follows:

- The TfL Operational and Financial Report – Appendix 1
- The TfL 5-year Investment Programme Report – Appendix 2

**3 RECOMMENDATION**

- 3.1 The Board is asked to note:

- TfL's operational and financial performance over the first quarter, 2006/07
- TfL's progress on the Investment Programme over the first quarter, 2006/07

**4 CONTACTS**

- 4.1 For detailed enquiries on the content of these reports, please contact:

Richard Browning – Director, Group Business Planning & Performance  
Telephone: 020 7941 4740 or email richardbrowning@tfl.gov.uk

## TRANSPORT FOR LONDON

## STAFF SUMMARY

## BOARD

**SUBJECT: TfL OPERATIONAL AND FINANCIAL REPORT – 1st QUARTER**

**MEETING DATE: 20 September 2006**

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**1. PURPOSE**

- 1.1 To inform the Board of TfL's financial position and highlight related performance issues arising during the first quarter of 2006/07 (01 April 2006 to 24 June 2006).

**2. KEY HIGHLIGHTS**

- 2.1 The key highlights and performance issues arising over the first quarter of 2006/07 were as follows:

- Overall passenger demand across the network continues to strengthen year on year, after taking into account the timing of Easter this year, although at a slower rate from that in previous years and that targeted. Over the past quarter lower than budgeted passenger numbers predominantly reflected lower than anticipated growth relating to the under 16 free travel new initiative on the bus network, although demand on the Underground and on the DLR were also slightly lower than target. However, demand on Croydon Tramlink and London River Services continued to be stronger than target.
- The use of Oyster PAYG continues to rise on Buses and on the Underground with journeys often exceeding 1.2m trips a day on week days. At the end of quarter 1 Oyster single fares represented around 17% of all journeys on the Underground and 10% of all journeys on Buses.
- Service provision and reliability this quarter was slightly below targeted levels but was in line with performance for the same quarter a year ago. The hot weather experienced during May and June caused disruption to several Underground lines due to speed restrictions caused by Metronet SSL's failure to stress rails. However, reliability continues to be good on the bus network reflecting the on-going expansion of Quality Incentive Contracts.
- London Underground's attendance rates in both trains and stations have continued to improve upon last year. Train staff attendance in particular remains well above the level seen through most of last year. This mainly reflects a decrease in long-term sickness which has consistently improved in the first quarter.
- London's 100<sup>th</sup> night bus route started operation on Saturday 3 June. Route 281 operates a 24-hour service between Hounslow and Tolworth.
- Following the achievement of a 100% low-floor enabled bus fleet at the end of 2005, focus has now moved to ensuring that ramps are operating effectively. A fleet-wide wheelchair ramp audit was undertaken during July 2006 and inspected

2,099 vehicles. This audit identified eight vehicles with non-operating ramps, a failure rate of 0.38% which is the best result since these fleet-wide audits began in 2001.

- Pay Next Day (PND) for the Congestion Charging Scheme was successfully launched on 19 June and was received positively by both customers and the press. It is estimated that Penalty Charge Notice (PCN) issue rates will be down by around 17% following its introduction.
- DLR started a new franchise with Serco Docklands on 28 May. Early feedback suggests that the increased presence of additional service and new travel safe officers is registering positively with passengers.
- As London Underground had exceeded its target energy savings in station consumption for 2005/06, the target for 2006/07 was increased to 22.5%. At the end of the first quarter 25.2% energy savings were achieved.

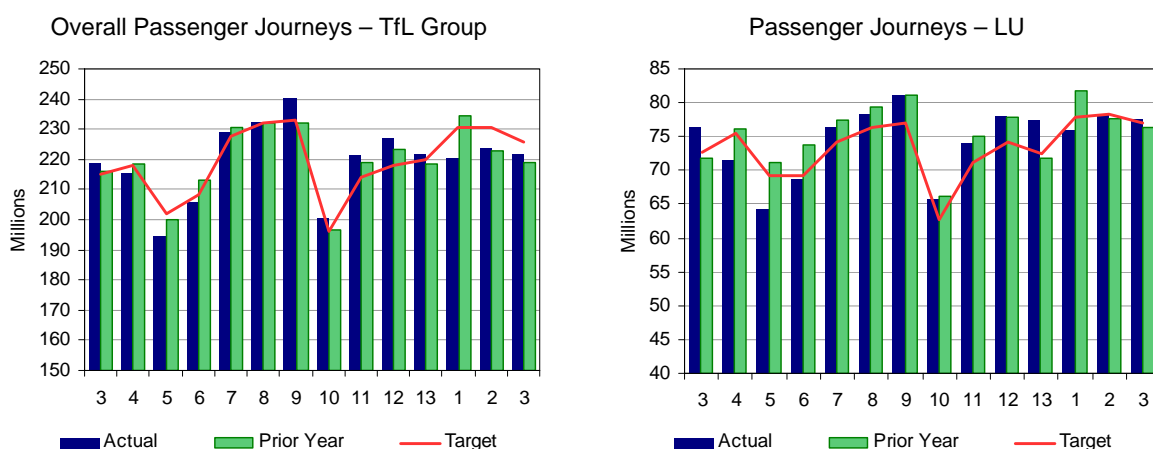
2.2 A summary of TfL's performance over the quarter against key indicators is provided in **Annex 1**.

### 3. SERVICE DEMAND

#### Passenger journeys

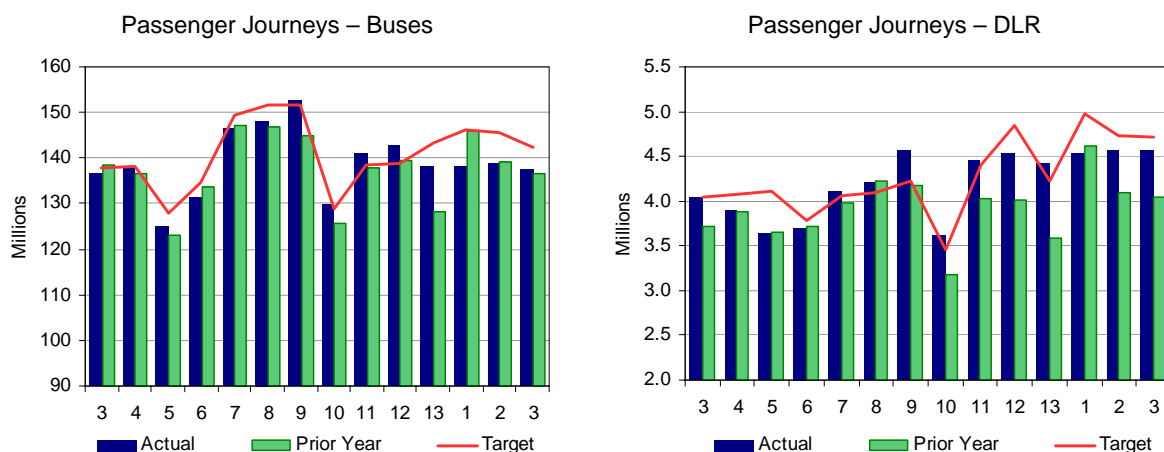
3.1 Overall passenger journeys at the end of the first quarter at 666m were 21m (or 3%) lower than target. While this mainly reflects lower passenger numbers on the bus network, journeys on the Underground and the DLR were also slightly below targeted levels.

3.2 A comparison of passenger demand to the same quarter last year requires adjustments to be made due to the timing of Easter, typically a period of lower demand, and a differing number of days in period 1. It has been estimated that the timing of Easter alone accounts for a 4-5% decrease in demand in period 1 alone. Therefore, while passenger numbers are some 10m lower than the same period last year, on a comparable basis this would indicate that demand remains steady with some growth still apparent.



3.3 Passenger numbers on the Underground this quarter at 232m was down 1.2m (or 0.5%) against target, following the stronger than anticipated journey numbers seen last quarter. Passenger journeys were down 9.8m compared to the same quarter last

year, due primarily to the effects of Easter as noted above. For the full year, demand is forecast to be 10m higher than target at 990m.



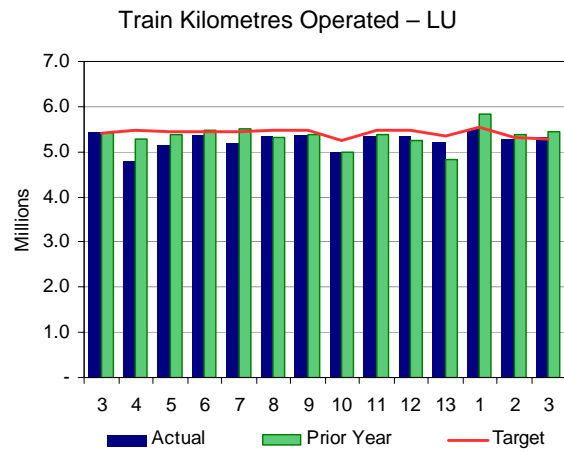
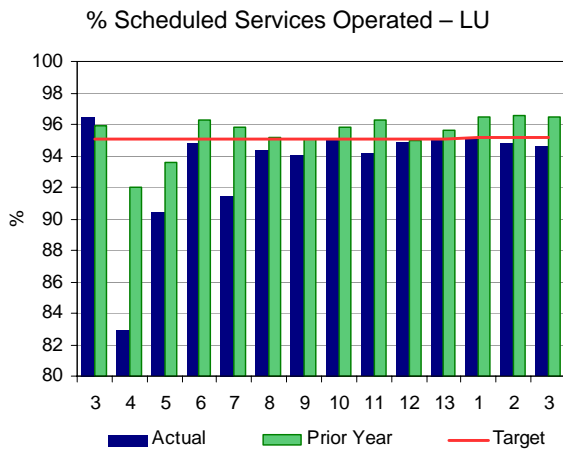
- 3.4 The lower number of passenger journeys on the bus network this quarter, down 19m (or 4.5%) against target which reflects slightly lower than anticipated level of free journeys by under 16s. Accordingly, the full year forecast has been reduced marginally by 21m to 1,855m. Despite this, growth in passenger numbers on the bus network is expected to continue, albeit at a reduced rate to that seen over the past 5 years, with the extension of free travel to passengers under 18 (in full time education) and modest growth from external economic factor leading to increasing demand.
- 3.5 There were 13.7m journeys on the DLR during the first quarter, 7.3% up on the same quarter last year primarily due to the effect of the opening of the London City airport extension, but 0.8m (or 5.2%) lower than target.
- 3.6 Levels of cycling over the first quarter remain strong, up 3% against target. A strategy for monitoring pedestrians is being developed, identifying different types of factors for increasing levels of walking and areas for monitoring.

### Fares trends

- 3.7 Following the introduction of the January fare revisions, Oyster Pay As You Go is continuing to increase and journeys now often exceed 1.2 million trips a day on week days. Over 20,000 new customers continue to move over to Pay As You Go each week. Peak Travelcard sales are holding steady whereas products used predominantly by discretionary users (One & Three Day Off-Peak Travelcards) have shown a slow decline. For Travelcard Seasons, weekly tickets have shown some notable growth over recent weeks, and monthly tickets have seen a small decline.
- 3.8 On the Underground, Oyster single fares now comprise 17.3% of all journeys, with cash single fares moving down towards 6.2%. On buses, Oyster single fares are now 10.6% of all journeys. Cash fares paid on-bus comprise just over 5.5% of all journeys.

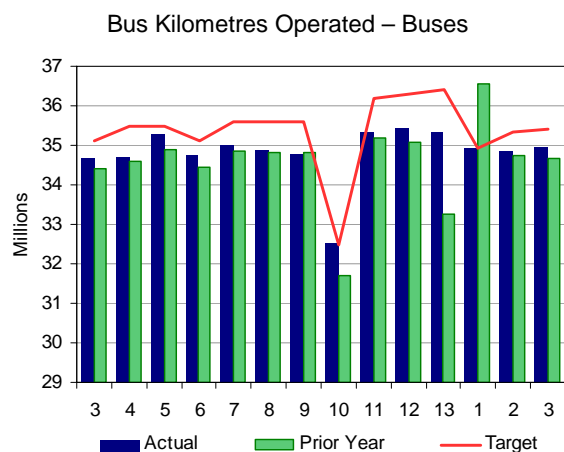
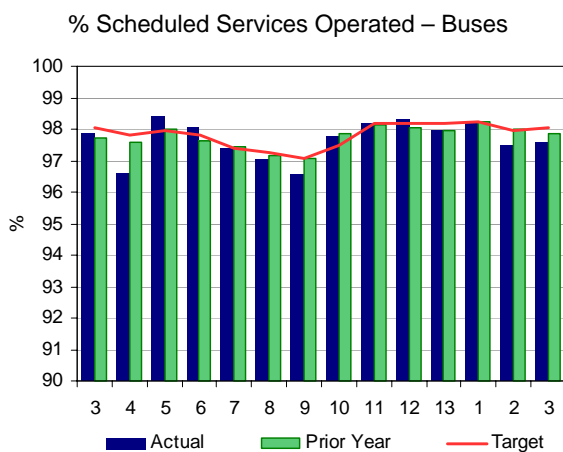
## 4. SERVICE PROVISION

- 4.1 Overall, levels of service provision this quarter were marginally below targeted levels.



4.2 On the Underground the percentage of scheduled services operated at 94.9% was 0.3% lower than target for the quarter and 1.6% below the strong performance achieved over the same quarter of 2005/06. Nevertheless targeted train kilometres operated was maintained. The 97.4% of trains operated in peak hours was 0.7% better than target.

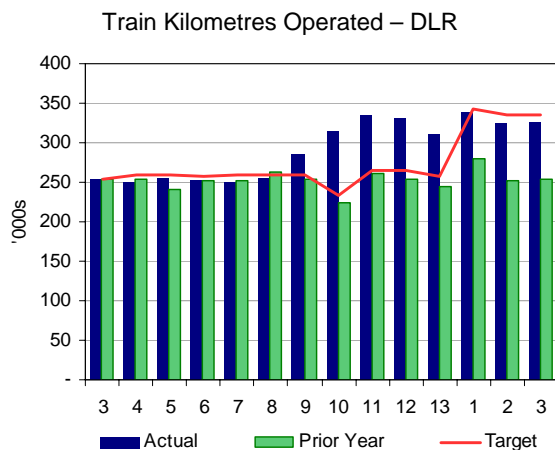
4.3 Performance over the quarter was impacted by the failure of Metronet to stress rails ahead of hot weather which led to the imposition of speed restrictions on some open sections of the District, Metropolitan, Circle and Hammersmith and Piccadilly lines. The Circle & Hammersmith and Metropolitan lines suffered further disruption due to out of gauge track and signal track circuit failures following weekend engineering works between Kings Cross and Farringdon. For the second successive quarter the Central Line was the best performing major line, operating 98% of its schedule despite two suspensions of service caused by a stalled train at Bank and an escaped prisoner in the tunnel at Marble Arch. The Northern line remains the poorest performing line, with signal failures, defective trains and derailment of an empty train at Archway causing service losses during the quarter.



4.4 Service provision on the Bus network was slightly down on targeted levels over the quarter. Scheduled services operated at 97.8% was down 0.3% against target, meaning the 104.8m kilometres operated were down 0.9m against target and down 1.2m compared with the same quarter last year.

4.5 The proportion of Bus kilometres lost due to staff shortages continued at an extremely low level this quarter. Losses due to traffic delays were up compared with a year ago, due to a high level of particularly disruptive road closures following road

accidents and other incidents. These included closure of the Rotherhithe Tunnel for emergency gas main repairs in May, and heavy rain on 13 June leading to localised flooding in many areas.

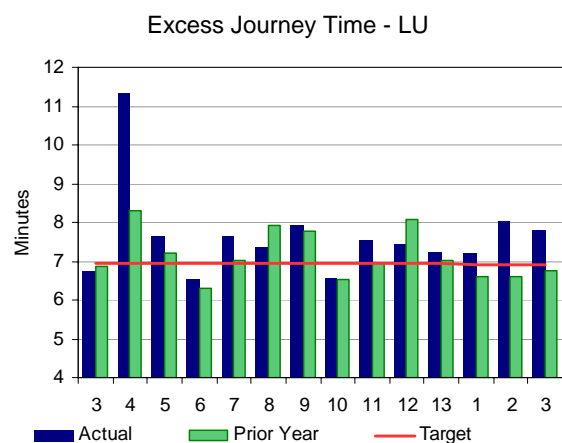
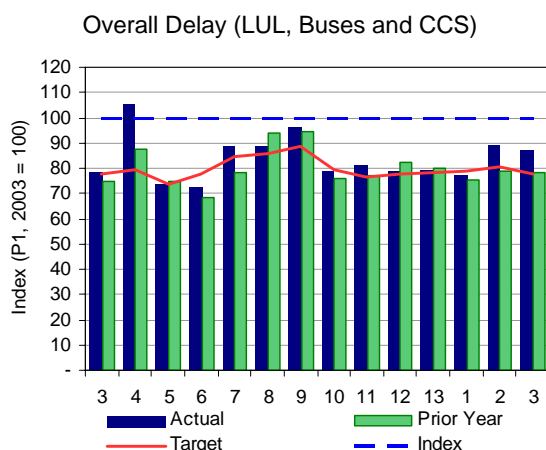


4.6 Scheduled services operated on the DLR at 99.0% were slightly better than target. Kilometres operated were 27% higher than the same quarter last year, due to the opening of the London City airport extension, however this is below budget by 2%.

4.7 The pilot scheme for marshalled taxi rank at Cranbourn Street has been made permanent and pilot schemes continue in Bromley and Kingston with a new pilot scheme started at Liverpool Street Station.

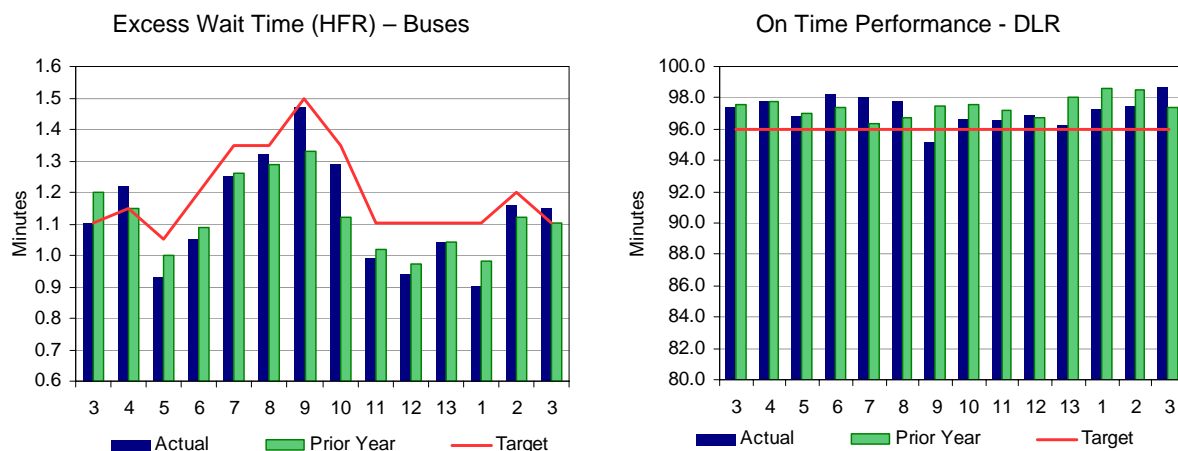
## 5. SERVICE RELIABILITY

5.1 Overall Delay (Index: P1, 2003 = 100) for the quarter was 5.5 points worse than target and 6.9 points worse compared to the same quarter last year. The result primarily reflects higher excess wait times on the Underground. Reliability on the DLR was better than target.



5.2 Excess journey time on the Underground averaged 7.7 minutes over the quarter, 0.8 minutes worse than target and up by 1.0 minute on the same quarter last year. Only the Central and East London lines performed within their total excess journey time targets this quarter. Stations performance has held up well, notably ticket purchase time which has benefited from the increased take-up of Oyster. However, most lines have experienced a higher level of train service disruption this year than they

averaged last year, including the incidents described under 'service provision' above, and there has also been an increase in planned closures for engineering works. Peak train cancellations due to ONA<sup>1</sup>, at 0.05%, were however kept well below target.



- 5.3 On the Bus network, the ongoing expansion of Quality Incentive Contracts (QICs) has continued to ensure that high levels of reliability are maintained. Excess wait times remained in line with target and unchanged on the same quarter last year. While reliability on high and low frequency routes remained broadly unchanged compared to the same quarter last year and better than budget. The punctuality of night buses services has continued to improve, with performance this quarter exceeding last quarter's results which were the best seen since measurement began over ten years ago.
- 5.4 Congestion levels<sup>2</sup> on the road network of 1.9 minutes/km remain largely unchanged, slightly up 0.1 minutes per km on the same quarter last year. The average reduction in congestion since the introduction of congestion charging is 27%.

### Sustainable Development

- 5.5 TfL now has a sustainability unit established to ensure that TfL continues to progress the sustainable development agenda. Highlights of TfL's sustainable development initiatives this quarter are as follows:
- London Buses continues to trial 6 diesel-electric hybrid bus on route 360. Subject to performance and reliability, there are plans to increase the number of vehicles in the trial to more than 40 buses.
  - London Buses has begun the procurement process for 10 hydrogen-powered buses to be delivered in 2008/09, following the Mayor's endorsement of the London Hydrogen Partnership's transport action plan in November 2005.
  - London Underground has commenced the development of a strategy for further 'greening' their electricity supplies.
  - Group Property and Facilities has led a '100 days of carbon clean-up' campaign across the TfL head office portfolio, which focused on getting individuals to recognise and deliver on local opportunities for energy saving.

<sup>1</sup> ONA is Operator Not Available

<sup>2</sup> Congestion is the difference between the average network travel rate and the un-congested network travel rate in minutes per kilometre; i.e. the delay, 'lost travel time' or excess travel rate'. Current data records the congestion flow rate of traffic entering central London on a bimonthly basis.



- TfL has now adopted the GLA Sustainable Procurement Policy and signed up to the highest level, B2, of the Mayor's Green Procurement Code. The Code commits TfL to setting measurable targets for specifying and buying recycled products.
- London Underground is currently preparing its Biodiversity Action Plan. Working with the PPP suppliers and Greenspace Information for Greater London, the plan will provide a snapshot of Biodiversity across the Underground Network and outline the plans for its ongoing protection and enhancement.
- The A40 Western Avenue Bridge Replacement project site has been awarded a score of 36.5 out of 40 in the Considerate Construction Scheme's independent annual audit. At well above the national average of 29.9, the score demonstrates the team's commitment to minimising disruption to the local and wider community and to reducing the project's environmental impact.

## **Section 17 of the Crime and Disorder Act**

- 5.6 On 24 May 2006 the TfL Board agreed to voluntarily adopt Section 17 of the Crime and Disorder Act across the whole organisation. This decision further strengthened TfL's commitment to improve safety and security on the transport network and across London. TfL already makes a considerable contribution to community safety through its significant investment in transport policing and the work of the Transport Policing and Enforcement Directorate (TPED). Adoption of Section 17 will go further to support these efforts and embed crime prevention and the promotion of community safety into TfL's core business.
- 5.7 TfL's implementation of Section 17 will be incremental. TPED expects that it will take up to 18 months through a succession of planned process changes and impact assessments before Section 17 is fully implemented across the organisation. Consideration of crime and disorder should now be encompassed in the formulation of all major policies and strategies and service developments. Officers are required to assess the impact of activities, projects and policies on crime and disorder on the transport network and on London and where appropriate identify actions to reduce levels of crime and disorder.
- 5.8 The implementation of Section 17 provisions across TfL has so far included:
- An extensive audit of crime and disorder across TfL's services and identification of priorities.
  - Development of TfL's first Crime and Disorder Strategy
  - Section 17 Business planning considerations. This year's business planning round required business areas to submit crime and disorder position statements outlining how they intended to incorporate section 17 provisions. TPED is working with those business areas where it was identified that their core business is likely to have the biggest impact on crime and disorder.
  - Crime and disorder considerations in TfL Board, Committee and Panel Reports. From September 2006, all papers and reports submitted to the TfL Board, Committees or Panels must demonstrate that due consideration has been given to the impact of the activity / policy on crime and disorder.
  - Advisory capability. TPED has been providing initial advice on the processes and implications of section 17 in response to queries or concerns from parts of the organisation. TPED's Crime and Disorder partnership Team is providing a

specialist advice function to support officers undertaking crime and disorder impact assessments. This Unit is a repository of situational crime prevention expertise and is staffed with Home office qualified Crime Prevention Officers. Administrative processes are being developed to ensure that requests for advice are registered and comments are recorded. This is necessary for effective compliance monitoring to ensure that TfL is meeting its requirements under the Act and to minimise the risk of legal challenge when section 17 becomes a statutory requirement.

- Recruitment and reconfiguration of TPED's activities to ensure that it is best placed to provide an expert advisory and impact evaluation capability for the whole of TfL.
- Engagement with the GLA group to ensure that there is a coordinated response to tackling crime and disorder across the Group.

## **6. CUSTOMER IMPACTS**

### **Customer Satisfaction**

- 6.1 TfL's first quarter overall customer satisfaction score<sup>3</sup> of 78 was in line with target and unchanged on the same quarter last year. Overall satisfaction scores for London Underground and Buses also met their targets while satisfaction on the DLR remained well above (7 points) the contractual target set out in the operating franchise agreement.

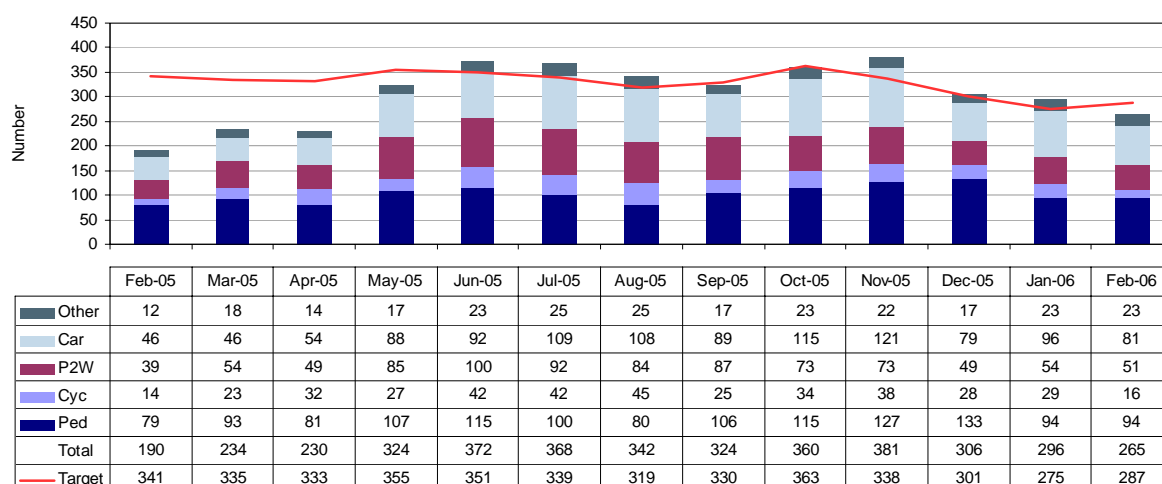
### **Safety**

- 6.2 The overall number of major injuries and fatalities across the TfL network (LUL, Bus network and DLR) last quarter has increased on the same quarter last year. This is primarily attributable to an increase in the number of reported incidents on the bus network, up 133 on the same quarter last year, although this is largely thought to be due to improvements to the data collection process and higher levels of incident reporting. The underlying trend is considered to be only increasing marginally. However, on the Underground there were 6 less incidents compared to the same quarter last year, while on the DLR the number of incidents remained largely unchanged at 4.
- 6.3 The number of killed or seriously injured on London's roads over the first 2 months of the year (equivalent to a first quarter result) at 561 was in line with anticipated levels, although 37% worse compared to the same 2 months last year. The longer-term trend remains favourable and the 50% casualty reduction target to be achieved by the year 2010 is still expected to be met.

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<sup>3</sup> Overall customer satisfaction for the TfL group is a average of modal scores weighted by passenger numbers.

Number of Killed or Seriously Injured casualties (KSI) on London roads



Note: Due to reporting process and nature of road traffic accident data, it will always be reported 4 to 5 months in arrears. Results for the first quarter are the sum of January and February 2006 with February being the most recently reported data available. Despite the lag in reporting the trend remains valid. Also, note that results may be retrospectively adjusted as incidents are finalised.

## 7. FINANCIAL PERFORMANCE

7.1 TfL's net operating expenditure year to date was £87m lower than budget, reflecting income which was £7m better than budget and operating expenditure which was £80m lower than budget. Income for the full year is forecast to be £27m better than budget. Operating expenditure for the full year is forecast to increase to within £61m of budget, resulting in net operating expenditure for full year forecast which is £88m below budget.

7.2 Net capital expenditure year to date was £19m below budget after taking into account the budgeted overprogramming reduction and lower capital receipts. Net capital expenditure is forecast to be in line with budget.

(£m)	Year to Date		Full Year		
	Actual	Var to Budget	Forecast	Budget	Var to Budget
<b>Operating Budget</b>					
Income	(669)	(7)	(2,971)	(2,939)	(33)
Operating Expenditure	1,134	(80)	5,340	5,400	(61)
<i>Net Operating Expenditure</i>	<i>465</i>	<i>(87)</i>	<i>2,368</i>	<i>2,462</i>	<i>(93)</i>
<b>Capital Budget</b>					
Capital Expenditure	114	(71)	829	923	(94)
Capital Receipts & Reimbursements	(28)	16	(182)	(229)	47
Overprogramming	-	36	(108)	(154)	47
<i>Net Capital Expenditure</i>	<i>85</i>	<i>(19)</i>	<i>540</i>	<i>540</i>	<i>-</i>
Interest Income	(16)	(4)	(55)	(53)	(2)
Debt Serving Payments	13	(6)	58	85	(27)
<i>Net Interest Income</i>	<i>(3)</i>	<i>(10)</i>	<i>3</i>	<i>32</i>	<i>(29)</i>
Contingency	-	-	26	26	-
<b>Net Service Expenditure</b>	<b>547</b>	<b>(116)</b>	<b>2,937</b>	<b>3,059</b>	<b>(122)</b>

7.3 For group items, net interest was £10m better than budget and forecast to be some £29m better for the full year. This is primarily as a result of borrowing forecast to be taken later in the year and at a lower interest rate than budgeted and some additional interest receivable.

A modal summary of financial performance is provided in **Annex 2**.

### Revenue Income

7.4 TfL's total income year to date was £7m better than budget. The result principally reflects better than budgeted fares income on the London Underground, offset by slightly lower bus network fares income and congestion charging income. Full year income is forecast to be £33m better than budget.

Prior Yr YTD	Income (£m)	Year to Date		Full Year		
		Actual	Var to Budget	Forecast	Budget	Var to Budget
(314)	Underground fares Income	(322)	(11)	(1,412)	(1,372)	(40)
(217)	Bus Network fares Income	(225)	1	(1,004)	(1,004)	-
(55)	Congestion Charging Income	(57)	3	(260)	(260)	-
(67)	Other Income	(65)	-	(295)	(303)	8
<b>(654)</b>	<b>Total Income</b>	<b>(669)</b>	<b>(7)</b>	<b>(2,971)</b>	<b>(2,939)</b>	<b>(33)</b>

7.5 London Underground's fares income at £322m was better than budget and up 2.5% on last year. Continued strengthening of traffic income has resulted in a £40m increase to the full year forecast to £1,412m.

7.6 Bus Network income of £225m was only £1m below budget and up 3.7% on last year, despite lower than budgeted passenger numbers. Forecast fares income for the full year is in line with budget.

7.7 Congestion charge income was £3m below budget largely as a result of fewer standard charges, which was £1m worse than budget and enforcement income which was £2m worse than budget. The full year forecast remains unchanged at £260m.

7.8 In Other Income:

- DLR fares income year to date was £1m (or 6%) worse than budget and is forecast to be £3m worse than budget for the full year, in line with lower than anticipated passenger numbers.
- Advertising income on the Underground was £2m worse than budget year to date reflecting a later start (c. 5 months) to the commencement of the new advertising contract, although this was partially offset by higher income from the Metro newspaper and Photo Me booths. The full year income is forecast to be £9m worse than budget.
- TPED enforcement income was £1m better than budget year to date and is forecast to remain £1m better than budget for the full year.
- Victoria Coach station income to date was £1m under budget and is forecast to be £4m below budget for the full year due to lower ticket sales and coach departures.

## Operating expenditure

- 7.9 TfL's operating expenditure year to date was £80m lower than budget, although this variance is forecast to reduce to £61m by the year end.

Prior Yr	Operating Expenditure (£m)	Year to Date		Full Year		
		Actual	Var to Budget	Forecast	Budget	Var to Budget
556	London Underground	559	(58)	2,591	2,655	(63)
473	Surface Transport	505	(9)	2,337	2,388	(51)
22	London Rail	26	(2)	133	126	7
37	Group Directorates	44	(11)	278	231	47
<b>1,087</b>	<b>Total Operating Expenditure</b>	<b>1,134</b>	<b>(80)</b>	<b>5,340</b>	<b>5,400</b>	<b>(61)</b>

- 7.10 London Underground's expenditure year to date was £58m lower than budget. This reflects reduced performance and other payments to Infracos, which are down £31m against budget, non-materialisation of budgeted risk £12m and savings in insurance, legal and other costs.
- 7.11 Surface Transport's expenditure year to date was £9m lower than budget. This was predominantly due to lower than expected contract price increases from re-tendering or route revisions on the Bus network. In addition ticket selling commissions were down due to movements from bus passes to Oyster sales; Oyster carries a lower commission than bus passes. The provision for Congestion Charging bad debts was down £3m in line with lower income. This lower spend was offset by £2m additional marketing spend in Street on road safety schemes including the Power 2 Wheeler campaign, and earlier commencement of work on Borough roads.
- 7.12 Expenditure within Surface Transport is forecast to reduce to £51m below budget for the full year. With the benefits of congestion charging and the successful introduction of Oystercard progressively being captured in bus operating schedules as contracts are renewed or revised, bus network costs are lower than initially anticipated. This has resulted in a £31m reduction in forecast expenditure. A £6m lower spend in the Congestion Charging forecast for the Western Extension relates to the re-scheduling of complementary traffic measures work by the Boroughs into next year. Expenditure on Bus Priority is also forecast to be £10m lower than budget following rephasing of work reflecting delays associated with changes in political control at many Boroughs during the May elections. This was partially compensated for by higher expenditure on TLRN and Signals work.
- 7.13 Expenditure within London Rail was £2m below budget. This reflects a change in the proportion of actual revenue expenditure versus capital expenditure on the 3 Car project compared to what was budgeted. The lower revenue expenditure has been offset by higher capital expenditure. In addition there was lower spend as a result of the delayed start of the Silverlink Stations upgrade. Full year expenditure is forecast to be £7m over budget at £133m.
- 7.14 Expenditure by the Group Directorates year to date was £11m below budget, mainly reflecting £8m lower spend in Borough partnerships as a result of phasing. Forecast increases in expenditure to £47m above budget are primarily within Group Services and Finance & Planning. Within Finance & Planning additional expenditure reflects £4m of additional modelling work in Major Projects on projects such as West London Tram and Thames Gateway, £6m on interchange development projects and £3m

additional expenditure to deliver increased levels of customer service in the Oystercard helpdesk.

### Net Capital expenditure

Prior Yr YTD	Capital Expenditure (£m)	Year to Date		Full Year		
		Actual	Var to Budget	Forecast	Budget	Var to Budget
73	London Underground	53	(39)	341	418	(76)
38	Surface Transport	41	(15)	281	296	(15)
8	London Rail	17	(14)	171	182	(11)
2	Group Directorates	3	(3)	36	27	9
122	<i>Gross Capital Expenditure</i>	114	(71)	829	923	(94)
(26)	Receipts & Reimbursements	(28)	16	(147)	(196)	49
-	Property Sales	-	-	(35)	(33)	(2)
-	Overprogramming	-	36	(108)	(154)	47
96	<b>Net Capital Expenditure</b>	85	(19)	540	540	-

7.15 Net capital expenditure year to date at £85m was £19m lower than budget. However, net capital expenditure for the full year is forecast to be in line with budget after the £108m overprogramming reduction.

7.16 For further detail on capital expenditure please refer to the **Investment Programme Report**.

### 8. BALANCE SHEET

TfL Group Balance Sheet at the end of Period 3 (£m)	Variance to Budget
Fixed Assets (higher than budget)	63
Debtors and payments in advance (higher than budget)	(41)
Cash (i.e. an increase in cash over budget)	(18)
Creditors (higher than budget)	(53)
Prudential loans (higher than budget)	-
Deferred Capital Grant (higher than budget)	8
Provisions (lower than budget)	(13)
<b>Total Net Assets</b>	<b>(54)</b>

8.7 Fixed asset additions are covered in detail in the **Investment Programme Report**. There are no major variances for disposals.

8.8 Year to date debtor balances are higher than budget, mainly in the corporate centre. Included here is £15m for insurance accruals, £10m accrued interest receivable and £14m for rent and rate prepayments, where the budget has been incorrectly phased.

8.9 Lower creditor balances reflect the trend of lower activity spend across the group, including lower IT project spend in Buses on iBus Connectivity, BusNet3.1 and Remedy. This has been partially offset by a £28m higher than budget accrual for Borough expenditure in the Corporate Centre due to later than expected receipt of invoices. The provision movement represents the partial settlement of the Metronet pension provision. There are partially offsetting variances to date between revenue creditors, capital creditors and receipts in advance within Street Management, largely due to incorrect classification of budget.

TfL Group Balance Sheet forecast for the year end (£m)	Variance to Budget
Fixed Assets (lower than budget)	57
Debtors and payments in advance (higher than budget)	(5)
Cash (i.e. a reduction in cash from budget)	39
Creditors (lower than budget)	(101)
Prudential loans (higher than budget)	-
Deferred Capital Grant (higher than budget)	7
Provisions (lower than budget)	(21)
<b>Total Net Assets (higher than budget)</b>	<b>(24)</b>

8.10 The quarter 1 forecast closing balance sheet reflects the trends seen to date, with lower fixed assets, marginally above budget debtors, but significantly reduced year end creditor balances. Allied to this, the partial payment of the Metronet pension provision has resulted in year end cash balances expected to be some £39m below budget.

## 9. CASH SUMMARY

### Cash Balances

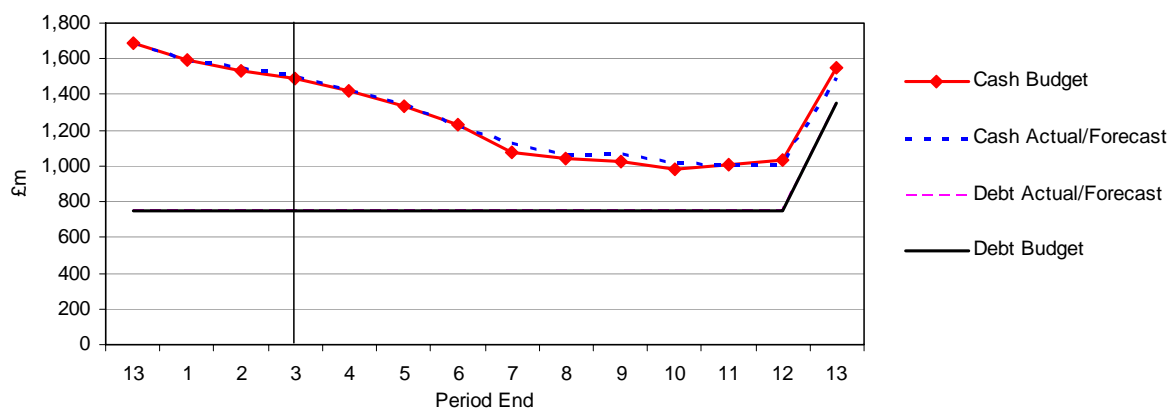
9.1 Cash balances have consistently been close to budget. Refer to **Annex 5** for periodic cash balances over the quarter.

### Cash Balances and Debt

9.2 Net cash at 24 June 2006 amounted to £759m comprising £1,505m cash balances (as reported above) less outstanding debt of £746m. This is a reduction of £182m compared to the year end. Year-end cash is forecast at £1,514m against budget of £1,553m. Debt is forecast and budgeted to increase by £604m to £1,350m.

9.3 The graph below shows the actual/forecast cash balances and debt compared to budget at each period end throughout the year.

Cash and Debt Balances 2006/07



### Performance

9.4 Performance against the earnings benchmark (the average of 3 month's LIBOR minus 15 basis points) is tabled below. TfL has performed above this benchmark in the last three periods, within a range of 9 – 12 basis points. The average yield for

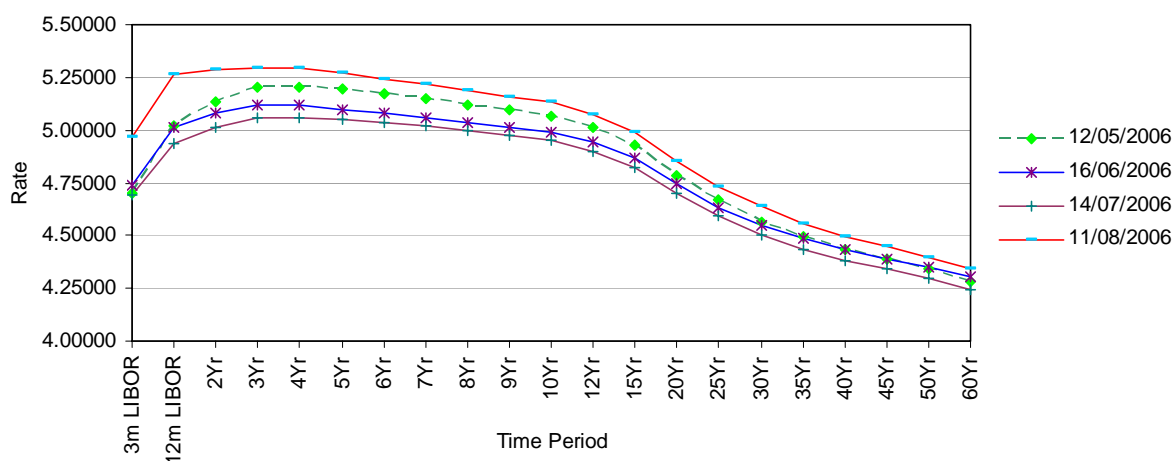
the year to date was 4.58%, 11 basis points above benchmark. At the date of this report the year to date margin has narrowed to 10 basis points above benchmark as the 12 month yield curve has steepened reflecting the recent rise in Base Rate from 4.50% to 4.75%.

9.5 Results for the last three periods are noted in the table below:

Treasury Management Yield (%)	P1	P2	P3	Year to Date	Year Budget
Period end date	29 Apr %	27 May %	24 Jun %	Actual %	Budget %
Benchmark	4.44	4.47	4.51	4.47	
Average Rate of Return	4.56	4.58	4.60	4.58	4.59
Excess over Benchmark	0.12	0.11	0.09	0.11	
Interest Earned	£5.8m	£5.3m	£5.3m		
Interest year to date	£5.8m	£11.1m	£16.4m	£16.4m	£15.3m

9.6 The yield curve over the last three months reflected the market's uncertainty of the direction of future rates. The latest Base Rate rise is mainly reflected in the first twelve months of the curve with relatively little impact on long-term rates. Where rates are above the benchmark and short-term liquidity allows, TfL is investing up the curve for periods of less than 364 days. Beyond 12 months the pickup is negligible and is likely to be outweighed by future rate increases.

Yield Curve (w/e 12th May 2006 - w/e 11th Aug 2006)



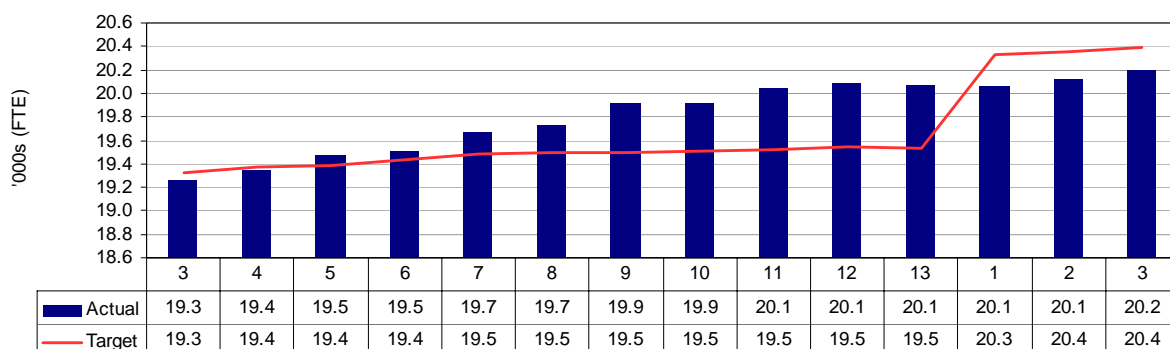
## 10. PEOPLE

### Staff Numbers

10.1 TfL had 20,199 full time equivalent (FTE) staff at the end of the first quarter, which was 188 FTE below budget. This reflects lower than budgeted staff numbers within London Underground and to a lesser extent London Rail, offset by higher than budgeted numbers within Surface and the Group Directorates.



Total Staff (FTE) – TfL Group

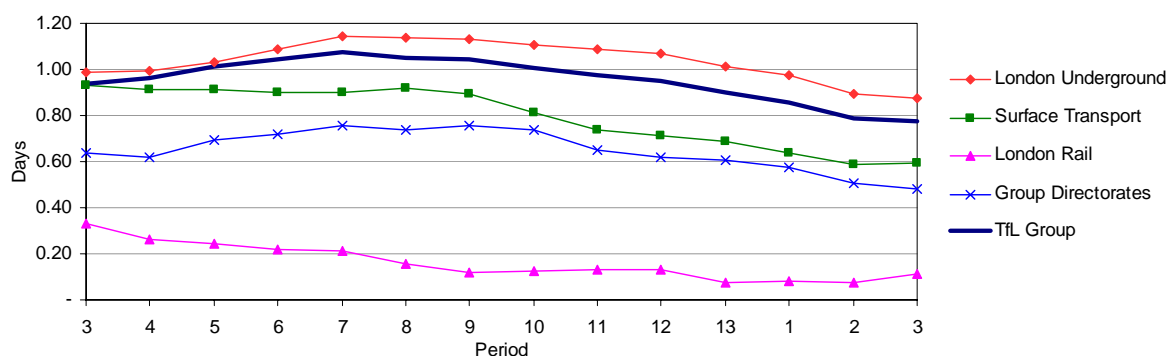


10.2 Staff numbers within London Underground at 13,712 FTE were 336 below budget, predominantly reflecting customer service assistant and part-time station staff vacancies, and new positions in the PPP and PFI Contract Management teams that have yet to be filled. Lower staff numbers within London Rail reflect difficulties faced in recruiting permanent engineering staff. Within Surface, staff numbers at 4,384 FTE was 46 FTE above budget. Staff numbers within the Group Directorates at 1,931 FTE were 122 higher than budget. This is mainly due to additional staff on the Oyster help desk, who are ensuring that improved service levels are maintained, and unbudgeted staff within Group IM.

### Sickness

10.3 TfL's overall average sick absence per employee for the year to date was 2.33 days, which was 0.34 days better than target. A similar positive result was achieved across each of the modes. Both operational and non-operational average sickness absence are better than target, although operational staff absence was worse than target in Group Directorates; this was offset by improvements elsewhere.

Sick Absence per employee – (3 period rolling average)

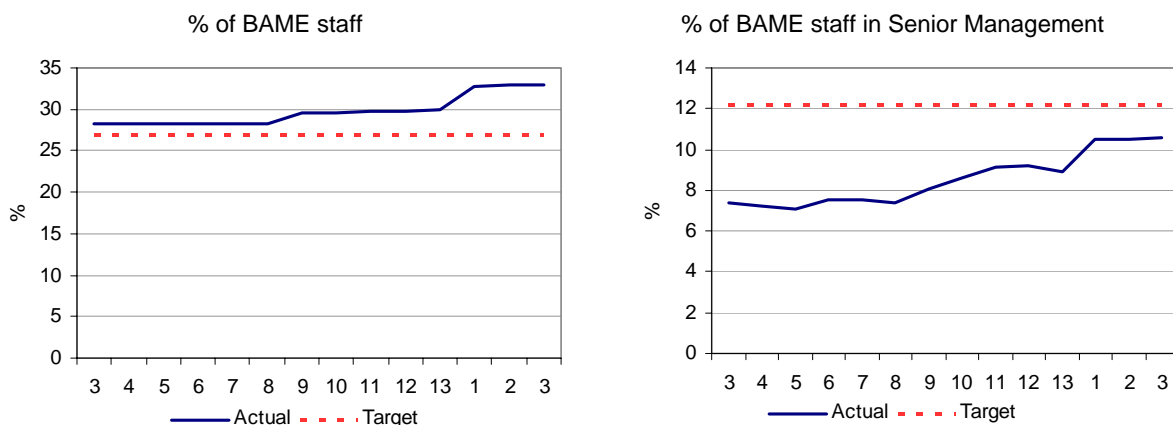


### Workforce composition

10.4 The percentage of women employed at 22.3% was 1.6% below target at the end of the first quarter, although the result is 0.8% better compared to last year. The percentage of women in senior management positions, however remains well below target and has decreased when compared to the same quarter last year.

10.5 The percentage of Black, Asian and Minority Ethnic (BAME) staff is at 32.9% at the end of the first quarter and exceeds the current percentage of economically active BAME people in London. Although the percentage of BAME staff within Senior Management at 10.6% remains below targeted levels, the current result is a

significant increase from the low of 7.1% in period 5 of last year. Future positive initiatives and on-going development of staff should result in further improvement in this area and ensure that these positive improvements are being seen at all levels of the organisation.



10.6 Following the re-survey of disabled staff within TfL at the end of the third quarter last year, which showed a significant increase in the number of staff reporting a disability, there has been a moderate decrease in numbers over the past quarter. The result at the end of the first quarter at 7.6% is 0.2% short of TfL's target and below the economically active disabled population of 8.3% for London. Results for the percentage of disabled staff in Senior Management have been below targeted levels.

## 11. EFFICIENCIES

11.1 The efficiencies programme full year target is £170m. This includes £129m of savings sustained from previous years with £41m to be delivered within the 2006/07 financial year.

11.2 At the end of period 3, the full year forecast is £175m, £5m above target. However, it should be noted that this has been achieved through greater than expected in-year efficiencies that have more than offset the loss of some recurring efficiencies from previous years.

Initiative (£m)	Full Year – Sustained		Full Year – In Year		Total Var to Budget
	Forecast	Var to Budget	Forecast	Var to Budget	
Procurement	46	(5)	26	18	13
Staff & BIP	24	(1)	1	-	(1)
Marketing	1	(11)	-	-	(11)
Other	8	-	9	4	4
<b>Total Back Office</b>	<b>79</b>	<b>(17)</b>	<b>36</b>	<b>22</b>	<b>5</b>
Rail	-	-	1	-	-
Bus Network	31	-	4	1	1
Tube Lines refinancing	-	-	2	-	-
LUL Operation Efficiencies	1	(1)	14	-	(1)
LUL Communication Infrastructure	-	-	7	-	-
<b>Total Operational</b>	<b>32</b>	<b>(1)</b>	<b>28</b>	<b>1</b>	<b>-</b>
<b>Cashable Total</b>	<b>111</b>	<b>(18)</b>	<b>64</b>	<b>23</b>	<b>5</b>

- 11.3 In-year savings are forecast to out-turn at £64m which is £23m over target. This is mainly due to the increase in procurement efficiencies and 'other' back office efficiencies relating to further one-off savings of which £3m is in respect of reduced insurance costs.
- 11.4 Following a review of TfL's recurring efficiencies, some savings from the previous year are not being cannot be substantiated and hence the full-year sustained figure has been reduced by £17m:
- Procurement has carried out a review of recurring efficiencies from previous years and as a result has removed £5m from the reporting system.
  - There has been erosion of efficiencies arising from HRS due to increases in staff numbers and non-recurrence of third party savings from 2005/06.
  - Due to increased forecast expenditure on public information & awareness campaigns including road safety and ticketing, overall reductions in 'marketing' type expenditure cannot be sustained.
- 11.5 The overall full year procurement savings target is £59m, of which £46m is sustained from previous years. At the end of the first quarter a further £4m of procurement efficiencies have been delivered. However, Group Procurement has led a detailed review of contract spend planned for 2006/07 and as a result, have set an additional stretch target of £20m to be delivered in-year resulting in a net increase of £13m above budget.
- 11.6 In addition to the claimable efficiencies, Group Procurement is programmed to deliver a further £8m of cashable benefits through increased revenue income. TfL does not presently permit additional revenue to be counted towards its efficiency target.

## ANNEX 1: PERFORMANCE SUMMARY

2006/07	Quarter 1					Full Year			
Key Performance Indicator	Unit	Actual	Target	Var	PY	F'cast	Target	Var	PY
<b>SERVICE DEMAND</b>									
Passenger Journeys - TfL Group	m	666.2	687.0	-20.8	676.0	2931.0	2,945.4	-14.4	2,865.5
Passenger Journeys - LUL	m	231.9	233.1	-1.2	235.7	989.6	980.0	9.6	971.1
Passenger Journeys - Buses	m	414.5	433.9	-19.4	421.7	1854.7	1,876.0	-21.3	1,815.7
Passenger Journeys - DLR	m	13.7	14.4	-0.8	12.7	61.4	64.2	-2.8	53.9
Passenger Journeys - Trams	m	5.2	5.0	0.2	4.8	21.5	22.6	-1.1	20.8
Passenger Journeys - Victoria Coach Station	'000s	44.3	44.5	-0.2	49.7	195.0	195.0	0.0	198.6
Passenger Journeys (excl multi stop) - River Services	'000s	539	515	24	587	1,900	1,900	0	1,849
Passenger Journeys (multi stop) - River Services	'000s	139	118	21	88	500	500	0	524
Total Trips - Dial a Ride	'000s	277	354	-77	305	1,384	1,519	-135	1,234
Cycle usage on TLRN (Index = 100) - Road Network	Index	189	184	5	168	195	185	10	172
Traffic into Central London - Road Network	Index	100	No Target	-	n/a	**	No Target	-	n/a
<b>SERVICE PROVISION (SUPPLY)</b>									
% Scheduled Services Operated - LUL	%	94.9	95.2	-0.3	96.5	95.1	95.2	-0.1	93.6
% Trains Operated in Peak Hours - LUL	%	97.4	96.7	0.7	97.8	**	96.7	-	95.2
Train Kilometres Operated - LUL	m	16.1	16.1	0.0	16.6	70.86	70.9	0.0	68.8
% Scheduled Services Operated - Buses	%	97.8	98.1	-0.3	98.0	97.8	97.8	0.0	97.7
Bus Kilometres Operated - Buses	m	104.8	105.6	-0.9	106.0	465.6	465.6	0.0	454.1
% Scheduled Services Operated - DLR	%	99.0	98.0	1.0	99.0	98.0	98.0	0.0	98.7
Train Kilometres Operated - DLR	'000s	988	1,013	-25	786	4,350	4,350	0	3,629
% Scheduled Services Operated - Trams	%	99.1	98.0	1.1	96.3	98.0	98.0	0.0	97.4
% Scheduled Services Operated - River Services	%	98.6	98.5	0.1	65.3	98.0	98.5	-0.5	98.3
No. of Taxi Drivers Licenced - PCO	#	24.6	24.7	-0.1	24.7	24.7	24.7	0.0	24.7
No. of Private Hire Drivers Licenced - PCO	#	31.1	33.0	-1.9	19.0	36.0	36.0	0.0	28.8
<b>RELIABILITY</b>									
Overall Delay (Index) - TfL Group	#	84.5	79.0	5.5	77.6	**	81.1	-	83.1
Excess Journey Time (Weighted) - LUL	Mins	7.67	6.92	0.75	6.65	**	6.92	-	7.47
Peak Train Cancellations, Due to ONAs - LUL	%	0.06	0.60	-0.54	0.07	**	0.6	-	0.2
PPP Availability, Lost Customer Hours - LUL	m	3.46	3.67	-0.21	3.76	**	15.84	-	14.89
Excess Wait Time, High Freq Routes - Buses	Mins	1.1	1.1	-0.1	1.1	1.1	1.2	-0.1	1.1
On Time Performance, Low Freq Routes - Buses	%	78.0	77.0	1.0	77.9	77.1	76.9	0.2	77.2
On Time Performance, Night buses - Buses	%	86.2	82.8	3.4	82.6	83.2	81.9	1.3	83.6
On Time Performance - DLR	%	97.8	96.0	1.8	98.2	96.0	96.0	0.0	97.3
Traffic Signals Operating Effectively - Road Network	%	98.8	98.3	0.5	98.4	98.4	98.4	0.0	98.6
Congestion Level in Central London - Road Network	Mins/km	1.9	No Target	-	0.0	**	No Target	-	1.8
<b>SAFETY</b>									
Major Injuries & Fatalities - London Underground	#	26	No Target	-	32	**	No Target	-	129
Major Injuries & Fatalities - Buses	#	396	No Target	-	263	**	No Target	-	1,927
Major Injuries & Fatalities - DLR	#	4	No Target	-	3	**	No Target	-	16
KSI, Total Londonwide - Road Network ++	#	582	562	20	409	3,700	3,588	112	3,650
KSI, Total TLRN - Road Network ++	#	170	157	13	120	1,025	996	29	1,024
KSI, Powered 2-Wheel Riders - Road Network ++	#	108	107	1	99	820	788	32	845
KSI, Children - Road Network ++	#	58	46	12	31	340	359	-19	355

### Notes/Key:

Target achieved/ exceeded
  Less than 5% worse than target
  More than 5% worse than target

\*\* Not forecast

n/a No data available

++ Due to reporting process and nature of road traffic accident data, it will always be reported 4 to 5 months in arrears. Results for the first quarter are the sum of January and February 2006 with February being the most recently reported data available.

## ANNEX 1: PERFORMANCE SUMMARY (CONTINUED)

2006/07	Quarter 1					Full Year			
Key Performance Indicator	Unit	Actual	Target	Var	PY	F'cast	Target	Var	PY
<b>CUSTOMER SATISFACTION</b>									
Overall Customer Satisfaction - TfL Group	Score	78	78	0	78	78	78	0	78
Overall Customer Satisfaction - LUL	Score	78	78	0	78	78	78	0	78
Customer Satisfaction Crowding - LUL	Score	72	68	4	73	68	68	0	73
Customer Satisfaction Safety & Security - LUL	Score	81	80	1	82	80	80	0	82
Customer Satisfaction Information - LUL	Score	79	78	1	79	78	78	0	79
Overall Customer Satisfaction - Buses	Score	78	78	0	77	78	78	0	77
Customer Satisfaction Crowding - Buses	Score	77	78	-1	77	78	78	0	77
Customer Satisfaction Safety & Security - Buses	Score	81	82	-1	n/a	82	82	0	n/a
Customer Satisfaction Information - Buses	Score	73	75	-2	74	75	75	0	74
Customer Satisfaction Reliability Jny Wait time - Buses	Score	79	80	-1	81	80	80	0	81
Overall Customer Satisfaction - DLR	Score	97	90	7	95	90	90	0	95
Customer Satisfaction Information - DLR	Score	96	90	6	96	90	90	0	96
Customer Satisfaction Safety & Security - DLR	Score	94	90	4	90	90	90	0	90
Overall Customer Satisfaction - Trams	Score	83	86	-3	86	86	86	0	86
Overall Customer Satisfaction - Dial-A-Ride	Score	92	93	-1	93	93	93	0	93
Overall Customer Satisfaction - Victoria Coach Station	Score	79	78	1	81	78	78	0	81
<b>FINANCIAL EFFICIENCY</b>									
Cost per passenger Kilometre - LUL	pence/km	25.4	28.8	-3.4	25.2	25.4	29.1	-3.7	26.2
Income per passenger Kilometre - LUL	pence/km	(20.2)	(20.3)	0.1	(18.7)	(20.1)	(20.8)	0.7	(18.9)
Cost per passenger Kilometre - Buses	pence/km	23.6	23.6	0.0	22.3	23.6	24.4	-0.8	24.9
Income per passenger Kilometre - Buses	pence/km	(14.6)	(14.6)	0.0	(13.9)	(14.3)	(15.1)	0.8	14.0
Cost per Trip - Dial-A-Ride	£/km	22.6	16.7	5.9	17.7	19.2	16.7	2.5	19.1
<b>PEOPLE</b>									
Number of Staff - TfL Group	FTE	20,199	20,388	-188	19,257	**	20,492	-	20,069
Sickness Absence per Employee - TfL Group	Days	2.33	2.67	-0.34	2.69	**	11.60	-	12.62
Sickness Absence per Employee - LUL	Days	2.62	2.85	-0.23	2.91	**	12.40	-	13.70
Sickness Absence per Employee - Surface Transport	Days	1.79	2.37	-0.59	2.87	**	10.30	-	10.98
Sickness Absence per Employee - London Rail	Days	0.34	1.74	-1.40	1.01	**	7.50	-	2.44
Sickness Absence per Employee - Group Dir.	Days	1.44	1.74	-0.30	2.18	**	7.60	-	9.07
% of Women Staff - TfL Group	%	22.3	23.9	-1.6	21.5	23.9	23.9	0.0	22.3
% of BAME Staff - TfL Group	%	32.9	27.0	5.9	n/a	32.9	27.0	5.9	n/a
% of Disabled Staff - TfL Group	%	7.6	7.8	-0.2	n/a	7.8	7.8	0.0	n/a
% of Women Staff in Senior Mgt - TfL Group	%	18.8	23.9	-5.1	18.9	27.3	27.3	0.0	20.4
% of BAME Staff in Senior Mgt - TfL Group	%	10.6	12.2	-1.6	7.4	12.2	12.2	0.0	8.9
% of Disabled Staff in Senior Mgt - TfL Group	%	4.8	5.0	-0.2	n/a	5.0	5.0	0.0	n/a

### Notes/Key:

Target achieved/ exceeded
  Less than 5% worse than target
  More than 5% worse than target

\*\* Not forecast

n/a No data available

## ANNEX 2: MODAL SUMMARY OF FINANCIAL PERFORMANCE

£'m	Year to Date			Full Year		
	Actual	Budget	Var to Budget	F'cast	Budget	Var to Budget
<b>Income</b>						
London Underground	(344)	(334)	(10)	(1,512)	(1,477)	(34)
Surface Transport	(307)	(311)	4	(1,382)	(1,386)	4
London Rail	(13)	(13)	1	(55)	(58)	3
Group Directorates	(5)	(3)	(2)	(22)	(17)	(5)
	(669)	(662)	(7)	(2,971)	(2,939)	(33)
<b>Operating Expenditure</b>						
London Underground	559	616	(58)	2,591	2,655	(63)
Surface Transport	505	514	(9)	2,337	2,388	(51)
London Rail	26	28	(2)	133	126	7
Group Directorates	44	55	(11)	278	231	47
	1,134	1,213	(80)	5,340	5,400	(61)
<i>Gross Margin</i>	465	551	(87)	2,368	2,462	(93)
<b>Capital Expenditure</b>						
London Underground	53	92	(39)	341	418	(76)
Surface Transport	41	55	(15)	281	296	(15)
London Rail	17	31	(14)	171	182	(11)
Group Directorates	3	6	(3)	36	27	9
	114	184	(71)	829	923	(94)
<b>Capital Receipts &amp; Reimbursements</b>						
London Underground	(25)	(41)	16	(166)	(209)	43
Surface Transport	(3)	(1)	(2)	(4)	(6)	1
London Rail	-	-	-	(3)	(3)	-
Group Directorates	(1)	(2)	1	(8)	(11)	3
	(28)	(44)	16	(182)	(229)	47
Overprogramming	-	(36)	36	(108)	(154)	47
<i>Net Capital Expenditure</i>	85	105	(19)	540	540	-
<b>Group Items</b>						
Interest Income	(16)	(12)	(4)	(55)	(53)	(2)
Debt Servicing Payments	13	20	(6)	58	85	(27)
Contingency	-	-	-	26	26	-
<b>Net Service Expenditure</b>	<b>547</b>	<b>664</b>	<b>(116)</b>	<b>2,937</b>	<b>3,059</b>	<b>(122)</b>

( ) variance is an above budget for income, and below budget for operating expenditure  
Table may be subject to rounding accuracy.

## ANNEX 3: BALANCE SHEET

£'m	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
<b>Fixed assets</b>						
Tangible assets	14,278	14,341	63	15,208	15,265	57
<b>Current assets</b>						
Stocks	5	5	-	5	5	-
Debtors	193	205	12	206	215	9
Payments in advance	151	98	(53)	127	113	(14)
Cash at bank and in hand	1,505	1,487	(18)	1,514	1,553	39
<b>Current liabilities</b>						
Revenue	(686)	(799)	(113)	(575)	(733)	(158)
Receipts in advance	(165)	(212)	(47)	(173)	(175)	(2)
Capital	(133)	(25)	108	(111)	(64)	47
<b>Long term liabilities</b>						
Balances with Infracos	(1,586)	(1,586)	-	(2,127)	(2,115)	12
Prudential loans	(746)	(746)	-	(1,350)	(1,350)	-
Creditors due after one year	(526)	(527)	(1)	(527)	(527)	-
Capital grants	(6,853)	(6,845)	8	(7,556)	(7,549)	7
Pension liabilities	(770)	(770)	-	(770)	(770)	-
Provisions for liabilities and charges	(247)	(260)	(13)	(204)	(225)	(21)
<b>Total net assets</b>	<b>4,420</b>	<b>4,366</b>	<b>(54)</b>	<b>3,667</b>	<b>3,643</b>	<b>(24)</b>
<b>Capital and reserves</b>						
Earmarked reserves	1,577	1,536	(41)	997	1,014	17
Pension reserve	(770)	(770)	-	(770)	(770)	-
General fund	135	138	3	135	138	3
Other reserves	3,478	3,462	(16)	3,305	3,261	(44)
<b>Total capital employed</b>	<b>4,420</b>	<b>4,366</b>	<b>(54)</b>	<b>3,667</b>	<b>3,643</b>	<b>(24)</b>

( ) variance is an above budget for income, and below budget for operating expenditure  
Table may be subject to rounding accuracy.

## ANNEX 4: CASH FLOW STATEMENT

£'m	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Net revenue expenditure	(462)	(559)	(97)	(2,402)	(2,520)	(118)
Working capital movements	(93)	114	207	(224)	(18)	206
<b>Cash spend on operating activities</b>	<b>(555)</b>	<b>(445)</b>	<b>110</b>	<b>(2,626)</b>	<b>(2,538)</b>	<b>88</b>
Net capital expenditure	(112)	(149)	(37)	(686)	(732)	(46)
Working capital movements	-	(108)	(108)	(20)	(69)	(49)
<b>Cash spend on capital activities</b>	<b>(112)</b>	<b>(257)</b>	<b>(145)</b>	<b>(706)</b>	<b>(801)</b>	<b>(95)</b>
<b>Funded by:</b>						
Transport grant	456	456	-	2,397	2,397	-
Precept funding	2	2	-	12	12	-
Other grants	-	-	-	-	-	-
Prudential borrowing	-	-	-	604	604	-
Third party contributions	27	44	17	146	192	46
<b>Total funding</b>	<b>485</b>	<b>502</b>		<b>3,159</b>	<b>3,205</b>	<b>46</b>
<b>Net movement in cash</b>	<b>(182)</b>	<b>(200)</b>	<b>(18)</b>	<b>(173)</b>	<b>(134)</b>	<b>39</b>

( ) variance is an above budget for income, and below budget for operating expenditure  
Table may be subject to rounding accuracy.



## ANNEX 5: CASH BALANCES

Approved Investments and Cash £'m	Period 1	Period 2	Period 3
Period end	29 Apr	27 May	24 Jun
Budget	1,592	1,533	1,487
Cash Balances	1,589	1,551	1,505
<b>Increase/(Decrease)</b>	(3)	18	18

<b>Net Cash Balances comprise:</b>			
Investments	1,535	1,485	1,439
Investments-Guernsey	33	45	42
Cash & Credits in Transit	21	21	24

Investment Profile			
Up to 1 Month	236	168	135
1-2 Months	13	47	69
2-3 Months	186	176	131
3-4 Months	113	113	92
4-5 Months	-	-	-
5-6 Months	103	57	71
>6 Months	884	924	941

TRANSPORT FOR LONDON

BOARD

**SUBJECT: TfL FIVE YEAR INVESTMENT PROGRAMME REPORT**

**MEETING DATE: 20 September 2006**

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**1. INTRODUCTION**

- 1.1 To inform the Board on the performance of key projects within the 5 year Investment Programme. This report covers the 1<sup>st</sup> quarter of 2006/07 (1 April to 24 June 2006). Progress will be reported quarterly until the end of the programme in 2010.
- 1.2 The format of this report has been updated to reflect the work of the Oversight Group and to include progress on TfL's contribution to the development of the London 2012 Olympic Games.

**2. KEY HIGHLIGHTS**

- The Channel Tunnel Rail Link Western Ticket Hall at Kings Cross and St. Pancras Station was successfully opened on 28 May 2006
- A mock-up of the new style Victoria Line train saloon was on display at Euston Gardens for user acceptance testing between 21 July and 11 August. (Public viewing was from 5 to 10 August)
- On the Piccadilly Line Extension to Terminal 5 progress is on plan for the opening of the T4 Loop in September 2006
- The Wembley Park station modernisation project announced practical completion of the station in May ahead of the opening of the new stadium
- The Waterloo and City Line closed for refurbishment in April, is planned to reopen in September 2006
- Queensway station reopened on 14 June 2006 following refurbishment by Metronet
- On the District Line (D Stock) Refurbishment, 20 out of 75 trains have been delivered into service in accordance with PPP schedules
- Coulsdon Relief Road bridge construction was completed in April 2006
- iBus factory acceptance tests of the new radio system have been successfully completed, and recording of announcements commenced

- The Olympic Railcars contract to secure 31 additional vehicles from Bombardier for Stratford International and Olympics services was signed on 12 June 2006
- The tunnel boring machine for the DLR Bank – Lewisham 3 Car Infrastructure project has now completed 120 metres of tunnelling towards Woolwich
- Handover of Greenwich Waterfront Transit Phase 1 to Surface Transport for detailed design and implementation was achieved in June 2006

### 3. PROJECTS (Over £100m)

This section reports on projects with a total cost of greater than £100m. Projects identified from the latest Oversight risk categorisation process as being included in the top 12<sup>1</sup> are identified by an asterisk.

#### London Underground

##### 3.1 Channel Tunnel Rail Link (CTRL) at Kings Cross \*

King's Cross Congestion Relief (Channel Tunnel Rail Link) covers increased capacity at King's Cross St Pancras. Phase 1 includes an expanded Tube ticket hall and new Western Ticket Hall. Phase 2 includes a new Northern Ticket Hall, step-free access to Metropolitan & Circle lines and links to the new Channel Tunnel Rail Link Terminal. The King's Cross project is funded by the DfT and contracted by London Underground to Metronet.

The main component of Phase 1, the Western Ticket Hall, was successfully opened on 28th May. Completion of Phase 1, including refurbishment of the Metropolitan and Circle Line platforms is on target for completion at the end of December 2006.

Phase 2, including the Northern Ticket Hall, has begun with continuing site surveys and contractor mobilisation on site. Good coordination has been established with other programmes at the Kings Cross site, and Phase 2 remains on target for completion in January 2011.

##### 3.2 Victoria Station Upgrade

Victoria is one of London's main transport hubs and a major employment centre served by Underground, rail and bus, with 68 million people passing through it each year. Victoria is the most congested station on the LU network. Station control is regularly used to manage access to and congestion within the station, particularly during the morning peak when several closures are a daily occurrence.

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<sup>1</sup> The Top 12 projects are a collection of the Top 50 that the TfL modes feel represent the greatest degree of inherent risk. Projects are classified by inherent risk against 8 risk definitions and also by their financial cost to produce a list of top 50 projects. This allows TfL to focus executive attention (through reports and periodic IP meetings) and also to prioritise resources (such as Independent Engineer reviews). The Oversight Risk Categorisation exercise is carried out every six months.

This project will provide significant increase in passenger circulation space in key congested areas of the station. It will also provide step-free access from street to platform for the Victoria Line.

To minimise potential objections at the TWA Order public enquiry, the current proposed scheme is being amended to avoid conflict with a proposed Land Securities commercial development and the Victoria Palace Theatre. This will result in a delay to the TWA Order application date.

Progress this quarter has included design review and buildability reviews which will result in amendments to the submission of the TWA Order now planned for November 2007. A major ground investigation has been completed. The main works are planned to start in Quarter 4 2009, with utilities diversions starting on site in Quarter 2 2008.

The project completion date is likely to be delayed to Quarter 4 2014, although further studies will be undertaken to explore whether this can be brought forward.

### **3.3 Tottenham Court Road Congestion Relief \***

Tottenham Court Road station is at the heart of London's West End, and is currently operating in excess of its capacity. It therefore suffers from significant congestion. Demand at the station is forecast to increase, and access to the station would need to be severely restricted to avoid unsafe levels of congestion and operation. The scheme will provide a significantly enlarged ticket hall with improved and additional entrances to the station, additional escalator access to the Northern Line platforms, and improved circulation space and step-free access throughout the station. It will also provide a link into the proposed Crossrail scheme.

Progress this quarter has included the submission of the Planning Application for the utility diversion works. Planning consent is expected in the autumn, and the utilities diversion works are planned to commence in January 2007.

The Powers for the new ticket hall are included within the provisions for the Crossrail Hybrid Bill, and work has continued on interfacing and negotiating with various petitioners to the Tottenham Court Road portion of the Bill, and providing support through the Parliamentary Select Committee process. The timetable for the Royal Assent of the Bill has been delayed and commencement of the main works on site is not now expected until Quarter 2 2008.

### **3.4 Tunnel Cooling**

This is a long term programme to reduce ambient temperatures in a number of ways including increased ventilation, improved efficiency, and train-based measures. Physical work on the Victoria ground water cooling trial is very near completion and initial test running started in early August. The development of a platform roof mounted air handling unit trial is progressing and three of the respondents to the OJEU notice were asked to tender for the development work on 2 August. The tender review period for a new fan at Liverpool Street is complete.

### **3.5 LU Line Upgrade – PPP BCV \***

For the BCV network, the first line upgrade is the Victoria Line. The works include new rolling stock, signalling and control equipment.

Train cars are now in production and train testing is underway. A mock-up of the new style train saloon was sited in Euston Gardens at the front of Euston Station for user acceptance testing between 21 July and 11 August. (Public viewing took place between 5 and 10 August).

Work planned for the next quarter includes work on Signal Equipment Rooms and the Signal Control Centre. Work is continuing on cable installation with productivity improving in this area. Line closures for track improvement works are also underway.

A revised completion date of February 2012 for the journey time capability improvement is now targeted by Metronet, however this accelerated delivery date is slipping primarily due to delays in the signal component.

### 3.6 **LU Line Upgrade – PPP JNP**

This programme begins with the Jubilee and Northern Line upgrades. The Jubilee Line Upgrade provides for signal and train control replacement to improve the capability of the lines. Completion is due in 2009 for the Jubilee Line, with the Northern Line to follow in 2012.

Transmission Based Train Control is the primary focus of work at present, with the Jubilee Line prototype train conversion behind schedule by 4 months. Tube Lines has strengthened its Rolling Stock Team and is reviewing the installation cycle to accelerate progress for a recovery programme. Overall the upgrades remain on track.

### 3.7 **LU Line Upgrade – PPP SSL**

The sub-surface railway (Circle, District, Hammersmith & City and Metropolitan lines) upgrades will provide new and refurbished rolling stock, new signalling and a new control centre. The programme is on track to complete by 2018.

### 3.8 **Power Works**

The main works under development at present are to provide increased power for the line upgrades. The power upgrade for the Victoria Line is due to award the construction contract in September 2006. The power for SSL line upgrades will commence scoping and development in the 3<sup>rd</sup> quarter of 2006/07. The programme is on track.

### 3.9 **7<sup>th</sup> Car Circle Line**

This project provides for all the work associated with enabling 7-car operation at the minority of stations where trains are currently restricted to 6-car running. The project also provides for new Circle Line rolling stock.

Metronet missed a milestone to place all four of the contracts for rolling stock sub-systems in Period 3. Metronet has now reported that the final two contracts have been placed. LU is awaiting confirmation documentation. Metronet has informed LU that the end date of 2015 is not at risk.

## **London Rail**

### 3.10 **East London Line Extension \***

The upgraded and extended East London Line is planned to open in 2010 with TfL as the passenger service operator through a joint ELL/NLR concession. LUL will be

the infrastructure controller and network operator north of New Cross Gate, with Network Rail the infrastructure controller for the remainder.

The second stage enabling works are well underway and remain forecast to complete in December 2006. The line from Whitechapel to Shoreditch, and Shoreditch Station have now been closed to public service in preparation for the demolition of the Great Eastern bridge in 2007. The rolling stock supply & maintenance contracts were awarded to Bombardier on 30 August 2006. Negotiations are continuing with the two main works tenderers with the intention to recommend a preferred bidder by the end of September. The main issues at present remain the agreement of the engineering access option and the timescales for design approval impacting the main works contract award date.

The project is on track for the ELL to re-open on the scheduled date.

### **3.11 DLR Bank-Lewisham 3 Car Infrastructure**

Outline design work is underway in preparation for the issue of the ITT. Work has been undertaken at the Beckton Depot to reconfigure the depot entry layout and work is underway at Poplar to extend the platform.

### **3.12 DLR Woolwich Arsenal Extension**

The tunnel boring machine was launched at the beginning of April and has now completed 120 metres of the up tunnel towards Woolwich. The possession of the down platform at Woolwich national rail station commenced in May and is expected to last until August.

### **3.13 DLR Stratford International**

The Public Inquiry closed in April with a decision expected at the end of October 2006. Procurement work is now progressing, with one of the three planned ITT's having been issued (Network Rail interface works at Stratford).

## **Finance & Planning**

### **3.14 Cross River Tram**

The Communications and Consultation Strategy has been developed in partnership with the boroughs and Cross River Partnership. A primary focus is on launching the route options consultation in November 2006 to support the selection of a preferred route, to be agreed by the Boroughs. Prior to the consultation launch the emphasis is on developing the profile of CRT with the public and stakeholders to promote a positive environment for the consultation. Engagement with stakeholders is underway to discuss route options being considered to address issues along the route that can be resolved at an early stage. This strategy is supported by the Boroughs communications plans which identify key local stakeholders, risks, issues and appropriate messages.

The depot implications of the phase 2 Depot study have been the subject of preliminary discussion with Islington and Camden Councils.

### **3.15 Croydon Tramlink Crystal Palace Extension**

Following close working with the LDA and extensive options appraisal, a compatible Crystal Palace Park / Tram scheme to be included in TfLs route options has been agreed. This will be aligned to the park periphery before terminating adjacent to the

bus station on Crystal Palace Parade. TfL will also consult on an on-street option that enters the park from Annerley Hill shortly before reaching the terminus.

The public consultation period will last for a period of 2 months starting in mid October 2006. Following consultation a preferred alignment will be selected to assist the LDA planning application in May/ Jun 2006.

### 3.16 **Thames Gateway Bridge \***

The Thames Gateway Bridge will provide a multimodal link between Beckton and Thamesmead and is projected to open in 2013. It will be constructed and operated through a PFI contract.

The 11 month public inquiry into the powers for the project closed in May 2006, with the expectation of a decision by the Secretary of State by March 2007.

The DfT recommendation to Ministers for £350m PFI credit approval is subject to conditions being met, before the Outline Business Case (OBC) for TGB can proceed for consideration by HM treasury. The project team in conjunction with TfL Corporate Finance have sent responses to address the DfT conditions with respect to Value for Money and Project Management. Detailed discussions are underway to enable approval during September 2006.

### 3.17 **West London Tram**

The project programme is currently being revised to reflect the additional development and analysis required to the scheme before the assessments and business case can be finalised and Board approval sought for a Transport and Works Act Order application. Gateway reviews have been provided to allow agreement of key data before confirming the next phase of programme. Solutions have been found for many of the key junctions on the route.

### 3.18 **Stratford Regional Station Upgrade \***

Stratford Station is an Olympic critical interchange station which is surrounded by a major property development – Stratford City Development.

The validated estimate for the Olympic Enhancements is £104m for the capital works; the funding gap remains £54m with discussions ongoing between ODA, DfT and DCMS to resolve. The Scheme has been presented to Treasury, DfT, DCMS and ODA, who agreed that there is no alternative scheme.

Preliminary meetings with the planning authorities indicate that there is no environmental impact assessment or screening requirement in respect of the proposed planning consent strategy. Planning submission to the new ODA planning committee is scheduled for the 15 September 2006, which will be preceded by public consultations at the station.

The project remains on track to complete in October 2010, ready for the commencement of Olympic trial events in January 2011.

## 4. **OTHER PROJECTS**

This section reports on the remainder of the top 12 projects identified from the latest Oversight risk categorisation process which have a value below £100m and are

therefore not included in the section above. It also includes other projects where there is a noteworthy variance from budget in the quarter as identified through the Investment Management Review (IMR) process.

## **London Underground**

### **4.1 Connect Enabling Works \***

The Connect Programme is based on a 20-year PFI contract to upgrade and maintain the radio and transmission system used through the network. The Connect Enabling works reported on here are managed by LU. This programme provides the structures and equipment for the Connect works to take place.

The Fluor (cabling and associated works) enabling works for both the LU and Network Rail stations are now largely complete, with acceptance and handover imminent. Surveys for the control room enabling works are also almost complete. Both the design and installation of the enabling works for the District and Hammersmith & City Line are now also complete.

Project completion is expected in December 2006.

### **4.2 Olympic Works \***

This project provides step-free access at three Olympic-critical stations: Southfields, Green Park and Baker Street. All three stations are at feasibility stages. The conceptual design of Southfields Station has now begun with the ticket hall design ready for review. The feasibility study for Green Park is ongoing. The feasibility design for Baker Street is complete and being reviewed by LU.

All three station projects are on target for completion in 2008 (Southfields), 2009 (Baker Street) and 2011 (Green Park).

### **4.3 Connect Airwave \***

This project transfers the police communication network on the Underground from an analogue to digital network to expand coverage and capacity. Current progress reflects delays to award of contract, but early work is under way with on-time completion scheduled in 2008.

## **Surface Transport**

### **4.4 Congestion Charging Western Extension \***

Western Extension Implementation remains on track to go live in Feb 2007. The Internal Readiness review is programmed to sign off in early September. Capita system and staffing enhancements are on schedule. The refurbishment of the Tower Court call centre to cope with WEZ has now been completed. Installation of Enforcement Infrastructure has also been completed. All poles, cabinets and cameras have been installed and site acceptance tests completed.

### **4.5 iBus \***

This project's focus is to procure a radio communication and AVL solution that will eliminate the obsolescence issues with the existing equipment and reduce the current risk of a system failure.

The Factory Acceptance Tests of the new radio system have been successfully completed. The first two radio site installations were completed by Siemens who are



working with LBSL to secure a schedule for the remaining 8 sites. Internally, the training schedule and strategy is being reviewed with the Bus Operators, most of whom wish to train the 22,000 drivers during the rollout themselves, with Siemens providing training for Service Controllers. Migration workshops to minimise the risk of moving from the old radio system to the new have started with Siemens. System Acceptance is on schedule for December 2006.

#### 4.6 **A406 Bounds Green \***

The project will make a number of safety and environmental improvements along Telford Rd, Bowes Rd and the North Circular Rd between the A109 Bounds Green Rd/Station Rd and Chequers Way. The measures include widening Telford Rd to provide a dual carriageway throughout with the provision of a dedicated cycle/footway; priority bus lanes at selected locations, upgraded junctions and improved crossing facilities for pedestrians.

Progress is being made on the design of the 2005 (revised) scheme, Environmental Statement and Transport Assessment, which are all forecast for completion by October 2006. The team structure has been revised to ensure the required management and technical resources are available to take the project through an expected Public Inquiry. Uncertainty around property prices (especially those relating to businesses, which may carry goodwill value) have caused the project estimates to fluctuate. Scheme completion is now forecast for April 2011.

#### 4.7 **Bus Priority – TLRN Schemes**

This investment programme covers the preliminary and detailed design, consultation and implementation of physical bus priority measures on the TLRN.

A small number of schemes were carried over from 2005/06 into this financial year and all but four of these are forecast to be completed by March 2007. The remaining four are faced with site specific problems and are currently forecast to continue into 2007/08. Two out of eight bus lane schemes scheduled for 2006/07 were completed in the first quarter.

#### 4.8 **Coulsdon Relief Road**

This is a local regeneration scheme involving the development of a relief road to divert up to 80% of traffic away from Coulsdon Town Centre.

Box jacking of Smitham Station is now complete and the project has entered the final stages of work.

#### 4.9 **A40 Western Avenue**

This project comprises essential replacement of the Wales Farm Road and Perryn Road bridges on the A40 Western Avenue.

The project has suffered delays due to uncharted services and issues with obtaining Network Rail permissions. The project has been reviewed and its schedule rebaselined, with substantial completion now forecast for April 2009.

#### 4.10 **Hanger Lane**

This safety project comprises essential replacement of the Waldegrave Road and South Road Bridges on the A406 Hanger Lane.

The programme has been rebaselined to allow for a thorough review of the procurement process following lessons learned on the A40 Western Avenue project (which is of a similar nature). This has inevitably caused slippage of early milestones. Substantial completion is now forecast for February 2010.

## 5. FINANCIAL

Total Investment Expenditure £'millions	Year to Date		Full Year	
	Actual	Var to Budget	Forecast	Var to Budget
Capital Expenditure	85	(19)	540	-
Development/Boroughs	25	(5)	221	11
<b>Total Net Directly Managed Expenditure</b>	<b>110</b>	<b>(24)</b>	<b>761</b>	<b>11</b>
Indirectly Managed Expenditure	312	(10)	1,379	(22)
<b>Total Investment Expenditure</b>	<b>422</b>	<b>(34)</b>	<b>2,140</b>	<b>(11)</b>

( ) less than budget

### 5.1 Total Investment Expenditure

Total Investment Expenditure for the first quarter 2006/7 after overprogramming and capital receipts totalled £422m, £34m below budget with the whole year forecast showing £2,140m, £11m below budget.

### 5.2 Directly Managed (including Capital Expenditure)

Net Value of Work Done (VOWD) on projects directly managed by TfL (including Development and Boroughs expenditure) at the end the first quarter was £24m under budget, after overprogramming. The full year forecast is anticipated to be £11m above budget, after overprogramming, capital receipts and reimbursements (see **Annex 2**)

### 5.3 Indirectly Managed

Expenditure on indirectly managed projects at the end of the first quarter was £10m below budget with the full year forecast showing an underspend of £22m (see **Annex 3**).

## 6. OLYMPICS

Progress on TfL's contribution to the London 2012 Olympic Games is now being reported to the Olympic Delivery Authority (ODA). This report has been well received and is being used by the ODA as a template for the other delivery partner reporting. A report of the past quarter is attached in **Annex 4**.

## Key Milestones of projects over £100m

## ANNEX 1

The following tables report on 2006/7 milestones plus project completion dates or completion milestones for significant project phases.

●	Delivery on schedule
▲	Delivery < 3 months behind schedule
■	Delivery > 3 months behind schedule

Channel Tunnel Rail Link at Kings Cross	Current Plan	Actual/forecast date	RAG
Phase 1 final completion	31-12-2006	31-12-2006	●
Phase 2 completion	31-12-2010	31-12-2010	●

Victoria Station Upgrade	Current Plan	Actual/forecast date	RAG
TWA submission	28-02-2007	30-11-2007	■

Tottenham Court Road Congestion Relief	Current Plan	Actual/forecast date	RAG
RIBA Stage D design complete	01-06-2007	08-09-2007	■

LU Tunnel Cooling	Current Plan	Actual/forecast date	RAG
Victoria ground water cooling trails complete	31-07-2007	31-07-2007	●

LU Line Upgrade – PPP BCV	Current Plan	Actual/forecast date	RAG
W & C line upgrade complete	September 2006	September 2006	●
1 train accepted to run in LU traffic hours	Spring 2009	Spring 2009	●
Commence rolling stock full production	Summer 2010	Summer 2010	●
Journey Time Capability	31-08-2015	31-08-2015	●

LU Line Upgrade – PPP JNP	Current Plan	Actual/forecast date	RAG
Rolling stock: Complete first 96TS TBTC Conversion	31-05-2006	31-08-2006	▲

<b>LU Line Upgrade – PPP SSL</b>	<b>Current Plan</b>	<b>Actual/forecast date</b>	<b>RAG</b>
Signalling design complete	31-12-2008	31-12-2008	●
7 Car Platform extensions – start on site	31-03-2008	31-03-2008	●
Rolling stock –30 D stock trains in service (40%)	31-03-2007	31-03-2007	●

<b>Power Works</b>	<b>Current Plan</b>	<b>Actual/forecast date</b>	<b>RAG</b>
Power re Connect completed	31-08-2006	31-08-2006	●
Victoria Line Power contract award	30-06-2006	30-09-2006	▲

<b>7<sup>th</sup> Car Circle Line</b>	<b>Current Plan</b>	<b>Actual/forecast date</b>	<b>RAG</b>
Survey/Design for Platform extensions commenced	31-03-2007	31-03-2007	●

<b>East London Line Extension</b>	<b>Current Plan</b>	<b>Actual/forecast date</b>	<b>RAG</b>
Rolling Stock Award Contract	30-04-2006	10-08-2006	■
Award Main Works Contract	31-08-2006	17-08-2006	●
Complete Second Stage Enabling Works	31-12-2006	07-12-2006	●

<b>DLR Bank-Lewisham 3 Car Infrastructure</b>	<b>Current Plan</b>	<b>Actual/forecast date</b>	<b>RAG</b>
Tender documents returned	30-11-2006	15-11-2006	●
Civil structure complete	30-09-2009	30-09-2009	●
Track work complete	30-09-2009	30-09-2009	●
Signalling complete	30-09-2009	30-09-2009	●
Service operational	31-10-2009	31-10-2009	●

<b>DLR Woolwich Arsenal Extension</b>	<b>Current Plan</b>	<b>Actual/forecast date</b>	<b>RAG</b>
Complete up tunnel	06-09-2006	06-09-2006	●
Completion date	01-01-2009	01-01-2009	●

<b>DLR Stratford International</b>	<b>Current Plan</b>	<b>Actual/forecast date</b>	<b>RAG</b>
TWA Order Powers granted	31-12-2006	31-12-2006	●
Civil works commence	31-10-2007	12-01-2007	●
Completion date	30-06-2010	30-06-2010	●

<b>Cross River Tram</b>	<b>Current Plan</b>	<b>Actual/forecast date</b>	<b>RAG</b>
Complete Stakeholder consultation on route options	31-10-06	31-10-06	●
Complete review of options post consultation	28-02-07	28-02-07	●
Complete options development process for public consultation	31-08-06	31-08-06	●
Complete public consultation on route options	31-03-07	31-03-07	●

<b>Thames Gateway Bridge</b>	<b>Current Plan</b>	<b>Actual/forecast date</b>	<b>RAG</b>
TfL Approval of Procurement Strategy	30-08-2006	18/07/2006	●
Issue of OJEU Notice and Pre Qualification Questionnaire for Concession Contract	30-12-2006	31-12-2006	●
Approval by Secretary of State	31-03-2007	31-03-2007	●

<b>Croydon Tramlink Crystal Palace Extension</b>	<b>Current Plan</b>	<b>Actual/forecast date</b>	<b>RAG</b>
Commence public consultation	31-10-2006	31-10-2006	●
Commence investigation of options	31-10-2006	31-10-2006	●
Agree governance and handover strategy with London Trams AND Surface Transport	01-10-2006	01-10-2006	●

<b>West London Tram</b>	<b>Current Plan</b>	<b>Actual/forecast date</b>	<b>RAG</b>
TfL Board submission for approval to deposit (TWO) Application	30-11-2006	Under Review	▲
Deposit TWO Application	31-03-2007	Under Review	▲
End of objection period	18-05-2007	Under Review	▲

<b>Stratford Regional Station Upgrade</b>	<b>Current Plan</b>	<b>Actual/forecast date</b>	<b>RAG</b>
Detailed Validation of Scope & Scheme Costs by the Consultant	10-04-2006	10-04-2006	●
Submit Updated Scheme Cost & Funding Proposals to Project Board	25-05-2006	25-05-2006	●
Complete Scheme Definition and Programme	31-03-2007	31-03-2007	●

VOWD (Directly Managed) <sup>2</sup> £'millions	Year to Date		Full Year	
	Actual	Variance to Budget	Forecast	Variance to Budget
London Underground	53	(31)	321	(62)
Surface Transport	41	(3)	236	(16)
London Rail	19	(15)	205	4
Group Services	0	(2)	7	
Finance and Planning	10	(2)	61	6
Boroughs	14	(5)	142	(7)
<b>Total Directly Managed Expenditure</b>	<b>137</b>	<b>(58)</b>	<b>972</b>	<b>(75)</b>
Capital receipts/reimbursements	(29)	15	(147)	49
Property sales	0	0	(35)	(2)
Overprogramming	0	16	(29)	41
<b>Net Directly Managed</b>	<b>110</b>	<b>(24)</b>	<b>761</b>	<b>11</b>
Development Expenditure/Boroughs	(25)	5	(221)	(11)
<b>Net Capital Expenditure</b>	<b>85</b>	<b>(19)</b>	<b>540</b>	<b>-</b>

Note: this table contains rounding

( ) less than budget

<b>London Underground</b>
<p>In LU, year to date directly managed expenditure after overprogramming was £31m below budget. The variance reflects expenditure of £18m below budget on CTRL Works at Kings Cross following delays in commencement of Phase 2. However, this was offset by lower capital receipts for the year to date (£18m). Major Power Upgrade delivery shows £5m lower than budgeted spend due to the scoping phase taking place later than anticipated. A £4m underspend in LU stations projects is mainly due to Shepherd's Bush as, at the time the budget was set, the project programme was not fully developed and the actual agreed cost lower than the estimated cost. A further £2m related to savings and more robust cost estimates for Connect projects, plus £1m for the Remote Response Facility project being deferred until completion of the Connect projects.</p>
<b>Surface Transport</b>
<p>In Surface Transport, before an overprogramming reduction of £12m, YTD expenditure was £15m under budget. Lower than budgeted spend of £3m on the Western Extension to the Congestion Charging Scheme reflects rescheduling of the Real-time Traffic Management (RTTM) and Service Management Systems (SMS) complementary schemes. Lower spend of £5m on road network management projects is mainly due to delays in improvement projects such as Fore St Tunnel and Hanger Lane Bridges.</p>

<sup>2</sup> VOWD includes development expenditure that is treated as operating expenditure for statutory accounts purposes but is counted towards directly managed investment expenditure as projects are considered viable. A more detailed breakdown of capital expenditure is provided in **Annex 2.1**

## ANNEX 2 (CON'T)

### **London Rail**

In London Rail, lower than budgeted spend of £15m to date reflects delays to ELLX stage 2 works (£8m), lower spend of £2m due to delays on the Railcar Refurbishment programme, and an under-spend of £2m due to delays to commencement of construction works for Stratford Station.

### **Group Services/Finance and Planning/Boroughs**

Year to date expenditure on Borough schemes was £5m lower than budget, mainly as a result of lower than anticipated expenditure on area based schemes. Lower than budgeted spend within Group Services of £2m to date primarily reflects delays in the Customer Services Integration Programme and Property projects managed on behalf of LU.

## Summary of Capital Expenditure

## ANNEX 2.1

Summary of Capital Expenditure £'millions	Year to Date		Full Year	
	Actual	Variance to Budget	Forecast	Variance to Budget
<b>London Underground</b>				
Investment Expenditure (net of overprogramming)	53	(31)	321	(62)
Capital receipts/reimbursements	(25)	16	(131)	45
Property sales	-	-	(35)	(2)
<b>Net Directly Managed Expenditure</b>	<b>28</b>	<b>(15)</b>	<b>155</b>	<b>(19)</b>
<b>Surface Transport</b>				
Investment Expenditure (net of overprogramming)	41	(3)	236	(16)
Capital receipts/reimbursements	(3)	(2)	(4)	2
<b>Net Directly Managed Expenditure</b>	<b>38</b>	<b>(5)</b>	<b>232</b>	<b>(14)</b>
<b>London Rail</b>				
Investment Expenditure	19	(15)	205	4
Capital receipts/reimbursements	-	-	(3)	-
<b>Net Directly Managed Expenditure</b>	<b>19</b>	<b>(15)</b>	<b>202</b>	<b>4</b>
<b>Group Services</b>				
Investment Expenditure	-	(2)	7	-
Capital receipts/reimbursements	-	-	(1)	2
<b>Net Directly Managed Expenditure</b>	<b>-</b>	<b>(2)</b>	<b>6</b>	<b>2</b>
<b>Finance and Planning</b>				
Investment Expenditure	10	(2)	61	6
Capital receipts/reimbursements	(1)	1	(8)	
<b>Net Directly Managed Expenditure</b>	<b>9</b>	<b>(1)</b>	<b>53</b>	<b>6</b>
<b>Boroughs</b>				
Investment Expenditure	14	(5)	142	(7)
Capital receipts/reimbursements	-	-	-	-
<b>Net Directly Managed Expenditure</b>	<b>14</b>	<b>(5)</b>	<b>142</b>	<b>(7)</b>
<b>Total</b>				
Investment Expenditure	137	(58)	972	(75)
Capital receipts/reimbursements	(29)	15	(147)	49
Property Sales	-	-	(35)	(2)
Overprogramming (group level - capital)	-	16	(29)	41
<b>Net Directly Managed Expenditure</b>	<b>110</b>	<b>(24)</b>	<b>761</b>	<b>11</b>
Boroughs/Development Expenditure	(25)	5	(221)	(11)
<b>Total Net Capital Expenditure</b>	<b>85</b>	<b>(19)</b>	<b>540</b>	<b>-</b>

Note: this table contains roundings.

( ) less than budget



VOWD (Indirectly Managed) £'millions	Year to Date		Full Year	
	Actual	Variance to Budget	Actual	Variance to Budget
London Underground	247	(7)	1,086	(15)
Surface Transport	51	(3)	230	(7)
London Rail	14	-	63	-
<b>Total Indirectly Managed Expenditure</b>	<b>312</b>	<b>(10)</b>	<b>1,379</b>	<b>(22)</b>

( ) less than budget

<b>London Underground</b>
<p>Work continues with the Infracos to align their reporting structures with that of LU. In respect of data quality provided, there is still room for improvement although much progress has been made. The VOWD at the end of Quarter 1 was £247m, £4m below the 2005/06 Annual Asset Management Plans (AAMPs).</p> <p>No expenditure was incurred under the PFI contracts, against a £3m budget, as this work is now being undertaken as Directly Managed.</p> <p>The amounts included in the Investment Programme represent capital payments that the Infracos plan to make to their subcontractors, which in some cases run ahead of the actual delivery of capital work. London Underground has yet to formally approve the plans.</p> <p>Progress on renewal and upgrade work is as follows:</p> <p>Tube Lines</p> <ul style="list-style-type: none"> <li>Track – completed 4.2km, which is in line with the 4.2km planned.</li> <li>Lifts and Escalators – no customer service lifts and no escalators were due to be refurbished in Quarter 1.</li> <li>Stations – one station refurbishment and modernisation has been completed, with a further nine awaiting LU approval for delivery into service. The contract date for Holloway Road has been delayed. This was due to an assessment for congestion relief. Although this is not taking place, the original renewal programme has been delayed due to the assessment.</li> <li>Line Upgrades – TBTC and Rolling Stock has fallen behind schedule, but recovery plans are currently being worked on.</li> </ul> <p>Metronet SSL</p> <ul style="list-style-type: none"> <li>Track – completed 2.7km of track compared to the 2.4km in the 2006/07 AAMP.</li> <li>Lifts and Escalators – one escalator has been replaced, which was four weeks late.</li> <li>Stations – two station refurbishments, which were due in 2005/06, have been completed. Of the further eight stations due in 2005/06, six stations due in 2006/07 are now behind schedule, one is on schedule and one station remains ahead of schedule. The eight stations contracted in 2006/7 remain on schedule.</li> <li>Line Upgrades – programme for completing extends to 2018 with interim milestones in 2012 and 2015, with specific performance increases. This is presently at the stage of initial feasibility and conceptual design for both rolling stock and signalling.</li> </ul> <p>Metronet BCV</p> <ul style="list-style-type: none"> <li>Track – completed 3.0km of track renewal compared to the 2.9km in the 2006/07 AAMP.</li> <li>Lifts and Escalators – one escalator has been replaced, seven weeks late. Three escalators have been refurbished, two of which were late. Two lifts have been replaced, both of which were five weeks late.</li> <li>Stations – one refurbishment is currently under review. The thirteen remaining from 2005/06 are not completed, averaging 40 weeks behind schedule.</li> <li>Line Upgrades – the Victoria Line Upgrade programme continues to track performance against an early completion programme designed to drive all parties towards a successful on-time delivery.</li> </ul>

## ANNEX 3 (CON'T)

### Surface Transport

Indirectly Managed capital expenditure in Surface Transport relates to improvements to the bus fleet and A13. The combined full year forecast is an underspend against budget of £7m.

Lower expenditure on bus network fleet improvements of £5m is the result of lower than expected contract price increases from re-tendering. The additional £2m underspend is on A13 DBFO and is caused by non-completion of road sections and ongoing problems the concession has had finishing the communications system, which is currently forecast to be completed by September 2006.

### London Rail

Indirectly Managed capital expenditure in London Rail relates to the assessed capital value of assets delivered on the London City Airport, Woolwich Arsenal DLR Extension and Woolwich Arsenal DLR 3 Car Railcars. Currently there is no contractual mechanism in place to capture actual costs therefore the full year numbers reflect budget values. Going forward, options are being looked into as to whether actual information can be obtained.

# Transport for London



## TfL's Olympic Transport Portfolio Executive Report

Period of report:  
Quarter 1 06/07



# TfL Olympic Transport Portfolio Report

## Report Details: Period Covered: to 24 June 2006

Owner: Jay Walder

### Introduction:

The following report highlights progress towards delivery of the Olympic related projects for which TfL has responsibility. The report examines current issues, how they are being addressed and confirms whether or not the improvements will be delivered to the planned timescales.

The projects are divided into two categories :

- improvements required for the Olympics where TfL was committed to delivering before winning the Olympic bid and
- those additional improvements, requiring separate funding, which TfL has committed to as part of winning the bid

This report will be updated and issued every month reflecting progress up to the TfL 4 weekly reporting period for which information is available as at the date of the report.

### Key Highlights:

On DLR Woolwich Arsenal/3 Car Railcars the car body design was approved during the period.

The Olympic Railcars contract to secure 31 additional vehicles from Bombardier for Stratford International and Olympics services was signed on 12 June.

Stratford Regional DLR Station design packages for the link bridge, canopy and staircases were signed off and issued in the period and the breaking down of the viaduct pile heads, viaduct pile caps and viaduct columns were all completed.

North Greenwich Congestion Relief escalator chains, control panels and cables have been installed and construction of the fixed stairs has begun on site.

On the Olympic Route Network version 2 of the High Level Survey which now includes alternative routes to Wimbledon, Greenwich Park, and the Royal Artillery Barracks, has been completed and handed over to the ODA.

## TfL Olympic Transport Portfolio Report

### TfL Funded, Olympic-Enabling Projects in Investment Programme: Period Update

#### London Rail

##### East London Line Extension \*

The project continued to deliver good progress for the majority of workstreams and the overall timescales for delivery remain demanding, but achievable. Updated bids were received on 30 June from the two main works tenderers and are currently being evaluated. The TfL Board has endorsed the proposals for rolling stock supply & maintenance and have delegated the authority to award the contracts to the Commissioner. The rolling stock contract is likely to be awarded mid August and the main works contract mid September.

##### North London Line - Stations Improvement Programme \*\*

Approval was given in the period to upgrade existing ticket operators' machines (TOMs), ticket vending machines (TVMs) and gates on NLR to accept Oyster along with the procurement of additional gates and ticketing machines. Discussion with Prestige contacts for supply of the upgrades and new gates have commenced and firm orders are expected shortly. New Oyster-enabled TVMs will be procured outside of the Prestige contract. The scope of work and standards expected to be undertaken by the LRC concessionaire within the first 3 years, has been defined within the ITT. Utilities, facilities condition and existing asset provision surveys are underway as a precursor to determining and specifying the works to be undertaken by London Rail, prior to the start of the LRC (Nov '07).

##### DLR Woolwich Arsenal/3 Car Railcars \*

All design submission queries received in the period have been answered on time and the car body design has been approved, which will allow the release of the car body design payment to Bombardier. A full set of schematics has been received for the vehicle.

##### DLR 3 Car North Route \*\*

Land referencing to identify who the legal owners are of the land along the proposed 3 Car North corridor has been completed and the draft Environmental Statement reviewed. However, the Rule 5 Notices informing statutory consultees that DLR is about to make a TWA application have not yet been issued. The draft Transport and Works Act (TWA) Order has been reviewed and the Delta Junction technical solution has also been completed prior to submission in July 2006. Meetings with land owners continued and heads of terms have been drafted for some of them. Discussions also continued with ExCel on their Phase 2 development plans. The draft economic appraisal has been received and the TWA document covers are being produced.

##### DLR 3 Car Bank-Lewisham \*

Faber Maunsell work is continuing to overrun and whilst they are targeting the key ITT requirements, this has had an impact on its issuance, which was issued on 25 July 2006, a slippage of two weeks. Work on the Poplar platforms is substantially complete. On Beckton Depot, the Programmable Logic Controller (PLC) submission has been reviewed and will now be treated as a stand alone project. Faber Maunsell has also been commissioned to outline the scope for the additional 3 sidings.

##### Stratford Regional DLR Station \*

The design packages for the link bridge, canopy and staircases were signed off and issued in the period and the breaking down of the viaduct pile heads, viaduct pile caps and viaduct columns were all completed. The completion date has been reforecast from 16 April 2007 to 15 June 2007 to take account of the extension of time granted due to Network Rail (NR) site possession at the start of the project and contingency against future variations to the scope and design.

##### London City Airport DLR Extension \*

As reported in period 2, the closure report has been issued internally and formal closure of the project is awaited.

##### Woolwich Arsenal DLR Extension \*

The tunnel boring machine is now at 120 metres, although boring has been stopped over the last 2 weeks to allow for the conveyer belt to be erected. A 3 week delay is being reported, however this is expected to catch up once boring recommences.

## TfL Olympic Transport Portfolio Report

### **Stratford International DLR Extension** \*\*

The pre qualification assessment for package 7 (Canning Town Junction) was completed in the period and the ITT drafted. Tender addendum 1 for package 8 (Network Rail interface works at Stratford) was also completed and issued to bidders and the alignment design for this package is at the start of the approval process before tender addendum 2 is issued. The OJEU notice was published for package 6 (main DLR works).

### **DLR Railcar Refurbishment** \*\*

A total of 75 vehicles from the fleet of 94 are now back in service, following an additional 2 vehicles re-entering service during the period. The forecast completion date has slipped from November 2006 to February 2007, due to a reduction in vehicle availability to allow for the increased capacity demands of the Motor Show (Jul 06), World Travel Market (Nov 06) and London Boat Show (Jan 07).

### **London Underground**

#### **LU Line Upgrades PPP BCV (Victoria Element)** \*\*

The VLU programme has a contractual delivery date of 17 August 2013. The VLU is not an Olympic deliverable. Metronet has adopted an aggressive 2-year early delivery date. This accelerated target delivery date is slipping primarily due to delays in the signal component. The most current programme information indicates that barring future delays, the journey time capability will be available by February 2012. However, the only delivery date that can be enforced through the contract remains the contract commitment date. LU recognises its obligation to maintain the service level of the Victoria Line consistent with its Olympic commitments. Both Train 1 and Train 2 are in production and the static test programme for Train 1 will be completed by August 2006. A Saloon mock up is on schedule for Customer Acceptance Testing from 17 July to 11 August at Euston Gardens (in front of Euston Station). This will include stakeholder, staff and general public viewing periods.

#### **LU Line Upgrades – PPP JNP (Jubilee Elements)** \*

The current key project deliverables in this portfolio are signalling upgrades to the Jubilee Line. The Signal Equipment Room upgrades component of this portfolio is currently behind programme but still expects to be completed by the baseline date.

#### **LU Stations Modernisation and Refurbishments – PPP BCV (Metronet)** \*

Metronet – BCV has a contractual obligation to modernise and refurbish 55 stations during the first 7.5 year review period. To date, BCV has delivered into service 4 stations with 51 remaining.

#### **LU Stations Modernisation and Refurbishments – PPP JNP (Tube Lines)** \*

Tube Lines has a contractual obligation to modernise and refurbish 97 stations during the first 7.5 year review period. To date, Tube Lines has delivered 20 stations into practical completion with 77 remaining. Tube Lines have declared a further 9 stations as practically complete which are currently undergoing review.

#### **LU Stations Modernisation and Refurbishments – PPP SSL (Metronet)** \*

Metronet – SSL has a contractual obligation to modernise and refurbish 77 stations during the first 7.5 year review period. To date, Metronet has delivered into service 10 stations with 67 remaining.

### **CTRL at Kings Cross** \*\*

The opening of the Western Ticket Hall and the Enlarged Tube Ticket Hall occurred on 28 May 2006. The new MIP lifts in the Western Ticket Hall have failed on several occasions and are being investigated to ensure that reliability is improved. The forecast completion date of Phase 1 works remains on schedule against the baseline date of December 2006. Phase 2 works are progressing to plan, with no critical issues at present.

### **LU Extensions – Piccadilly Line Extensions to Heathrow T5** \*

Progress is on plan to deliver the Piccadilly Line Extension to Heathrow Terminal 5 Project (PiccEx) in March 2008. The main deliverables are the commencement of Trial Operations in March 2007 and the T4 Loop reopening in September 2006. The Bulkheads in the T4 Loop that enclosed the work site have been removed with the handover of Construction Delivery Management responsibilities from Heathrow Airport Ltd to Tube Lines on 13 June 2006.

## TfL Olympic Transport Portfolio Report

### **Wembley Park** \*\*

LU has now agreed with Tube Lines' declaration of practical completion and delivery into service for the Wembley Park Station as of 15 May 2006.

### **Olympics Accessibility Works (Green Park, Baker Street (SSL) and Southfields)** \*\*

Southfields Step Free Access Conceptual Design was instructed and is ongoing during the period. Baker Street Step Free Access Options Analysis feasibility study was completed and is under review. The feasibility study for Green Park Step Free Access is ongoing with no progress to report this period.

### **North Greenwich Congestion Relief** \*\*

This project is to provide additional access and egress to this station in anticipation of development underway including the construction of a stadium. Currently, at site, escalator chains, control panels and cables have been installed. Construction of the fixed stairs has begun on site.

### **Surface Transport**

#### **East London Transit** \*

Phase 1a is on schedule for introduction in early 2008. TfL are currently reviewing responses to the recent public consultation, and will be putting together a report describing the way forward. It is hoped to obtain approval from the two concerned boroughs (LB Barking and Dagenham and LB Redbridge) by autumn 2006.

#### **Greenwich Waterfront Transit Phase 1** \*

Following approval of the business case and completion of feasibility design, Phase 1 of Greenwich Waterfront Transit has been handed over to Surface Transport for delivery. Phase 1, which will run between Abbey Wood and North Greenwich stations via Woolwich Town Centre/Royal Arsenal, now moves to the preliminary design stage. Following in-depth consultation with external stakeholders, including Greenwich and Bexley Councils, construction is anticipated to start in 2008 with the first services running in 2010.

\* Denotes: Projects in the guarantee from TfL

\*\* Denotes: Other infrastructure projects that may support the Olympics

## TfL Olympic Transport Portfolio Report

### Public Sector Funded Package (PSFP), Olympic-Enabling Projects in Investment Programme: Period Update

#### London Rail

##### North London Railway Infrastructure Project

An inception workshop was held with the NR project team on 8 June and the first project delivery group meeting was held on 30 June. Current workstreams include the development of high level documentation to define the project outputs, management plans, delivery timescales and costs. It is proposed that these high level documents will be signed off by the ODA, NR and TfL within the next two periods.

##### DLR Olympics Additional Railcars

No change on last period. The order for the additional railcars was placed on 12 June, and it is envisaged that delivery will follow the delivery of the Woolwich/3 Car Railcars, which are scheduled for 2007 and 2008.

##### DLR 3 Car Poplar – Woolwich Arsenal

Design and procurement of this project (Package 4) is being carried out as part of the 3 Car procurement (packages 1-5&7). For detailed project updates refer to the report for 3 Car North Route. The Transport and Works Act (TWA) application for the project will also be issued in the same package as 3 Car North Route which is scheduled for July 2006.

##### DLR Olympics Station Capacity Improvements

No change on last period and it should be noted that this is being progressed as part of the 3 Car procurement process. Therefore the commentary at this stage will be the same as for DLR 3 Car Poplar – Woolwich Arsenal.

##### DLR West Route Signalling Improvements

No change on last period. Development work will start later in 2006 (to be clarified in next Business Planning round) with procurement planned to commence as scheduled in 2007.

##### DLR West Route Resilience

This project is being procured as part of the 3 Car Capacity Enhancement project. For detailed project updates refer to the 3 Car Bank-Lewisham report. The development work is currently being funded by the wider 3 Car project. Submission of planning application remains on target for September 2006 with contract award forecast for January 2007.

#### London Underground

##### West Ham Station

The project is anticipated to provide a new western entrance to address the increased demand from spectators for the Olympics Games as well as background increase anticipated as a result of the Parcellforce and Islamic Cultural Centre development sites located to the west of the Jubilee line. A Requirement Statement for design services up to Conceptual Design has been issued to Tube Lines and the feasibility study is anticipated to commence by October 2006 but may be subject to delay if validated demand forecasts pertaining to the Olympics and development sites are not received in the next six to eight weeks.



## TfL Olympic Transport Portfolio Report

### **Central Line Operational Enhancement Project (LU Resilience)**

The Central Line Enhancement project was proposed to improve the operational resilience and reliability on the Central Line by providing additional reversing points and improved power supply to sustain higher service volumes. This would support the higher off-peak service frequencies expected by the Olympics as well as legacy benefits by enabling higher frequency service patterns. An understanding has now been reached with the ODA both that their Olympic resilience requirements can be better met with an operational plan and that there would be minimal legacy benefit to LU from the Capital works. This project will be submitted to the change control process for removal.

### **Surface Transport**

#### **Cycle Route Enhancements and Walking Routes**

A scoping document, setting out the principles and approach to planning for cycling and walking for the 2012 Olympic and Paralympic Games, has been produced and widely consulted upon. Initial walking and cycling route identification work is being pursued, including feasibility for using waterways and rivers in the vicinity of the Olympic Park as natural navigation systems for walking and cycling. The Active Spectator Programme and associated travel demand management initiatives are being explored to encourage spectators and the workforce to cycling and/or cycle to the Olympics. Regarding stakeholder engagement, two stakeholder groups have been set up to assist with the planning and delivery of the Olympic cycling and walking programme.

#### **Olympic Road Network Carriageways**

The Commissioning Brief for Part 1 of the detailed ORN study was agreed between the ODA and TfL and three competitive tender responses have been returned from three of TfL's existing Framework Consultants judged suitable for this type of work. These submissions are currently being evaluated. Part 1 includes the first 2 stages of the detailed process to deliver the ORN on the ground for 2012. Stages 1 & 2 cover the collection and assessment of the existing traffic data as to how the ORN roads currently operate, the identification of the performance gaps between the current operation and the required 2012 operational levels, and an outline identification of the likely interventions required to enable the ORN to deliver the Olympic Family journey times in 2012.

#### **Enhancements to TfL Local Bus Services for Spectators**

No significant events to report this period. The programme is on schedule. A scoping plan for the bus services and driver procurement is due in April 2007.

#### **LTCC (London Traffic Control Centre) Development**

Discussion has taken place with the ODA Transportation Officers, and a further meeting to demonstrate the principles of the LTCC role in the IBus project is being arranged. The IBus system is capable of detecting the approach of a bus to a traffic signal controlled junction and this information can be processed through the LTCC to modify the signal cycle to favour the approaching bus. This will reduce the time that the bus might be otherwise delayed at the junction. This feature is seen as having direct applicability to adapting the signalled junctions on the Olympic Route Network to favour the vehicles used by the Olympic Family, and make a substantial contribution to achieving the required OF journey times.

### **Finance and Planning**

#### **Stratford Regional Station Upgrade**

Detail Design has commenced, following receipt of survey data. The current stage remains on programme to complete in March 2007. The Procurement Strategy was agreed in principle by the key stakeholders Project Development Group on 30 June 2006 as planned.

## TfL Olympic Transport Portfolio Report

### Key Programme Risks

#### **East London Line**

Agreement of the Access option has two areas of risk that have the potential to impact the award date for the main works contract: 1. The ability of Network Rail (NR) to give approval in a timely manner despite having previously indicated their support. 2. The Office of the Rail Regulator (ORR) has recently requested detailed business case information to demonstrate that a 30 year access option is sustainable. All the requested data has been provided and it appears that good progress is being made.

The design for the development enabling works at Shoreditch High Street Station (Bishopsgate) was issued as part of the main works tender. Concern exists over the ability to finalise funding arrangements prior to contract award.

#### **LU Line Upgrades PPP BCV (Victoria Element):**

Even though the project is tracking towards completion ahead of schedule, the PPP contractual deadline for this project is 2013.

#### **LU Stations Modernisation and Refurbishments – (BCV/SSL and TLL)**

All Stations are covered by either a modernisation, enhanced refurbishment or refurbishment in the first 7.5 year evaluation period (2003 – 2010). Metronet stations are trending behind their contractual dates for delivery into service and are working towards improving delivery but in any case, all stations are anticipated to be completed prior to 2012.

#### **DLR**

In order to meet investment programme timescales, it is necessary to initiate procurement activities for both the Stratford International and 3 car (North and East Route) before all powers are secured. This is however deemed to be low risk.

#### **Stratford Regional Station Upgrade**

Failure to secure the stated level of funding contribution for the works being undertaken by Stratford City Developments Ltd, the situation continues to be monitored.

## TfL Olympic Transport Portfolio Report

### Issues / Decisions

#### Stratford Regional Station Upgrade

The shortfall in funding for the project is to be discussed with DCMS alongside ongoing value engineering to reduce the shortfall. The capital works cost has been confirmed as £104m with £50m committed by the ODA.

#### West Ham Station

A feasibility study is anticipated to commence by October 2006 but may be subject to delay if validated demand forecasts pertaining to the Olympics and development sites are not received in the next six to eight weeks.

#### Other Projects

The Rotherhithe Tunnel project has been postponed pending a comprehensive tunnels programme review and it is unlikely that major refurbishment will start before the Olympic period. It may be necessary to carry out more minor works before any major refurbishment but these would be programmed to avoid the Olympic Games period.

### Independent Engineer Status Report

Reviews this period:

#### Piccadilly Line Extensions to Heathrow T5

The review found that the project is well organised and controlled. There was particular recognition that the contract team is goal orientated, has a well defined structure and is supportive to the overall project.

#### CTRL at Kings Cross

This review was a follow up to the previous review undertaken in October 2005 and therefore focussed on progress against the recommendations in the previous report. The review found that considerable progress has been made in almost all areas of concern raised in the first review. Overall, the project's risk exposure has reduced with a number of the major risks having been addressed through active risk management.

Previous reviews

No reviews last period.

Next Reviews

Date

3 Car North Route	Quarter 2 2006/7 *
3 Car Bank – Lewisham	Quarter 2 2006/7 *
DLR 3 Car Poplar – Woolwich Arsenal	Quarter 2 2006/7 *
DLR Olympics Station Capacity Improvements	Quarter 2 2006/7 *
West Route Resilience	Quarter 2 2006/7 *
Greenwich Waterfront Transit	Quarter 2 2006/7
Stratford International DLR Extension	Quarter 3 2006/7





\* to be conducted as a joint review

## Milestones




	Project on schedule
	Project behind schedule
	Project behind schedule impacting Olympic delivery

### TfL Funded



#### East London Line Extension (LR – PJ01)

	Current Plan	Actual/forecast date	RAG status
Rolling Stock award contract	12/07/2006	17/08/2006	
Complete phase 2 enabling works	07/12/2006	07/12/2006	
ELL works contract let	31/05/2007	31/05/2007	
ELL works completion date	29/06/2010	29/06/2010	





#### DLR Woolwich Arsenal/3 Car Railcar (LR – PJ04/501)

	Current Plan	Actual/forecast date	RAG status
First train delivered	31/08/2007	31/08/2007	
Last train delivered	31/12/2008	31/12/2008	
All cars in service	28/02/2009	28/02/2009	

#### DLR 3 Car North Route (LR – PJ05)

	Current Plan	Actual/forecast date	RAG status
Construction work complete	31/12/2009	31/12/2009	
Service operational	31/03/2010	31/03/2010	

#### DLR 3 Car Bank – Lewisham (LR – PJ06)

	Current Plan	Actual/forecast date	RAG status
Civil Structure complete	30/09/2009	30/09/2009	
Track Work complete	30/09/2009	30/09/2009	
Signalling complete	30/09/2009	30/09/2009	
Service operational	31/10/2009	31/10/2009	

### Stratford Regional DLR Station (LR – PJ07)

	Current Plan	Actual/forecast date	RAG status
Start works	30/08/2005	01/08/2005	Completed
Completion	30/03/2007	15/06/2007	▲

### London City Airport DLR Extension (LR – PJ08/500)

	Current Plan	Actual/forecast date	RAG status
Complete station construction	30/08/2005	24/11/2005	Completed
Completion date	31/12/2005	02/12/2005	Completed

### Woolwich Arsenal DLR Extension (LR - PJ09/503)

	Current Plan	Actual/forecast date	RAG status
Appoint Concessionaire	31/05/2005	31/05/2005	Completed
Commence construction	31/03/2006	27/06/2005	Completed
Completion date	01/01/2009	01/01/2009	●

### Stratford International DLR Extension (LR – PJ10)

	Current Plan	Actual/forecast date	RAG status
Submission of TWA application	30/09/2005	31/08/2005	Completed
Civil works commence	31/10/2007	12/01/2007	●
Project complete	30/06/2010	30/06/2010	●

### DLR Railcar Refurbishment (LR – PJ15)

	Current Plan	Actual/forecast date	RAG status
Final refurbished railcar delivered	30/11/2006	27/02/2007	▲

### Victoria Line Upgrade – BCV Line Upgrades (part of LU – PF20)

	Current Plan	Actual/forecast date	RAG status
1 train accepted to run in LUL traffic hours	Spring 2009	Spring 2009	●
Commence rolling stock full production	Summer 2010	Summer 2010	●
Service control centre demo	Summer 2011	Summer 2011	●
JTC delivery	17/08/2013	17/08/2013	●

### Jubilee Line Upgrade – JNP Line Upgrade (part of LU – PF 21)

	Current Plan	Actual/forecast date	RAG status
LUL acceptance of first section	Summer 2008	Summer 2008	●
Delivery last train	Spring 2008	Spring 2008	●
LUL acceptance of entire line	14/11/2009	14/11/2009	●

### Station Modernisation and Refurbishment – PPP SSL (LU – PF 34)

	Modernisations	Enhanced Refurbishments	Refurbishments	RAG
2005	1	0	4	●
2006	2	4	7	▲
2007	1	4	11	●
2008	2	3	8	●
2009	6	6	7	●
2010	2	2	7	●

### Station Modernisation and Refurbishment – PPP BCV (LU – PF 32)

	Modernisations	Enhanced Refurbishments	Refurbishments	RAG
2005	0	0	3	●
2006	2	2	10	▲
2007	7	3	3	▲
2008	4	2	7	●
2009	1	1	1	●
2010	3	3	3	●

### Station Modernisation and Refurbishment – PPP JNP (LU – PF33)

	Modernisations	Enhanced Refurbishments	Refurbishments	RAG
2005	4	6	0	●
2006	3	8	0	●
2007	7	5	0	●
2008	4	11	3	●
2009	5	3	1	●
2010	4	5	1	●
2011	3	6	18	●

### CTRL at Kings Cross (Northern Ticket Hall) (LU – PF41)

	Current Plan	Actual/forecast date	RAG status
Phase 1 Final completion	31/12/2006	31/12/2006	●
Phase 2 Final completion	31/12/2010	31/12/2010	●

### LU Extension – Piccadilly Line Extension to Heathrow T5 (LU – PF45)

	Current Plan	Actual/forecast date	RAG status
Re-opening of the T4 Loop	30/09/2006	30/09/2006	●
Opening of service to the new T5 at Heathrow	Spring 2008	Spring 2008	●

### Wembley Park Station (LU – PJ 34)

	Current Plan	Actual/forecast date	RAG status
Full enhancement of the station	31/12/2005	15/12/2005	Completed
Station modernisation works	31/05/2006	15/05/2006	Completed

### Olympics Accessibility (Green Park, Baker Street (SSL) and Southfields) (LU – PJ214)

	Current Plan	Actual/forecast date	RAG status
Completion of design for Green Park	Spring 2008	Spring 2008	●
Completion of construction of Green Park	Winter 2011	Winter 2011	●
Completion of design for Baker Street	Spring 2009	Spring 2009	●
Completion of construction for Baker Street	Winter 2010	Winter 2010	●
Completion of design for Southfields	Summer 2007	Summer 2007	●
Completion of construction for Southfields	Winter 2008	Winter 2008	●

### North Greenwich Congestion Relief (LU – PJ30)

	Current Plan	Actual/forecast date	RAG status
Substantial completion of station congestion relief	31/12/2006	31/12/2006	●

### East London Transit Phase 1a (ST – PJ24)

	Current Plan	Actual/forecast date	RAG status
Detailed design complete	29/09/2006	29/09/2006	●
Infrastructure works complete	22/01/2008	22/01/2008	●
Service starts	16/02/2008	16/02/2008	●

### Greenwich Waterfront Transit (ST – PJ25)

	Current Plan	Actual/forecast date	RAG status
Phase 1 Engineering feasibility complete	31/05/2005	25/02/2006	Completed
Handover of phase 1 to Surface Transport	01/06/2006	01/06/2006	Completed
Commence construction	31/03/2008	31/03/2008	●
Service starts	31/03/2010	31/03/2010	●



## PSFP Funded

### DLR Olympic Additional Railcars – Part funded (LR – PJ20)

	Current Plan	Actual/forecast date	RAG status
Final railcar delivered	31/12/2009	31/12/2009	●
Complete testing and commissioning	31/03/2010	31/03/2010	●
All cars in service	30/06/2010	30/06/2010	●

### DLR 3 Car Poplar – Woolwich Arsenal (LR – PJ22)

	Current Plan	Actual/forecast date	RAG status
Submit planning application	31/08/2006	31/07/2006	●
Award design and construction contract	31/12/2007	29/01/2007	●
Service operational	31/03/2011	31/03/2011	●

### DLR Olympic Stations Capacity Improvements (LR – PJ25)

	Current Plan	Actual/forecast date	RAG status
Submit planning application	31/12/2006	31/12/2006	●
Award construction contract	31/12/2008	31/12/2008	●
Works complete	31/03/2011	31/03/2011	●

### West Route Signalling Improvements (LR – PJ23)

	Current Plan	Actual/forecast date	RAG status
Signal design	30/06/2006	31/12/2006	▲
Procure contract	31/05/2007	31/05/2007	●
Signal loop operational	31/03/2008	31/03/2008	●

### Stratford Regional Station Upgrade (FP – PJ26)

	Current Plan	Actual/forecast date	RAG status
Submit Updated Schemes Cost and Funding Proposals to Project Board	25/05/2006	25/05/2006	Completed
Commence Detail Design	24/05/2006	26/06/2006	Completed
Obtain Planning Consent and Powers	31/08/2006	30/11/2006	▲
Complete Scheme Definition and Programme	30/03/2007	30/03/2007	●

Programme/Project	Directly Managed?	Schedule Dates		Schedule (Calendar Years)																				Independent Engineer Schedule				
		Type	Finish	2006				2007				2008				2009				2010					2011	2012		
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
<b>London Rail</b>																												
LR-PJ01C	Y	BL (PIP) BL (CA) A/F	29/06/2010 29/06/2010 29/06/2010	◆						◆								◆										Q1 2006 Q3 2007 Q1 2009
LR-PJ03C	Y	BL (PIP) BL (CA) A/F	31/03/2008 31/03/2008 31/03/2008			◆																						Q3 2006
LR-PJ04C	Y	BL (PIP) BL (CA) A/F	28/02/2009 28/02/2009 28/02/2009							◆																		Q1 2007
LR-PJ05C	Y	BL (PIP) BL (CA) A/F	31/08/2009 31/03/2010 31/03/2010																									Q2 2006 Q4 2007 Q2 2009
LR-PJ06C	Y	BL (PIP) BL (CA) A/F	31/10/2009 31/10/2009 31/10/2009																									Q2 2006 Q4 2007 Q2 2009
LR-PJ07C	Y	BL (PIP) BL (CA) A/F	30/03/2007 30/03/2007 15/06/2007																									
LR-PJ08C	Y	BL (PIP) BL (CA) A/F	30/12/2005 15/12/2005 02/12/2005																									
LR-PJ09C	Y	BL (PIP) BL (CA) A/F	30/12/2008 05/01/2009 01/01/2009																									Q2 2007 Q4 2008
LR-PJ10C	Y	BL (PIP) BL (CA) A/F	31/12/2009 30/06/2010 30/06/2010																									Q3 2006 Q1 2008 Q3 2009
LR-PJ15C	Y	BL (PIP) BL (CA) A/F	30/03/2006 30/11/2006 27/02/2007																									
<b>London Underground</b>																												
LU-PF20	N	BL (PIP) BL (CA) A/F	31/12/2006 31/12/2006 31/12/2006																									
LU-PF21	N	BL (PIP) BL (CA) A/F	14/11/2009 14/11/2009 14/11/2009																									Q2 2007 Q4 2008
LU-PF32	N	BL (PIP) BL (CA) A/F	31/03/2010 31/03/2010 31/03/2010																									Q3 2007 Q1 2009 Q3 2010
LU-PF33	N	BL (PIP) BL (CA) A/F	31/03/2010 31/03/2010 31/03/2010																									Q1 2012
LU-PF34	N	BL (PIP) BL (CA) A/F	31/03/2010 31/03/2010 31/03/2010																									Q4 2007 Q2 2009 Q4 2010
LU-PF41	Y	BL (PIP) BL (CA) A/F	31/12/2009 31/12/2010 31/12/2010																									Q2 2012
LU-PF45	Y	BL (PIP) BL (CA) A/F	31/12/2010 31/12/2010 30/06/2008																									Q1 2008 Q3 2009 Q1 2011
LU-PJ34C	Y	BL (PIP) BL (CA) A/F	31/05/2006 31/05/2006 15/05/2006																									Q3 2012 Q4 2005 Q2 2007
LU-PJ34C	Y	BL (PIP) BL (CA) A/F	31/05/2006 31/05/2006 15/05/2006																									Q2 2006
LU-PJ34C	Y	BL (PIP) BL (CA) A/F	31/05/2006 31/05/2006 15/05/2006																									Q2 2007

Group 2: 'Critical' Projects as defined by OTA (Interim)

End 5 Year TfL Investment Programme

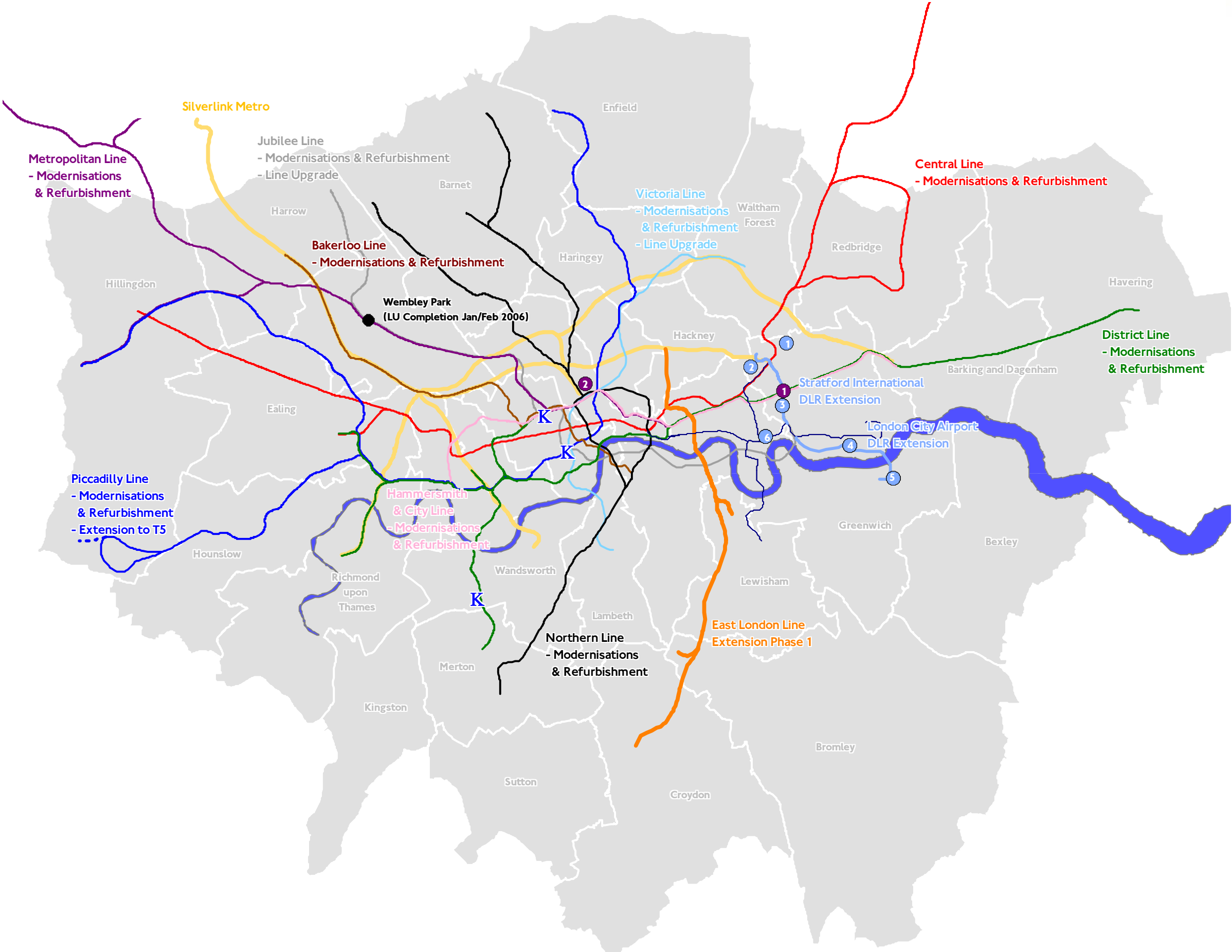
2012 Olympics/Paralympics

Note: All IE review dates are indicative

These indicative dates for the LU Line upgrades and Modernisation/Refurb programmes are based on the assumption of ongoing programme of works for the



# TfL Olympic Transport Portfolio report - TfL Rail Schemes



**London Rail**

- East London Line Extension Phase 1
- Silverlink Metro
- ① Stratford Regional Station - Re-Development
- ② Stratford Regional DLR Station
- ③ Stratford International DLR Extension
- ④ London City Airport DLR Extension
- ⑤ Woolwich Arsenal DLR Extension and 3 Car Railcars
- ⑥ DLR 3 Car Poplar - Woolwich Arsenal

(1) Network Rail North London Line 6 Car 8 tph (Olympic Infrastructure)  
 (2) 3 Car North Route (Double Tracking)  
 (3) 3 Car Bank - Lewisham  
 (4) DLR West Route Signalling Improvements (Signal Loop & New Siding)  
 (5) DLR Railcar Refurbishment  
 (6) DLR Olympics Additional Railcars  
 (7) DLR Olympics Stations Capacity Improvements  
 (8) West Route Resilience

**London Underground**

- - - LUL Extensions - Piccadilly Line Extension to Heathrow T5

**Modernisations & Refurbishment**

- Bakerloo Line
- Central Line
- District Line
- Hammersmith & City Line
- Metropolitan Line
- Northern Line
- Piccadilly Line
- Jubilee Line + Upgrade
- Victoria Line + Upgrade

① LU West Ham (Stations)  
② LU West Ham (Stations)

**Station Improvement**

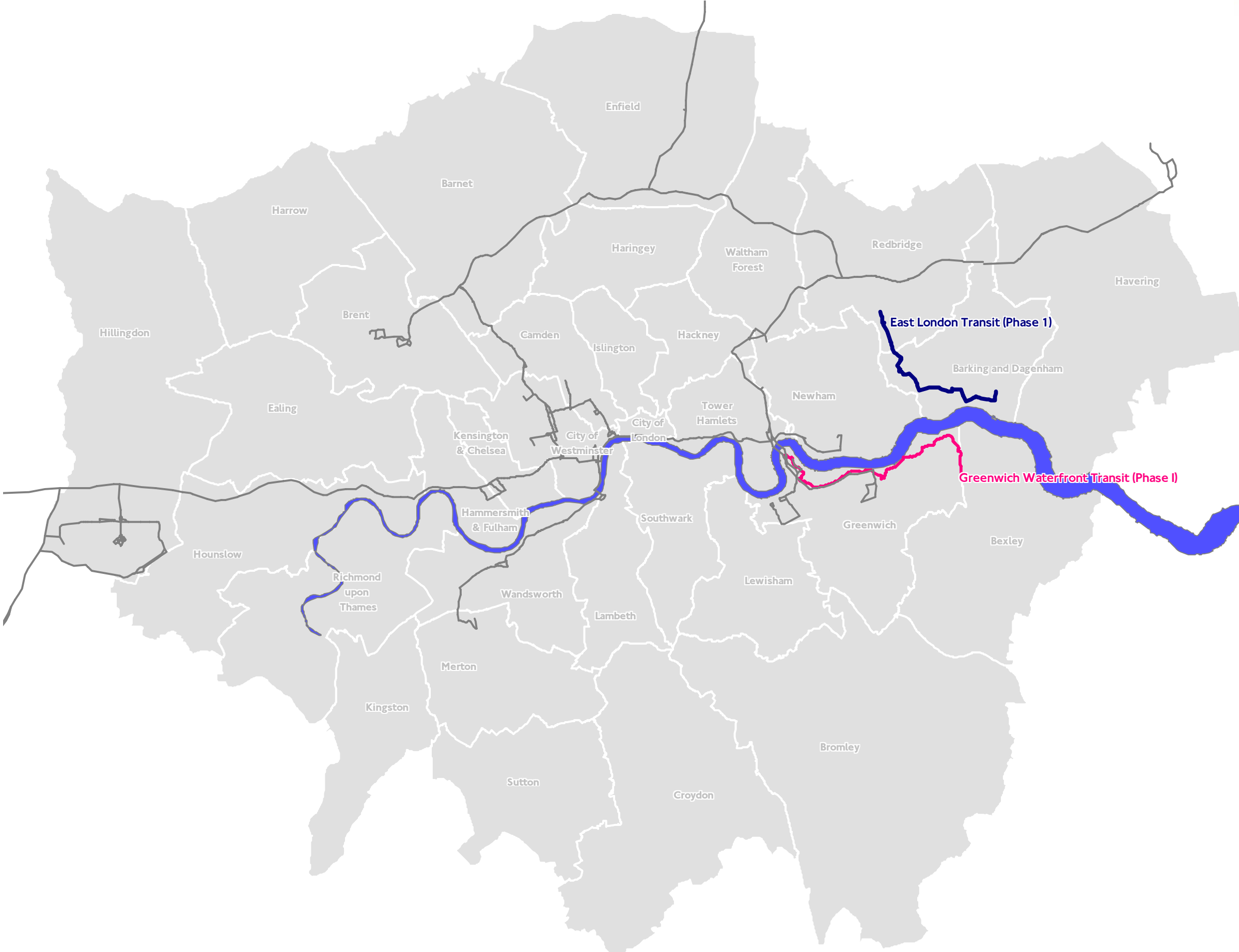
- Wembley Park

**K** Olympics Accessibility Works (Green Park, Baker Street (SSL) and Southfields)

(1) Central Line Operational Enhancement Project (LU Resilience)  
 (2) North Greenwich Congestion Relief



# TfL Olympic Transport Portfolio report - TfL Surface Schemes



**Surface Transport**

-  East London Transit Phase 1a
-  Greenwich Waterfront Transit Phase 1
-  Olympic Route Network Carriageways

To be Identified

- (1) Cycle Route Enhancements & Walking Routes
- (2) Bus Route Network

## **TRANSPORT FOR LONDON**

### **BOARD MEETING**

**SUBJECT:** Revenue Enforcement and Prosecution Policy

**MEETING DATE:** 20 September 2006

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#### **1. PURPOSE**

- 1.1 To approve TfL's Revenue Enforcement and Prosecutions Policy.

#### **2. BACKGROUND**

- 2.1 In December 2005, Jeroen Weimar, Director of Transport Policing and Enforcement commissioned an inter-modal review of the TfL revenue prosecution, investigation and enforcement processes including crime and disorder prosecution matters. The review was undertaken by an external management and consultancy company, Accenture.
- 2.2 The aim of the review was to profile existing investigation and prosecution policies, processes, volumes and outcomes and to identify future improvement opportunities in the areas of information sharing, consistency of approach, improved detection and prevention mechanisms and cost efficiency.
- 2.3 Accenture examined the activities of four distinct prosecuting departments within TfL responsible for conducting private criminal prosecutions and other enforcement activities namely:

The London Underground Prosecution team – for fare evasion offences, involving penalty fares and private criminal prosecutions;

The Bus Enforcement team - responsible for fare evasion offences, involving penalty fares and private criminal prosecutions, including staff assaults and the Public Carriage Office prosecutions;

The Crime and Disorder Team – responsible for general crime and disorder issues, including anti-social behaviours;

Fraud and Security - responsible for investigation into fraud related matters including revenue fraud.

- 2.4 Accenture further examined the effectiveness of the current operational investigation and prosecution arrangements and made extensive recommendations for improvement.
- 2.5 In view of the inter-modal nature of the review, a Steering Group with membership drawn from within the relevant modes and departments was established under the chairmanship of the Chief of Staff to the Commissioner Duncan Symonds. The Group assisted Accenture's review and further deliberated on the report and recommendations produced by Accenture specifically with regard to:
- Fare evasion
  - Criminal damage
  - Staff assaults
- 2.6 The Steering Group considered the review findings in detail and concluded that there is a need to define a clear set of strategic objectives for the TfL operational investigations and prosecution teams, referred to above.
- 2.7 The first step considered necessary is the harmonisation of all existing prosecution policies into a single TfL enforcement and prosecution document, applicable to revenue and crime and disorder prosecuting teams within TfL, to ensure consistency of approach.
- 2.8 Currently, prosecution of fare evaders and other offenders, take place inter-modally without a common prosecution and enforcement policy. The opportunity has now been taken following the Accenture review, to produce the first integrated prosecution policy applicable to all revenue prosecuting and crime and disorder teams within TfL.

### **3. THE POLICY**

- 3.1 The policy attached as an appendix to this report, clearly sets out amongst other matters, offences likely to be prosecuted and factors to be taken into account before proceeding with any prosecution.

The alternative is to continue to rely on the individual policies existing within the prosecuting modes and only applicable to each prosecuting department within TfL. However, this will only discourage integration and consistency of approach and leave the organisation vulnerable to legal challenges.

The risks associated with the existence of a policy and consequent benefits have been analysed and the prosecution

Steering Group has decided to recommend the approval of a single TfL Revenue Prosecution and Enforcement policy to the Board.

#### **4. IMPACT ON FUNDING**

4.1 The policy is not expected to have any direct impact on funding outside of existing funding arrangements.

#### **5. IMPACT ON EQUALITY & SOCIAL INCLUSION**

5.1 The policy includes a specific paragraph (1.6) detailing TfL's expectation that all Revenue Inspectors and Investigators will carry out their functions without any prejudice whatsoever including prejudice on the grounds of race, sex, age, religion or disability.

#### **6. CRIME AND DISORDER AND COMMUNITY SAFETY**

6.1 This policy sets out to achieve amongst other things, a reduction in crime and public order offences on TfL services by monitoring and taking appropriate legal action against perpetrators. This policy should therefore impact positively on crime and disorder issues and consequently have a positive impact on community safety in accordance with section 17 of the Crime and Disorder Act 1998.

#### **7. RECOMMENDATION**

7.1 That subject to any changes by members of the Board the Revenue Enforcement and Prosecutions Policy set out in the appendix of this report be approved.





# Revenue Enforcement & Prosecutions Policy



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## INTRODUCTION

Transport for London (TfL) is committed to a fair and proactive approach in preventing and reducing the level of fare evasion on its services and offences of workplace violence against its employees in the course of their duties.

TfL may prosecute perpetrators of such offences and may share details of convicted offenders with other transport companies for effective enforcement against persistent offenders. TfL may also publish the names of convicted offenders to serve as deterrent to others.

This policy outlines the approach to be followed in the consideration and discharge of TfL's enforcement and prosecution powers and its commitment to have regard to relevant legislation, regulations and guidelines.

TfL recognises that the decision to prosecute is a serious one and will ensure all relevant mitigating factors are taken into consideration before any such decision is taken. The system of prosecution of offences set out in this policy seeks to be robust, effective, consistent, and, above all, fair.

This policy is supported by procedural documents held within individual prosecuting departments, providing guidance to Prosecutors in reaching the decision to prosecute or to dispose of matters by alternative means. Individual prosecuting departments may also develop and apply appropriate enforcement and prosecution strategies in accordance with the general principles of this policy.

This policy applies to services on the London Buses and London Underground. The principles of this policy will also form the basis of revenue enforcement policies adopted by North London Railway and East London Line rail services. TfL may extend the principles outlined in this policy to other transport services operated directly by TfL or by concessionaires.

## 1. General Principles

- 1.1 Fare evasion on London Underground is contrary to the Regulation of Railways Act 1889, and the London Regional Transport Railways Byelaws (LRT Byelaws).
- 1.2 Fare evasion on London Buses is contrary to the Public Passenger Vehicles Act 1981 and the Public Service Vehicles (Conduct of Drivers, Inspectors, Conductors and Passengers) Regulations 1990.
- 1.3 Assault against TfL group employees is an offence contrary to the Criminal Justice Act 1988 and the Offences Against The Person Act 1861.
- 1.4 In addition to the statutory definition, assault can also include ***“any incident in which persons are abused, threatened or assaulted in circumstances relating to their work and which constitutes an explicit or implicit threat to their safety and general wellbeing”***.
- 1.5 Each case is unique and will be considered on its own facts and merits. There are however, general principles that apply to the way in which TfL Investigators and Prosecutors will approach each case.
- 1.6 TfL Prosecutors must be fair and objective in the conduct of their duties. They must not let personal views about ethnic origin, gender, religion, political beliefs, sexual orientation or age of suspected offenders play any part whatsoever in the consideration of any matter, nor must they be affected by improper or undue influence.
- 1.7 TfL Prosecutors will endeavour to ensure the right perpetrator is identified and prosecuted for the offence. In so doing, prosecutors must always act in accordance with the principles set out in this policy and local procedural manuals and not solely for the purposes of obtaining a conviction.
- 1.8 TfL Prosecutors have a duty to review, advise in and prosecute cases where the decision to prosecute has been made. They must seek to rely on relevant and admissible evidence having regard to matters of disclosure, in accordance with the provision of the Criminal Procedure and Investigations Act 1996 (as amended by the Criminal Justice Act 2003) and the Attorney General's Guidelines on disclosure of evidential materials.
- 1.9 TfL is bound by the provisions of the Human Rights Act 1998 and Prosecutors must have regard to the principles of the European Convention on Human Rights in accordance with the Act.
- 1.10 TfL will comply with the Data Protection Act 1998 in relation to all aspects of investigations and prosecutions. This includes the collection of personal data and its retention, disclosure and other processing. In particular it is to be noted that personal data will not be disclosed to third parties except in accordance with the provisions of the Act.

## 2. Types of Offences to be prosecuted

2.1 TfL will prosecute the following offences:

- (a) Fare evasion in contravention of the Regulations of Railways Act 1889
- (b) Contraventions of the London Regional Transport Railways Byelaws
- (c) Fare evasion in contravention of the Public Passengers Vehicles Act 1981 and the Public Service Vehicles (Conduct of Drivers, Inspectors, Conductors and Passengers) Regulations 1990.
- (d) Assaults and threats of assault, perpetrated against TfL employees in the course of their duties.
- (e) Public order offences in contravention of the Public Order Act 1986 and other public order offences perpetrated against TfL employees.
- (f) Criminal damage, graffiti and other types of property mutilation perpetrated against TfL property, not prosecuted by the police.
- (g) Forgery and counterfeiting of TfL travel tickets and passes.
- (h) Illegal re-configuration or fraudulent modification of TfL travel passes or other TfL tickets for use on Transport for London services, by means of a certain deception.
- (i) Penalty fares under the Greater London Authority Act 1999 where the offender has failed to pay a penalty fare due with the intent to avoid payment thereof.
- (j) TfL may also seek Anti-Social Behaviour Orders (ASBOs) against any person whose behaviour is found to have caused or is likely to cause any TfL employees or passengers using TfL services harassment, alarm or distress.

2.2 The above list is not exhaustive and TfL may prosecute other offences relevant or incidental to fare evasion, criminal damage or assault on employees, outside of the list of offences set out in this policy.

### 3. Who will prosecute?

- 3.1 Offences listed in paragraph 2.1 above will normally be prosecuted by:
- (a) Approved TfL Revenue Prosecutors within London Buses and London Underground or other services operated on behalf of TfL contractually bound to adopt the principles of this policy.
  - (b) The British Transport Police (BTP) and the Metropolitan Police (MET/TOCU) in conjunction with the Crown Prosecution Service (CPS) and in accordance with the CPS Code for Crown Prosecutors, for offences against any relevant laws in force including offences contained in the LRT Railways Byelaws.
  - (c) The Crime and Disorder Team acting either alone or jointly with the Police.
  - (d) TfL Legal in more complex cases.
  - (e) Any other approved prosecution agency acting for and on behalf of TfL.
- 3.2 **This policy is restricted to those prosecutions that are conducted by TfL and plays no part in the process of prosecutions applied by the Crown Prosecution Service.**

## **4. The Service Level Agreement for LUL matters**

- 4.1 In 2003 LUL and the Central Justice Unit (CJU) of the BTP entered into a Service Level Agreement (SLA) that sought to define the volume and category of cases that would be prosecuted by the BTP. Nothing in the SLA prevents TfL prosecutors based in London Underground from conducting all classes of cases including those reserved under the SLA to be prosecuted by the BTP.
- 4.2 The volume and categories of cases of fare evasion may change from time to time according to the terms of any future agreement between LUL and the BTP or as a result of a change of policy.
- 4.3 Nothing in this policy or in the SLA shall prevent LUL from referring to the BTP any suspected offence of fare evasion, no matter what category that offence falls into.

## 5. Young Offenders

- 5.1 TfL will not normally prosecute any person under the age of 18 on the day of the relevant offence. This is in line with the Home Office guidelines of diverting youths away where possible, from the criminal justice system.

However where the offence is of a serious nature, TfL may prosecute or in appropriate cases refer such an offence to the BTP.

TfL considers the following offences to be of a serious nature:

- (a) Assaults on staff or other Public Order offences
  - (b) Criminal damage to TfL property
  - (c) Forgery and counterfeiting of TfL travel tickets and passes
  - (d) Illegal production or sale of TfL travel tickets and passes
  - (e) Repeat offences of any nature or offences committed after a previous warning.
  - (f) Any other offence(s) where it is in the public interest to prosecute.
- 5.2 TfL will consider all offences objectively in deciding whether or not to prosecute. Youth offenders will be prosecuted in accordance with the TfL prosecution criteria contained in this policy after taking all surrounding factors into consideration including necessary Home Office guidelines.
- 5.3 Where TfL has established proper restorative process liaisons with local Youth Offending Teams (YOT) centres, youth offenders may be diverted accordingly. TfL will participate in the YOT scheme aimed at preventing future youth offences. Repeat young offenders will be prosecuted in accordance with this policy and the Home Office Final Warning Scheme.



## 6. The Decision to Prosecute

- 6.1 It is recognised that the decision to prosecute a person suspected of an offence is an important and serious one. TfL will therefore only prosecute if:
- (a) The evidence shows that there is a realistic prospect of conviction; and
  - (b) It would be in the public interest and in the interest of justice to prosecute.

### 6.2 The Evidential Test

In deciding whether there is a realistic prospect of conviction, the Prosecutors will have regard to the following:

- (a) Relevance and Admissibility of available evidence
- (b) Reliability of evidence relating to the identity of the alleged offender.
- (c) Reliability of evidence of any observation of the alleged offender
- (d) Reliability of any admissions and confessions including comments recorded in Inspectors' notebook or in the Travel Irregularity Reports form (TIRA) as the case may be.
- (e) Reliability of Prosecution Witnesses

If TfL considers that there is insufficient evidence upon which to base a prosecution, no prosecution will be brought. Consideration may however be given to other responses, such as to issue Penalty Fares or dispose of the matter by way of a Warning.

### 6.3 Public Interest and Interest of Justice

Even where the evidential test has been satisfied, the prosecution of an alleged offence must be in public interest and in the interests of justice, i.e. must be seen to appropriate, fair and properly brought. There can be no definitive guidance as to when it may not be in public interest or in the interest of justice to prosecute an alleged offence, as each case will turn on its own individual factors.

## **7. Anti-Social Behaviour Orders (ASBOs)**

- 7.1 TfL may decide to seek Anti-Social Behaviour Orders (ASBOs) against any person in accordance with Section 1(C) of the Crime and Disorder Act 1998 and the Crime and Disorder Act 1998 (Relevant Authorities and Relevant Persons) Order 2006.
- 7.2 TfL may seek ASBOs where perpetrators have acted in an anti-social manner on or in relation to any land or vehicles used in connection with, or for the purposes of, the provision of any relevant transport service.
- 7.3 For the purposes of the Crime and Disorder Act 1998 (Relevant Authorities and Relevant Persons) Order 2006, relevant transport service includes a bus service, tramway, river transport or train service provided by Transport for London or any of its subsidiaries or by any person pursuant to an agreement with TfL.
- 7.4 In other cases, TfL prosecutors may request a District Judge to consider issuing a post-conviction ASBO following the conviction of any offender for a relevant offence where in the opinion of the prosecutor the behaviour associated with the offence occurred on TfL land or on a transport service and has or is likely to cause any TfL employee or passenger harassment, alarm or distress.

## 8. Prosecution Criteria

- 8.1 TfL will have regard to the following factors in favour of prosecution:
- (a) Previous conviction for a relevant offence or where the offender has committed a similar offence on any of Transport for London services.
  - (b) Refusal to heed an earlier Warning or Letter of Advice (see below) about similar conduct.
  - (c) Offender has committed any of the offences of a serious nature as set out in paragraph 5.1 of this policy.
  - (d) The offence occurred in an area known to occasion high revenue loss to TfL.
  - (e) The alleged offence is of a high monetary value.
- 8.2 TfL will have regard to the following factors against prosecution:
- (a) Insufficiency of evidence.
  - (b) Where it appears that there has been a genuine mistake of fact by the alleged offender.
  - (c) Age of the offender.
  - (d) Where there may be issues concerning the mental health of the alleged offender.
  - (e) Where, owing to circumstances beyond the offender's control, commission of the offence was unavoidable.
  - (f) Where there is no realistic prospect of conviction.
- 8.3 TfL will have regard to the following factors in the decision to discontinue proceedings:
- (a) New evidence not previously available to TfL.
  - (b) Insufficient evidence to proceed with the prosecution.
  - (c) Where the continuance of proceedings is likely to lead to an abuse of the process of the courts.
  - (d) Where continued proceedings are likely to be deemed malicious or in fact likely to be prejudicial to TfL's interest.
  - (e) Where the Prosecutions Manager takes the decision to discontinue proceedings against the offender, due to exceptional circumstances.

Where the withdrawal is due to (e) above, the relevant Prosecutions Manager may set the terms and conditions for such withdrawal.

- 8.4 Under no circumstances should a case be withdrawn for the purposes of seeking compensation from the defendant, except in proceedings for compensation for damages or recovery of costs, through the county courts in relation to staff assault cases.

However nothing shall prevent the Prosecutions Manager from withdrawing a case against any person where there are exceptional reasons to do so. What constitutes exceptional reasons will be determined on the facts of individual cases and the decision to discontinue a case can only be taken by the relevant Prosecutions Manager.

TfL may also in appropriate cases dispose of a matter by way of a Warning Letter in accordance with section 10 of this policy, or by referring a youth offender to the YOT. Where a case is disposed of other than by prosecution, TfL may seek to recover any administrative costs incurred in processing the case file.

## **9. Verification Letters**

- 9.1 TfL Revenue Prosecutors will send a Verification Letter to all those suspected of fare evasion. The Verification Letter invites the alleged offender to give an explanation for the alleged offence or to provide any comments about the alleged incident.
- 9.2 Failure to reply a Verification Letter may result in a decision to prosecute.
- 9.3 Any explanation/comments given by the alleged offender will be taken into account in arriving at the decision to prosecute.

## 10. Warning Letters

Where the offence involves fare evasion TfL may decide to issue an offender with a Warning Letter in lieu of prosecution, where the following conditions are met:

- (a) The offender admits the irregular travel and;
- (b) The risk of re-offending is considered minimal and;
- (c) The offender has provided TfL with exceptional mitigation against prosecution or in the opinion of the Prosecutions Manager it is not in the public interest to prosecute and;
- (d) The offender agrees to pay the administrative costs incurred in the processing of the case file.

## 11. Formal Letters of Advice

- 11.1 Where a person is alleged to have committed a fare evasion offence and a decision is taken not to prosecute or issue the offender with a penalty fare, a formal Letter of Advice may be issued, detailing the offence and warning against re-offending in the future.
- 11.2 This letter will be retained by TfL for a period of at least 12 months or for such other period as may be deemed reasonable in accordance with the Data Protection Act 1998. The letter may be used in consideration of a decision to prosecute the relevant offender following a repeat offence during the period of retention.
- 11.3 TfL may decide to issue Letters of Advice in the following circumstances:
- (a) Where the offender is a youth and the decision has been taken not to prosecute.
  - (b) Where the offender has made a genuine mistake but in circumstances where the mistake could have been avoided.
  - (c) Where the offence involves a failure to validate a period Oyster card in accordance with the conditions of carriage and a penalty fare is deemed inappropriate.
  - (d) In other circumstances where the Prosecutor deems it appropriate to issue a Letter of Advice.

## 12. Investigations

- 12.1 TfL Revenue Inspectors will “caution” any suspect in accordance with the Police and Criminal Evidence Act 1984 (PACE), where questions put to the suspect are likely to raise a genuine suspicion of the commission of an offence.
- 12.2 In administering the caution to a suspect, the TfL Revenue Inspector will read out the caution and ask if the suspect understands. If the answer is 'no' the Inspector will then explain the caution as simply as possible and then again ask again if the suspect understands. Any reply to the caution must be recorded in the Inspector's notebook or indicated on the Travel Irregularity Report document (TIRA), as the case may be.



## 13. Disclosure

- 13.1 TfL Prosecutors will have regard to the Criminal Procedure and Investigations Act 1996, as amended by the Criminal Justice Act 2003 and the associated Code of Practice in the disclosure of prosecution materials.
- 13.2 TfL Prosecutors will retain and preserve all evidence that may be relevant to a prosecution, whether or not that evidence is to form part of the prosecution case.
- 13.3 TfL recognises that the rules of disclosure in Magistrates Court are less formal in comparison to disclosure rules in the Crown Court. However in the interest of justice, TfL will endeavour in all cases to adopt a consistent approach to disclosure by disclosing prosecution materials in advance of any hearing.

## 14. Owner/Custodian

- 14.1 This policy is sponsored and owned by the TfL Director of Transport Policing and Enforcement.
- 14.2 This policy will reside with the following TfL officials who will be responsible for responding to all policy related queries in the first instance:
1. Prosecutions Manager – London Underground
  2. Head of Bus Enforcement – London Buses
  3. Investigation and Prosecution Manager – London Buses
  4. Crime and Disorder Partnership Manager - TfL

## **15. Policy Review**

- 15.1 This policy will be reviewed annually to reflect any changes in the law, regulations, Byelaws or any TfL policies in force at the time. Any amendments will be reflected in the policy and published as appropriate.
- 15.2 TfL will provide a copy of this policy on request or in appropriate cases provide a copy to the court in the conduct of any matter.

# TRANSPORT FOR LONDON

## BOARD MEETING

**SUBJECT:** Revision of Standing Orders

**MEETING DATE:** 20 September 2006

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### 1. PURPOSE

1.1 To revise TfL Standing Orders.

### 2. BACKGROUND

2.1 TfL's Standing Orders regulate its proceedings. The Standing Orders are used to –

- (a) determine the decision-making structure within TfL;
- (b) regulate the conduct of meetings such as Board, committees and panels; and
- (c) set out the authorities of individuals to take decisions on behalf of TfL in respect of incurring expenditure, foregoing income and/or to commit TfL, by contract or otherwise

TfL's Standing Orders are subordinate to anything contained in the GLA Act and other legislation.

2.2 TfL's Standing Orders have not been comprehensively reviewed since they were originally agreed when TfL was established. There have been numerous changes in Standing Orders since then but they have been made on a piecemeal basis and as a result the current provisions lack clarity in some areas, are silent on some issues where guidance is needed and do not always reflect the way in which TfL actually conducts its business.

2.3 A review of Standing Orders has been undertaken to –

- (a) clarify the provisions;
- (b) simplify the wording where possible;
- (c) add provisions where a gap had been identified;
- (d) address any internal contradictions;
- (e) remove ambiguities; and
- (f) remove redundant paragraphs.

- 2.4 The Finance Committee reviewed the proposed revisions at its meeting of 14 September. Their comments are incorporated into the Standing Orders included in appendices 1 and 2.

### **3. PROPOSED REVISIONS TO STANDING ORDERS**

- 3.1 The appendices 1 and 2 to this report set-out the revised proposed Standing Orders. There have been major changes to the wording of the Standing Orders but the extensive rewrite disguises the fact that there are relatively few changes to the sense of the Standing Orders.
- 3.2 The majority of changes are textual and reflect the review's focus on clarification and simplification. The contents of both Standing Orders have been revised to provide a more coherent approach to subject matters. Some paragraphs have been deleted because they were either statements of the obvious or provided an unnecessary level of background information. Where experience has shown particular provisions are ambiguous or opaque they have been rewritten. A consistent style has been adopted with regard to matters like format, punctuation and recurring phraseology.
- 3.3 Illustrative examples that are currently in the Standing Orders to clarify provisions have been removed and will be included in a Frequently Asked Questions (FAQ) paper that will be issued to complement the revised Standing Orders. The FAQ paper will cover a wide ranging set of topics and will be updated to reflect issues that arise following the adoption of the revised Standing Orders.
- 3.4 Appendix 3 to this report sets-out the principal changes from the original Standing Orders.

### **4 RECOMMENDATION**

- 4.1 That subject to any changes by members of the Board the revised Standing Orders set-out in appendices 1 and 2 of this report be approved.

TRANSPORT for LONDON

STANDING ORDER NO 1:  
DECISION-MAKING STRUCTURE AND PROCEEDINGS

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## **TRANSPORT FOR LONDON**

### **STANDING ORDER NO 1: DECISION-MAKING STRUCTURE AND PROCEEDINGS**

#### **INTERPRETATION**

1. This SO applies to the TfL Group.
2. The Commissioner, acting on advice from the General Counsel, will determine the final interpretation of any of the provisions of this SO.
3. In this SO -
  - (a) words and phrases shall have the meanings as set out in the Glossary, attached as Appendix 8;
  - (b) paragraph numbers are references to paragraphs in this SO;
  - (c) references to signatures or signing include the use of an electronic signature provided they are produced in accordance with procedures as issued by the General Counsel;
  - (d) where authority, responsibility or a specific right is given to a named position, the same authority, responsibility or right applies to any person acting in place of that named position; and
  - (e) where authority, responsibility or a specific right is given using the authority of this SO, it must be in writing as must any constraints, and in accordance with applicable financial procedures as issued by the MD, Finance and Planning.

#### **DUTIES AND POWERS OF TfL**

4. The Greater London Authority Act 1999 and other legislation sets out TfL's principal duties and powers.
5. TfL must exercise its functions –
  - (a) to secure and facilitate the implementation of the Mayor's Transport Strategy;

- (b) in accordance with guidance, directions or delegations under the Act issued to TfL by the Mayor; and
- (c) to facilitate the provision of safe, efficient, integrated and economic transport facilities and services to, from and within Greater London.

## **TfL AND THE GLA GROUP**

- 6. TfL is a functional body of the GLA. In addition to the GLA and TfL, the GLA Group comprises the Metropolitan Police Authority, the London Development Agency and the London Fire and Emergency Planning Authority. Where appropriate, members of the GLA Group work together to ensure an integrated strategic approach to delivering the services for London within their respective areas of responsibility.

## **EQUALITIES AND INCLUSION**

- 7. TfL is committed to exercising its functions having regard to the need to promote equality of opportunity, good relations between different groups and elimination of unlawful discrimination.

## **SUSTAINABILITY**

- 8. TfL is committed to exercising its functions having regard to the need to improve TfL Group's sustainability performance through a combination of leadership; strategic partnering; stakeholder engagement; policy outcomes; and the management of the impact of TfL's activities on the local environment, social well being and economic prosperity.
- 9. TfL will procure goods, works and services in a manner that promotes sustainability by meeting the needs of the present without compromising the ability of future generations to meet their own needs. TfL will achieve this by working with its suppliers and in accordance its own Procurement Policy and governance processes as well as the GLA Group Sustainable Procurement Policy.

## **PROCEEDINGS**

### **Membership of the Board**

10. Members are appointed to the Board by the Mayor. Amongst other considerations the Mayor is required to give due regard to the principle of equal opportunity for all people.
11. At any time the number of members appointed must be either -
  - (a) not less than 7 but not more than 14 when the Mayor chooses to be a member; or
  - (b) not less than 8 but not more than 15 when the Mayor chooses not to be a member.
11. A list of members will be kept by the Secretary and will be publicly available.
12. Membership will cease when a member -
  - (a) has reached the end of their appointed term;
  - (b) becomes a member of any body listed in paragraph 2(4) of Schedule 10 to the Act;
  - (c) is removed from office by a written notice from the Mayor; or
  - (d) resigns by written notice given to the Secretary.
14. As soon as reasonably practical the Board meeting will be notified of a member's -
  - (a) appointment or re-appointment;
  - (b) removal from office; or
  - (c) resignation.

## **Chair/Vice Chair**

15. When the Mayor is a member the Mayor is the Chair. When the Mayor is not a member the Mayor is required to designate a member to be the Chair. In both cases the Mayor must designate a member to be the Vice Chair.
16. In the absence of the Chair, the Vice Chair will chair Board meetings and otherwise act on behalf of the Chair in respect of all requirements of this SO. When neither the Chair nor the Vice Chair is present, those members present will elect a chair from amongst themselves.

## **Officers of the Board**

16. The Secretary of the Board will be the General Counsel. The General Counsel may appoint one or more Assistant Secretaries to carry out or facilitate the tasks of the Secretary.
17. The Secretary is the nominated officer for receipt of the Mayor's guidance, directions or delegations and will -
  - (a) notify them to a Board meeting as soon as reasonably practicable or individually to Board members sooner, if appropriate; and
  - (b) notify them to the Commissioner and such other officers of the TfL Group as the Secretary thinks appropriate.

## **Quorum**

19. No business may be transacted at a Board meeting unless a quorum is present.

20. The quorum in relation to any resolution is 4 members who are entitled to vote (see paragraphs 52-58 relating to members' interests for information as to a member's entitlement to vote).
21. Members participating in the meeting by way of telephone or video conferencing facilities (see paragraph 28) count towards the quorum provided they are entitled to vote.

### **Attendance by non-members**

22. Unless the Board decides otherwise the following persons, or their designated representatives, will be present at Board meetings to provide advice -
  - (a) the Commissioner;
  - (b) the General Counsel;
  - (c) the Secretary;
  - (d) the MD, Finance and Planning; and
  - (e) the Chief Finance Officer.
23. With the Commissioner's agreement other persons may attend all or any part of a Board meeting to provide advice.

### **Open government**

24. Board meetings will normally be open to the public. The exceptions are those meetings that the Secretary, in consultation with the Commissioner, determines in advance should be held in private, either in whole or in part.
25. During the course of a meeting the Chair may determine to –
  - (a) continue all or part of an open meeting in private;
  - (b) continue all or part of a closed meeting in public;
  - (c) transfer a public agenda item to a private meeting; or

- (d) transfer a private agenda item to a public meeting.
26. All agendas and papers relating to the public part of meetings of the Board, committees and panels will be made available to the public, except where the Secretary, in consultation with the Commissioner, determines otherwise.
27. TfL is subject to the Act, the Data Protection Act 1998, the Freedom of Information Act 2000 and the Environmental Information Regulations 2004. Any information contained in agendas and papers prepared for meetings or part of meetings that are not public will be considered for disclosure against the requirements of that body of legislation.

#### **Meetings held by telephone or by video conferencing facilities**

28. With the agreement of the Chair or, before the meeting, the Commissioner, members may participate in a Board meeting by telephone or by the use of video conferencing facilities provided that -
- (a) all members present at the meeting can hear each other and in relation to public meetings, they can be heard by the public;
  - (b) all members can effectively participate in the proceedings; and
  - (c) alternative arrangements can be made where a member cannot participate in this way by reason of a disability.
29. All Board meetings which involve participation by way of telephone or video conferencing facilities are deemed to take place where the largest group of those participating is assembled. Where there is no largest single group the meeting is deemed to take place at TfL's Head Office.

#### **The calling, notice period, frequency and notification of meetings and special meetings**

30. All ordinary Board meetings will -
- (a) be called by the Secretary;
  - (b) have at least 15 working days notice given before the meeting date; and
  - (c) be held at least 6 times a year or at such greater frequency as determined by the Secretary in consultation with the Commissioner.
31. A special Board meeting may be called at any time -
- (a) by the Chair;
  - (b) by the chair of either the Audit or Finance Committee;
  - (c) by the Secretary, in consultation with the Commissioner; or
  - (d) by written requisition as in paragraph 32 below.
32. A special Board meeting must be called by the Secretary after receipt of a written requisition, which specifies the item(s) to be considered, submitted to the Secretary by at least 4 members of the Board. A requisition can be a single document or two or more documents. In the latter case the receipt of a document that brings the number of members requisitioning a special Board meeting to at least 4 will trigger the requirement that the Secretary calls a special Board meeting.
33. The notice period for a special Board meeting will be determined by the Secretary, in consultation with the Commissioner, and must be as long a period as practicable.
34. A special Board meeting requested by a written requisition to the Secretary under paragraph 32 must be held within 10 working days of receipt of the requisition by the Secretary.
35. Where practicable all members must be notified by the Secretary of the following with reference to any Board meeting -

- (a) the time and place;
- (b) the agenda; and
- (c) any papers.

## **Agenda**

36. With the agreement of the Commissioner, in consultation with the Chair, any member may place items on the agenda of an ordinary Board meeting. Written notice of such items must be submitted to the Secretary at least 10 working days before the meeting.
37. With the agreement of the Commissioner, in consultation with the Chair, any member may place items on the agenda of a special Board meeting. Written notice of such items must be submitted to the Secretary as soon as practicable after notification of the meeting. The Commissioner's agreement is not required for items to be placed on the agenda of a special Board meeting called under paragraph 32 provided they were specified in the requisition to the Secretary.
38. No business other than that set out in the agenda will be considered at a Board meeting except items of urgent business which will be considered provided -
- (a) the Chair agrees; and
  - (b) where practicable, notice of the item has been given to all members.
38. Agenda items which are not considered at a Board meeting will be carried forward for consideration at the next ordinary Board meeting, unless considered at a special Board meeting.

## **Distribution of papers**



39. The agenda and papers for a Board meeting will normally be sent out 5 working days before any Board meeting. Shorter periods for distributing the agenda and papers for meetings held by telephone or video conferencing or special meetings may be determined by the Secretary, in consultation with the Commissioner.
40. Agendas and papers may be distributed using email with the express agreement of the members concerned.
41. The agenda and papers for a Board meeting, including those sent by email, will be deemed to have been received on the day following the day they were sent.
42. Papers may be tabled at a Board meeting only with the permission of the Chair.
43. Provided that agenda and/or papers for a Board meeting have been dispatched in accordance with this SO their non-receipt by any member shall not invalidate the business transacted at that Board meeting. The Secretary may vary the dispatch of the agenda and/or papers for a Board meeting from that set out in this SO. If this is done their non-receipt by any member shall not invalidate the business transacted at that Board meeting.

## **Voting**

45. Decisions may be taken by the Board by -
  - (a) common consent of the voting members;
  - (b) the agreement of more than half of the voting members present, determined either by oral expression or a show of hands; or
  - (c) a second or casting vote of the Chair if the voting on any question is tied.

46. The names and votes of members voting shall not normally be recorded in the minutes, however -
- (a) any member may require that their own vote be recorded; and
  - (b) any 4 members may require the recording of -
    - (1) the names of members who voted;
    - (2) how they voted; and
    - (3) the names of members that abstained.

### **Written resolutions of the Board**

47. A written resolution of the Board will be as valid and effectual as if it had been passed at a Board meeting provided -
- (a) at least 8 members vote as indicated by their signature on one or more resolution documents which provide scope for acceptance or rejection of the resolution; and
  - (b) it is supported by at least 75% of the members who voted.

### **Minutes and action lists**

48. Minutes shall be kept of all Board meetings and shall include the names of the members present.
49. Draft minutes will be agreed with the Commissioner, except for committees and panels when they will be agreed with the relevant Chair, and action lists will be circulated by the Secretary to Chief Officers and other relevant officers within 10 working days of a Board meeting or as soon as reasonably practicable thereafter.
50. The draft minutes of Board meetings, other than private Board meetings, will be circulated with the agenda for the next ordinary Board meeting.

The draft minutes of a private Board meeting will be circulated by the Secretary within one month of the meeting, or with the papers for the next private Board meeting, if earlier.

51. Minutes of all Board meetings shall be signed either by the -
- (a) Chair of the meeting to which the minutes relate; or
  - (b) Chair of any subsequent Board meeting at which the minutes are approved as a correct record.

### **Members' interests**

52. If a member has any interest in any matter that is brought up for consideration at a Board meeting or any meeting of a subordinate body, the member shall disclose the nature of the interest to the meeting where the matter is to be discussed.

53. No member will be excluded from any meeting where a matter in relation to TfLPF including TfL Trustee Company Limited is being considered solely on the grounds of a conflict of interest based on either -

- (a) TfL's role as principal employer of TfLPF; or
- (b) that individual's membership of the TfLPF.

54. A disclosure of an interest made by a member will be recorded in the minutes and should be made either -

- (a) at the meeting; or
- (b) prior to the meeting by written notice to the Secretary.

55. Following any disclosure of an interest a member will -

- (a) not take any part in any deliberation or decision of the Board or any of its subordinate bodies in relation to that matter; and
  - (b) be excluded from that part of any meeting at which any contract, proposed contract or other matter in which he or she has such an interest is under consideration, unless the Chair of the meeting decides otherwise.
55. The exception is when the Mayor decides that the number of members affected is such as to affect the conduct of business and so chooses to exercise the Mayoral power under paragraph 13(3) of Schedule 10 of the Act and allow the affected members to participate.
56. When the Mayor decides to exercise the Mayoral power referred to in paragraph 56, the circumstances in which the Mayor has done so will be recorded in the minutes of the meeting.
57. The Secretary is appointed as the proper officer under Schedule 10 of the Act and is required to maintain a register of all interests disclosed by members. The register will be made available to the public on request.

#### **Reporting by officers and access to the Board and/or the Chair**

58. The following persons will be entitled to report directly to, or raise any matter within their professional jurisdiction with, the Board and/or the Chair -
- (a) the Commissioner;
  - (b) MD, Finance and Planning;
  - (c) the Chief Finance Officer;
  - (d) the General Counsel;
  - (e) the Director of Internal Audit; and
  - (f) the External Auditors.
59. The Commissioner will submit a report to each ordinary Board meeting.

## **Access to advice by members, Chief Officers and committees**

60. With the agreement of the Commissioner, legal or other appropriate external advice of a non personal nature may be obtained by the following persons or Committees -
- (a) members;
  - (b) the Audit Committee;
  - (c) the Finance Committee;
  - (d) Chief Officers; and
  - (e) the Chief Finance Officer.
61. In the event that any advice referred to in paragraph 61 concerns the Commissioner the agreement of the General Counsel must be obtained.
62. The advice referred to in paragraph 60 must not be such as could be reasonably obtained from within TfL and must relate to a matter reasonably required for the discharge of relevant duties in respect to the Board and/or its subordinate bodies.
63. Where any person or Committee seeks advice under paragraph 61 they will give written notice, as soon as practical, to the General Counsel stating -
- (a) that advice has been sought;
  - (b) the subject of that advice;
  - (c) where the advice has been sought from; and
  - (d) the likely cost of such advice.

## **ORGANISATION – GENERAL PROVISIONS**

## **Committees and Panels**

64. The Board may establish such subordinate bodies as it chooses provided that they are permitted by paragraph 7, Schedule 10 of the Act.
65. In addition to its subsidiary companies the Board has established the following subordinate bodies -
- (a) Safety, Health and Environment Committee;
  - (b) Audit Committee;
  - (c) Finance Committee;
  - (d) Remuneration Committee;
  - (e) Rail Transport Advisory Panel;
  - (f) Underground Advisory Panel; and
  - (g) Surface Advisory Panel.
66. The terms of reference, membership, chair, quorum, frequency of meetings, reporting arrangements and secretarial arrangements of the subordinate bodies referred to in paragraph 66 are set out in Appendices 1 to 7 respectively.
67. Committees may set up bodies subordinate to themselves, subject to any conditions imposed by the Board.
68. Where the Board, or a committee or sub-committee, establishes a subordinate body it shall establish that body's -
- (a) terms of reference;
  - (b) membership;
  - (c) the chair;
  - (d) quorum;
  - (e) frequency of meetings;
  - (f) reporting arrangements; and
  - (g) secretarial arrangements.

69. Where a Committee includes persons who are not members, those persons may not vote.

70. To the extent appropriate the provisions of paragraphs -

- (a) 16 - chair/vice chair;
- (b) 19 to 21 – quorum;
- (c) 24 to 27 – disclosure of information;
- (d) 28 and 29 - meetings held by telephone or by video conferencing;
- (e) 36 to 39 - agenda;
- (f) 40 to 44 - distribution of papers;
- (g) 45 and 46 - voting;
- (h) 47 (b) - written resolutions;
- (i) 48 to 51 - minutes;
- (j) 52 to 58 - members' interests; and
- (k) 56-57 – the power to allow members who have declared an interest to participate can only be exercised by the Mayor,

will apply to the subordinate bodies in paragraph 65 except that references to –

- (1) Board meetings shall refer to meetings of subordinate bodies as appropriate;
- (2) the Chair and Vice Chair shall refer to Chairs and Vice Chairs of subordinate bodies as appropriate;
- (3) members shall refer to members of subordinate bodies as appropriate; and
- (4) the Secretary shall refer to the Meeting Secretary of the subordinate body unless otherwise specified.

71. The Chair or Vice Chair, in the absence of the Chair, of Committees referred to in paragraph 66 may appoint, with the agreement of the Chair

of the Board, an additional member, or members. This will be reported to the Board at the next ordinary Board meeting.

72. The Commissioner may appoint an additional member, or members to any of the panels referred to in paragraph 66. This will be reported to the Board at the next ordinary Board meeting.
73. The Secretary, or any other officer nominated by the Secretary, is authorised to make any amendment to SOs necessary for updating them to reflect any change in -
  - (a) membership of, or advisors to the Board, committees or panels;
  - (b) postholders, titles or responsibilities of officers; or
  - (c) in order to reflect any decisions of the Board.

#### **Members – Right to Inspect Documents**

74. A member may, for the purposes of exercising their functions as a Board member and for no other reason, inspect any document or class of documents in the possession of any part of the TfL Group.
75. A member wishing to inspect a document or class of documents must apply to the Commissioner or the General Counsel specifying the reason for wishing to inspect a particular document or class of documents.
76. Paragraph 75 shall not extend to documents which are held by TfL in its capacity as administrator of TfLPPF.
77. The Commissioner or the General Counsel, or their nominated representative, may decline to allow inspection of any document or class of documents which -
  - (a) is not thought to be reasonably required for the exercise of the member's function as a Board member;



- (b) is, or would be, protected by privilege in the event of legal proceedings, if it is reasonably considered necessary to protect the interests of the TfL Group; or
  - (c) the member has an interest in.
- 78. If determined appropriate the inspection and/or copying of a document or class of documents by a member may be subject to the member first giving an undertaking, in a form reasonably required by the General Counsel or the Commissioner, as to confidentiality and subject to any other conditions and/or requirements as the General Counsel or the Commissioner may require.
- 79. A member must not knowingly apply to inspect, or request a copy of, any document or class of documents relating to a matter in which the member has any interest, including any interest not yet declared, under paragraph 52.

### **Sealing and execution of documents**

- 80. The application of the TfL seal will be authenticated by the signature of any one of the following persons -
  - (a) the Commissioner;
  - (b) a Chief Officer;
  - (c) any other officer or other person specifically or generally authorised by the Board; or
  - (d) any other officer with the consent of the General Counsel.
- 81. Any of the following officers are authorised, subject to the constraints of TfL's SOs, to sign contracts or other documents on behalf of any part of the TfL Group -

- (a) the Commissioner;
- (b) a Chief Officer; or
- (c) officers with the consent of a Chief Officer.

**SAFETY, HEALTH AND ENVIRONMENT COMMITTEE**

**Membership**

Chair : Dave Wetzel  
Members : Kirsten Hearn  
Tony West  
Paul Moore  
Vacancy

Adviser : Lord Toby Harris

In Attendance: Director of Group Health, Safety and Environment  
Richard Booth - external adviser  
Stuart Natrass - external adviser  
With the Chair's agreement other persons can attend all or any part of a meeting  
A representative from London Underground, Surface Transport and London Rail.

Secretary : To be agreed by the Board Secretary.

Quorum : 3 members

**Frequency of meetings**

1. The Committee will meet at least 4 times a year or at such greater frequency as determined by its Chair.

## **Terms of reference**

2. To satisfy itself, on behalf of the Board, that the TfL Group discharges its legal duties in relation to health, safety and environmental matters with particular regard to the safety, health and welfare, as appropriate, of transport users, staff, the public at large and others on or about TfL transport systems and Group property and premises and to bring to the attention of those concerned matters for corrective action where needed.
3. To satisfy itself, on behalf of the Board, that the TfL Group has in place appropriate health, safety and environmental policies, management systems, arrangements and procedures both to meet legal requirements and TfL policies, and to assess and control risks, also always having regard for all staff and members of the public including those with particular needs.
4. To report quarterly to the Board and to carry out an annual review of TfL health, safety and environmental performance and submit a report to the Board.
5. To satisfy itself on behalf of the Board that the TfL Group is responding effectively to the relevant Mayoral Strategies and contributing fully to Mayoral initiatives on sustainability that are transport related.
6. To satisfy itself on behalf of the Board that the TfL Group has in place policies and processes to ensure that it is adequately resilient in respect to threats that may impact on the operational or non operational capability of the TfL Group; including measures to prevent incidents, emergency plans to control incidents and recovery plans to return normality.
7. To review, and exceptionally to request, the carrying out of audits and reviews of health, safety and environmental management systems and resilience policies, arrangements and procedures, as necessary, and to

review progress with the implementation of recommendations arising from such audits.

8. To advise the Board on performance and compliance in relation to the above;
9. To advise the TfL Board on strategy and specific issues related to the above as required by the Board;

### **Equalities and inclusion**

10. In carrying out its terms of reference the Committee will have regard to the need to promote equality of opportunity, good relations between different groups, the elimination of unlawful discrimination and provide accessible transport for all.

### **Reporting to the Board**

11. The Committee will report any meeting to the next ordinary Board meeting.

**AUDIT COMMITTEE**

**Membership**

- Chair : Vacancy
- Members : Sir Mike Hodgkinson  
Dave Wetzel  
Patrick O’Keeffe  
Vacancy
- Advisers : Bryan Heiser  
Murziline Parchment
- In attendance: MD, Finance and Planning  
Chief Finance Officer  
Director of Internal Audit  
The General Counsel  
External Auditors  
With the Chair’s agreement other persons can attend all or any part of a meeting.
- Secretary : To be agreed by the Board Secretary.
- Quorum : 3 members

**Frequency of meetings**

1. The Committee will meet at least 4 times a year or at such greater frequency as determined by its Chair.
2. A special meeting of the Committee may also be convened by a written requisition delivered to the Secretary by any of the following -

- (a) the MD, Finance and Planning;
  - (b) the Chief Finance Officer;
  - (c) the Director of Internal Audit; or
  - (d) the External Auditors.
3. Special meetings will be held within 10 working days of receipt of the requisition by the Secretary.

### **Terms of reference**

- a) To review the arrangements put in place by officers to ensure that the TfL Group prepares its annual accounts and other published financial reports in accordance with all relevant legislation and accounting standards.
- b) The Committee will review the Annual Report and Accounts -
  - (a) including any statements therein made by the Board;
  - (b) monitoring the accounting policies used in their preparation; and
  - (c) monitoring significant financial reporting judgements.
- c) At least annually, members of the Committee will meet with the Director of Internal Audit and, separately, with the Chief Finance Officer without any other officer being present.
- d) To review the effectiveness of the systems of internal control in place throughout the TfL Group, on the basis of reports from management, internal audit and the external auditors. Internal control is not restricted to financial control but includes, inter alia, the arrangements that management has put in place for -

- (a) the systematic identification of business risks and mitigating controls and procedures for ensuring these are properly implemented and effective;
  - (b) legal compliance;
  - (c) budgetary control;
  - (d) oversight and assurance of the Investment Programme; and
  - (e) ensuring a systematic approach to minimise the risk of fraud.
  
- e) To ensure that an adequate and effective system of internal audit is maintained.
  
- f) To maintain an oversight of corporate governance throughout the TfL Group and receive, on an annual basis, reports from the General Counsel and the Director of Internal Audit on the implementation, operation of and compliance with TfL's Code of Corporate Governance.
  
- g) To review the appropriateness of the response to reports under 'whistleblowing' procedures.
  
- h) To review plans for Best Value (or equivalent) reviews.
  
- i) The Committee will -
  - (a) be kept apprised of proposed Audit Commission inspections;
  - (b) receive copies of any Audit Commission inspection reports; and
  - (c) receive internal reports on the implementation of procedures and controls to address issues raised therein.
  
- j) The Committee may call upon any Chief Officer or other officer to provide it with information, either orally or in writing. The Audit Committee may also have access to all TfL Group records and documentation for the purposes of exercising their functions as an Audit Committee, and for no other reason.



### **Relationship with Internal Audit**

- k) The Committee will review the audit plans and scope of Internal Audit and available resource and shall be able to require Internal Audit to carry out specific investigations.
- l) The Committee will review and discuss audit findings and monitor management responses to these findings to ensure appropriate follow-up measures are taken.
- m) Upon resignation the Director of Internal Audit will report to the Committee as to the reason(s).

### **Relationship with External Audit**

- n) The Committee will meet with the External Auditors before their audit commences to communicate any matters of which it considers the External Auditors should be aware, and to review their audit plans and scope.
  - o) The Chief Finance Officer shall make available to the Committee such information and explanations as it requires in order for it to discuss with the External Auditors any issues arising from the audit and to carry out its review -
    - (a) of the Annual Report and Accounts;
    - (b) of the Annual Audit Letter, together with management's responses; and
    - (c) of other external audit reports.
20. Following the completion of each statutory audit, the Committee will review the effectiveness of the External Auditor's performance and their independence and objectivity.

21. At least annually the members of the Committee shall meet with the external auditors without any officer being present.
22. Committee will review TfL's non-audit services policy and monitor its application.

### **Equalities and inclusion**

22. In carrying out its terms of reference the Committee will have regard to the need to promote equality of opportunity, good relations between different groups, the elimination of unlawful discrimination and provide accessible transport for all.

### **Reporting to the Board**

23. The Committee will report any meeting to the next ordinary Board meeting.

**FINANCE COMMITTEE**

**Membership**

Chair : Sir Mike Hodgkinson

Members : Stephen Glaister  
Honor Chapman  
Vacancy  
Vacancy

In attendance: MD, Finance and Planning  
Chief Finance Officer  
With the Chair's agreement other persons can attend all or any part of a meeting.

Secretary : To be agreed by the Board Secretary

Quorum : 3 members

**Frequency of meetings**

1. The Committee will meet at least 6 times a year or at such greater frequency as determined by its Chair.

**Terms of reference**

2. The Committee will advise on and assist the Board with issues relating to financial matters and, in particular, in providing advice in relation to the following activities of the Board –

## 2.1: Approvals

Approval of –

- (a) the Business Plan;
- (b) the Group Budget;
- (c) the Annual Accounts of the TfL Group;
- (d) transactions over £100 million except where otherwise specified by this SO;
- (e) budgeted projects over £100 million and unbudgeted projects over £25 million;
- (f) any Prospectus or Information Memorandum associated with debt issuance;
- (g) schemes, prior to submission to the Mayor, for –
  - (1) transferring property, rights and liabilities between TfL and its subsidiaries or between subsidiaries; and
  - (2) for the transfer of key system assets under Section 217 of the Act;
- (h) the transfer of individual key system assets under Section 216 of the Act;
- (i) fares for hackney carriages that are not in line with those calculated by reference to the Cost Index Method approved by the Mayor;
- (j) annually, Prudential Indicators (including the Authorised Limit for borrowing); and
- (k) annually, the Treasury Management Strategy.

## 2.2: Delegations

Delegation of any of TfL's financial functions to -

- (a) subordinate bodies, members or officers; or

- (b) to a subsidiary company.

### **2.3: Subsidiaries and associate or joint venture companies**

- (a) formation, dissolution and disposal by TfL or its subsidiary companies of the following -
  - (1) subsidiary companies, which includes a subsidiary of a subsidiary; and
  - (2) any Associate or Joint Venture company;
- (b) acquisition or disposal of more than 25% of the shareholding of companies by TfL or its subsidiaries;
- (c) appointment and removal of the directors of TfL's direct subsidiaries but not directors of subsidiaries of its subsidiaries; and
- (d) appointment and removal of those directors of associate and joint venture companies which are within the responsibility of TfL.

### **2.4: Specific policy matters**

Establishment and review of policies for TfL in respect of –

- (a) a Treasury Management Policy Statement (covering both borrowing and cash investment);
- (b) exercising its power to issue guarantees and indemnities associated with guarantees; and
- (c) exercising its power to give financial assistance.

## **2.5: Other**

- (a) disposal or transfer of any part of TfL's or its subsidiary companies undertakings when the number of staff involved exceeds 100.
- 3. To monitor the implementation of the annual Treasury Management Strategy and to approve the implementation of borrowing and investments within the strategy agreed by the Board.
- 4. A schedule will be submitted to each meeting, summarising any project approvals given by the Commissioner or the MD, Finance and Planning, since the last meeting.

### **Equalities and inclusion**

- 5. In carrying out its terms of reference the Committee will have regard to the need to promote equality of opportunity, good relations between different groups, the elimination of unlawful discrimination and provide accessible transport for all.

### **Reporting to the Board**

- 6. The Committee will report any meeting to the next ordinary Board meeting.

## REMUNERATION COMMITTEE

### Membership

Chair : Ken Livingstone

Members : Sir Mike Hodgkinson  
Sir Gulam Noon

In attendance: MD, Group Services  
With the Chair's agreement other persons can attend all or any part of a meeting.

Secretary : To be agreed by Board Secretary

Quorum : 2 members

### Frequency of meetings

1. The Committee shall meet at least once a year or at such greater frequency as determined by its Chair.

### Terms of reference

2. To review the remuneration of the Commissioner and Chief Officers on behalf of the Board.

### Equalities and inclusion

3. In carrying out its terms of reference the Committee will have regard to the need to promote equality of opportunity, good relations between

different groups, the elimination of unlawful discrimination and provide accessible transport for all.

### **Reporting**

4. The Committee will report any meeting to the next ordinary Board meeting.



**RAIL TRANSPORT ADVISORY PANEL**

**Membership**

Chair : Peter Hendy

Vice Chair : Vacancy

Members : Kirsten Hearn  
Paul Moore  
Tony West  
Ian Brown  
Jay Walder

Adviser : Bryan Heiser

In attendance: With the Chair's agreement other persons can attend all or any part of a meeting

Secretary : To be agreed by the Board Secretary

Quorum : 3 members

**Frequency of meetings**

1. The Panel will meet at least 4 times a year or at such greater frequency as determined by its Chair.

## **Terms of reference**

2. The Panel will advise and assist the Commissioner with issues relating to rail services and, in particular, the following -
  - (a) overseeing the development of TfL policies in relation to rail services reflecting the Mayor's transport and other strategies, including making recommendations or providing guidance to appropriate bodies on strategic issues including franchising, integration and new project development;
  - (b) preparing the rail services components of TfL's Business Plan and Budget proposals;
  - (c) monitoring the implementation of the rail services components of the Mayor's Transport Strategy including reviews of the effectiveness of the Business Plan and key policy initiatives;
  - (d) evaluating overall business performance and reviewing Best Value plans and performance indicators in relation to rail services;
  - (e) supplementary monitoring of the development and implementation of projects as agreed by the Commissioner;
  - (f) considering integration proposals and monitoring progress on the implementation of TfL's access, inclusion and transport equality strategies in relation to rail services; and
  - (g) considering reports on the evolving needs of rail services passengers and monitoring levels of customer satisfaction.

## **Equalities and inclusion**

3. In carrying out its terms of reference the Committee will have regard to the need to promote equality of opportunity, good relations between different groups, the elimination of unlawful discrimination and provide accessible transport for all.

**UNDERGROUND ADVISORY PANEL**

**Membership**

Chair : Peter Hendy

Vice Chair : Stephen Glaister

Members : Kirsten Hearn  
Tony West  
Honor Chapman  
Tim O'Toole  
Jay Walder

Advisers : Lord Toby Harris  
Bryan Heiser  
Murzline Parchment

In attendance: With the Chair's agreement other persons can attend all or any part of a meeting

Secretary : To be agreed by the Board Secretary

Quorum : 3 members

**Frequency of meetings**

1. The Panel shall meet at least 4 times a year or at such greater frequency as determined by its Chair.

## **Terms of reference**

2. The Panel will advise and assist the Commissioner with issues relating to Underground services and, in particular, the following -
  - (a) overseeing the development of TfL policies in relation to Underground services reflecting the Mayor's transport and other strategies and new project development;
  - (b) preparing the Underground components of TfL's Business Plan and Budget proposals;
  - (c) monitoring the implementation of the Underground component of the Mayor's Transport Strategy, including reviews of the effectiveness of the Business Plan and key policy initiatives;
  - (d) evaluating overall business performance, including the PPPs, and reviewing Best Value plans and performance indicators in relation to the Underground;
  - (e) supplementary monitoring of the development and implementation of projects as agreed by the Commissioner;
  - (f) considering integration proposals and monitoring progress on the implementation of TfL access, inclusion and transport equality strategies in relation to the Underground; and
  - (g) considering reports on the evolving needs of Underground passengers and monitoring levels of customer satisfaction.

## **Equalities and inclusion**

3. In carrying out its terms of reference the Committee will have regard to the need to promote equality of opportunity, good relations between different groups, the elimination of unlawful discrimination and provide accessible transport for all.

**SURFACE ADVISORY PANEL**

**Membership**

Chair : Peter Hendy

Vice Chair : Paul Moore

Members : Stephen Glaister  
Kirsten Hearn  
Tony West  
Dave Wetzel  
Patrick O’Keeffe  
Jay Walder  
David Brown

Advisers : Lord Toby Harris  
Bryan Heiser  
Lynn Sloman

In attendance: With the Chair’s agreement other persons can attend all or any part of a meeting

Secretary : To be agreed by the Board Secretary.

Quorum : 3 members

**Frequency of meetings**

1. The Panel shall meet at least 4 times a year or at such greater frequency as determined by the Chair.

## **Terms of reference**

2. The Panel will advise and assist the Commissioner with issues relating to street management, bus, river, tram, taxi and private hire services and, in particular, the following -
  - (a) overseeing the development of TfL policies in relation to street management and surface transport reflecting the Mayor's transport and other strategies;
  - (b) preparing the street management and surface transport components of TfL's Business Plan and Budget proposals;
  - (c) monitoring the implementation of the street management and surface transport components of the Mayor's Transport Strategy, including reviews of the effectiveness of the Business Plan and key policy initiatives;
  - (d) evaluating overall business performance and reviewing Best Value plans and performance indicators in relation to street management and surface transport;
  - (e) supplementary monitoring of the development and implementation of projects as agreed by the Commissioner;
  - (f) considering integration proposals and monitoring progress on the implementation of TfL access, inclusion and transport equality strategies in relation to street management and surface transport; and
  - (g) considering reports on the evolving needs of street users and surface transport customers and monitoring levels of user and customer satisfaction.

## **Equalities and inclusion**

3. In carrying out its terms of reference the Committee will have regard to the need to promote equality of opportunity, good relations between

different groups, the elimination of unlawful discrimination and provide accessible transport for all.

## GLOSSARY

**Act** means the Greater London Authority Act 1999.

**Associate or Joint Venture Company** means a company which is an associate or joint venture as defined in financial reporting standards issued from time to time by the Accounting Standards Board.

**Board** means the membership of TfL from time to time as constituted under paragraph 2 of Schedule 10 to the Greater London Authority Act 1999.

**Chair** means the Chair of the Board.

**Chief Finance Officer** means the officer appointed under section 127 of the Act.

**Chief Officer** means any MD or the General Counsel.

**Commissioner** means the person appointed by the Board to be the TfL Commissioner.

**GLA** means the Greater London Authority.

**Interests** means any matter whether direct or indirect and whether pecuniary or non pecuniary.

**MD** means any of the postholders appointed to manage the Directorates of Finance and Planning, Group Communications, Group Services, London Rail, Surface Transport and London Underground.

**Member** means a member of the Board.

**Officer** means any office holder or employee (full or part-time, temporary or permanent) of TfL Group. See also definition of TfL Officer.

**Postholder** means any member or officer named either individually or in a group in this SO.

**Quorum** means the number of members whose presence is required for the Board to conduct business.

**Secretary** means the Secretary of the Board and is a role of the General Counsel.

**SO** means Standing Order.

**Subordinate Body** means a body established by the Board which is -

- (a) a committee of TfL;
- (b) a sub-committee of a committee of TfL;



- (c) a body of members or officers of TfL; or
- (d) a body of members and officers of TfL.

**Subsidiary Company, which includes a subsidiary of a subsidiary**, has the meaning given to it by s.736 of the Companies Act 1985, that is TfL -

- (a) controls the voting rights; and
- (b) has the right to appoint or remove its board of directors.

**TfL** means Transport for London.

**TfL Group** means TfL and its subsidiary companies.

**TfL Officer** means any office holder or employee (full or part-time, temporary or permanent) of TfL and any person appointed as such by a relevant Chief Officer to whom he/she ultimately reports.

**TfLPPF** means Transport for London Pension Fund.

**TfL Trustee Company Limited** is the Corporate Trustee for TfLPPF.

**Transaction** means any of the following activities -

- (a) any activity either orally or in writing which commits, or may be taken to commit, the TfL Group to any contractual relationship, including the issue of letters of intent;
- (b) authorising a payment;
- (c) the sale or other disposal of surplus material and assets;
- (d) variations to contracts;
- (e) the settlement of any claim for additional payment by the TfL Group not expressly covered by an existing authority or existing contract or arrangement;
- (f) the imposition of remedies for breach of a contractual commitment for example calling of bonds and guarantees, exercising step-in or termination rights; or
- (g) the acquisition or disposal of land and buildings or any rights or interests in land including any variations in such rights or interests. It also includes the settlement of compensation claims relating to land and buildings.

Transaction does not include the process of obtaining tenders (formal or informal), proposals or quotations for supplies, services and works provided that such tenders, proposals and quotations shall be obtained in accordance

with applicable Procurement Procedures as issued by the Director of Group Commercial Services and/or local procurement procedures issued by the relevant Chief Officer or the relevant Head of Procurement from time to time.

**Undertaking** means a distinct area of work or an organised group of resources, including for example personnel where a task relies on the provision of a service where the Transfer of Undertakings (Protection of Employment) Regulations can apply. It is essential for the undertaking to retain its identity after it has been transferred and this means that it must operate in much the same way as it did before the transfer.

**Vice Chair** means the member designated by the Mayor to be Deputy Chair under the Act.

**Working days** are Monday to Friday, excluding Bank Holidays.

**TRANSPORT for LONDON**

**STANDING ORDER NO 2:  
SCHEME OF DELEGATION**

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## **TRANSPORT for LONDON**

### **STANDING ORDER NO 2: SCHEME OF DELEGATION**

#### **INTERPRETATION**

4. This SO applies to the TfL Group.
5. The Commissioner, acting on advice from the General Counsel, will determine the final interpretation of any of the provisions of this Standing Order.
3. In this Standing Order –
  - (a) words and phrases shall have the meanings as set out in the Glossary, attached as Appendix 2;
  - (b) paragraph numbers are references to paragraphs in this SO;
  - (c) references to signatures or signing include the use of an electronic signature provided they are produced in accordance with procedures as issued by General Counsel;
  - (d) where authority, responsibility or a specific right is given to a named position, the same authority, responsibility or right applies to any person acting in place of that named position;
  - (e) where authority, responsibility or a specific right is given using the authority of this SO, it must be in writing as must any constraint;
  - (f) any amount stated includes all amounts up to and including that stated amount; and
  - (g) all amounts stated are exclusive of Value Added Tax.

#### **MATTERS RESERVED TO THE BOARD FOR DETERMINATION**

4. The following matters are reserved to the Board:

##### **4.1. Strategic Guidance**

Provision of strategic guidance to the Commissioner to facilitate –

- (a) the implementation of the Mayor's Transport Strategy;
- (b) the provision of safe, efficient, integrated and economic transport facilities and services to, from and within Greater London.

## 4.2. Approvals

Approval of –

- (a) the Business Plan;
- (b) the Group Budget
- (c) the Annual Accounts of the TfL Group;
- (d) the Annual Report for the TfL Group;
- (e) transactions over £100 million except where otherwise specified by this SO;
- (f) budgeted projects over £100 million and unbudgeted projects over £25 million;
- (g) any Prospectus or Information Memorandum associated with debt issuance;
- (h) amendments to the SOs except for those made under Paragraph 74 of SO 1;
- (i) schemes under the Act, prior to submission to the Mayor, for –
  - (3) transferring property, rights and liabilities between TfL and its subsidiaries or between subsidiaries; and
  - (4) for the transfer of key system assets.
- (j) the promotion of local Bills in Parliament, (also obtaining the GLA's written consent as required by the Act);

- (k) an application for or an objection to an order under the Transport and Works Act 1992 (also obtaining the Mayor's written consent as required by the Act);
- (l) new byelaws, London Cab Orders and regulations and amendments to existing byelaws, London Cab Orders and regulations, other than amendments to regulations under the Private Hire Vehicles (London) Act 1998 required to ensure that licensing fees are set to recover the full cost of the PCO's licensing functions;
- (m) the principle of making a compulsory purchase order (the actual making, withdrawing and amending of any specific order is delegated to officers in accordance with paragraph 31 of this SO);
- (n) arrangements with one or more local authorities for the joint discharge of functions, including approval of the appointment and terms of reference of any joint committee;
- (o) fares for hackney carriages that are not in line with those calculated by reference to the Cost Index Method approved by the Mayor;
- (p) annually, Prudential Indicators (including the Authorised Limit for borrowing); and
- (q) annually, the Treasury Management Strategy.

### **4.3. Appointments and removals**

Appointment and removal of -

- (a) members to the subordinate bodies set out in paragraph 66 of SO 1, but not subordinate bodies of subordinate bodies. The appointment of members to the subordinate bodies set out in paragraph 61 of SO 1 can alternatively be approved by the procedures set out in paragraphs 72 and 73 of SO 1;

- (b) directors of subsidiary companies but not directors of subsidiaries of subsidiary companies. However the Board will only appoint and remove directors of TfLPPF whose appointment is reserved to TfL under the Trust Deed and rules of TfLPPF;
- (c) directors of associate and joint venture companies which are subject to appointment by TfL;
- (d) advisers to subordinate bodies, upon the recommendation of the Commissioner; and
- (e) the following persons -
  - (1) the Commissioner;
  - (2) the Chief Finance Officer;
  - (3) the General Counsel; and
  - (4) The Director of Internal Audit.

#### **4.4. Delegations**

Delegation of any of TfL's functions to -

- (a) subordinate bodies, members or officers; or
- (b) to a subsidiary company.

#### **4.5. Subsidiaries and associate or joint venture companies**

- (a) formation, dissolution and disposal by TfL or its subsidiary companies of the following -
  - (3) subsidiary companies, which includes a subsidiary of a subsidiary; and
  - (4) any Associate or Joint Venture company; and
- (e) acquisition or disposal of more than 25% of the shareholding of companies by TfL or its subsidiaries.



#### **4.6. Consideration of reports**

Consideration of the following –

- (a) a statutory report, relevant to TfL, from the GLA Monitoring Officer;
- (b) a statutory report from the Chief Finance Officer;
- (c) public interest reports, advisory notices and prohibition notices issued by TfL's external auditors; and
- (d) reports of the Ombudsman where there has been a finding that injustice had been caused in consequence of maladministration.

#### **4.7. Specific policy matters**

Establishment and review of policies for TfL in respect of –

- (a) a Treasury Management Policy Statement (covering both borrowing and cash investment);
- (b) exercising its power to issue guarantees and indemnities associated with guarantees; and
- (c) exercising its power to give financial assistance.

#### **4.8. Other**

- (b) disposal or transfer of the whole or any part of TfL's or its subsidiary companies' undertakings when the number of staff involved exceeds 100.

### **DELEGATION**

5. All delegated authority conferred by this SO must be exercised –

- (a) subject to any restrictions imposed by law;

- (b) having regard to TfL's statutory duty to exercise its functions to facilitate the provision of safe, efficient, integrated and economic transport facilities and services to, from and within Greater London;
  - (c) consistently with the purpose of securing and facilitating the implementation of the Mayor's Transport Strategy;
  - (d) so that expenditure will only be incurred where there is a budget provision for that expenditure or authorisation of unbudgeted expenditure according to the requirements of this Standing Order; and
  - (e) in accordance with –
    - (1) any conditions imposed by the Board, Commissioner, committee or sub-committee with authority to do so;
    - (2) any guidance or directions issued by the Mayor under section 155 of the Act;
    - (3) TfL's policies and procedures; and
    - (4) TfL's SOs, including the Scheme for Authorities in Appendix 1.
6. Arrangements made by the Board, a committee or a sub-committee to delegate the discharge of their functions under this SO shall not prevent the Board, committee or sub-committee exercising those functions.
7. Only subordinate bodies which are committees or sub-committees may sub-delegate in accordance with this SO. An officer exercising delegated powers under this SO may not sub-delegate those powers to another officer or body of officers.
8. In cases of urgency, the Chair may exercise any of TfL's powers on behalf of TfL provided that, prior to doing so, the Chair shall as far as practicable, consult with or arrange for consultation with members who can be readily contacted. Any Chair's action using the authority of this

paragraph must be reported to the next ordinary Board meeting in either the public or private session, depending on the nature of the matter to be reported.

9. A specific delegation granted by this SO takes precedence over a general delegation granted by this SO.

## **DELEGATION BY THE BOARD**

### **General**

10. The Board may arrange for any of its functions to be discharged on its behalf by a subordinate body except in relation to the matters below -
  - (a) those matters reserved to the Board in paragraph 4;
  - (b) any express provision contained in the Act; and
  - (c) activities specified in the Transport for London (Specified Activities) Order 2000 which must be carried out by TfL through a company limited by shares and registered under the Companies Act 1985 which is –
    - (1) a subsidiary of TfL; and/or
    - (2) a company which Transport for London formed, or joined with others in forming, by virtue of section 156(1) of the Act and which does not fall within sub paragraph (1) above.

### **Delegation to Committees and Panels**

11. The Board delegates to each committee or panel referred to in paragraph 65 of SO 1 the discharge of TfL's functions which fall within their respective terms of reference which are set-out in Appendices 1-7 of SO 1.
12. Where the Board has delegated a function to a committee of TfL such committee may delegate the discharge of that function to -

- (a) any sub-committee of that committee;
  - (b) any member;
  - (c) officer;
  - (d) any body of members;
  - (e) any body of officers; or
  - (f) any body of members and officers of TfL.
13. Where the Board or a committee delegates the discharge of a function to a sub-committee under any express provision contained in the Act the sub-committee may delegate the discharge of that function to -
- (a) any member or officer of TfL; or
  - (b) any body of members or officers or members and officers of TfL.

#### **Delegation to subsidiary companies**

14. The Board delegates to each subsidiary company of TfL the discharge of those TfL functions relevant to that subsidiary company's memorandum and articles of association.
15. Subsidiary companies will appoint and remove the directors of their respective subsidiaries and those directors of associate and joint venture companies which are within their responsibility.
16. The Board delegates to LBSL the discharge of TfL's functions under section(s) -
- (a) 181 and 183 of the Act (determination of the London Bus Network and addition or variation of a network service);
  - (b) 185-190 of the Act (grant of London service permits); and
  - (c) 104 of the London Passenger Transport Act 1934, conferred on TfL by section 301 of the Act (to erect bus shelters on the public highway).

17. The Board delegates to LBSL, LUL and DLR the discharge of TfL's functions under paragraph 1 (1) of Schedule 17 to the Act (authorisation of persons to collect penalty fares).

### **Delegations to the Commissioner**

18. The Board delegates to the Commissioner the discharge of all of TfL's functions except for those reserved to the Board or specifically delegated to other bodies/postholders by TfL's SOs.
19. The Board delegates to the Commissioner the making of regulations under the Private Hire Vehicles (London) Act 1998 required to ensure that licensing fees are set to recover the full cost of the Public Carriage Office's licensing functions and the making of London Cab Orders relating to changes in the level of fares for hackney carriages that are in line with those calculated by reference to the Cost Index Method approved by the Mayor.
20. In the absence of anyone occupying the post of any specific Chief Officer, either on a permanent or a temporary basis, the Commissioner may designate one or more officers to discharge any relevant delegations under Standing Orders.

### **General delegations to Chief Officers and Officers**

21. The Board delegates to each Chief Officer of the TfL Group the discharge of all of TfL Group's functions, except for those reserved to the Board or specifically delegated to other bodies/postholders, by the Board through TfL's Standing Orders or otherwise. This includes entering into transactions, procurement activities and the awarding of contracts, for which that Chief Officer has responsibility -
  - (a) across the TfL Group; and/or
  - (b) in a managerial position; and/or

(c) in a professional position.

21. The Board delegates to each Officer the discharge of all of TfL Group's functions except for those reserved to the Board or specifically delegated to other bodies/postholders, by the Board through TfL's SOs or otherwise. This includes entering into transactions, procurement activities and the awarding of contracts, for which that officer has responsibility–

- (a) across the TfL Group; and/or
- (b) in a managerial position; and/or
- (c) in a professional position,

on the following conditions –

- (1) the Chief Officer to whom the Officer reports has been delegated responsibility in relation to any matter in respect of which that Officer proposes to exercise delegated authority; and
- (2) the Officer has obtained the written consent of the Chief Officer to whom the Officer reports (or in the absence of that Chief Officer, the Commissioner) to the exercise of that delegated authority.

23. The authority delegated to Chief Officers and Officers under these paragraphs is concurrent with the authority delegated to the Commissioner and may not be exercised by a Chief Officer or Officer in respect of any matter where the Commissioner has either –

- (a) exercised his/her delegated powers; or
- (b) given a written indication of his/her intention to exercise his/her delegated powers.

### **Specific delegations to Chief Officers, Officers and Subsidiaries**

24. MD, Surface Transport

The Board delegates to the MD, Surface Transport and, with that MD's written consent to each officer responsible to that MD -

- (a) the discharge of TfL's functions as –
  - (1) a highway authority;
  - (2) a local authority (in respect of matters for which the MD Surface Transport is in a managerial and/or professional position);
  - (3) a traffic authority; and
  - (4) a street authority.
  
- (b) the discharge of any function relevant to the use of the highway, including but not limited to, the discharge of TfL Group's functions under the following legislation -
  - (1) the Highways Act 1980;
  - (2) the Road Traffic Regulation Act 1984;
  - (3) the New Roads and Street Works Act 1991;
  - (4) section 275 of the Act; and
  - (5) the Traffic Management Act 2004.
  
- (c) the discharge of TfL's functions relating to the following –
  - (1) hackney carriages (section 253 and Schedule 20 of the Act); and
  - (2) private hire vehicles (section 254 and Schedule 21 of the Act).
  
- (d) the discharge of TfL's functions in respect of taking all steps necessary to institute and pursue prosecutions under the Private

Hire Vehicles (London) Act 1998, which with that MD's written consent can be discharged by LBSL.

#### MD, Finance and Planning

25. The Board delegates to the MD, Finance and Planning and in his/her absence the Chief Finance Officer, the discharge of TfL's functions relating to traffic related agreements (revenue agreements) with train operating companies, bus operating companies and others, including the power to –
- (a) enter into such agreements;
  - (b) amend and revoke such agreements; and
  - (c) make payments pursuant to such agreements.

#### MD, London Underground

26. The Board delegates to the MD, London Underground the authority to
- (a) enter into contracts for the procurement of electricity for London Underground's Bulk Supply Points;
  - (b) approve the price to be paid for blocks of electricity, on the advice of the LU Energy Contract Manager; and
  - (c) consent to the transfer of key system assets pursuant to Section 216 of the Act

#### London Underground Officers

27. The Board delegates the authority, on the advice of the LU Energy Contract Manager, to approve the price to be paid for blocks of electricity, to the following LU officers –
- (a) Chief Operating Officer;



- (b) Chief Programme Officer;
- (c) Director of Safety;
- (d) Director of Finance;
- (e) Director of Engineering;
- (f) Energy Contracts Manager; and
- (g) Head of Commercial Finance

## **AUTHORISATIONS IN RELATION TO MAYOR'S OPINION**

27. In respect of land, so long as this function is delegated to TfL by the Mayor, any one of the following is authorised to give the Mayor's Opinion –

- (a) the Commissioner;
- (b) the MD, Finance and Planning;
- (c) the Director of Corporate Finance;
- (d) the MD, Group Services; or
- (e) the Director of Group Property and Facilities.

28. The Board delegates the power to give the Mayor's Opinion, so long as this function is delegated to TfL by the Mayor, in respect of temporary disposals of land for up to 15 years where TfL reserves the right to take back the land when it is required to any of the following -

- (a) each MD in relation to land for which that MD is in a managerial and/or professional position;
- (b) General Counsel; or
- (c) the Director of Group Property and Facilities.

29. For property other than land, so long as this function is delegated to TfL by the Mayor, Chief Officers and Officers listed in paragraph 19 of Appendix 1 of this SO are authorised to give the Mayor's Opinion for transactions which they have power to authorise in accordance with that paragraph.

## **COMPULSORY PURCHASE**

30. Subject to approval in principle of the making of a compulsory purchase order by the Board in accordance with paragraph 4.2 (m) the Board delegates to either the -

- (a) Chief Officer with responsibility for the project or land transaction to which a compulsory purchase order relates; or
- (b) the Commissioner

the authority for –

- (1) the making, withdrawing and/or amending of the compulsory purchase order, including the settling of the detailed boundaries of the land to be acquired; and
- (2) doing all things necessary to implement the compulsory purchase order.

**SCHEME FOR AUTHORITIES**

**INTRODUCTION**

1. The provisions of this appendix do not apply to the TfL PF because the TfL PF Board has an unfettered right to make investment decisions in accordance with its Trust Deed.
2. Before any transaction is entered into on behalf of TfL Group the appropriate authorities to proceed must have been granted under the provisions of this appendix.
3. The range of authorities potentially required before proceeding with any transaction are set out below and are defined in the Glossary attached as appendix 2 of this SO -
  - (a) financial;
  - (b) funding;
  - (c) procurement;
  - (d) disposal; and
  - (e) land.
4. All transactions require financial authority. Additional authorities for any transaction may be required under the provisions of this appendix.
5. A transaction is defined in the Glossary attached as appendix 2 of this SO.

**AUTHORITIES**

**Financial authority**

6. Subject to paragraphs 7 and 8 below, if applicable, approval of the TfL Business Plan or for the current financial year the Group Budget provides the requisite financial authority for the Commissioner, Chief

Officers, all other officers and TfL Group companies under appropriate schemes of arrangement to –

- (a) incur expenditure; and/or
- (b) accept a financial liability; and/or
- (c) collect income; and/or
- (d) redistribute funds to relevant third parties in respect of their respective allocated budgets.

7. Financial authority may only be exercised subject to meeting the requirements set out below -

- (a) the existence of appropriate provision in the budget; or
- (b) the written approval of those authorised to enter into unbudgeted expenditure in accordance with applicable Financial Procedures as issued by the MD, Finance and Planning; or
- (c) the written approval of those authorised to approve virement of expenditure in accordance with applicable Financial Procedures as issued by the MD, Finance and Planning; and
- (d) compliance with -

- (1) SOs; and
- (2) TfL's financial, procurement, disposal and land transaction policies; and
- (3) financial standards or instructions issued by the MD, Finance and Planning; and
- (4) any other applicable authorisation procedures.

8. When applicable, financial authority is also subject to meeting the following additional requirements -

- (a) securing specific approval, where required; and
- (b) compliance with any restrictions or conditions included in the Business Plan.

## **Funding authority**

9. Prior to commencing a project a funding authority from the relevant authorising body/postholder as set out in paragraph 19 below must have been obtained. The requirement to obtain a funding authority is in addition to the need to have a financial authority. The possession of a funding authority permits officers with appropriate managerial responsibility for a project to –
  - (a) incur expenditure; and/or
  - (b) accept a financial liability; and/or
  - (c) collect income; and/or
  - (d) redistribute funds to relevant third parties in respect of their respective allocated budgets.
  
17. At the time funding authority is granted the authorising body/postholder will set a percentage tolerance level, which may be zero, by which a project may exceed its approved cost without the need for further authorisation. Guidance on setting the appropriate level will be provided from time to time by the MD Finance and Planning. The additional authority within the tolerance level must not cause the level of authorisation to exceed the authorising body/postholders' approval level. Any variation in excess of the tolerance limit must be authorised in accordance with paragraphs 27 - 30 of this appendix.
  
18. A report will be submitted to each Finance Committee meeting summarising any approvals of projects given by the Commissioner or the MD, Finance and Planning, since the last Committee meeting.

## **Procurement authority**

12. Prior to entering into a procurement transaction, except for land which is subject to a separate authorisation process as set out in paragraph 15 of this appendix, a procurement authority must have been obtained from

the relevant authorising body/postholder as set out in paragraph 19 below. This is in addition to the following requirements –

- (a) financial authority in accordance with paragraph 6 of this appendix; then
- (b) funding authority in accordance with paragraphs 9 and 19 of this appendix, if the procurement transaction is required for the purposes of a project.

### **Disposal authority**

13. Prior to entering into a disposal transaction, except for land which is subject to a separate authorisation process as set out in paragraph 15 of this appendix, a disposal authority must have been obtained from the relevant authorising body/postholder as set out in paragraph 19 of this appendix. This is in addition to the following requirements –

- (a) financial authority in accordance with paragraphs 6 of this appendix; then
- (b) funding authority in accordance with paragraph 9 and 19 of this appendix if the disposal is required for the purposes of a project.

14. If the Mayor's Opinion and/or Secretary of State's written consent is required a disposal transaction cannot be completed until this has been obtained. It should be noted that the Mayor's Opinion is required for the disposal of all surplus assets not only the disposal of land and buildings.

### **Procurement and disposal authorities in relation to land**

15. Prior to entering into a land transaction a land authority must have been obtained from the relevant authorising body/postholder as set out in paragraph 19 of this appendix. This is in addition to the following requirements -

- (a) a financial authority in accordance with paragraph 6 of this appendix; then
  - (b) a funding authority in accordance with paragraphs 9 and 19 of this appendix if the land in question is required for the purposes of a project.
16. In addition to obtaining the authorities set out in paragraph 15 above all land transactions (including, without limitation, the terms and the method of any disposal or purchase) must also –
- (a) be approved by either
    - (1) the Director of Group Property and Facilities; or
    - (2) an officer of Group Property and Facilities with sufficient authority under paragraph 19; and
  - (b) have the Mayor's Opinion and/or Secretary of State's written consent, where applicable, before the transaction is completed.

## **Projects**

17. To proceed a project, as defined in the Glossary attached as appendix 2 to this Standing Order, must have authorities as set out below -
- (a) financial authority in accordance with paragraphs 6 of this appendix;
  - (b) funding authority in accordance with paragraphs 9 and 19 of this appendix; and
  - (c) procurement authority in accordance with paragraph 12 and 19 of this appendix.
16. Depending on its nature a project may also require -
- (a) land authority in accordance with paragraphs 15 and 19 of this appendix; and/or

- (b) disposal authority in accordance with paragraphs 13 and 19 of this appendix.

**Authorising bodies/postholders**

19. The table below and on the following page sets out the monetary limit, up to and including the stated figure, to which bodies or postholders can grant one or more of the following authorities -

- (a) funding;
- (b) procurement;
- (c) disposal; and
- (d) land.



<b>Authorising Body / Individual</b>	<b>Funding authority for Budgeted Projects</b>	<b>Funding authority for Unbudgeted Projects</b>	<b>Authority for Procurement &amp; Disposal Transactions</b>	<b>Authority for Budgeted Land Transactions</b>	<b>Authority for Unbudgeted Land Transactions</b>
<b>The Board</b>	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
<b>The Commissioner (Acting Commissioner in his/her absence. MD Finance and Planning in absence of both.)</b>	£100,000,000	£25,000,000	£100,000,000	£100,000,000	£25,000,000
<b>MD Finance &amp; Planning</b>	£25,000,000 (Acting MD Finance and Planning in his/her absence Chief Finance Officer in absence of both.)	£10,000,000 (Acting MD Finance and Planning in his/her absence Chief Finance Officer in absence of both.)	£25,000,000	£25,000,000 (MD Group Services in his/her absence)	£1,000,000
<b>All other Chief Officers subject to the exceptions below</b>	£5,000,000	£1,000,000	£25,000,000	£5,000,000	£1,000,000
<b>MD LBSL</b>			£100,000,000 Transactions for the provision of bus services.		
<b>MD Group Services or Director of Group Property &amp; Facilities</b>				£10,000,000 For - a) income generating land transactions; and b) land compensation claims, including compulsory purchase settlements.	

**Continued**

Authorising Body / Individual	Funding authority for Budgeted Projects	Funding authority for Unbudgeted Projects	Authority for Procurement & Disposal Transactions	Authority for Budgeted Land Transactions	Authority for Unbudgeted Land Transactions
<b>MD London Underground</b>			£100,000,000 Transactions for power supplies.		
<b>LU Officers</b>			£25,000,000 Chief Operating Officer; Chief Programme Officer; Director of Safety; Director of Finance; and Director of Engineering. Transactions for power supplies.		
<b>LU Officers</b>			£5,000,000 Energy Contracts Manager; and Head of Commercial Finance. Transactions for power supplies.		
<b>Each Officer See paragraphs 20 &amp; 21.</b>	£2,000,000	£1,000,000	£5,000,000	£500,000	

20. All authorities for officers are subject to obtaining the written consent of the Commissioner or Chief Officer to whom he/she ultimately reports. The Commissioner and all Chief Officers will have in place Schemes of Arrangements to ensure written consents are provided as appropriate.
21. Any person authorised to give a written consent, which can be by way of either a scheme of arrangement or by individual consent, for an officer to exercise an authority delegated by this SO may restrict in writing the level of the authority to be exercised by the officer in respect of whom that written consent is given.
22. In an emergency the following officers may approve unbudgeted expenditure in excess of their respective levels of financial authority for

urgent activities required to safeguard the operation and/or protect the assets of any part of the TfL Group -

- (a) the Commissioner, or in his/her absence;
  - (b) the Acting Commissioner, or in both their absences;
  - (c) the MD, Finance and Planning, or as an alternative to any of the above;
  - (d) the Chief Officer with operational responsibility for the area concerned.
23. Requests for any type of authority must not be broken down in such a manner that as a result a lower monetary value level of authority is required so as to avoid -
- (a) a requirement for seeking authority at a higher level;
  - (b) compliance with UK Procurement Regulations; or
  - (c) EU Procurement Directives.
24. In calculating the level of financial authority required for a land transaction, the total potential financial commitment must be taken into account.
25. In calculating the cost of a project for the purposes of determining the appropriate level of funding authority the total gross amount estimated to be paid must be used. This includes both external suppliers and internal costs specifically charged to any project and will be the total amount that will extinguish all outstanding liabilities for supplies, services and works procured solely to deliver the full project scope and achieve the project outcomes.
26. Where a transaction is of an indefinite duration the estimated value for the purposes of paragraph 19 of this appendix is the total gross amount of the consideration that is expected to be paid in the first four years. The exceptions to this are land transactions, where the Director of Group Property and Facilities provides valuation guidelines.

## Variations

27. Variations to the approved amount of any authority must be approved in accordance with the table set out in paragraph 19 of this appendix and regard must be given as to the impact of any increase in cost on -
  - (a) any applicable Procurement Procedures; and
  - (b) EU procurement directives and UK procurement regulations.
  
28. Except for PPP/PFI activities, which are dealt with in paragraph 29 below, the level of authority required to approve a variation is based on the original value of the authority plus the aggregated total of all variations to the transaction, which is the value of the current proposed variation plus all previous variations (if any) to the transaction. If the new total value of the transaction requires an authority that is higher than that which was obtained for the original transaction then the proposed variation must be approved in accordance with such higher level of authority.
  
29. The calculation for the purposes of paragraph 28 for any specific authority for PPP/PFI activities shall not include –
  - (a) the value of the original authority to establish a PFI/PPP; or
  - (b) the aggregated total of any other authorities and their variations to that original PPP/PFI authority.
  
30. Where a new level of authorisation is required because of the operation of paragraph 28 all subsequent variations will be authorised at the original level of authorisation unless the body/postholder approving a variation arising from the operation of paragraph 28 requires that all, or some specified subsequent variations be authorised at the higher level of authorisation.

## **ESTABLISHING A TRANSACTION**

31. Except as set out in paragraph 32 of this appendix the following transaction activities must only be entered into following a competition conducted through a tender process or by competitive quotation -
- (a) any activity either orally or in writing which commits, or may be taken to commit, the TfL Group to any contractual relationship, including the issue of letters of intent; or
  - (b) the sale or other disposal of surplus material and assets.
32. The following transaction activities may proceed other than through competitive tender (subject always to meeting the requirements of the EU procurement directives and UK procurement regulations -
- (a) transactions of small monetary value as defined in local procurement procedures;
  - (b) land transactions; and
  - (c) other transactions as defined by procurement procedures issued by the Director Group Procurement and/or local procurement procedures issued by the relevant Chief Officer or relevant Head of Procurement.
32. Notwithstanding any other authority given by this SO, but subject to EU procurement directives and UK procurement regulations, where it is proposed that a transaction (other than a land transaction) over the value of £500,000 be awarded other than through a competitive process, the MD, Finance and Planning must be informed before any approach is made to a supplier. Such a transaction may be subject to review by the MD, Finance and Planning (or such person as he/she may nominate from time to time) if he/she so requires. Where the MD, Finance and Planning has been directly involved in the transaction, the Commissioner must be informed and the transaction may be reviewed by the

Commissioner (or such person as he/she may nominate from time to time).

33. All transactions must be expressed to be governed by English Law unless otherwise agreed by General Counsel or the Director of Legal and Compliance.

## GLOSSARY

**Act** means the Greater London Authority Act 1999.

**Associate or Joint Venture Company** means a company which is an associate or joint venture as defined in financial reporting standards issued from time to time by the Accounting Standards Board.

**Board** means the membership of TfL from time to time as constituted under paragraph 2 of Schedule 10 to the Greater London Authority Act 1999.

**Budgeted** means that funds for specific goods or services have been included within the original TfL Budget approved by the Board as amended by any approved variations.

**Budgeted projects** means projects for which there is full funding in the current year's budget and future years of the business plan.

**Chair** means the Chair of the Board.

**Chief Finance Officer** means the officer appointed under section 127 of the Act.

**Chief Officer** means any MD and General Counsel.

**Commissioner** means the person appointed by the Board to be the TfL Commissioner.

**Disposal authority** means an authority to dispose of any assets.

**DLR** means Docklands Light Railway.

**Financial authority** means an authority to -

- (a) spend money;
- (b) receive income;
- (c) incur a liability; or
- (d) redistribute funds to relevant third parties.

**Financial liability** means the legal obligation to pay money to another party if specific, predetermined circumstances arise.

**Funding authority** means an authority with regard to a project to -

- (a) spend money;
- (b) receive income;
- (c) incur a liability; or
- (d) redistribute funds to relevant third parties.

**GLA** means the Greater London Authority

**IP** means the TfL Investment Programme.

**Land authority** means an authority to engage in a land transaction.

**Land transaction** means the acquisition or disposal of land and buildings or interests in, or rights over, land and buildings including -

- (a) the purchase, sale or exchange of freehold or leasehold land;
- (b) the purchase, grant, assignment, surrender, release or variation of leases, tenancies, covenants, easements and licences; and
- (c) the settlement of compensation claims related to land and buildings or interests in, or rights over, land and buildings,

but shall not include any such transaction entered into by a subsidiary for or in connection with the following -

- (1) protection of the subsidiary's undertaking;
- (2) the grant of permission to undertake works to, on, adjacent to or over any operational land, structure or asset (or any part thereof) comprised in any subsidiary's undertaking or receipt of permission to undertake works for operational purposes with respect to any land, structure or asset owned by a third party; or
- (3) any of the matters listed at (b) above insofar as they are entered into pursuant to or of a type contemplated by a PPP or PFI contract.

**LBSL** means London Bus Services Limited.

**LUL** means London Underground Limited.

**LTIG** means London Transport Insurance (Guernsey) Limited.

**MD** means any of the postholders appointed to manage the Directorates of Finance and Planning, Group Communications, Group Services, London Rail, Surface Transport and London Underground.

**Mayor's Opinion** means the opinion of the Mayor (or of the person to whom the Mayor has delegated the power to give such opinion) which is required pursuant to paragraph 12(1) of Schedule 11 to the Act in relation to the disposal (whether absolutely or for a term of years) by TfL of any part of its undertaking or property which is not required for the purposes of the discharge by TfL of any of its functions.



**Member** means a member of the Board.

**Officer** means any office holder or employee (full or part-time, temporary or permanent) of TfL Group. See also definition of TfL Officer.

**Postholder** means any member or officer named either individually or in a group in this SO.

**Procurement authority** means an authority to commit expenditure with a particular supplier(s) on the purchase of-

- (a) goods;
- (b) services; or
- (c) works.

either orally or by the release of an Order / instruction from TfL's electronic contract systems, or by signing a contract document. Where an instruction is issued orally it should be confirmed through release of an Order / instruction from TfL's electronic contract systems, or signature of a contract document as soon as reasonably practical.

Internal approval of the goods, services or works, their value and the supplier(s) is given by the exercise of Financial Authority.

Procurement Authority extends to any action required within any existing contracts/ relationships e.g. unsatisfactory performance deductions, giving notice and termination of contracts.

**Project** is a unique set of co-ordinated activities, with definite starting and finishing points, undertaken by an individual or team to meet specific objectives within defined time, cost and performance parameters as specified in the business case. It has the following characteristics –

- (a) a finite and defined lifespan;
- (b) defined and measurable business products (that is, deliverables and/or outcomes to meet specific business objectives);
- (c) a corresponding set of activities to achieve the business products;
- (d) a defined amount of resources; and
- (e) an organisational structure, with defined responsibilities, to manage the project.

**Secretary** means the Secretary of the Board and is a role of the General Counsel.

**SO** means Standing Order.

**Subordinate Bodies** means a body established by the Board which is -

- (a) a committee of TfL;
- (b) a sub-committee of a committee of TfL;
- (c) a body of members or officers of TfL; or
- (d) a body of members and officers of TfL.

**Subsidiary Company, which includes a subsidiary of a subsidiary**, has the meaning given to it by s.736 of the Companies Act 1985, that is TfL -

- (c) controls the voting rights; and
- (d) has the right to appoint or remove its board of directors.

**TfL** means Transport for London.

**TfL Group** means TfL and its subsidiary companies.

**TfL Officer** means any office holder or employee (full or part-time, temporary or permanent) of TfL and any person appointed as such by the Chief Officer to whom he/she ultimately reports.

**TfLPPF** means Transport for London Pension Fund.

**TfL Trustee Company Limited** is the trustee of the TfLPPF.

**Transaction** means any of the following activities -

- (a) any activity either orally or in writing which commits, or may be taken to commit, the TfL Group to any contractual relationship, including the issue of letters of intent;
- (b) the sale or other disposal of surplus material and assets;
- (c) variations to contracts;
- (d) the settlement of any claim for additional payment by the TfL Group not expressly covered by an existing authority or existing contract or arrangement;
- (e) the imposition of remedies for breach of a contractual commitment for example calling of bonds and guarantees, exercising step-in or termination rights; or
- (f) the acquisition or disposal of land and buildings or any rights or interests in land including any variations in such rights or interests. It also includes the settlement of compensation claims relating to land and buildings.

Transaction does not include the process of obtaining tenders (formal or informal), proposals or quotations for supplies, services and works provided that such tenders, proposals and quotations shall be obtained in accordance with applicable Procurement Procedures as issued by the Director of Group Commercial Services and/or local procurement procedures issued by the relevant Chief Officer or the relevant Head of Procurement from time to time.

**TTL** means Transport Trading Ltd.

**Unbudgeted** means that within the original TfL Budget approved by the Board as amended by any approved variations no, or insufficient, funds have been included for specific goods or services or works.

**Unbudgeted projects** means projects for which there is not full funding in the current year's budget or future years of the business plan.

**Undertaking** means a distinct area of work or an organised group of resources, including for example personnel where a task relies on the provision of a service where the Transfer of Undertakings (Protection of Employment) Regulations can apply. It is essential for the undertaking to retain its identity after it has been transferred, and this means that it must operate in much the same way as it did before the transfer.

**Variation** means -

- (a) a change in the work originally awarded, resulting in a change in the specification and/or deliverables and/or timing that results in either an increase in the financial cost and/or an increase in risk or liability;
- (b) a change in monetary value of the contract originally awarded because of for example an annual negotiated price review, a cost change as result of legislation or other external circumstances, or
- (c) administrative variations such as a change of name;
- (d) any change which results in the value for money of the subject matter decreasing.

**Vice Chair** means the member designated by the Mayor to be Deputy Chair under the Act.

**Virement** means the act of transferring resources from one Budget area to another.

**Working days** are Monday to Friday, excluding Bank Holidays.

**SUMMARY OF CHANGES TO TfL's STANDING ORDER**

**Paragraph numbers relate to the revised SOs.**

**SO 1**

- 1** The original SO was applicable to all TfL Group but this SO makes this explicit.
- 2** Identifies the Commissioner as the final arbitrator on issues of interpretation of Standing Orders.
- 3** Provides a statement for the first time of how to interpret common phrases used throughout SO 1.
- 3** General Counsel now required to produce procedures to authorise electronic signatures.
- 4-5** The original section on purpose of TfL is replaced by a section on the duties and powers of TfL. This is largely drawn from the section on duties and powers in the original SO 2.
- 6** Provides a statement for the first time of TfL's relationship to GLA.
- 7** Provides a statement for the first time of TfL's commitment to equalities and inclusion.
- 8-9** Provides a statement for the first time of TfL's commitment to sustainability.
- 10** Explicit reference is made to the need to have regard to equal opportunity when appointing members.
- 14** Makes provision for the Board to be informed of a re-appointment of a member.
- 16** In the absence of the Chair the Vice Chair is authorised to deputise in respect of all activities in the Standing Order.
- 17** It is stated explicitly that the Secretary of the Board will be the General Counsel.
- 18** The Secretary and not the Commissioner is nominated as the person to receive the Mayor's guidance, directions or delegations on the basis that this is an administrative rather than a managerial matter.
- 20** Clarification that only a member entitled to vote counts towards the quorum.
- 22** The list of those, or their representatives, required to be present at Board meetings is slightly amended. Provision is made for Board to decide not to have one or more officers present.
- 23** The Commissioner determines who else can attend a Board meeting.
- 24** The Secretary, who makes the administrative arrangements, in consultation with the Commissioner, has the responsibility of determining in advance whether to open proceedings/papers to the public.
- 25** The Chair of the meeting can decide to close/open a meeting or move an agenda item.
- 26** In addition to the Board public papers committee and panel public papers are now available to the public.

- 27 The section on open government now contains an explicit reference to the Freedom of Information Act and the Environmental Information Regulations.
- 29 TfL's Head Office is stipulated as the place of any video conference meeting with an equal number of members in different locations.
- 30 The notice period for an ordinary meeting has been extended to 15 days to allow for written notice of members' agenda items within 10 days of the meeting.
- 30 The pattern of meetings is changed from bi-monthly to 6 times a year or at such greater frequency as determined by the Secretary in consultation with the Commissioner. This reflects the reality of the matter but the SO still leaves 4 or more members able to call special Board meetings.
- 31 The Chairs of the Audit and Finance committees have also been given the right to call special Board meetings.
- 32 Clarification of the methodology of how members can call a special Board meeting.
- 33 As much notice as practicable should be given for special Board meetings.
- 35 There is now an explicit requirement that where practicable members must receive for every Board meeting notice of time and place, agenda and papers.
- 36 The Commissioner, in consultation with the Chair, determines whether a member can add an item to the agenda.
- 37 Members may place items on the agenda of a special Board meeting but only with the Commissioner's agreement, after consultation with the Chair, except for special Board meetings called under paragraph 31.
- 40 The Secretary, in consultation with the Commissioner, as to distribution of papers for special meetings and video-conferences.
- 44 The Secretary can vary the requirements of Board paper distribution without invalidating the business at a Board meeting.
- 47 To bring TfL closer to company law and reflecting the fact that written resolutions should deal with non-controversial matters written resolutions now require at least 8 members to vote and the support of at least 75% of the voting members.
- 49 To speed the process the Secretary is given the role of agreeing with the Commissioner a draft of minutes, for submission to the next Board meeting. Previously the Chair agreed the draft minutes. Action lists to be agreed within 10 working days.
- 49 The Secretary will continue to agree draft minutes for subordinate bodies' meetings with the relevant Chair and circulate action lists within 10 working days.
- 56 The power of the Mayor to lift the restrictions on a member excluded by reasons of a conflict of interest is limited by reference to the statutory position.
- 61 The Audit Committee is given the right to obtain appropriate professional advice paid for by TfL.
- 72 To enable members to join a committee as soon as possible Chairs of subordinate bodies, after consultation with the Chair, are authorised to approve appointment of new members.

- 73 To enable members to join a panel as soon as possible the Commissioner is authorised to approve appointment of new members.
- 73 The Secretary is authorised to update Standing Orders to reflect changes to members or other matters such as changes to job titles.

**Appendices** have been set out in a standard format.

**All committees** are now expected to report any meeting to the next ordinary Board meeting.

**Committees** should have a minimum of 5 members, including the Chair, except for the Remuneration Committee which will be 3.

**Secretarial** support for all subordinate bodies is to be determined by the Secretary to the Board.

**Frequency** is set at a minimum number with provision for the Chair to increase, but not decrease, the number.

**Quorum requirements** for each Committee will be 3, except for the Remuneration Committee which will be 2.

**Audit Committee** now has a responsibility to assure itself of the systems in place with regard to oversight of the IP.

**Finance Committee** now has a responsibility to -

- a. Monitor the oversight of the IP;
- b. Monitor implementation of the annual Treasury Management Strategy; and
- c. At the request of Corporate Finance approve individual borrowing and investment instruments.

The requirement to advise on SO changes has been omitted.

The requirement to comment on the CPO programme has been omitted as no such programme is now produced.

**Panels** meeting frequency set at 4 with chair's discretion to change. This is subject to further discussion.

**Appendix 10: Glossary** The glossary only contains words or phrases relevant to SO 1. There is no indicator in the body of the text that a word or phrase is included in the glossary.

## **SO 2**

- 1 States the SO is applicable to all TfL Group.
- 2 Identifies the Commissioner as the final arbitrator on issues of interpretation of Standing Orders.
- 3 A statement of how to interpret common phrases used throughout SO 2. The matters in the original introduction have been moved to SO 1 or elsewhere in the new SO 2.
- 4 Deals with matters reserved to the Board –
  - (a) there have been no deletions in the matters reserved to the Board for determination;
  - (b) with the agreement of the Commissioner subordinate bodies can now also appoint their own members, reporting the names to the next Board meeting;
  - (c) the responsibilities for borrowing and lending have been clarified;

- (d) the need for Board agreement to the disposal or transfer of any part of TfL's or its subsidiary companies undertakings, which will usually involve TUPE arrangements, is modified by introducing a requirement that the number of staff involved must exceed 100; and
  - (e) the paragraph has been reformatted to group together types of activity under sub headings.
- 4-27** All matters concerning delegation are now in this section and appendix 1.
- 20** The Commissioner is given the authority to designate one or more officers to undertake duties in the absence of a Chief Officer.
- 21** The general delegation to Chief Officers is now framed in a very broad manner and allows for activities across the TfL Group.
- 22** The general delegation to Officers is now framed in a very broad manner and allows for activities across the TfL Group provided the relevant Chief Officer has given written permission.
- 24** There has been no change to the delegations to the MD Surface Transport but all activities are now under the same name and there has been some reformatting to provide a more coherent grouping of activities.  
The specific responsibility for procurement across TfL for MD Surface Transport has been subsumed under the general powers of all Chief Officers.
- 26** The MD, London Underground has delegated powers with respect to electricity transactions.
- 27** Specified London Underground officers have delegated powers with respect to electricity transactions
- 31** The new section on compulsory purchase is for clarification and does not change the procedures currently in place.

**Appendix 1** replaces the 3 appendices in the original SO 2.

- 1** TfLFP is excluded from the provisions of this appendix.
- 2-5** Set out the range of authorities in use within TfL and defines transactions by reference to the Glossary.
- 6-18** Identifies the underlying requirements for obtaining financial, funding, procurement, disposal, and land authorities.
- 6** Financial Procedures will need to be issued by the MD, Finance and Planning from time to time.
- 9** Funding Authority is a new term introduced to replace the term project finance authority. This is intended to clarify the 3 step authority process required to authorise a project.
- 15** Land transactions, except where specifically excluded, must be approved by Directorate of Group Property and Facilities.
- 17** The authorising body/individual for a project is required to set a tolerance level by which costs can be exceeded without the need for further authorisation. A standard percentage was not used as the very different nature of risk in projects means the appropriate level will vary considerably. Guidance will be provided by the MD Finance and Planning as to the appropriate level to be set.



- 19** Sets out in tabular form the levels of authority for bodies and postholders. In the interests of certainty it was decided to continue to use monetary value as the yardstick rather than a more sophisticated approach involving the degree of risk. The option will remain for any project to be authorised at a higher level than implied by the table if it perceived to have characteristics that are potentially high risk. There have been some adjustments to remove anomalies such as a managing director having to adopt the role of a chief officer because that authority was set at a higher level. Now an individual should have the same authority irrespective of the particular role they are playing. Some individual postholder authorities are retained. MD LU has new delegation to manage electricity purchases. There is no delegation of financial authority to subsidiaries except for MBSL. All distinctions between levels of officer, other than Chief Officer and one related to land transactions, have been removed and a single authority up to £5,000,000 is now in place. The level of individual officers' authority will be determined by the relevant Chief Officer. This must be provided in writing. Relevant Chief Officers rather than the MD Finance and Planning will authorise officers to approve projects up to £2,000,000.
- 20** This provision requires the Commissioner and all Chief Officers to have appropriate Schemes of Arrangement.
- 22** The emergency provision has been expanded to include Chief Officers with operational responsibility for the area concerned.
- 28** The authorisation of variations has been clarified. The level of the variation is the determining factor as to the level of authority required. Variations must be aggregated and it is the aggregated figure that determines the level of authority required.
- 29** Variations to PFI/PPP activities are dealt with separately.
- 30** There will still be a limited number of occasions when a small variation moves the authority level up to a higher level but this is the nature of a fixed value authorisation table. Where authority has been given at a higher level any subsequent variations must be authorised at the higher level except with where agreed a lower authorisation can be allowed.
- 32** Whilst a competitive tender is the preferred approach for procurement it is recognised that particular circumstances can make this inappropriate. However in all circumstances the public sector procurement regulations must be complied with. Procurement procedures issued by the Director of Group Commercial Services and/or local procurement procedures issued by the relevant Chief Officer or relevant Head of Procurement will need to be produced to define a transaction of small monetary value which does not need to be competitively procured. The ability of Chief Officers to opt for non competitive procurement, up to £500,000 without reference to MD Finance and Planning, has not been removed but has been subsumed under the requirement that the basis for doing so should be contained in group and/or local procurement rules.

## **Appendix 2: Glossary**

The glossary only contains words or phrases relevant to SO 2. There is no indicator in the body of the text that a word or phrase is included in the glossary.

<b>Cross Ref:</b>	<b>Secretariat Record Number</b>
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<b>TRANSPORT FOR LONDON</b>		
Record Sheet		
<b>Subject:</b> Revision of Standing Orders		
	<b>Name</b>	<b>Signature</b>
<b>Sponsor</b>	<b>Peter McGuirk</b>	
<b>Author(s)</b>	<b>Jeff Pipe</b>	

<i>Routing</i>	Signature	Date
<b>Gareth John, Director Legal and Compliance</b>		
<b>Ben Plowden, MD Group Communications</b>		
<i>Destination</i>	<b>Tick or sign as appropriate</b>	<i>Date</i>
Managing Director, Finance & Planning		
Committee:	Finance	14/09/06
Panel:		
Commissioner		
TfL Board:		

**For Secretariat use:**

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## AGENDA ITEM 8

### TRANSPORT FOR LONDON

#### BOARD

**SUBJECT:TRANSPORT TRADING LIMITED – APPOINTMENTS**

**MEETING DATE: 20 SEPTEMBER 2006**

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1. **PURPOSE**

To appoint Peter Hendy as the shareholder representative and David Brown and Howard Carter as additional directors of the company. Also to appoint Howard Carter and Jeff Pipe as additional joint secretaries with effect from 4 September 2006.

2. **BACKGROUND**

Transport Trading Limited is a wholly-owned subsidiary of Transport for London. It in turn holds the shares of TfL's operating subsidiaries such as London Underground Limited and Victoria Coach Station Limited.

The shareholder representative is usually the Commissioner. The directors of Transport Trading Limited are usually the Chief Officers of TfL. The current directors are Ian Brown, Peter Hendy, Tim O'Toole and Jay Walder.

3. **PROPOSAL**

Following Peter Hendy's appointment as the Commissioner, David Brown's appointment as the Managing Director - Surface Transport and Howard Carter's appointment as General Counsel it is proposed to appoint them to hold various offices of the company.

In addition it is proposed to appoint Jeff Pipe as an additional joint secretary with effect from 4 September 2006 to assist with any sealing of documents that may be required.

4. **RECOMMENDATION**

That the Board approve:-

- (i) the appointment of Peter Hendy as the shareholder representative;

- (ii) the appointment of David Brown and Howard Carter as additional directors of the company and;
- (iii) the appointment of Howard Carter and Jeff Pipe as additional joint secretaries

## **AGENDA ITEM 9**

### **TRANSPORT FOR LONDON**

#### **BOARD**

**SUBJECT:** Chair's Action in relation to the arrangements for the entering into of contracts for London Rail Rolling Stock Procurement

**MEETING DATE:** 20 September 2006

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#### **1. PURPOSE**

- 1.1. To inform the Board of a Chair's Action taken by the Chair in relation to the arrangements for the entering into of contracts for the supply and maintenance of rolling stock for the East London Line and North London Railway.

#### **2. BACKGROUND**

- 2.1. On 28 June 2006, a paper entitled "London Rail Rolling Stock Procurement" was presented in private session to the TfL Board. The purpose of that paper was to seek delegated authority from the TfL Board to enter into contracts for the supply and maintenance of rolling stock for the East London Line and the North London Railway.
- 2.2. After considering the paper, the TfL Board passed a resolution which, amongst other things, delegated to the Commissioner, the Managing Director, London Rail and the Managing Director, Finance and Planning, authority to award one of the contracts on behalf of TfL/TTL and to agree final terms of the contracts. The Board also delegated to the Managing Director, London Underground Limited the authority to enter into another of the contracts on behalf of LUL if required.
- 2.3. In reliance on this delegated authority, the decision was taken to award the contracts to Bombardier Transportation UK Limited. Due to the requirements of procurement law, the earliest date TfL could have signed the contracts with Bombardier was 29 August 2006. However, for commercial reasons the contracts had to be entered into by 31 August 2006.
- 2.4. As the minutes of the 28 June Board meeting had not been formally approved and the absence of key staff members who had been delegated

- authority by the Board to enter into the agreements, it was considered necessary to have the Chair approve the minutes of the meeting of 28 June in relation to this issue and to provide further delegations in order to have the agreements signed within the required time frame.
- 2.5. Standing Orders (Paragraph 13 of Order No. 2) provide the Chair with the authority to discharge any function of TfL in cases of urgency after, so far as practicable, consultation with available Board Members.
  - 2.6. Board Members and Advisors were consulted on behalf of the Chair, and all that expressed a view supported the exercise of the proposed Chair's Action.
  - 2.7. On 29 August 2006 the Chair, by Chair's Action, approved the minutes of the 28 June 2006 Board meeting in relation to this issue and further delegated to each of the Directors of London Underground Limited the authority to enter into the agreement.
  - 2.8. The agreements were executed on 30 August 2006.

### **3. RECOMMENDATION**

- 3.1. The Board is requested to NOTE the exercise of the Chair's Action in relation to the arrangements for entering into the contracts for the supply and maintenance of rolling stock for the East London Line and North London Railway.



TRANSPORT FOR LONDON

BOARD

**SUBJECT: MAYORAL DIRECTION TO TFL IN RELATION TO THE LONDON PORTAL –  
TRANSFER OF PORTAL OPERATIONS TO THE GLA**

**DATE OF MEETING: 20 SEPTEMBER 2006**

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**1. Purpose**

- 1.1 To inform the Board of a Direction from the Mayor made on the 3 August 2006 in relation to the London Portal, for the transfer of Portal operations from London Connects to the GLA.

**2. Background**

- 2.1 Under TfL's Standing Order No.1 paragraph 5, TfL is required to report any Directions from the Mayor at the next Board Meeting.
- 2.2 The underlying remit of the London Portal is to build London's 'official' web site. The Mayor agreed the rationale and arrangements for the development of the Portal and asked London Connects to lead the project in 2004. Independent reviews of the strategic direction of both London Portal and London Connects have since been completed and the recommendations in these documents led to the decision to look at the feasibility of transferring Portal operations to the GLA group, and the use of London.gov.uk as the Portal Web address.
- 2.3 A feasibility study carried out by the GLA project team concluded that the GLA is best placed to provide effective strategic leadership in delivering the Portal vision. The study also concluded that, at least for the present, the GLA should be responsible for the operation of the Portal.
- 2.4 The benefit for the GLA group of taking on Portal operations include providing opportunities for:
- Improved, joined up customer facing web services within the GLA group and with other stakeholders
  - Economies of scale and shared costs in procuring the technology infrastructure and design services, managing operations and delivering developments
  - Achieving combined strength of markets, marketing and communications across the group and with other stakeholders
  - Achieving greater resilience for the Portal in terms of management and maintenance arrangements
  - Provision of tools to support cross group and partners working and information sharing.

- 2.5 In light of the Study the Mayor has decided that the London Portal day-to-day operations should be transferred from London Connects to the GLA.
- 2.6 As part of this transfer, TfL has been issued with a Direction to support and assist the GLA in delivering Portal Operations, Portal Developments and Partnership Support.

### **3. Mayoral Direction**

- 3.1 The Mayor has directed TfL to:
- a) Transfer to the GLA £97,000 a year, the first payment to be made on the date of the Direction and then subsequently on 1 June each year until 2010/11 or such other yearly amounts notified from time to time for use by the GLA toward funding Portal Operations, to commission Portal Developments and to provide development Partnership Support;
  - b) Collaborate with GLA throughout the year and in each of the next five years to identify and secure implementation of Portal Development projects to deliver TfL business benefits;
  - c) Collaborate with GLA on an ongoing basis to develop a shared Portal Operations technology platform and tools over the next five years;
  - d) Build planned and ongoing public facing web services and tools within the Portal technology and web environment over the next five years, starting in 2006/07 by setting out a five year action plan for implementation from October 2006 onwards;
  - e) Comply with any reasonable request of the GLA to assist GLA to deliver Portal Operations and Developments and Partnership Support, and to assist the work of the Portal Advisory Group.
- 3.2 This Direction is subject to the following conditions:
- a) TfL giving the GLA such information and assistance as the GLA may reasonably require relating to the Direction;
  - b) TfL complying with any instructions issued by the Mayor from time to time in relation to this Direction and with any instructions issued by an officer authorised by the Mayor for that purpose; and
  - c) All expenditure incurred by TfL pursuant to this Direction being in accordance with TfL's internal corporate governance arrangements, existing contractual obligations, statutory functions and all relevant legislation and rules of law.

### **4. Recommendation**

- 4.1 The Board is requested to NOTE the receipt of the Direction from the Mayor.

TRANSPORT FOR LONDON

BOARD

**SUBJECT: MAYORAL DIRECTION AND DELEGATION TO TfL – ANNUAL PROGRAMME OF PUBLIC INFORMATION CAMPAIGNS**

**MEETING DATE: 20 SEPTEMBER 2006**

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**1. Purpose**

- 1.1 To inform the Board of a Direction and Delegation to TfL from the Mayor made on the 17 July 2006, in relation to an annual programme of Public Information Campaigns.

**2. Background**

- 2.1 Under TfL's Standing Order No. 1 paragraph 5, TfL is required to report any Directions from the Mayor at the next Board Meeting.
- 2.2 The Mayor wished to make arrangements for TfL to take part in the Public Information Campaigns that are run by the GLA, through contributing funds and acquiring advertising space.
- 2.3 Recently TfL awarded its advertising space contract to Viacom. The Mayor has directed that £2.8 million of that income per annum is used to support campaigns to support Mayoral Strategies which are not necessarily transport led, but will benefit London more generally and therefore indirectly benefit TfL.
- 2.4 The GLA will instruct TfL to buy media for each campaign through its call off media planning and buying agreements. TfL will initially contract with 'Mediaedge', TfL's current media planning and buying agency, to create a media call off agreement with a value of £2.8 million per annum to be funded by TfL. Any call offs on the GLA's instructions that exceed £2.8 million in a year will be funded by the GLA. TfL will provide the GLA with monthly information on the expenditure incurred through its media planning and buying call off agreements in a format agreed with the GLA.

**3. Mayoral Direction**

- 3.1 The Mayor has directed TfL to contribute funding to, and otherwise take part in, and co-operate with the GLA in facilitating the Public Information Campaigns.

- 3.2 The Direction requires TfL to contribute £2.8 million per annum towards the Public Information Campaigns for the purposes of procuring media space from its media planning and buying agency.
- 3.3 The Direction also requires TfL to make arrangements to establish a media call-off facility of £2.8 million per annum for the Public Information Campaigns. On receipt of instructions from the GLA from time to time, TfL will procure media space for the Public Information Campaigns through that facility.
- 3.4 To the extent that any instructions issued by the GLA require the procurement of media space in excess of £2.8 million per annum, the GLA will meet the costs of any such excess.
- 3.5 TfL's Director of Marketing will participate in the Working Group that will supervise the Public Information Campaign programme and determine the breakdown of responsibilities between the GLA and TfL for individual campaigns.
- 3.6 This Direction is subject to the following conditions:
  - TfL giving the GLA such information and assistance as the GLA may reasonably require concerning the purchase of media space under to the Direction;
  - TfL complying with any instructions issued by the Mayor from time to time in relation to this Direction and with any instructions issued by an officer authorised by the Mayor for that purpose; and
  - All expenditure incurred by TfL pursuant to this Direction being in accordance with TfL's internal corporate governance arrangements, existing contractual obligations, statutory functions and all relevant legislation and rules of law.

#### **4. Delegation**

- 4.1 The Mayor has delegated to TfL powers under section 30 and 34 of the GLA Act to facilitate the Public Information Campaigns the subject of the Direction, subject to complying with the statutory obligations contained in the GLA Act, the Direction itself and generally with all directions issued by the Mayor and instructions from his authorised officers. The Head of Law at the GLA must also be given reasonable access to documents and facilities and cooperation in respect of his duties as monitoring officer.

#### **5. Recommendation**

5.1 The Board is requested to NOTE the receipt of the Direction from the Mayor.

TRANSPORT FOR LONDON

STAFF SUMMARY

TfL BOARD

**SUBJECT:** Report from Safety Health and Environment Committee Meeting – 6<sup>th</sup> July 2006

**MEETING DATE:** 20 September 2006

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**1. PURPOSE / INTRODUCTION**

To update the Board on Health, Safety and Environmental (HSE) and Resilience matters.

**2. BACKGROUND**

The main matters at the SHEC meeting of 6<sup>th</sup> July 2006 were the TfL Annual Health and Safety Performance Report 2005/06, a presentation on 'Managing Antisocial Behaviour' by Paul Crowther Area Commander BTP and the Q4 performance highlights from the businesses.

A closed session, for reasons of confidentiality and security, was held on Resilience matters. In it the Committee discussed the London Assembly Report of 7<sup>th</sup> July Review Committee, the HSE content of the TfL Legal Compliance Report and was updated on pandemic 'flu planning.

• **LUL and the BTP – Managing Antisocial Behaviour**

Paul Crowther Area Commander for the BTP presented on the improved approach to tackling workplace violence within LUL, addressing lessons learnt from dealing with domestic violence and findings from research by the Nottingham University. A key learning was the importance and impact of repeated low level assaults on staff. The importance of this impact has been key in developing improved approaches to addressing the impact of workplace violence on staff and training is being rolled out to facilitate this. As part of this TfL staff now receive feedback regarding the progress of their case. via BTP and the LUL Workplace Violence Unit. A 6% reduction in recorded assaults has been noted along with an increased detection rate of 40.8%.

• **TfL Annual Health and Safety Report 2005/06**

The 3<sup>rd</sup> Group Annual TfL H&S Report was discussed at the meeting with the Commissioner in attendance. Due to reporting timescales environment matters were not included within this report and will be submitted to SHEC in Q2 2006/7. The executive summary from the report is appended to this paper.

• **Revised TfL Group HSE Policy**

In keeping with continual improvement reviews and following the appointment of the new Commissioner, the TfL Group HSE has been reviewed and a draft was circulated at the meeting. Key points are that the policy has been updated to more

fully reflect commitment to the Mayor's environmental strategies and in particular climate change. At the next review of their HSE management systems, all TfL modes will adopt the policy signed by the relevant Chief Officers. All modes will therefore be aligned at a HSE policy level.

- **Audit Assurance Package for SHEC**

The issue of HSE assurance is fundamental to SHEC delivering against its terms of reference. At the request of SHEC a review of HSE auditing has been undertaken to determine the appropriate audit related information for SHEC to receive. The Committee agreed that this information would consist of; annual plans, summary performance against annual plans and executive summaries of HSE management system level audits.

- **Business Q4 HSE reports**

Corporate Directorates: Members noted the report from Peter McGuirk and in particular the establishment of a quarterly HSE Directors meeting and the briefing of Corporate MDs on the results of the HSE assurance letter 'dry run'.

London Rail: Members noted the report from Ian Brown and in particular the executive summary from the independent 3<sup>rd</sup> party HSE audit of DLR and its primary contractors. Ian Brown reported that a trend with eye injuries had been identified in the East London Line project and the contractor has been requested to review relevant risk assessments to ensure a safe method of work is available.

LUL: Members noted the report from Tim O'Toole'. Matters of interest included the HMRI prohibition notice at Acton Town regarding the self dispatch of trains in the hours of darkness, LUL is in compliance with the notice.

LUL won the London region BBC 'Big Challenge Health Works Award' for the most improved employer. However, it was recognised that sickness absence trends in LUL were higher than desirable and management were working to address this.

The executive summary of the 3<sup>rd</sup> annual independent 3<sup>rd</sup> party safety audit of LUL was shared with the Committee. Overall, the audit concluded that LU have made significant progress towards addressing the findings of the audit. The audit requested close monitoring and periodic formal review of:

- Control and support of PFI and LU Managed projects
- Technical assurance
- Competence assurance
- SPAD management

These topics are already the subject of on going monitoring and review.

The Health, Safety and Environment Committee of the LU Board has considered the third independent safety audit report and has concluded that all of the necessary actions have been or are being undertaken as part of the Safety Improvement Programme. As required by the Regulations the full audit report will be provided to the Office of Rail Regulation and to other train operators and infrastructure controllers affected by our operations.

Surface Transport: Members noted the report from Mike Weston. Peter Brown also attended and advised SHEC of his personal commitment to ensuring actions from the recent RoSPA independent safety audit of Streets are suitable addressed.

It was noted that there have been issues in relation to pursuing HSE improvements within London Trams and that Surface Transport have taken steps to manage this through appointing a 'Clerk of Works' to monitor on site compliance and discussions with legal to ensure the Concessionaires contractual obligations are met in this area.

Other Matters

3. IMPACT ON FUNDING

None.

4. RECOMMENDATIONS

The Board is requested TO NOTE the content of the report.

Further details on the content of the report can be obtained from:  
Richard Stephenson Director Group HSE (Tel: 0207 126 4905)



## **Appendix**

### **Executive summary from the TfL Annual Health and Safety Report 2005/06**

#### **Background**

This is the third annual health and safety performance report produced by Transport for London. The report is a summary of health and safety activity over the past 12 months and, where appropriate, comparison with previous years is provided. The environment section to this report has not been included for 2005/6 due to conflicting reporting timescales. A full environment report for 2005/6 will be provided in quarter 2 2006/7.

#### **Introduction**

This report addresses the period from April 2005 to March 2006 and, where relevant, comparisons with 2004/5 and earlier years' performance has been provided. Road safety data have been provided for the calendar year January to December 2005. Any enforcement actions made against TfL or the businesses are not addressed here but are provided separately to this report.

The tragic events on the 7<sup>th</sup> July 2005 had the largest health and safety impact on TfL and its customers for the 2005/6 period. The impact of the attacks and the follow-up to them have been extensively addressed elsewhere and in reports to SHEC and are therefore not addressed in detail in this report.

#### **Progress Against H&S Plans**

All modes have annual H&S plans which are monitored by senior management and performance reported on. As HSEMS (management system) implementation continues, the modes have developed more stringent HSE objectives and plans that are linked to the findings from HSE performance monitoring. The majority of objectives have been achieved and management attention in this area remains a key driver through which improvements in HSE management are delivered.

#### **HSE Management Systems**

There has been less substantial change to the HSEMSs across TfL than in previous years. Over the past 12 months, work has been focussed on implementation of the HSEMS. Several of the modes have developed additional standards to ensure all risks are addressed and to provide local managers with tools to address mode specific issues. LUL has commenced a scheduled full review of their HSEMS.

A HSE assurance letters process has been agreed with the modes whereby the Chief Officers will report on their mode's status against 10 statements relating to management of HSE. The assurance letters will be provided to the Commissioner, reported to the Safety Health and Environment Committee and used as a starting point for future HSEMS audits. All modes took part in the dry run in 2005/6 and the assurance letters process will 'go live' in Q1 2006/7.

#### **Audits**

As the HSEMSs become more established the level of HSE assurance activity has increased. There has also been increased auditing of 3<sup>rd</sup> party suppliers to ensure contractors' management of HSE is consistent with TfL's. In 2005/6 LUL, DLR and Streets have all undertaken independent HSEMS audits.

The LUL audit plan was completed and signed off by LUL's senior management. LUL's HSEMS has been subject to 3rd party independent audit by (Arthur D Little). This 3<sup>rd</sup> annual audit by ADL was completed in 2005/6.

Surface Transport completed its third year of health and safety audits of the bus operating companies, with the audits becoming more detailed and generating more actions as a result. The programme of bus station and river pier audits was completed to programme with actions and trends identified and passed to senior management. The first independent health and safety audit of Streets was completed this year by the Royal Society for the Prevention of Accidents (RoSPA) and the recommendations were presented to the Directors for implementation.

The annual Railway Safety Case audit, addressing all aspects of operational safety on the DLR network and the operational responsibilities of the concessionaire for the Lewisham extension, City Greenwich Lewisham Rail Link PLC and the City Airport Rail Extension (CARE) has been completed.

## **Safety Performance**

### Employees

The total TfL employee major injury rate for 2005/6 was 88.7 per 100,000 employees. This is an improvement on 2004/5 (93.1 per 100,000 employees) and is significantly lower than the national average of 237.9 major injuries per 100,000 employees. The TfL value is made up of 16 major injuries in total; 6 within Surface Transport (rate of 160 per 100,000) and 10 within London Underground (rate 74 per 100,000).

The previous increase in LUL employee assaults has been halted and an 8% reduction on 2004/5 values recorded. This comprised a 13.6% reduction in verbal assault and a 4.7% decrease in physical assault. The number of assaults for the other modes, which do not have as many public facing employees, remain consistently low but still a concern.

### Customers

The tragic events on the 7<sup>th</sup> July 2005 resulted in 56 fatalities and more than 700 people injured, many seriously. The incidents from the July events have not been incorporated into incident trend data so as to not obscure the underlying trends. There were a total of 5 other customer fatalities for TfL in 2005/6, 2 in LUL and 3 in London Bus Services Ltd (LBSL). This is the second year running TfL has reduced the number of customer fatalities by 1. Whilst each of these fatalities is much regretted it must be borne in mind that these were associated with a TfL total of more than 2.6 billion customer journeys. With regards to customer major injuries, of most concern was the high level in Surface Transport compared to the other modes. DLR has achieved a significant reduction in customer assault rate again this year, bringing its rate in line with other TfL modes.

### Major incidents

Using the criteria for major incidents as defined in section 4 of this report LUL had 5 incidents. Surface transport had 8. London Rail and the Corporate Directorates had no major incidents.

## **Health**

Sickness absence within TfL remains higher than the national average for public sector workers. Work to address this trend is being lead by Group Human Resource

Services with the TfL Occupational Health team and is risk based addressing mental health, musculo-skeletal health and colds and 'flu. Health and wellbeing pilots are underway across TfL to educate employees in making lifestyle changes to improve their health both in and outside of the working environment.

### **Road Safety 2005**

Road safety performance has been provided for 2005. Overall road safety continues to improve, in keeping with the more stringent targets set by the Mayor in 2006. However, there has been an increase in cyclist killed or seriously injured incidents (KSIs) across the Greater London Roads and powered two wheeler KSIs within the London Road Network and performance is currently worse than that required in order to achieve the 2010 targets.

26,742 road traffic collisions occurring on the public highway and resulting in personal injury were reported to the Metropolitan and City Police within Greater London during 2005. This represents a 7% decrease compared with 2004. These 26,742 collisions resulted in 31,830 casualties. Of these 214 were fatally injured, 3,436 were seriously injured and 28,180 were slightly injured.

Fatalities in 2005 have fallen by 1%, from 216 to 214, compared with 2004. Serious injuries decreased by 13%. Slight injuries decreased by 7%. Following a 12% decrease in the 12 months ending December 2005, all fatal or seriously injured casualties were 45% below the 1994-98 average. However, for fatalities, it should be noted that a reduction of 2% in fatalities compared with 2004, brought them 14% below the 1994-98 average by 2005.

In 2005, 154 out of the 214 fatalities (72%) were people external to vehicles (pedestrians, pedal cyclists and powered two-wheeler users), this compares to 69% (147 out of 216 fatalities) in 2004.