

# TRANSPORT FOR LONDON

## AGENDA

### BOARD MEETING

**TO BE HELD IN ROOM AG16  
ROMNEY HOUSE, MARSHAM STREET, LONDON SW1P 3PY  
ON TUESDAY 25<sup>th</sup> SEPTEMBER 2001, STARTING AT 10.00 A.M.**

A meeting of the Board will be held to deal with the following business. The public are welcome to attend this meeting, which has disabled access. Please note that members of the press should use the Tufton Street Entrance.

1. Apologies for absence
2. Minutes of the previous meeting held on 17<sup>th</sup> July 2001
3. Matters arising, not covered elsewhere
4. Commissioner's Report Paper by TfL
5. Finance and Performance Report Paper by TfL
6. Annual Statement of Accounts Paper by TfL
7. Approval of TfL Financial Policies Paper by TfL
8. Fares in Autumn 2001 and January 2002 Paper by TfL
9. London's Taxi and Private Hire Transformation Programme Paper by TfL
10. Congestion Charging Paper by TfL
11. Safety, Health and Environment Committee Report Paper by TfL
12. Any Other Business

# **Transport *for* London**

Minutes of a meeting of the Board  
held on Tuesday 17<sup>th</sup> July 2001, commencing at 10.00 a.m.  
in Room AG16, Romney House, Marsham Street, London SW1P 3PY

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<b>Present:</b>	Ken Livingstone (Chair)	
<b>Board Members:</b>	Dave Wetzel (Vice-Chair)	Oli Jackson
	David Begg	Susan Kramer
	Sir Christopher Benson	Joyce Mamode
	Stephen Glaister	Paul Moore
	Kirsten Hearn	David Quarmby
	Mike Hodgkinson (Items 33 - 44)	Tony West
<b>Special Advisors in attendance:</b>	Bryan Heiser	
	Lynn Sloman	
<b>Others in attendance :</b>	Robert Kiley	Peter Hendy
	Ian Brown	Maureen Nolan
	Valerie Chapman	Michael Swiggs
	Colin Douglas	Derek Turner
	Nicky Gavron	Jay Walder

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## **33/01 APOLOGIES FOR ABSENCE**

Apologies for absence had been received from Jimmy Knapp.

## **34/01 MINUTES OF PREVIOUS MEETINGS**

The minutes of the previous meeting held on 13<sup>th</sup> March were **agreed** as a true record.

## **35/01 MATTERS ARISING**

There were no matters arising.

## **36/01 COMMISSIONER'S REPORT**

The Commissioner gave a presentation, highlighting key points from his written report.

It was **noted** that:

- The Commissioner had written to the Prime Minister in late June to inform him that he had come to the conclusion that it was not possible to agree a contract structure with PPP bidders consistent with the provisions of the 4<sup>th</sup> May Memorandum of Agreement. He continued as Chairman of LRT, but negotiations had ceased as government had progressed with the imposition of PPP. Judicial Review was due to commence on 23<sup>rd</sup> July and it was anticipated that a judgement will be handed down on 27<sup>th</sup> or 30<sup>th</sup> July.
- Effective enforcement and policing is crucial to the delivery of the Mayor's Transport Strategy and co-operation with third parties (for example the Metropolitan Police and the Boroughs) is essential for TfL to succeed across all transport modes. It was **noted** that a joint working group to examine policing and enforcement had been established with the Metropolitan Police, focusing on the enforcement of bus lanes, public safety and security on public transport, including illegal taxi touting and wider public safety issues.

During discussion, the following points were **noted**:

- The sentences imposed by courts for traffic infringements were considered to be low and it would be desirable to increase the severity of these sentences. It was **agreed** that the Commissioner should make representation to the Magistrates Association to this effect;
- There appeared to be a conflicting message between the known views of the Police at senior level and reports appearing in the press;
- The British Transport Police (BTP) had not been mentioned in the Report. It was hoped that the combination of a new leader and impetus from TfL would initiate a time of change for the BTP;
- The suggestion was made that TfL could use a variety of methodologies and resources, for example the deployment of private police for traffic enforcement. Technology will be utilised increasingly to detect traffic offences. As the introduction of congestion charging draws nearer, real time enforcement on bus zones and targeting the small number of chronic offenders will be required. Neither the London Bus Initiative or Congestion Charging will operate successfully without the deployment of the Police on the streets;
- A service level agreement for policing the boroughs exists and discussions to revise and strengthen the agreement were underway. Enforceability of the agreement was an important issue and was critical in the strategy for congestion charging;.

The Commissioner's Report was **noted**.

## 37/01 **FINANCE AND PERFORMANCE REPORT**

Jay Walder gave a presentation of highlights from his Finance Report. It was **noted** that:

- The balance of funding was assumed to be covered by the GLA grant of £25m plus working capital and external borrowing;

- Actions had been taken to reorganise the provision of major project development and interchange planning within Integration, resulting in savings of £10m for the full year;
- Savings were also forecast due to a lower subsidy on bus contracts (£2m) and additional revenues from enforcement activities in Street Management (£4m);
- There had been some slippage during April and May in bus initiatives and service improvements (£4m) and on London Bus Initiative work and recruitment within Street Management (£5m), but these variances were expected to be recovered by the year end;
- Patronage continued to rise on buses and Docklands Light Railway during April and May. Journeys on the Underground were broadly in line with budget, despite May Day demonstrations and the threat of strike action. It will be important to monitor patronage actively to identify the impact of any economic downturn on TfL's business.

During the discussion following the presentation, it was **noted** that:

- Data on staff profiling by grade was requested and it was **noted** that this data was available for TfL. It was further noted that a large amount of data was already provided in the Board packs and an effort was made to ensure the packs were a manageable size. This data also linked in with the work Alice Maynard was undertaking. It was **agreed** that a briefing should be given to Kirsten Hearn on the topic and how Board Members might be briefed further.
- It was also **agreed** that the data for staff in London Bus Companies should be ranked to show the data for the main bus companies on one page;
- Work had already begun on the transfer of LT into TfL and discussions had commenced;
- A fundamental review of projects for the current fiscal year was in progress to identify high priority items to carry forward in both the Integration directorate and the business units. The process will continue with the development of the Business Plan.

The report was **noted**.

### 38/01 2001/2002 BUDGET

Jay Walder gave a presentation on the latest position on TfL's 2001/02 Budget. It was **noted** that:

- The Advisory Panels and the Finance & Audit Committee had received reports on milestones/deliverables for each key project and initiative. These will strengthen the process of oversight and control and will be reviewed every two months. The Finance & Audit Committee will review projects in detail;
- The position on external borrowing remained unclear, though indications from Government Office for London (GOL) were optimistic. GOL was working with TfL on the possibility of the Secretary of State allowing TfL a short term increase in its borrowing limit, but clarity on TfL's position was required. TfL was managing within its budget and it was anticipated that this will continue. It was

anticipated that a report clarifying the position will be made to the Board meeting in September.

The Board **agreed** that:

- The actions outlined in the Board Paper were appropriate in the light of the current position on borrowing;
- TfL will not enter into any commitments to expenditure during the current financial year that are dependent upon assumed borrowing unless and until funding is assured;
- TfL will balance its budget.

### 39/01 **JANUARY 2002 FARES REVISION AND AUTUMN BUS FARES INITIATIVES**

A paper setting out proposals for revised fares on London's buses, tubes, trams and Docklands Light Railway from January 2002, and also bus fares initiatives to be implemented in Autumn 2001 was considered. It was **noted** that the proposals had been considered at the recent Surface Transport and Rail Transport Advisory Panel meetings and also the Finance and Audit Committee meeting on 3<sup>rd</sup> July 2001.

It was **noted** that:

- The revenue yield from these initiatives will be approximately £25m, of which £20 will be from the Underground;
- A limited discussion on fares policy and initiatives had been held to date and a comprehensive strategy to deal with fares, including the introduction of Smartcard technology, was required.;
- A director of Ticketing and Fares Policy had been appointed.

During discussion, the following points were **noted**:

- The current variants of multiday Travelcard will be retained with an appropriate rated increase in price on the existing range. A reduction in the price of childrens' tickets was requested from £4 per week to £3.50 per week;
- Thought should be given to the fares strategy in relation to congestion charging, particularly the use of stored value and Smartcard technology.

The fares proposals and initiatives outlined in the paper were **noted**, in particular:

- the core proposals for next January for an inflation matching set of fares changes for the Tube and a freezing of bus only fares;
- the proposed introduction in January 2002 of an All Day Travelcard as part of an overall package that delivers the target yield for the Tube;
- The introduction in Autumn 2001 of a child Bus Saver ticket;
- The adoption of standardised Night Bus fares, also in Autumn 2001; and
- The proposal to reduce the All Zones Bus Pass season price in January 2002 to £8.50 for a weekly ticket and, linked to this, to remove zonal restrictions on the use of Travelcards on buses.

It was **noted** that the Mayor will take the necessary decisions to finalise the fares proposals and a report of the Mayor's directions will be put to the September Board meeting.

The Board **noted** two directives issued by the Mayor relating to bus fares and ticketing changes, which had been implemented on 20 May 2001. The changes had been endorsed by the Board on 13<sup>th</sup> March 2001.

#### 40/01 **SAFETY, HEALTH AND ENVIRONMENT COMMITTEE REPORT**

David Quarmby gave an oral report on the Safety, Health and Environment Committee, which met on 2<sup>nd</sup> July. Safety performance for the previous year from all parts of T/L was reviewed.

The following points were **noted**:

- There was an increase in assaults on staff, a high proportion of which related to alcohol consumption. The possibility of a link with government proposals for the widespread deregulation of licensing had been discussed by the Committee. Staff training in the business units had focused on conflict avoidance;
- More research was needed into security issues of vulnerable groups of transport users such as women and children;
- Fatalities on roads in London in 2000 were higher than the previous year and the five year average. The incidence of Killed or Seriously Injured (KSIs) had increased slightly on the road network but had decreased for cyclists and pedestrians;
- Most of the safety targets for Surface Transport had been met, except in bus driving standards and the associated public injury rate. The safety plan for London Buses next year includes training, testing and monitoring of driving standards.

During discussion, it was **noted** that:

- Detailed data on the location and timing of assaults was desirable;
- The number of assaults on bus drivers was as high early in the evening as later on in the evenings. Preventative action, in co-operation with the Police, was in hand. The presence of uniformed police reassures passengers;
- It was **agreed** that a note on Signals Passed At Danger will be included in the next report of the Committee;
- An action programme to target issues in the area of assaults and identifying proposals to deal with them was requested. It was **noted** that the matter of assaults was being pursued and an active policy to reduce cash taken on buses was under way. One route will, as a pilot, have cash removed completely in the Autumn.

The report was **noted**.

#### 41/01 **FORMATION OF A JOINT VENTURE COMPANY**

A paper outlining a proposal for Transport Trading Limited (TTL) to form a joint venture company with a wholly owned subsidiary of the Strategic Rail Authority (SRA) for the development of the Crossrail and North East/South West Schemes was considered.

David Begg and David Quarmby each declared an interest. It was **agreed** that they should remain in the room during the discussions, but should not participate in the deliberations.

It was **noted** that:

- The Rail Transport Advisory Panel had discussed the matter on 4<sup>th</sup> July 2001;
- TfL's subsidiary, TTL, will form the joint venture company;
- The proposed company will be limited by shares. TTL and the SRA subsidiary will each hold 50% of the shares;
- The SRA Board had approved the formation of the new company on 5<sup>th</sup> July.

During discussion, the following points were **noted**:

- Board Members welcomed the project, which was seen as key to the Transport Strategy;
- Organisations such as London First were assisting with the recruitment of the Chief Executive of the new company;
- London First and the LCC had requested representation on the board of the joint venture company
- The first Board meeting of the new company will discuss programmes of work and a timetable;
- It was anticipated that major decisions (for example on routes) will be put to the TfL Board at an early stage;
- Support from Government was considered to be essential and it was hoped that Government support for a hybrid bill would be forthcoming.

It was **agreed** that:

- TTL will form the joint venture company Cross London Rail Links Limited, to facilitate the development of the CrossRail Scheme and the North East/South West Schemes, to be effected by Transport Trading Limited as the proposed shareholder of the company;
- TfL and TTL will enter into Heads of Agreement and any associated agreements required to facilitate the development of the schemes;
- The post of Chief Executive will be advertised and appointed by agreement of TfL and the SRA. Until a permanent appointment is made, Keith Berryman will be appointed as interim Chief Executive;
- Deadlocks which cannot be resolved between the members of the Board will be referred to a "High Level Group", comprising the Mayor, the Commissioner, the Minister of Transport and the Chair of the SRA. Determinations of the High Level Group will be made by unanimous decision. Where the High Level Group cannot reach a decision termination of the joint venture will be an option.

The Board delegated to the Commissioner (and in his absence the Managing Director of Rail Services) the power to:

- Agree the final terms of the Heads of Agreement on behalf of TfL and TTL;
- Agree the terms of any associated documents required to facilitate the development of the schemes including the Joint Venture Shareholders Agreement;
- Make any minor drafting amendments to the Memorandum and Articles of Association as may be necessary; and
- Agree any changes to the proposed membership of the High Level Group and how determinations are made.

The recommendations were **agreed**.

It was **agreed** that the following changes should be made to the directorships of Transport Trading Limited:

- Jay Walder, Derek Turner, Ian Brown and Colin Douglas be appointed directors of TTL.
- Bob Kiley be appointed Chair and Jay Walder Finance Director

It was **noted** that Joyce Mamode and Dave Wetzel had resigned as directors of TTL with effect from 8<sup>th</sup> June 2001.

#### 43/01 **LONDON'S ROAD SAFETY PLAN**

A paper outlining the responses to consultation on the Draft Interim Road Safety Plan, with a revised Road Safety Plan, was considered.

It was **noted** that:

- The paper had been discussed at the Street Management Panel meeting on 29<sup>th</sup> June and the Foreword had been updated in the light of comments made at that meeting;
- A Pan London Road Safety Forum had been formed;
- It was proposed that the Road Safety Plan will be launched in September and details of the launch will be reported to the Street Management Panel.

During discussion, it was **noted** that:

- The issue of tackling road collisions should be a top priority for TfL and sufficient resources should be allocated as this was considered to be an issue where it was possible to make a significant impact within a year;
- The increase in pedestrian fatalities in London of 19% (compared with a decrease elsewhere in Britain) caused concern;
- A cost/benefit analysis was requested to show results in relation to the amount spent;
- Promoting a level of awareness of road safety and targeted safety campaigns had been proved to be more effective than general road safety education;



- TfL is pursuing, with Government and with Brussels, the quality of vehicle design and its potential effect on pedestrian and vulnerable road user accidents;
- Measures had been initiated to make facilities for pedestrians safer and more convenient. The next Street Management Advisory Panel will consider the level of pedestrian accidents in one way streets. A programme to examine, and possibly remove, gyratory systems was requested;
- Four pilot schemes had been identified for the introduction of lower speed limits. The schemes will be monitored with a view to extending them if they are successful;
- A limited level of analysis and data on road safety exists. The London Accident Analysis Unit is a source of research into accident analysis and trends;
- The cost of providing a safe route to school for every child will be re-examined and considered at the next Street Management Advisory Panel;
- The message that speed cameras are effective and save lives should be reinforced;
- The incidence of Signals Passed At Danger is far higher on the road network than on the rail network. Work will continue with the police to act as a deterrent and encourage compliance.

The Board **agreed** the revised Road Safety Plan and the proposals for publication as outlined in the Board Paper.

#### 44/01 **ANNUAL REPORT**

A paper outlining the proposed approach to the publication of the 2000/01 TfL Annual Report was considered.

The Report will be a low key, inexpensive publication, covering the ‘set-up’ year which was a period in advance of the introduction of the Transport Strategy. It was **noted** that the format of the report will be re-examined next year.

The following actions were **agreed**:

- The proposed approach for the outline Annual Report was approved;
- Subject to any further comments from Board Members, authority to finalise the Annual Report was delegated to the Director of Communications and Public Affairs and the Managing Director, Finance and Performance, in consultation with the Chair of TfL.

#### 45/01 **SPATIAL DEVELOPMENT STRATEGY**

A paper setting out TfL’s formal response to ‘Towards the London Plan: Initial Proposals for the Mayor’s Spatial Development Strategy’ was considered.

It was **noted** that:

- A response was due by the end of July. Close links will need to be formed between the SDS and the Transport Strategy;

- It was hoped that the comments on capacity issues would be taken on board;
- The few riverside wharf sites remaining were under threat and there was no mention of passenger piers in the Strategy;
- Local communities should be involved in developing the Strategy and the importance of including social inclusion aspects as a key principle of the Strategy was recognised;

The contents of the paper were **noted**. It was **agreed** that the response, incorporating the comments made at the meeting, would comprise TfL's formal response to Towards the London Plan.

It was **agreed** that the work priorities listed in paragraph 2.14 in the paper should be undertaken to contribute towards the GLA's preparation of the SDS.

#### 46/01 ANY OTHER BUSINESS

It was **noted** that the Chair had introduced fair employment clauses in respect of GLA private contractors. He would write to all GLA functional bodies on the subject.

The Chair took the opportunity to note that Richard Smith, Director of Integration would be leaving TfL in September, and drew attention to the considerable contribution he had made specifically to the production of the Transport Strategy.

There being no further business, the meeting closed at 12.42 p.m.

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Chair

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Date

**TRANSPORT FOR LONDON**

**TfL BOARD**

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

**MEETING DATE: 25 SEPTEMBER 2001**

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**1. PURPOSE**

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

- Provides an overview of issues and developments since the Board meeting on 17 July 2001;
- Informs the Board of major projects and initiatives being undertaken by TfL; and
- Updates the Board on actions that the management team are taking.

**2. INTRODUCTION**

Over the last few months, our focus has been on the development of TfL's business plan which will be the framework for our operations over the next six years. During October we will be working through a special cycle of Panel, Committee and Board meetings to address the strategic issues that we face as an organisation.

We are starting to attract a broader range of media coverage. The PPP remains a dominant topic, but there is increasing interest in our other major projects. The implications of congestion charging and the improvements to the bus service are now being debated publicly. As we move to implementing our programme, we will inevitably start to attract our share of criticism as well as plaudits. Above all we must be prepared to engage in these public debates; to listen carefully and act appropriately.

Finally, I would like to join the Mayor in expressing my condolences to Jimmy Knapp's family. As one of the first members of the TfL Board, Jimmy helped to establish this unique transportation authority.

**3. TfL OPERATIONS**

An overview of our operations is included in the separate finance and performance report. There are some particular issues to draw to your attention.

**3.1 *Temporary bus lane on Marylebone/Euston Road***

Board members will be aware of major works being undertaken at Kings Cross as part of the Channel Tunnel Rail Link station development. Further works to repair gas and water main

problems have led to substantial delays to traffic in the area and along the length of the Marylebone/Euston Road.

We have introduced a 24-hour bus lane along the two mile length of the Marylebone/Euston Road for a period of six months. This will help buses (and other bus lane users) maintain their services on this critical artery. There are 60 buses per hour in each direction during peak times along the eastern section. Enabling buses to move through this congested area also maintains the overall reliability of the bus service on other parts of the affected routes.

The introduction of this bus lane has attracted a high level of media attention, much of it unfavourable. As we move forward with our bus improvement programme, we will face difficult decisions on how to allocate scarce road space between competing users. We need to be more effective at getting our message across about the constraints of London's transport system and the need for decisive steps to improve public transport.

### **3.2 *Private hire vehicle licensing***

Private hire operators had a deadline of 22 August by which to apply for a license. We have now received around 2,000 applications which we believe represents virtually all the current unregulated minicab and private hire trade. Any operator trading after 22 October without such a license (or temporary permit) will be trading illegally.

There is a separate paper on the Board agenda dealing with a set of proposed reforms to the existing licensed Taxi tariff.

### **3.3 *Thames river services***

The Board will be aware that the Thames Speed Ferry Company which operated a commuter service between Chelsea and London Bridge went out of business during July. They had never operated a full service and carried very small numbers of passengers.

TfL's responsibilities with regard to the River extend to the operation of nine piers. A number of operators are licensed to use these piers for commuter and leisure services. Although the Maritime and Coastguard Agency is the primary body responsible for safety legislation and compliance on the River, TfL has now introduced mandatory safety requirements for all staff working on Thames river vessels using TfL piers.

### **3.4 *Croydon Tramlink***

We have received a proposal from the Croydon Tramlink concession company to restructure the concession agreement and change the shareholdings. This is being examined and we will keep the Board informed of progress.

## **4. TFL PRIORITIES**

We would like to draw your attention to the following.

#### **4.1 *Underground integration and the PPP***

There have been a number of major developments since our last Board meeting. These include:

- The High Court ruling on 30 July that the government had the power to try to impose its proposed Public Private Partnership (PPP) contracts on London. Mr Justice Sullivan's judgement made clear that the court was not ruling on whether the government's PPP scheme is safe or provides value for money. Nor did he decide on the legality of any particular contractual terms.
- The Court of Appeal's agreement with Mr Justice Sullivan that the Deloitte Touche report into the Value for Money of the PPP should be released in redacted form. This report was widely circulated to key stakeholders on 23 August.
- The decision by the Government to push ahead and appointed a preferred bidder for the Sub-Surface Lines infraco.
- The Government announcement that they will seek to vary certain PPP contractual clauses to address some of TfL's concerns.

Our position on the PPP remains unchanged;

- The government's proposed PPP represents an inherently unworkable management scheme by separating control of train operations from safety-critical maintenance activities. It sets the wrong priorities and provides inadequate control over the work of private contractors working in this essential public asset. We will therefore continue to oppose this PPP and advocate the alternative plan for the renewal of the Underground set out in the Transport Strategy.
- If the government seeks to conclude PPP contracts it must still do so in a lawful manner. As Commissioner I will continue to use all appropriate means to enforce London's rights in this matter.
- The government has pledged not to conclude PPP agreements unless they are demonstrated to be safe and provide value for money. It has so far failed to make the case that either of these tests have been met

It is important that the Board note that London Underground has ceased all transitional activities with TfL since mid July. Until that time, regular and frequent contact had been established to prepare for the transfer of the Underground to TfL. As the future owner of the Underground, we are concerned that decisions are being taken which will have a significant impact on TfL as a whole. We are particularly concerned about operational and financial risks that could dwarf those of the current TfL businesses. I have written to Derek Smith asking him to reinstate meaningful transition processes.

#### **4.2 *Congestion charging***

The public consultation stage for the proposed congestion charging scheme will be concluded at the end of this month. An exhibition has been running since early August as well as a number of public meetings. The tendering process for the main contracts to implement congestion charging is underway. The Board will be involved in the awarding of the major contract towards the end of

this calendar year if the Mayor confirms the Congestion Charging Order. A separate paper is included on the Board agenda setting out our progress in more detail.

### **4.3 *Cross London Rail Company***

The role of the new Cross London Rail Company will be to undertake the detailed planning and organise the financing for Cross Rail and, subsequently, Hackney-South West. The Company will be jointly owned by TfL and the Strategic Rail Authority.

The first Board meeting was held in August. There is a strong shortlist for the Chair of the company and a decision should be announced by the end of this month. We are extending the search for the Chief Executive through an international recruitment consultant. This will be one of the most challenging rail infrastructure projects in the world with a great deal of business, community and political interests at stake. It will require exceptional skill and determination to complete the detailed planning phase and move to implementation within three years.

### **4.4 *Thames Gateway***

The Mayor has made it clear in his Transport Strategy, Economic Development Strategy and the initial proposals for the London Plan that the Thames Gateway is a priority regeneration area. TfL is already working on a number of transport schemes that will have major benefits for the Thames Gateway including the East London Line extension, Cross-Rail, the A13 DBFO and the DLR City Airport extension.

We are working with the London Development Agency to draw up a strategic framework to our investment in this corridor. This should guide investment decisions by both agencies and enable us to engage private investors, local authorities and other partners.

### **4.5 *Enforcement and policing of the transport system***

We have had further discussions with Sir John Stevens and his senior staff on developing a joint transport policing and enforcement strategy. Constrained resources remain an issue for both TfL and the Metropolitan Police Service. We are making progress on an agreed structure to deliver coordinated enforcement and policing on our major corridors. I will brief the Board on further progress at the meeting.

A recent illustration of our shared interest in the enforcement agenda is an anti-taxi touting operation by TfL and MPS officers. Of those drivers apprehended for touting, at least half were of interest to the police for other offences or bailiffs for unpaid fines. The licensing of private hire operators and the proposed taxi fare changes will make it timely for such operations to be stepped up and I have written to Sir John Stevens to ask him to do so.

### **4.6 *Economic observatory***

We are exploring the setting up of a dedicated economic intelligence unit with the Greater London Authority and the London Development Agency. A draft report from Rosemary Scanlon has been received which advocates establishing a single unit within the GLA family. This unit would provide ongoing, in depth analysis and expertise on the structure, development and prospects of the London economy. Our recent experience of preparing the transport strategy and first TfL business plan highlights the importance of having access to this intelligence.

Initial discussions with the LDA and the Mayor's Office indicates strong support for such a move. We intend to put a paper to the TfL Board cycle in November.

#### **4.7      *Road safety plan***

The Road Safety Plan will be published in October. A communication strategy is being prepared for the plan which will be put to the Street Management panel in October.

### **5.      STRATEGIC ISSUES**

#### **5.1      *Social inclusion***

Alice Maynard has prepared an initial report setting out some ideas on how TfL can fully integrate the social inclusion agenda into its activities. It is worth noting that we are already making changes that will have a real beneficial impact on the accessibility and affordability of transport in London; such as the introduction of fully accessible buses; the cheaper bus passes and new bus saver ticket; changes to the DLR rolling stock and the instigation of a full management and operational review of Dial-a-Ride.

It is important that we develop a coherent framework to enable us to fully address issues of affordability, accessibility and acceptability. We will be working with Alice over the next few weeks to develop the social inclusion framework and engaging Board members through the November Panel and Board cycle.

### **6.      UPCOMING EVENTS**

The focus of the next special Board meeting will be entirely on the Business Plan. The business plan will be the framework for the TfL Budget which we will submit to the Mayor in November. It will then be subjected to the Assembly scrutiny process.

The November Board meeting will deal with normal TfL business which is likely to include:

- Progress with congestion charging
- Progress with the London Bus Initiative
- Proposals for enforcement and policing of transport in London
- Proposal for establishing an Economics Observatory for London
- Proposed social inclusion framework for TfL

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**ROBERT R. KILEY**  
**COMMISSIONER FOR TRANSPORT**

**TRANSPORT FOR LONDON**

**TfL BOARD**

**SUBJECT : FINANCE & PERFORMANCE REPORT**

**MEETING DATE : 25 SEPTEMBER 2001**

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**1. PURPOSE**

- 1.1. To inform the TfL Board of the latest position on the current financial issues facing TfL including the latest position on the 2001/02 Budget, the financial and operational performance of the TfL Group for the four months to July 2001, and other significant items discussed by the Finance & Audit Committee at its 17 July and 4 September meetings.

**2. 2001/02 TfL BUDGET**

- 2.1 The TfL budget has been prepared on the basis of legal advice that indicated an ability to borrow externally on a short-term basis. As a result, the budget includes £63m of private sector debt to be borrowed by Transport Trading Ltd (TTL) during the last three months of the year, to support the higher level of expenditure than grant funding allowed. When subsequently asked to provide a legal opinion in regard to the earlier interpretation, Counsel reconsidered the advice and concluded that TTL cannot borrow in excess of TfL's borrowing limit.
- 2.2 TfL and GLA have since engaged with Government Office for London and DTLR officials to determine a clear position on our ability to borrow. The DTLR's intention is to amend the Local Authority Companies Order in a way that would remove the restrictions on borrowing highlighted by Counsel. A draft Order was laid before Parliament on 10 September, with the intention that it should come into force on 1 October 2001. Legal advice is being sought on the wording of the draft Order.
- 2.3 In the interim period, and as a fall-back should the change in Order not occur to this timetable, TfL is continuing to explore the following actions to ensure that TfL balances its budget :-
- \* The process of financial oversight, control and adherence to project milestones and budget is being strengthened. Milestones and deliverables for all key projects are now being presented to the Finance and Audit Committee and Advisory Panels. The reports will be revised and improved in the coming months and exceptions in terms of budget, schedule or scope will be clearly highlighted to the relevant Committees and Panels.
  - \* Other sources of funding are being progressed including the potential for additional grants from GLA functional bodies and the financing arrangements and phasing of major project schemes. The £15m element of the originally agreed TfL funding is currently being cleared by LFEPA's lawyers, whilst the £10m from the GLA core has been identified for transfer when needed.



- \* Flexibility is also being maintained in the event that we are unable to secure additional resources or borrowing capacity. Toward that end, a list of cost savings and uncommitted spending or enhancements has been developed which has been largely reflected in the July forecast.

2.4 Pending resolution to the above and in order to provide a meaningful basis for comparison, forecasts have been included in these results based on the same funding assumptions as those used to prepare the budget.

### 3. REVENUE ACCOUNT

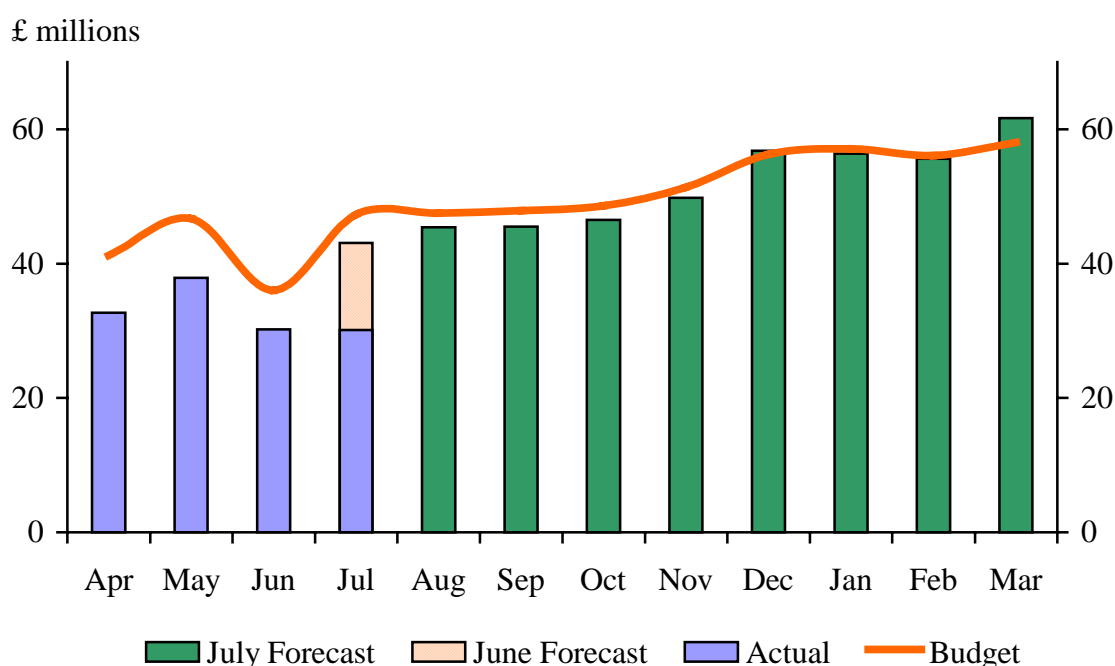
3.1 For the period to July 2001, the favourable budget variance in TfL's revenue expenditure has reached £37m or 11%. Increasingly the main component of the cost underspends results from actions taken by the Managing Director, Finance & Performance. This has involved reassessing planned staff recruitment, interchange planning and major project development as part of this year's business planning round, within the previous Integration department and the other central directorates (£13m or 45%). In addition, payments to the London Boroughs have fallen behind budget by £8m (27%) due to changes to the phasing and payments mechanism designed to more closely align TfL's payments to the Boroughs with the actual work being carried out. It is possible that this will result in further delay in the profile of this expenditure over the remainder of the year.

#### Revenue Account

	July 2001		Full Year		
	Year to 31 July	Variance to Budget	July Forecast	Variance to Budget	Variance to June Forecast
	£m	£m	£m	£m	£m
<b>Expenditure</b>					
London Buses	199	9	660	13	8
Docklands Light Railway	4		16	(2)	
Street Management	44	7	172	14	1
Borough ITP's	22	8	103	7	7
TfL Centre / GTS	15	13	74	14	5
Other services	9		31	(2)	(1)
	293	37	1,056	44	20
<b>Income</b>					
London Buses	155	1	483		(1)
Docklands Light Railway	3		11		
Street Management	6	1	17	1	1
Other services	7	1	23	1	
	171	3	534	2	
<b>Net Cost of Services</b>	<b>122</b>	<b>40</b>	<b>522</b>	<b>46</b>	<b>20</b>
PFI capital & interest charges	9		26		
<b>TfL Net Revenue Costs</b>	<b>131</b>	<b>40</b>	<b>548</b>	<b>46</b>	<b>20</b>

- 3.2 A further £9m of the cumulative underspend refers to lower payments to bus contractors on quality incentive routes, additional conductors and other service improvements within London Buses, commencing later than expected (£8m), along with an over recovery of ticket commission in 2000/01 which resulted in a refund of (£1m). The decision to defer the recruitment of additional conductors for buses with doors is pending the results of a pilot study on route 55.
- 3.3 Spending by Street Management was £7m (14%) less than budget in the year to July and included lower expenditure on Congestion Charging (£2m) caused by the reclassification of work as capital; on LBI (£2m) due to the delay in implementing bus lane enforcement; and reduced activity in Traffic Management (£2m), the settlement of land claims (£2m) and a number of smaller variances in Street Management strategy and support services. The cumulative variance also includes higher than expected expenditure on road maintenance (£7m).
- 3.4 Revenue income for the first four months of the year totalled £171m, £3m (2%) higher than budget with small increases from additional property rental income, bank interest income and the recovery of traffic management expenditure from the London Boroughs. Whilst year-to-date TfL traffic revenues are in line with budget, supported by continued increases in bus and DLR passengers, LUL's patronage growth for this year is not expected to exceed 1%, compared with more than 5% over the past few years. Whilst more investigation is required in order to isolate the causes, it is possible that part of this fall may result from the slowdown in general economic conditions which may affect patronage in TfL's services over the coming months.
- 3.5 The July forecast indicates that TfL's net revenue costs for the year as a whole at £548m will be £20m less than projected in June. Changes to the forecast are largely concerned with the £7m release of reduced spending on the re-introduction of conductors at London Buses, the recognition of further cost savings in central directorates (£5m), and a change made this month to the treatment of ITP payments for the TLRN from an operational cost to the direct payment of grant (£7m).

**TfL Net Revenue Costs - 2001/02**



3.6 The changes made to the forecast result in an increase in the full year favourable budget variance to £46m (8%) incorporating the full year effect of cost savings in central directorates (£14m); the reclassification of work as capital and slippage in land claim settlements within Street Management (£15m); and cost efficiencies, including savings from the recruitment of additional conductors initiative starting later than expected within London Buses (£13m). The chart set out below indicates that business units still expect to incur revenue costs broadly in line with budget over the remainder of the year. However, this will require a significant increase in the rate of expenditure from £34m per month over the first quarter to £58m over the last quarter of the year.

#### 4. CAPITAL EXPENDITURE

4.1 For the first four months of the year, net expenditure on capital has totalled £40m, and this was £10m (20%) less than budget with the majority of this underspend being slippage in DLR (£7m) capital projects, as shown in the table below. Budget errors in the phasing of payments for the new rail cars (£5.8m) is the primary cause of the underspend, in addition to the reclassification of City Airport extension expenditure as revenue (£0.5m) and work on Canning Town sidings that was incurred in 2000/01 (£0.7m).

4.2 Within Street Management, the budget variance incorporates slippage in work on LBI (£5.4m), on major route improvements (£5.3m) and on Red Route and traffic management schemes (£5.4m). Partially offsetting that was higher than planned expenditure on capital road maintenance (£3.5m), and on the Hungerford Bridge contribution (£4.0m), along with reduced activity from property sales (£4.0m) and a change in the treatment of ITP contributions (£3.3m).

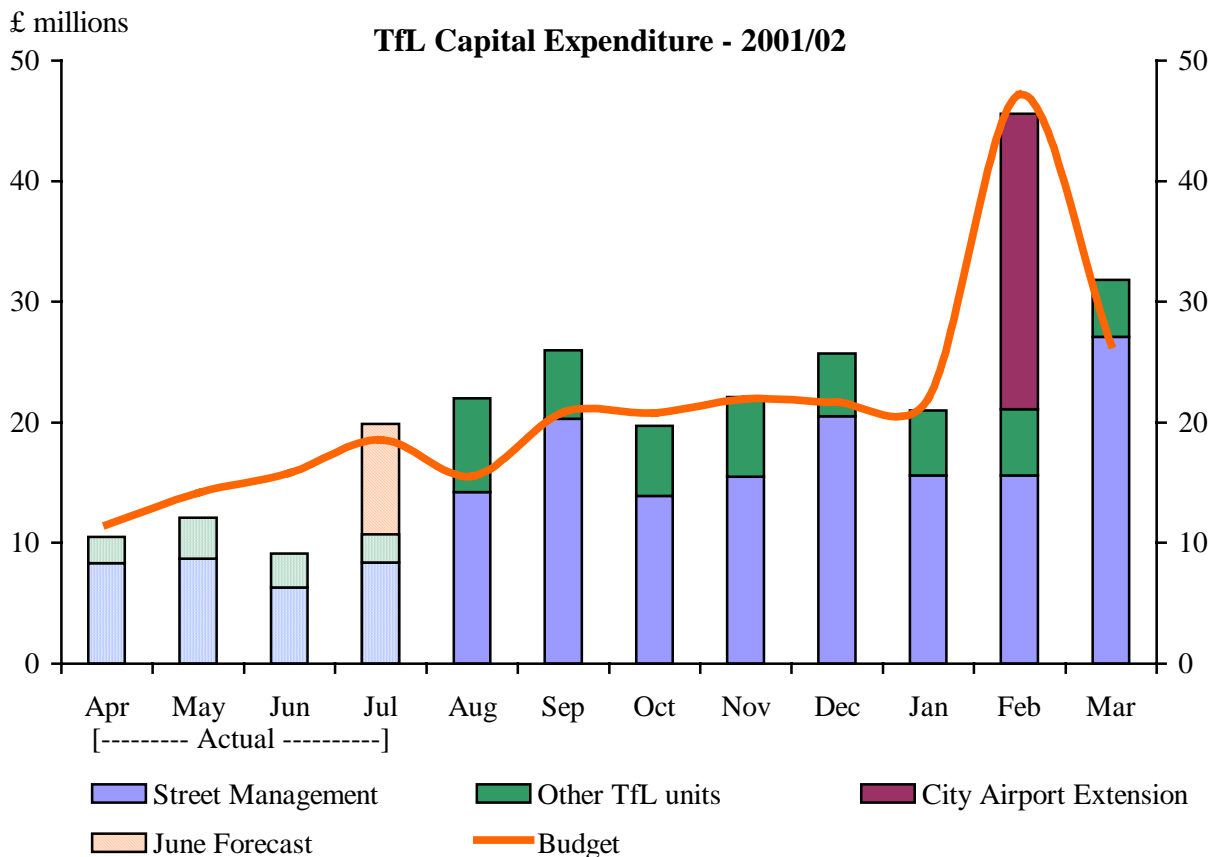
4.3 The unfavourable variance in London Bus capital programme continues to refer mainly to the purchase of land in Hounslow to allow the construction of a new bus garage (£1.8m).

#### Capital Expenditure Summary

	July 2001		Full Year		
	Year to 31 July	Variance to Budget	July Forecast	Variance to Budget	Variance to June Forecast
	£m	£m	£m	£m	£m
Street Management	31	9	174	1	14
Docklands Light Railway	1	7	50	3	
London Buses	8	(2)	19	(3)	
Other services	2	4	13	(1)	1
<b>Total capital expenditure</b>	<b>42</b>	<b>18</b>	<b>256</b>		<b>15</b>
Capital receipts	(1)	(4)	(15)		(1)
Third party contributions	(1)	(4)	(8)	(7)	(7)
<b>Net Spend on Capital</b>	<b>40</b>	<b>10</b>	<b>233</b>	<b>(7)</b>	<b>7</b>

4.4 The new forecast for net capital spend indicates that for the year as a whole TfL will spend £233m, £7m less than forecast last month. This change includes a substantial reduction in Street Management's capital expenditure as a response to TfL's request to identify programmes that can be deferred until the position on funding is clarified. This has resulted in reduced planned expenditure on A13/A40/A406 completed schemes (£6.2m), Blackwall tunnel refurbishment (£3.0m), work on Red Routes (£0.7m), A12/M11 link (£1.2m), along with smaller adjustments to capital road maintenance and other projects (£2.9m). The July forecast also includes the full year impact of the change in the treatment of ITP payments between Integration and Street Management (£6.8m).

4.5 As shown in the chart over the page, expenditure in July was significantly lower than forecast in June (£10.7m actual compared with £19.9m forecast) and continues to predict an increase in the rate of expenditure over the next few months. It should be noted that the significant increase in expenditure in February 2002 represents the advance payments planned to be made on the signing of the DLR City Airport extension concession. The timing of this payment is being considered in the context of the financing plans put forth by the prospective contractors.



## 5. CASH SPEND

5.1 After four months of the year, TfL cash payments have totalled £204m (£130m on operating activities and £74m on capital activities) and this is £41m (17%) less than budget. Details of underspends in both revenue and capital accrued expenditure totalling £50m have been described above. This is partially offset by the higher settlement of working capital balances of £9m, all of which now reflects the spill-over from work carried out by Street Management during the last few months of 2000/01, and which is expected to be fully cleared by September

2001. Grant and precept funding of £281m has now been received from Government and as a result, cash balances have increased by £77m over the first four months of the year.

- 5.2 The new forecast indicates a cash spend of £771m for the year as a whole, £16m less than forecast in June, the primary cause of this underspend being the cash impact of cost savings and delayed uncommitted work now reflected in the forecast by business units. The forecast currently assumes grant and precept funding for the year of £743m and so continues to require a balance of funding from external borrowings or other sources. This is estimated at £58m in July's forecast, a fall of £13m from last month as a result of the reduced cash forecasts.
- 5.3 As mentioned in section 1 of this report, TfL is intending to carry out a number of actions that will maintain flexibility in the level of expenditure incurred during the year, whilst attempting to secure additional funding, and will not undertake to incur expenditure that is unfunded.

### Cash Summary

	July 2001		Full Year		
	Year to 31 July	Variance to Budget	July Forecast	Variance to Budget	Variance to June Forecast
	£m	£m	£m	£m	£m
Net revenue costs	(131)	40	(548)	46	20
Movement in working capital	1	14	24	5	6
Cash spend on operating activities	(130)	54	(524)	51	26
Net spend on capital	(40)	10	(233)	(7)	7
Movement in working capital	(34)	(23)	(14)	(13)	(17)
Cash spend on capital activities	(74)	(13)	(247)	(20)	(10)
GLA Transport grant	277		707		
GLA grants			25		
DETR start-up grants	1	1	1	1	
Precept funding	3		10		
External Borrowing			58	(5)	(13)
Cash inflow from financing	281	1	801	(4)	(13)
<b>Movement in Cash Balances</b>	<b>77</b>	<b>42</b>	<b>30</b>	<b>27</b>	<b>3</b>

## 6. STAFF NUMBERS

- 6.1 TfL staff numbers (defined as the full time equivalent number of permanent and temporary agency staff) increased by a net 43 during July to 2,657 with recruitment spread across the Group's business units. TfL's headcount however remains below budget at month-end (207) some of the variance being the result of actions taken to reassess staff recruitment, particularly in the previous Integration department and Corporate Services, after the budget had been completed. The majority of budget vacancies occur in :-

- \* Integration (30) due to the reassessment of work on major project development, market research and slower progress than assumed on Crossrail,
- \* Corporate Services (88) due to the deferral of travel information expansion plans during the last few months of last year,
- \* Street Management (44) due to slippage in the build-up of staff compared to budget, and
- \* Public Carriage Office (34) due to the delayed set-up of private hire licensing.

6.2 The July forecast shows staff employed of 2,888 by year-end and this is in line with budget for all business units with the exception of a lower level of staff than planned on the expansion of Travel Information centres and the Call Centre within Group Transport Services (71). Work is currently underway to determine how the number of agency / consultancy staff covering permanent positions can be reduced to below the 362 included in the forecast, between now and the end of the year, however this effort will be affected by the delays in recruitment of permanent staff noted above.

### Staff Employed

31 March 2001	(increase) / decrease in staff	Month-ended 31 July 2001		Year-ended 31 March 2002	
		Actual	Variance to Budget	Forecast	Variance to Budget
	<b>TfL Corporation</b>				
261	TfL Centre	280	37	311	5
126	Public Carriage Office	128	34	162	
604	Street Management	656	44	800	
991		1,064	115	1,273	
	<b>Transport Trading Ltd</b>				
724	London Buses	748	(1)	757	
235	East Thames Buses	220	6	225	1
32	Docklands Light Railway	30	6	36	
120	Victoria Coach Station	136	(3)	121	
86	Museum	92	6	98	
18	London River Services	18		18	
4	Dial-a-Ride	4		4	
314	Group Transport Services	345	78	356	67
1,533		1,593	92	1,615	68
<b>2,524</b>	<b>Total TfL Staff Employed</b>	<b>2,657</b>	<b>207</b>	<b>2,888</b>	<b>73</b>
2,130	Permanent	2,238	274	2,526	103
394	Agency	419	(67)	362	(30)
<b>2,524</b>		<b>2,657</b>	<b>207</b>	<b>2,888</b>	<b>73</b>

## **7. FINANCE AND AUDIT COMMITTEE : 17 JULY AND 4 SEPTEMBER 2001**

7.1 The Committee has focused increasingly on those projects of high value and/or strategic importance which TfL is undertaking, in particular the Congestion Charging and Prestige projects, and on establishing a review process to track progress on major projects. The Committee considered and will continue to keep under review TfL's asset management processes arrangements, and reviewed the regular Internal Audit reports. No significant issues have emerged as a result of audit reviews. In addition, the Committee received a report on Bus Patronage and sought further analysis on trends in demand.

7.2 The position on the TfL 2001/02 Budget and progress against budget to July 2001, was reviewed along with the following items which appeared on the Board Agenda for 25 September 2001 :-

- proposals for the 2001/02 fares revision;
- the financial policies on guarantees and indemnities, treasury management and borrowing, and financial assistance; and
- TfL Group Statement of Accounts for the period ended 31 March 2001.

Special meetings of the Advisory Panels, Finance and Audit Committee and the TfL Board have been arranged during October to discuss the 2002/03 Budget and Business Plan.

## **8. SERVICE PERFORMANCE**

8.1 Service performance for the main operational business units for the year to July is shown on the following pages 8 to 17. This is summarised in the following areas:-

1. Trends in the economy and patronage
2. Service provision
3. Service reliability
4. Safety
5. Customer satisfaction
6. Service performance for other TfL business units

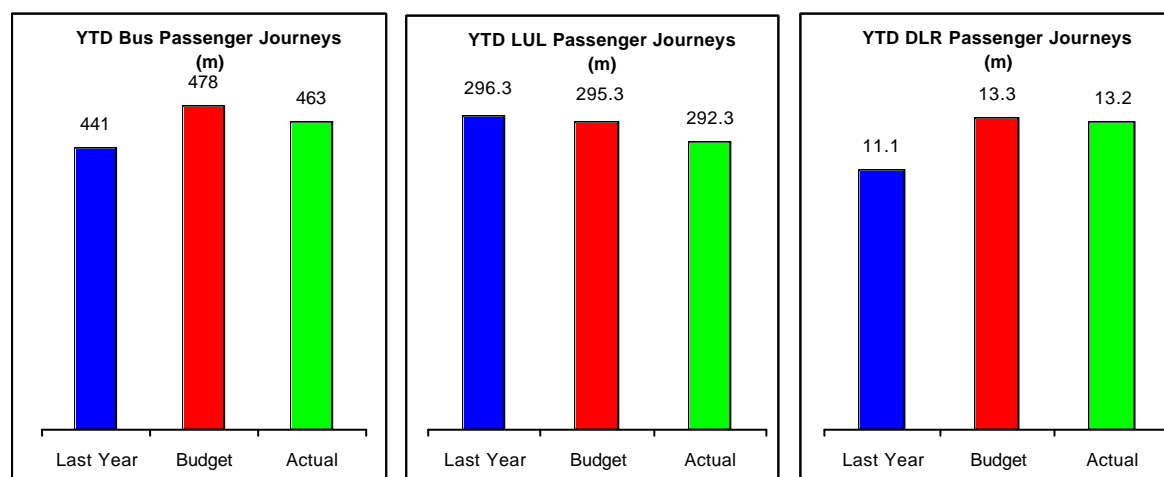
## 1. Trends in the Economy and Patronage on TfL's Main Services

General Economic Indicators reported in July 2001

Annual RPI (headline) monthly	Base Rates 4 weekly	GDP Growth quarterly	Retail Sales monthly	Avg Earnings in Service sector monthly	Central London FT Employment quarterly growth	Central London PT Employment quarterly growth	Tourist Visitor Nights % year to date	London Population annual
<b>1.6%</b>	<b>5.0%</b>	<b>2.1%</b>	<b>6.0%</b>	<b>4.6%</b>	<b>0.4%</b>	<b>4.0%</b>	<b>-12.3%</b>	<b>0.7% p.a.</b>
Comparative figures for prior period								
<b>1.9%</b>	<b>5.3%</b>	<b>2.7%</b>	<b>5.6%</b>	<b>4.4%</b>	<b>0.4%</b>	<b>4.0%</b>	<b>-12.9%</b>	<b>0.7%</b>

In July, both the headline and underlying inflation fell compared to the previous month. RPI rose by 1.6% year-on-year in July, down from 1.9% in June. The largest downward effect came from changes in food prices. Motoring costs also fell due to lower petrol prices as the price of crude oil declined in comparison to rises this time last year.

In July, the growth in retail sales volume remained buoyant climbing by 6.0% year-on-year compared to a rise of 5.6% increase in the previous month. Tourist visitor nights in London remained weak, falling by 12.3% year to date in June compared to a drop of 12.9% in the previous month.



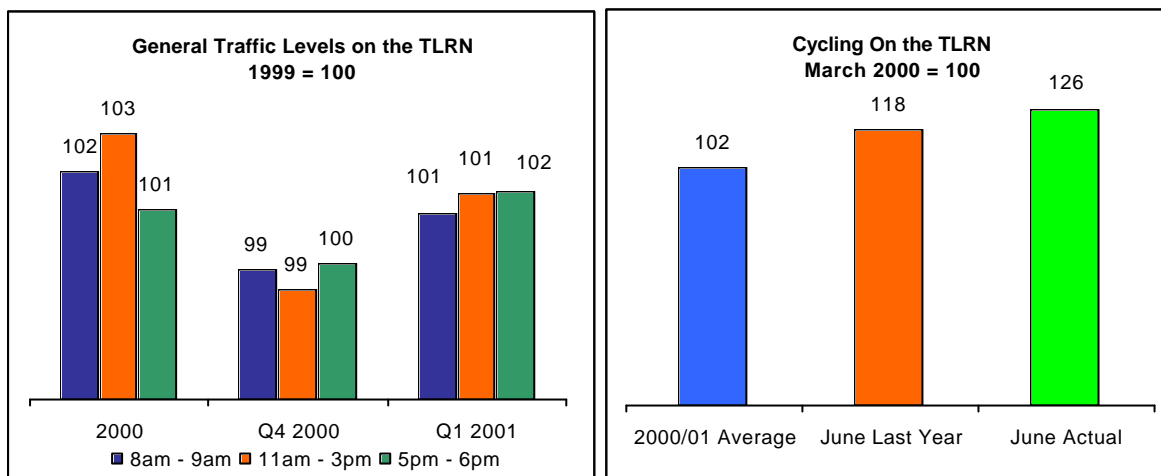
Bus passenger growth continues, reflecting the policies of expanding mileage, improving reliability and cheaper fares. Journeys for the four months to the end of July 2001 are 5% higher than the equivalent period last year. However, the rate of growth assumed in the budget now appears to have been optimistic.

London Underground's passenger journeys in periods 3 and 4 were close to the equivalent periods of last year, and as a result cumulative journeys remained 3 million (1%) less than expected at this point of the year. The pattern of last year, in which travelcard seasons were the best performing ticket, continues. The forecast for the year remains at an overall volume growth of 1%.

Net passenger journeys on DLR fell from just under 3.3 million in Period 3 to just over 3.2 million in Period 4, leaving the cumulative total just 0.1 million less than budget. Passenger journeys generally held steady on all routes, with the Lewisham Extension now recording 16 million journeys since its November 1999 opening date. The increase of 19% year on year is actually a little disappointing given that 2000/01 showed a 24% improvement on 1999/00. It reflects the continuing increase in activity in the Docklands area, mainly centred round the new development and rising employment numbers in the Isle of Dogs area which is set to continue until at least 2005/06. Certain stations show this rise in commuter traffic and others show sustained buoyancy in the leisure market. Stations such as Cyprus and Poplar reflect increasing numbers at higher education establishments, Crossharbour has increasing numbers at London Arena events and Custom House has benefited hugely from the opening of the ExCel exhibition centre.



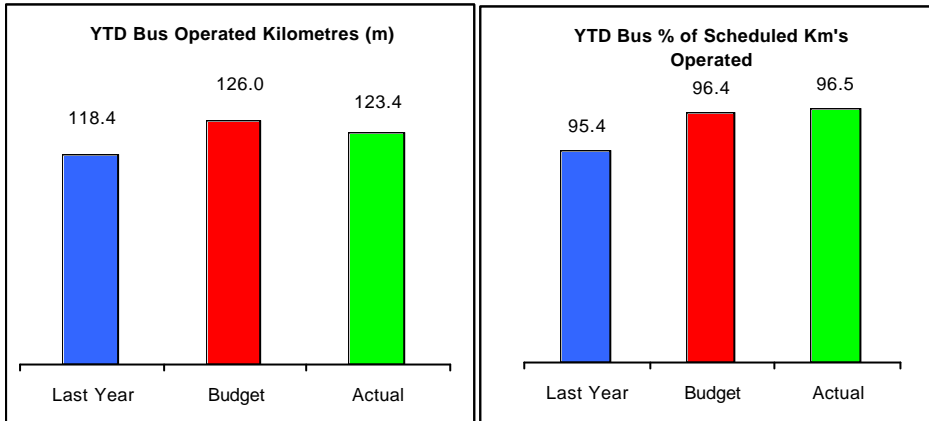
## 1. Trends in the Economy and Patronage on TfL's Main Services



The index of General Traffic Levels on the TLRN records the average vehicles per hour per lane weighted by lane. The figures are derived from 23 automatic traffic counters. Compared to the last quarter 2000 the first quarter of 2001 shows an increase in all of the time periods, AM peak (8am - 9am) 1.5%, PM peak (5pm - 6pm) 1.9% and the Inter Peak (11am - 3pm) 2.5%. The first quarter of 2001 show lower traffic levels than their equivalent quarters in 2000. However, the differences are small and it is too soon to say whether this is a significant trend.

The index of total cycle flow is derived from 48 automatic counters spread over the TLRN. The base line figure of 100 relates to demand in March 2000 when monitoring began and is used as a comparison with the latest data. Cycling in June is as expected higher than the rolling average for the year (July 2000 - June 2001). The level of cycling in June 2001 is 6.8% higher than it was in June 2000. This is the third consecutive month in 2001 that cycle flows have been higher than in their equivalent monthly flows in 2000. This may indicate an upward trend but may be due to weather and other seasonal factors.

## 2. Service Provision



### Reasons for lost mileage in

Traffic congestion  
Staffing  
Mechanical

### July 2000

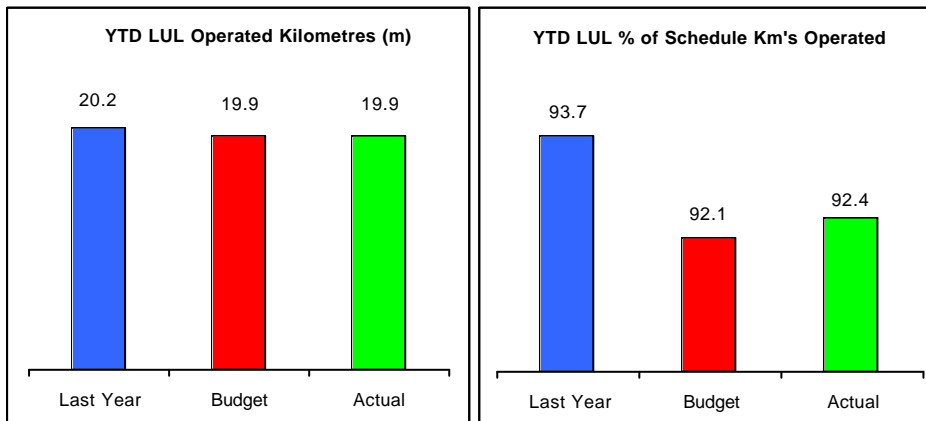
38%  
48%  
14%

### July 2001

51%  
31%  
18%

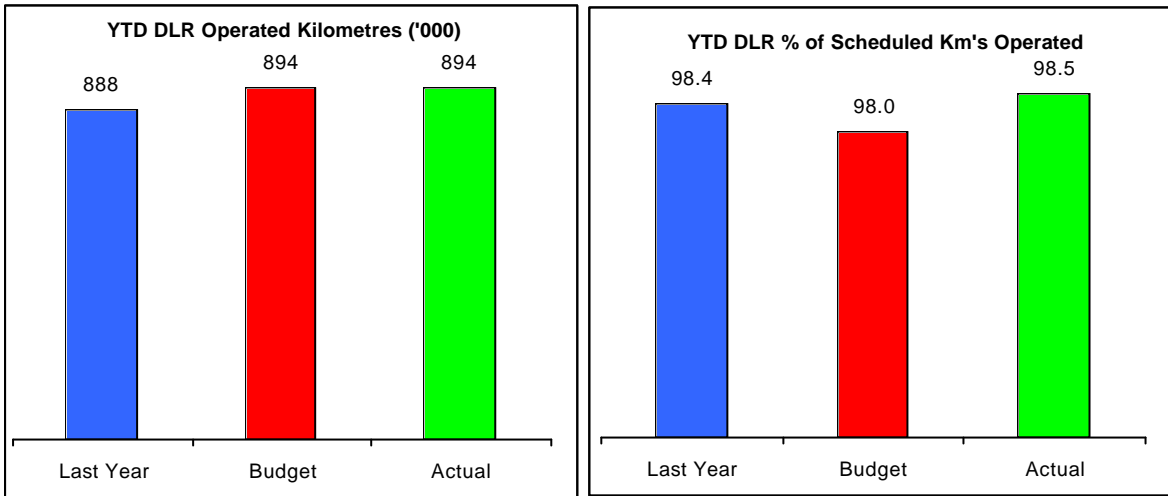
Operating kilometres are 2.6 million (2%) less than budget year to date, due to the delayed implementation of new service initiatives. The encouraging trend in the staffing situation was maintained, with mileage losses due to staff 17 percentage points lower than the level of a year ago.

Mileage losses due to traffic delays were slightly worse than forecast and up compared with the same period a year ago. Long-term roadworks at New Cross and Kings Cross caused significant disruption to buses throughout July. Other incidents causing significant delays were a series of unrelated roadworks and burst water mains in the Fulham/ Hammersmith and the Shepherds Bush area, civil disturbances in Brixton during the evening of 20 July, and a demonstration in Trafalgar Square on 7 July



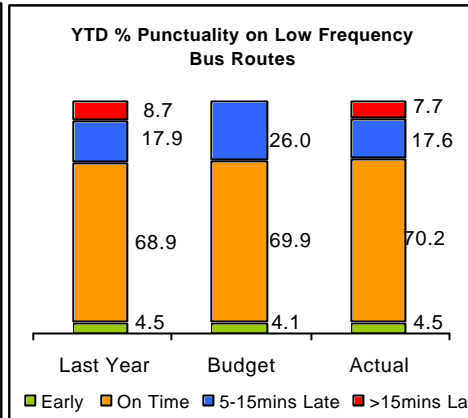
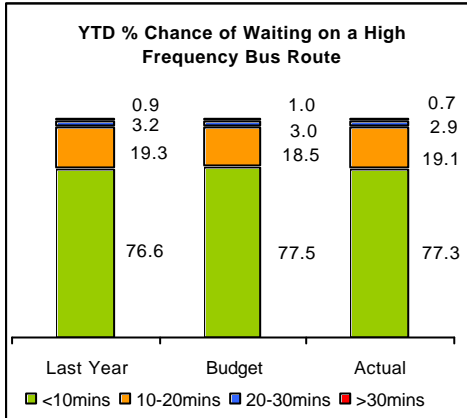
After four periods, train kilometres operated at 19.9 million remain in line with budget and the percentage of schedule is showing an upward trend. The period 3 result at 93.1% was the highest achieved since period 6 of last year, and within this, performance in the second week of the period at 94.7% of schedule was the best weekly result for over a year. Period 4's result at 93.0% was marginally lower, due to several major incidents in the first week. However, over the remaining three weeks performance was consistent in a range 93.7% to 93.9% of schedule. Notable features include the Jubilee line delivering its best results since the commencement of through running over the extended line, and the Bakerloo line operating over 90% of schedule in a period for the first time since period 12 of 1999/00. The Northern line maintained its position at:

## 2. Service Provision



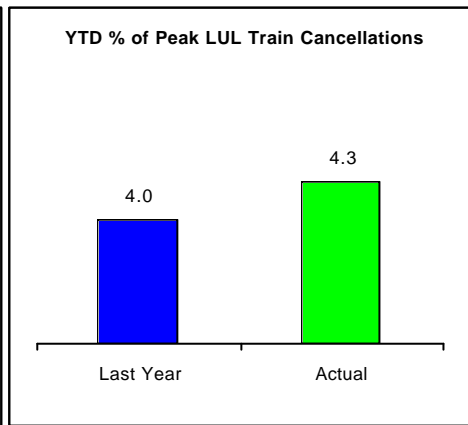
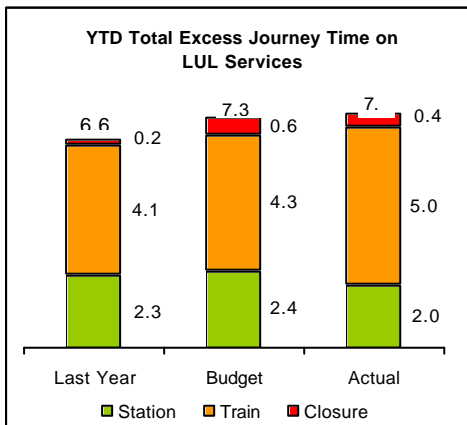
Year to date operated kilometres were in line with budget at the end of period four. While the percentage of schedule operated again exceeded budget by 0.5 percentage points at 98.5%, this was in line with last years performance.

### 3. Service Reliability



As referenced in section 2, lost mileage from traffic congestion was greater than the same period last year. Despite this, waiting times on high frequency routes improved when compared to last year, with the percentage chance of waiting less than 10 minutes increasing to 77.3% as shown above. This suggests a positive impact of measures being taken to alleviate staffing problems and improve reliability.

The same issues that affect high frequency services apply to low frequency services, with an improved staff situation having a greater influence on the percentage punctuality on low frequency routes than the worsening situation of traffic congestion. This is reflected in the percentage of on time services to 70.2% for July year to date from 68.9% over the same period last year.

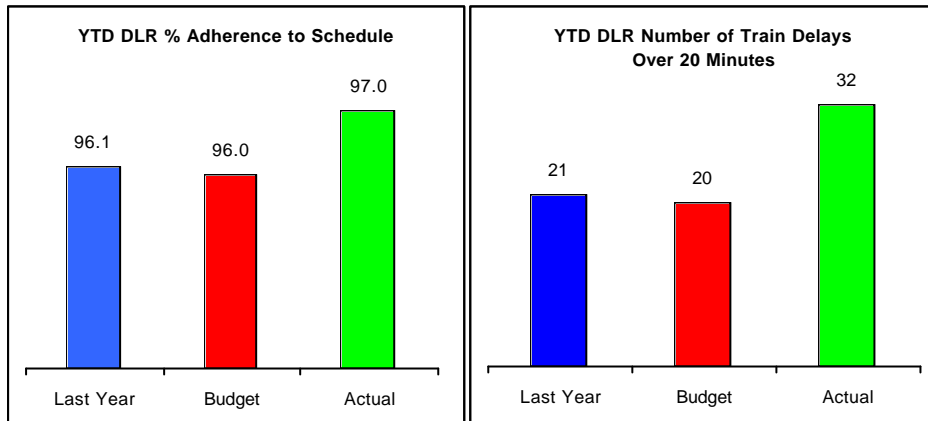


Cause of Peak Train Cancellation :	YT pd 4 00/01	YT pd 4 01/02
Operator not available	20%	9%
Defective or no rolling stock	39%	35%
Signal or track defect	18%	39%
Other	23%	17%

After showing gradual improvement over the first three periods, excess (weighted) journey time in period 4 rose to 7.46 minutes. The period 4 result is 0.16 minutes lower than the target, but over the year to date, performance is a little better than target. A significant increase to the excess came from closures, which at 0.56 minutes was at its highest since period 5 of last year (excluding strike effects). A cable fire at Barking and signal failure at Golders Green were major contributors to the increased closures element of journey time. The contribution to the excess from asset-related incidents increased by 0.21 minutes compared to last period. However the operator not available (ONA) contribution to excess journey time, at 0.09 minutes, was the lowest since period 7 of 1999/00.

The two periods since the last report have seen sharp reductions in the number of peak trains cancelled due to operator not available (ONA). In period 3, the number of ONAs fell to 202 (an average of c.5 per peak)

### 3. Service Reliability

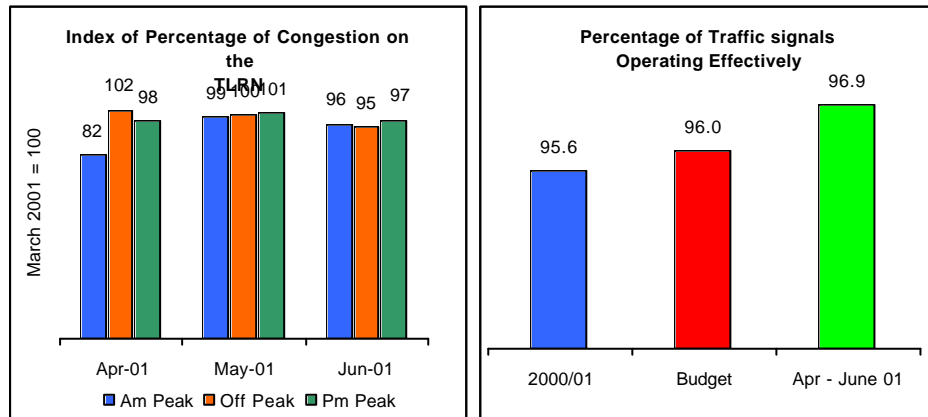


**Causes of Delays :-**

Vehicle	5
Track	5
External	22

Period 4 saw the franchisee beat the 96.0% target for service reliability by 1.0%, an increase of 0.13% against the previous period. Figures for the year to date show an average achievement of 97.0%.

The number of delays over 20 minutes fell from 11 to just six in period 4 and only two were due to factors under the railway's control. The increase of 12 delays over 20 minutes compared to budget and 11 compared to the previous year is mainly due to factors outside of the control of the Railway eg. fire alarms



The Index of Congestion on the TLRN is a new performance indicator that is being developed using the ASTRID database to analyse 157 SCOOT sites across the TLRN. This monitoring sample comprises approx 7% of the Urban Traffic Control (UTC) capacity on the TLRN and encompasses all types of location and all differing road types found on the TLRN.

SCOOT measures the percentage of four second intervals during a green period when a detector is occupied by stationary traffic. The data is indicative in nature (not absolute) and is intended to reflect changes in congestion, for this reason the data has been indexed to March 2001, (a neutral month for traffic flows). June 2001 shows a decrease relative to May in all time periods. This may be due to the beginning of the summer holiday period but this is not borne out by lower traffic flows. Further investigation of this index is required.

## 4. Safety

London Buses Fatalities and Injuries									
	Fatality			Major Injury			Total		
	2000/01	Last Yr YTD	Actual YTD	2000/01	Last Yr YTD	Actual YTD	2000/01	Last Yr YTD	Actual YTD
Passengers				34	9	18	34	9	18
Staff				141	46	47	141	46	47
Public	15	4	5	80	11	35	95	15	40
<b>Total</b>	<b>15</b>	<b>4</b>	<b>5</b>	<b>255</b>	<b>66</b>	<b>100</b>	<b>270</b>	<b>70</b>	<b>105</b>

London Underground Fatalities and Injuries									
	Fatality			Major Injury			Total		
	2000/01	Last Yr YTD	Actual YTD	2000/01	Last Yr YTD	Actual YTD	2000/01	Last Yr YTD	Actual YTD
Passengers	7	2	2	137	39	37	144	41	39
Staff	1	1		10	4	1	11	5	1
<b>Total</b>	<b>8</b>	<b>3</b>	<b>2</b>	<b>147</b>	<b>43</b>	<b>38</b>	<b>155</b>	<b>46</b>	<b>40</b>

TLRN Roads Fatalities and Injuries									
	Fatality			Major Injury			Total		
	Apr 99 - Mar 00	Apr 00 - Mar 01		Apr 99 - Mar 00	Apr 00 - Mar 01		Apr 99 - Mar 00	Apr 00 - Mar 01	
Pedestrian	37		33	368		377	405		410
Cyclist	6		7	118		115	124		122
Motorcyclist	15		20	347		373	362		393
Car User	20		22	551		588	571		610
Other	5		4	109		114	114		118
<b>Total</b>	<b>83</b>		<b>86</b>	<b>1493</b>		<b>1567</b>	<b>1576</b>		<b>1653</b>

There have been no customer accidental fatalities on the Underground in the last two periods, leaving the year to date position of 2. There have been 24 customer major injuries which means that the moving annual total at 136 shows little change from the position at the end of 2000/01. LUL's internal target for 2001/02 is based on achieving a reduction to 110 by the end of the year.

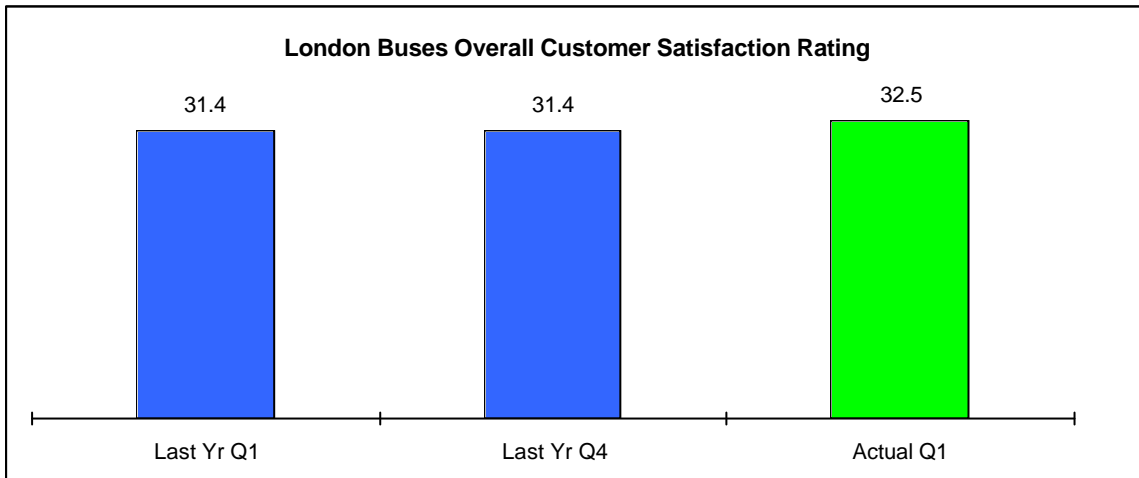
There has been one LUL employee major injury since the last report. This occurred at Upminster depot when a train operator was alighting from a train and missed the foot step and fell backwards on to the concrete floor below. He was conveyed by ambulance to hospital for treatment to a fractured right wrist and a badly bruised back. There was also one Infracore employee major injury this period; whilst carrying out an inspection on a damaged unit at premises in Crewe a member of staff suffered cracked ribs and a back injury.

The number of casualties by road user on the TLRN for the year April 2000 to March 2001 is shown above, and compares these to the last equivalent year April 1999 to March 2000. All figures for the year 2001 are provisional and subject to change. The total number of killed and seriously injured shows a 5% increase for the year to March 2001 compared to the previous year. This is due to the increase in serious injuries. For individual road user groups, motorcyclist show an increase for both killed (33%) and seriously injured (7%) and car users show an increase (7%) in seriously injured. It should be noted that the numbers are relatively small, particularly for killed, and differences in the short term can be due to statistical variation.

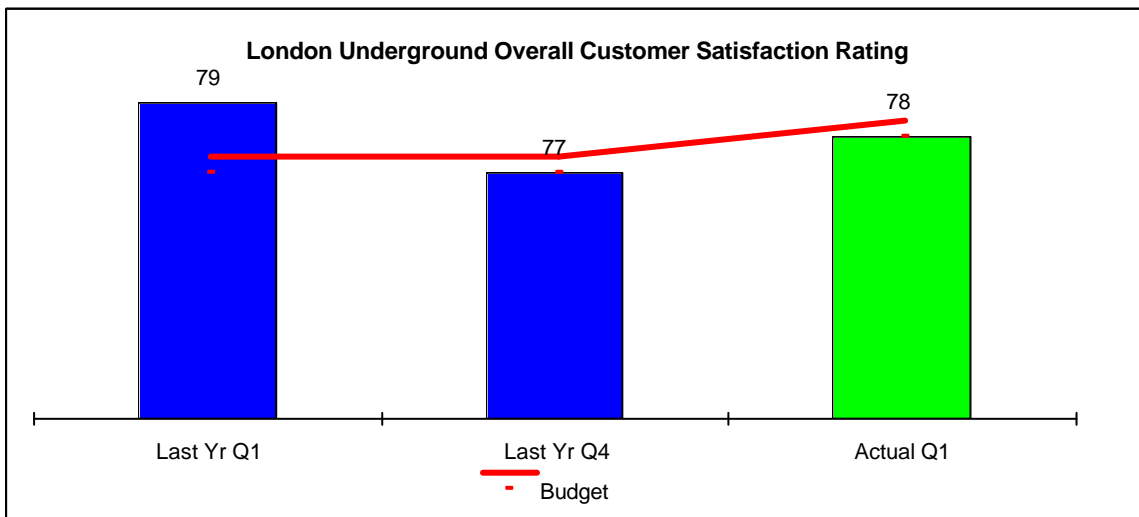
Note : An injured casualty is coded by the police as seriously or slightly injured on the basis of information available within a short time of the accident. This generally will not include the results of a medical examination, but may include the fact of being detained in hospital, the reasons for which may vary somewhat from area to area.

For London Buses comparisons cannot be made between injuries for passengers, staff and members of the public as different criteria are used. Passenger / public major injury is when the person is taken to and detained in hospital. Staff major injury is when the member of staff is absent from work for 3 days or more.

## 5. Customer Satisfaction

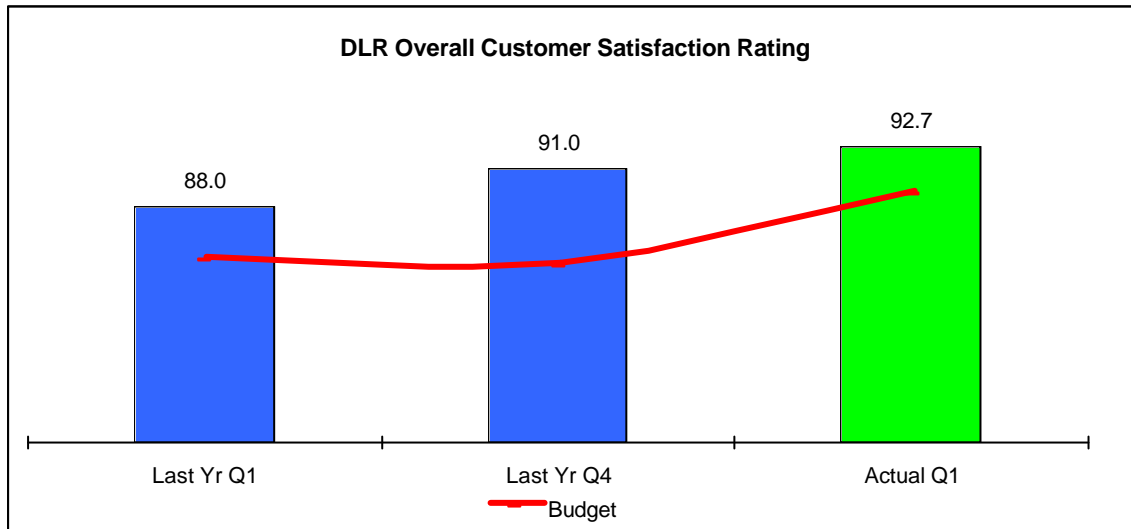


The slight increase in the bus service overall measure reflects the movements in the other measures. The proportion of very satisfied customers (giving ratings of 9 or 10) has increased for bus stop information, journey time, bus stops and shelters average, bus station and overall satisfaction, and night buses, stayed the same for state of repair on the bus, and service reliability, and decreased for smoothness and freedom from jolting, driver/conductor's attitude and behaviour, information on the bus, cleanliness on the bus, and personal safety and security on the bus. As a result the overall measure has increased by one percentage point to 32.5%.



The overall customer satisfaction evaluation (78) improved by one point from last quarter, but is one point lower than the equivalent quarter last year. Since last quarter, performance has improved in two of the five service groupings; namely Station Staff (+1) and Cleanliness (+2). Train Service declined by a point and is three points below the level of a year ago. However the recent improvements in train service reliability will not yet be reflected in customer satisfaction scores.

## 5. Customer Satisfaction



Customer satisfaction in the first quarter of 2001-02 showed an improvement in nearly all areas - overall service performance ranking 92.7% against the previous quarter's 91.0%.

The three factors making up DLR's overall service performance are comfort of journey, speed of journey, and reliability of the DLR service. The relevant figures are then weighted by the number of respondents to give an overall figure. There has been approximately a two percentage point increase in both comfort and reliability and approximately a one percentage point increase in speed, from the previous quarter, which has contributed to an overall satisfaction increase of 1.7 percentage points.



## 6. Modal Performance Indicators for other TfL Business Unts

2000/01 Actual	2001/02 Budget	2001/02 Forecast	Monthly Indicators	June Actual	July Actual	July Budget
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PATRONAGE								
13,290	-	-	Croydon Tramlink	Passenger Journeys	000's	1,420	1,650	-
1,252.8	185.1	185.5	Victoria Coach Station	Coach Departures	000's	15.7	17.2	16.8
2,200	1,800	1,800	London River Services	Passenger Journeys	000's	200	300	240
1,223.0	1,298.8	1,292.4	Dial A Ride	Trips	000's	106.4	105.8	110.7
20.9	20.8	20.8	Public Carriage Office	Taxi's Licensed	000's	21.1	20.4	20.3
231.1	186.3	198.0	London's Transport Museum	Visitors	000's	18.0	15.4	17.8

SERVICE PROVISION								
99.2			Croydon Tramlink	Percentage of Schedule	%	99.5	99.3	
97.5	98.5	98.6	London River Services	Journeys operated	%	98.5	99.0	98.5
23.9	24.2	24.2	Public Carriage Office	Taxi drivers licensed	000's	23.9	24.0	23.9
	1.5	1.7	Public Carriage Office	Private operators licensed	000's	0.1	0.2	0.1

SERVICE RELIABILITY								
99.0			Croydon Tramlink	Headways Achieved	%	99.7	98.6	

2000/01 Actual	2001/02 Budget	2001/02 Forecast	Quarterly Indicators	4th Qtr Actual	1st Qtr Actual	1st Qtr Budget
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CUSTOMER SATISFACTION								
89.0			Croydon Tramlink	%	89.0	89.0		
71.0		72.0	Victoria Coach Station	%	73.3	71.0		
80.0			London's Transport Museum	%	77.0	77.0		

Croydon Tramlink passenger journeys calculation remains on the basis of the March 2001 survey data and indicates that ridership levels are continuing to follow a growth trend, with 1.65 million recorded in July a 16% increase on June and an 8% increase in ridership achieved year on year in July. Croydon Tramlink headways achieved decreased from 99.7% in June to 98.6% in July and is being looked into. A new timetable to be introduced in August may improve the performance.

London River Services passenger journeys has improved in July to 300,000 and are now approaching year to date budget levels. July was a buoyant month for the charter service.

The Public Carriage Office total number of taxi's licensed at the end of July was 20,354 against a budget of 20,280. Integrity issues with the licensing database have been investigated and 700 records have been identified as duplicate entries. A further 18 records have been excluded this month for other reasons. The forecast remains unchanged from the budget at 20,800.

## **TfL Workforce Composition Commentary**

### **June-July 2001**

The attached paper details the current workforce of the constituent parts of TfL broken down by ethnic group, gender and employees declaring disability.

### **Summary of Information**

The tables show that women are under-represented in East Thames Buses (5%), LBSL (22%), Public Carriage Office (27%), Street Management (30%) and, DLR (38%). The male/female ratio is more representative in TTL (44%) and TfL (42%), mainly because of the relatively high percentage of female employees in Corporate Services and in Communications and Public Affairs.

Employees from ethnic minority groups are under-represented across all the divisions in Transport *for* London when comparison is made with the economically active ethnic minority community in London. Street Management (24%), LBSL (23%) and ETB (22%) have the most representative workforce in this regard. Within TfL Corporate and TTL, Finance and Planning does have a representative workforce with 31% of staff classified as from ethnic minority community groups.

The percentage of staff declaring a disability ranges from 4.95% in TfL Corporate and 4.94% in TTL to none in DLR and East Thames Buses.

Information is now being collected from all of the main bus contractors on the ethnic breakdown of their workforce together with information on gender. Please note that the information on which these figures are based is from data gathered for May 2001.

### **Actions**

A series of initiatives has been planned to improve the overall representation of the workforce. One of the main issues highlighted, as a result of monitoring undertaken so far, is the TfL does not attract a high number of job applicants from ethnic minority groups. Many of the initiatives are aimed at addressing this issue by both targeting recruitment advertising at underrepresented groups and improving the perception and awareness of TfL as a diversity employer.

- We continue to place advertisements targeted at underrepresented groups. We continue to place all advertisements in a range of publications and are engaging with organisations which specialise in Executive ethnic recruiting to support our aim of reaching as wide a spread of communities as possible.
- In addition Human Resources is working in partnership with the Greater London Authority (GLA) to develop a joint recruitment strategy, focusing on attracting Asian employees, who are particularly underrepresented in certain sections of TfL and the Greater London Authority.
- We took part in the Notting Hill Carnival, establishing ourselves in the community and demonstrating our commitment to our aspirations regarding Equality and Diversity. This was a great success and TfL has since received positive feedback regarding its contribution.
- Action plans are being implemented in LBSL and East Thames Buses in light of the recommendations made by the equalities audit undertaken by Phoenix HR and progress against these plans are monitored.

- Lord Ousley has agreed to work with the Transport *for* London Senior Managers to review equality policies and plans. This has been arranged for November 2001.
- TfL is taking part in the cross cutting GLA review – ‘Equalities for All’. The working group has met regularly since June. Frameworks are being set as a result of this.
- TfL will take part in the Londoners’ Job Fair in September 01. We aim to promote TfL throughout the community and at least 10,000 people are expected to attend.

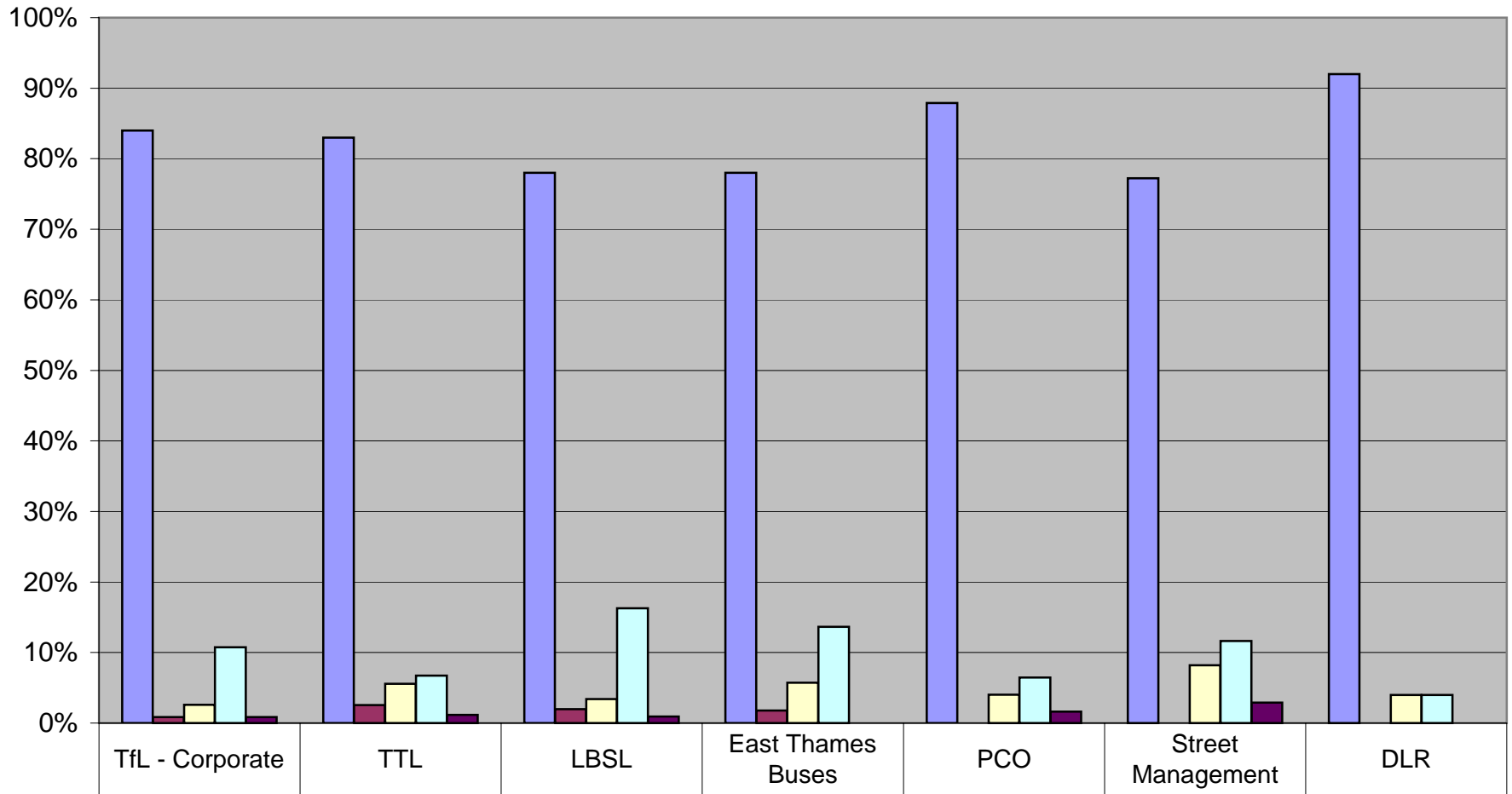
The initiatives outlined in this paper and previous board papers have resulted in a significantly raised awareness of equality and diversity issues. The foundations are now in place to take forward positive action plans and embed diversity in all our activities.

**Transport *for* London**  
**Human Resource - Board Papers**  
**June Information**

## Transport for London - Workforce Composition - by Gender

Percentage

### Workforce Composition

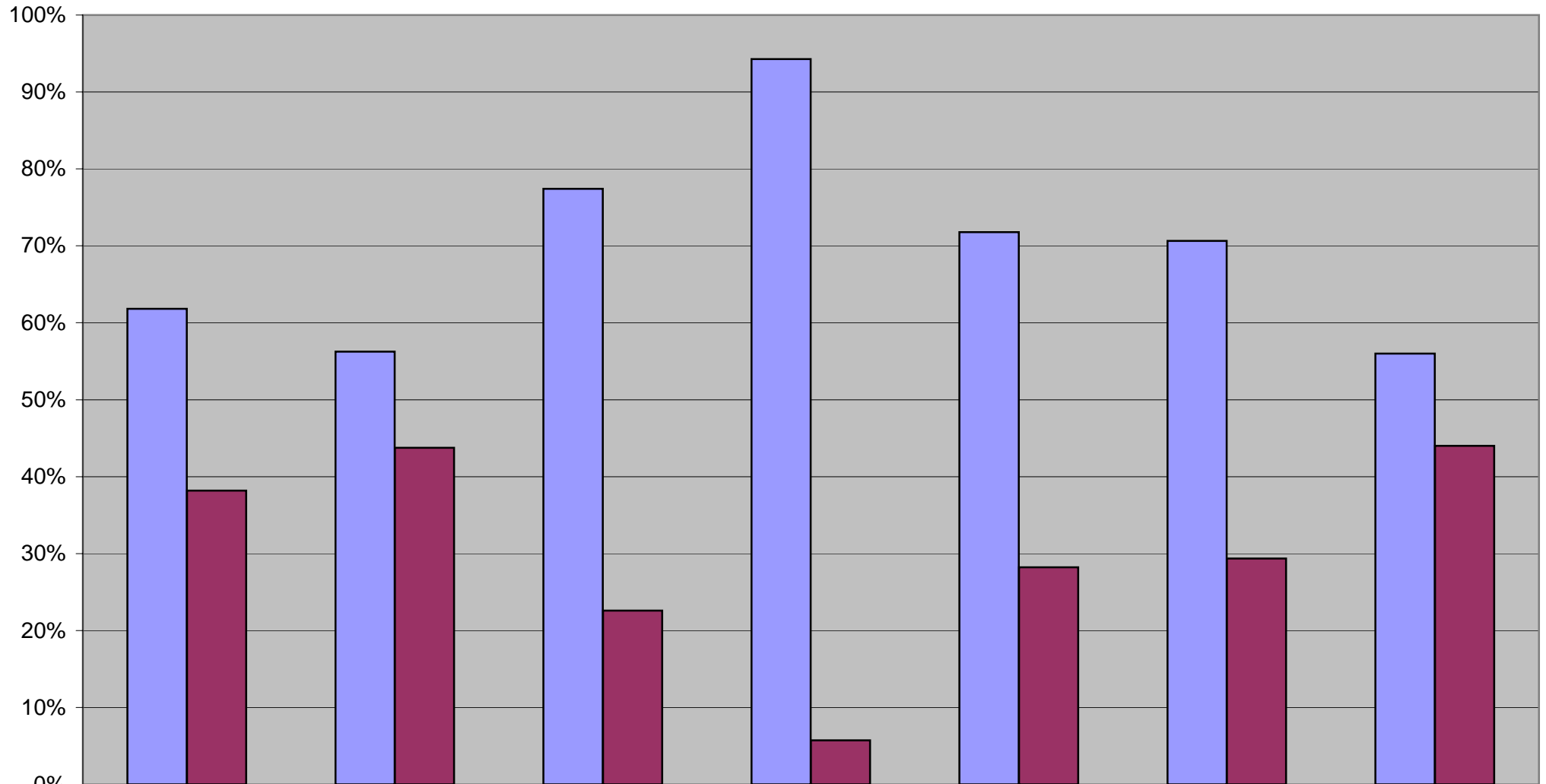


White	84%	83%	78%	78%	88%	77%	92%
Mixed Race	1%	3%	2%	2%	0%	0%	0%
Asian or Asian British	3%	6%	3%	6%	4%	8%	4%
Black or Black British	11%	7%	16%	14%	6%	12%	4%
Chinese or other ethnic group	1%	1%	1%	0%	2%	3%	0%

# Transport for London - Workforce Composition Breakdown - by Ethnicity

Percentage

Gender Breakdown



Male	62%	56%	77%	94%	72%	71%	56%
Female	38%	44%	23%	6%	28%	29%	44%

**Transport for London  
Workforce Composition Breakdown**

As at 30 June 2001

Employee Numbers - by Ethnicity								
Division	T/L - Corporate	TTL	Surface Transport			Street Management	DLR	Total
			LBSL	East Thames Buses	PCO			
White	198.00	363.00	747.00	179.00	109.00	292.00	23.00	1911.00
Mixed Race	2.00	11.00	19.00	4.00	0.00	0.00	0.00	36.00
Asian or Asian British	6.00	24.00	33.00	13.00	5.00	31.00	1.00	113.00
Black or Black British	25.00	29.00	157.00	31.00	8.00	44.00	1.00	295.00
Chinese or other ethnic group	2.00	5.00	9.00	0.00	2.00	11.00	0.00	29.00
<b>Totals</b>	<b>233.00</b>	<b>432.00</b>	<b>965.00</b>	<b>227.00</b>	<b>124.00</b>	<b>378.00</b>	<b>25.00</b>	<b>2384.00</b>

Employee Numbers - by Gender								
Division	T/L - Corporate	TTL	Surface Transport			Street Management	DLR	Total
			LBSL	East Thames Buses	PCO			
Male	144.00	243.00	747.00	214.00	89.00	267.00	14.00	1718.00
Female	89.00	189.00	218.00	13.00	35.00	111.00	11.00	666.00
<b>Totals</b>	<b>233.00</b>	<b>432.00</b>	<b>965.00</b>	<b>227.00</b>	<b>124.00</b>	<b>378.00</b>	<b>25.00</b>	<b>2384.00</b>

Employee Numbers - by Disability								
Division	T/L - Corporate	TTL	Surface Transport			Street Management	DLR	Total
			LBSL	East Thames Buses	PCO			
No. of employees declaring a disability	12.00	22.00	23.00	0.00	2.00	7.00	0.00	66.00

Employee Percentage Figures - by Ethnicity								
Division	T/L - Corporate	TTL	Surface Transport			Street Management	DLR	Total
			LBSL	East Thames Buses	PCO			
White	84%	83%	78%	78%	88%	77%	92%	80%
Mixed Race	1%	3%	2%	2%	0%	0%	0%	2%
Asian or Asian British	3%	6%	3%	6%	4%	8%	4%	5%
Black or Black British	11%	7%	16%	14%	6%	12%	4%	12%
Chinese or other ethnic group	1%	1%	1%	0%	2%	3%	0%	1%
<b>Totals</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Employee Percentage Figures - by Gender								
Division	T/L - Corporate	TTL	Surface Transport			Street Management	DLR	Total
			LBSL	East Thames Buses	PCO			
Male	62%	56%	77%	94%	72%	71%	56%	72%
Female	38%	44%	23%	6%	28%	29%	44%	28%
<b>Totals</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Employee Percentage Figures - by Disability								
Division	T/L - Corporate	TTL	Surface Transport			Street Management	DLR	Total
			LBSL	East Thames Buses	PCO			
% of employees declaring a disability	5.15%	5.09%	2.38%	0.00%	1.61%	1.85%	0.00%	2.77%

Figures are calculated as a headcount and do not FTEs.

TfL - Corporate - Directorate Employee Numbers - by Ethnicity				
	Integration	Finance & Planning	Communication & Public Affairs	Corporate Services
White	84.0	32.0	21.0	62.0
Mixed Race	1.0	1.0	0.0	0.0
Asian or Asian British	2.0	3.0	0.0	1.0
Black or Black British	2.0	9.0	4.0	9.0
Chinese or other ethnic group	0.0	1.0	1.0	0.0
<b>Totals</b>	<b>89.0</b>	<b>46.0</b>	<b>26.0</b>	<b>72.0</b>

TfL - Directorate Employee Numbers - by Ethnicity		
Finance & Planning	Communication & Public Affairs	Corporate Services
12.0	122.0	229.0
1.0	2.0	8.0
0.0	2.0	22.0
3.0	5.0	21.0
0.0	1.0	4.0
<b>16.0</b>	<b>132.0</b>	<b>284.0</b>

TfL - Corporate - Directorate Employee Numbers - by Gender				
	Integration	Finance & Planning	Communication & Public Affairs	Corporate Services
Male	63.0	31.0	12.0	33.0
Female	26.0	15.0	14.0	39.0
<b>Total</b>	<b>89.0</b>	<b>46.0</b>	<b>26.0</b>	<b>72.0</b>

TfL - Directorate Employee Numbers - by Gender		
Finance & Planning	Communication & Public Affairs	Corporate Services
11.0	73.0	159.0
5.0	59.0	125.0
<b>16.0</b>	<b>132.0</b>	<b>284.0</b>

TfL - Corporate - Directorate Employee Percentage Figures - by Ethnicity				
	Integration	Finance & Planning	Communication & Public Affairs	Corporate Services
White	95%	70%	81%	86%
Mixed Race	1%	2%	0%	0%
Asian or Asian British	2%	7%	0%	1%
Black or Black British	2%	19%	15%	13%
Chinese or other ethnic group	0%	2%	4%	0%
<b>Totals</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

TfL - Directorate Employee Percentage Figures - by Ethnicity		
Finance & Planning	Communication & Public Affairs	Corporate Services
75%	91%	81%
6%	2%	3%
0%	2%	8%
19%	4%	7%
0%	1%	1%
<b>100%</b>	<b>100%</b>	<b>100%</b>

Directorate Employee Percentage Figures - by Gender				
	Integration	Finance & Planning	Communication & Public Affairs	Corporate Services
Male	71%	67%	46%	46%
Female	29%	33%	54%	54%

Directorate Employee Percentage Figures - by Gender		
Finance & Planning	Communication & Public Affairs	Corporate Services
69%	55%	56%
31%	45%	44%



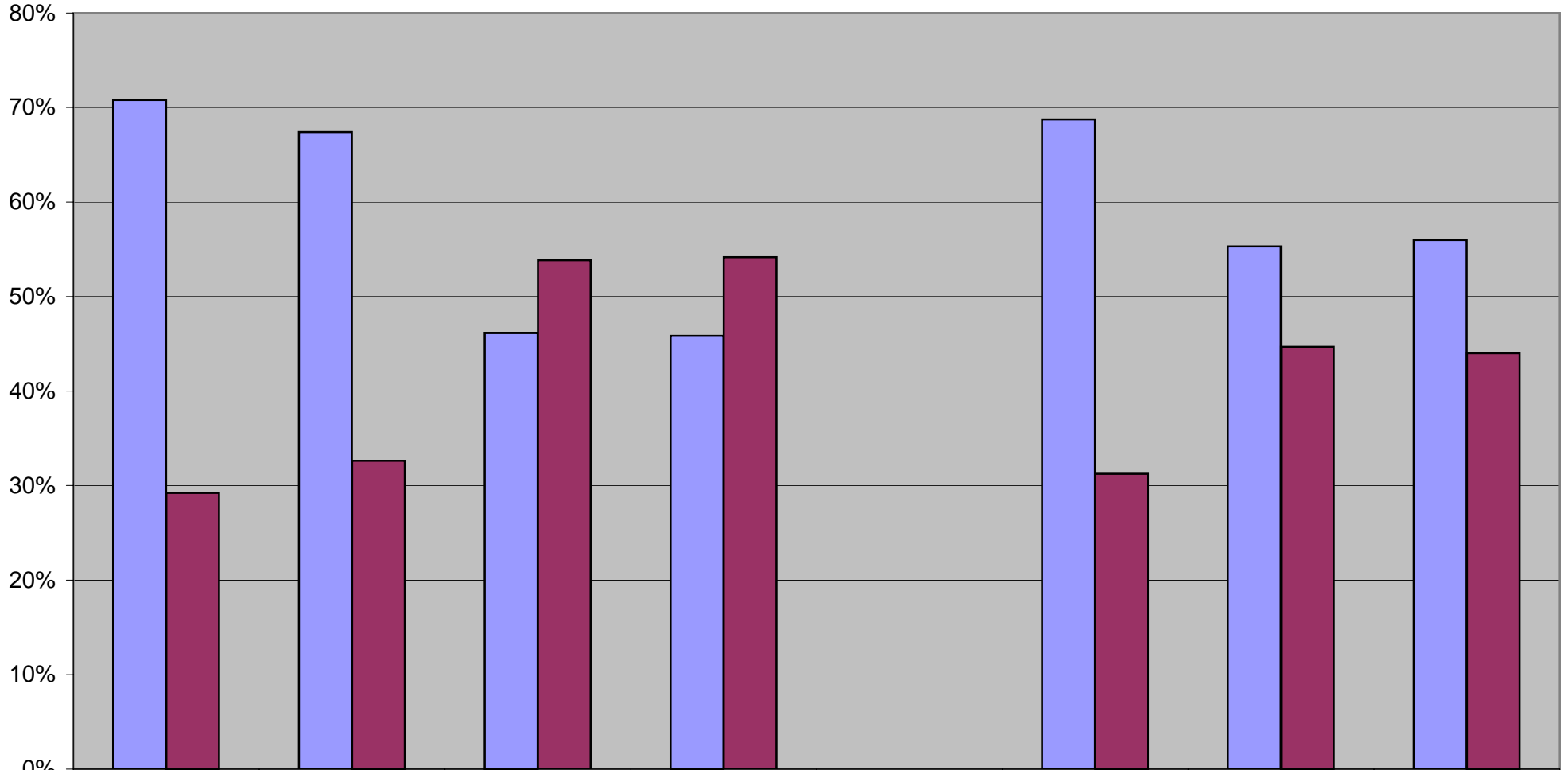
# Transport for London - Directorate Information

## Gender Breakdown

Percentage

Transport for London

Transport Trading Limited



Male

71%

67%

46%

46%

69%

55%

56%

Female

29%

33%

54%

54%

31%

45%

44%

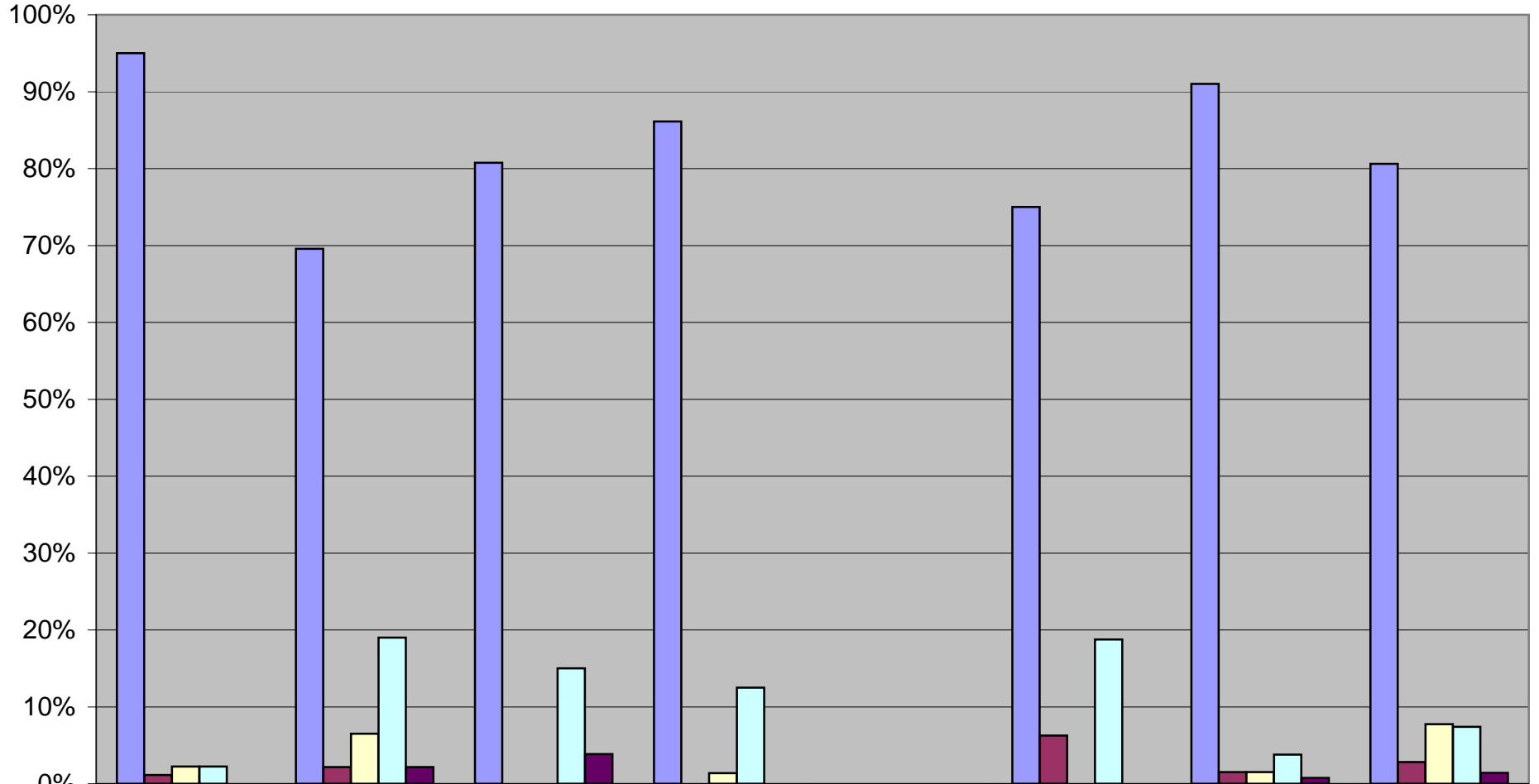
# Transport for London - Directorate Information

## Ethnicity Breakdown

Percentage

Transport for London

Transport Trading Limited



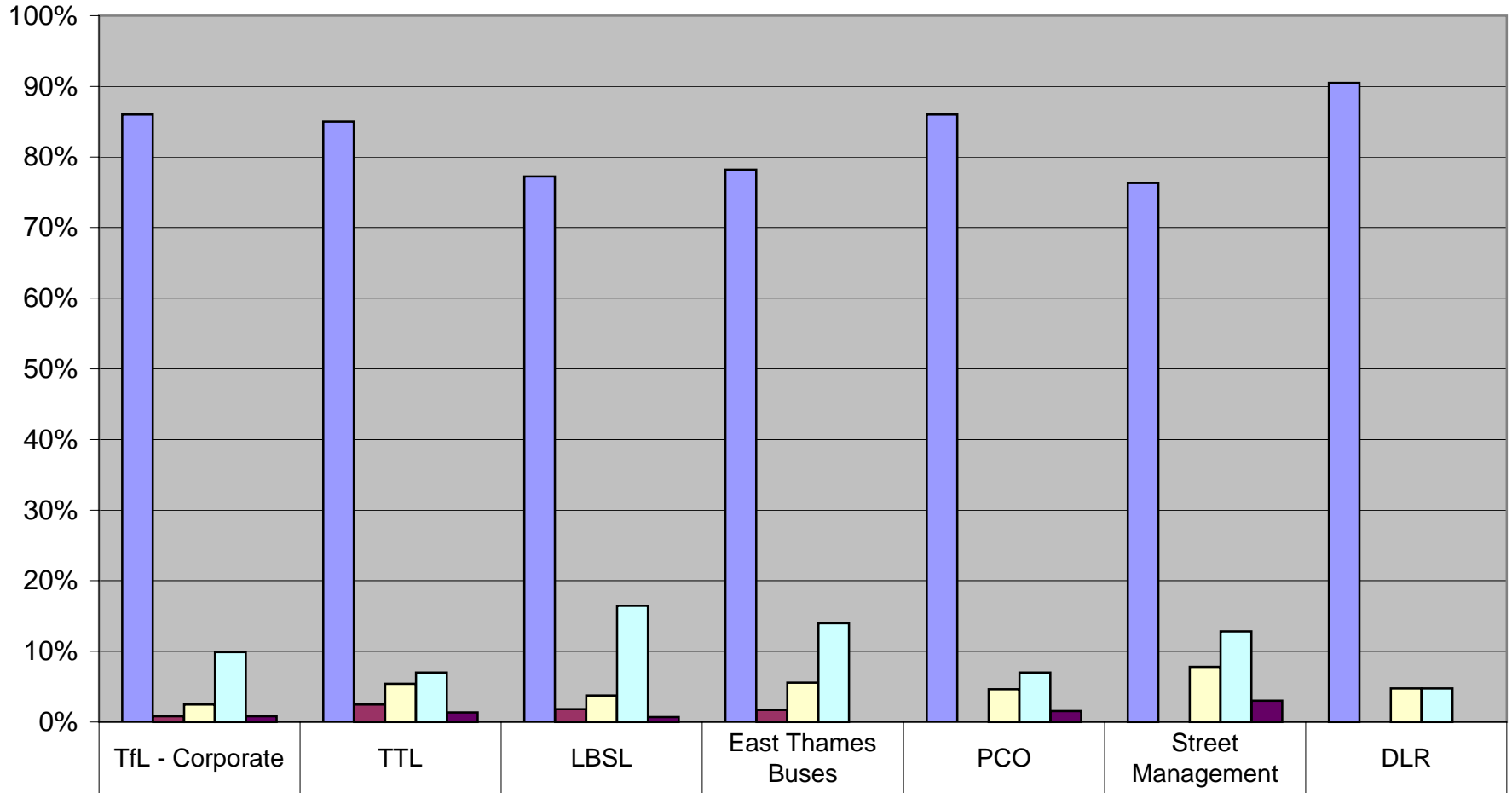
	Integration	Finance & Planning	Communication & Public Affairs	Corporate Services		Finance & Planning	Communication & Public Affairs	Corporate Services
White	95%	70%	81%	86%		75%	91%	81%
Mixed Race	1%	2%	0%	0%		6%	2%	3%
Asian or Asian British	2%	7%	0%	1%		0%	2%	8%
Black or Black British	2%	19%	15%	13%		19%	4%	7%
Chinese or other ethnic group	0%	2%	4%	0%		0%	1%	1%

**Transport *for* London**  
**Human Resource - Board Papers**  
**July Information**

## Transport for London - Workforce Composition - by Gender

Percentage

### Workforce Composition

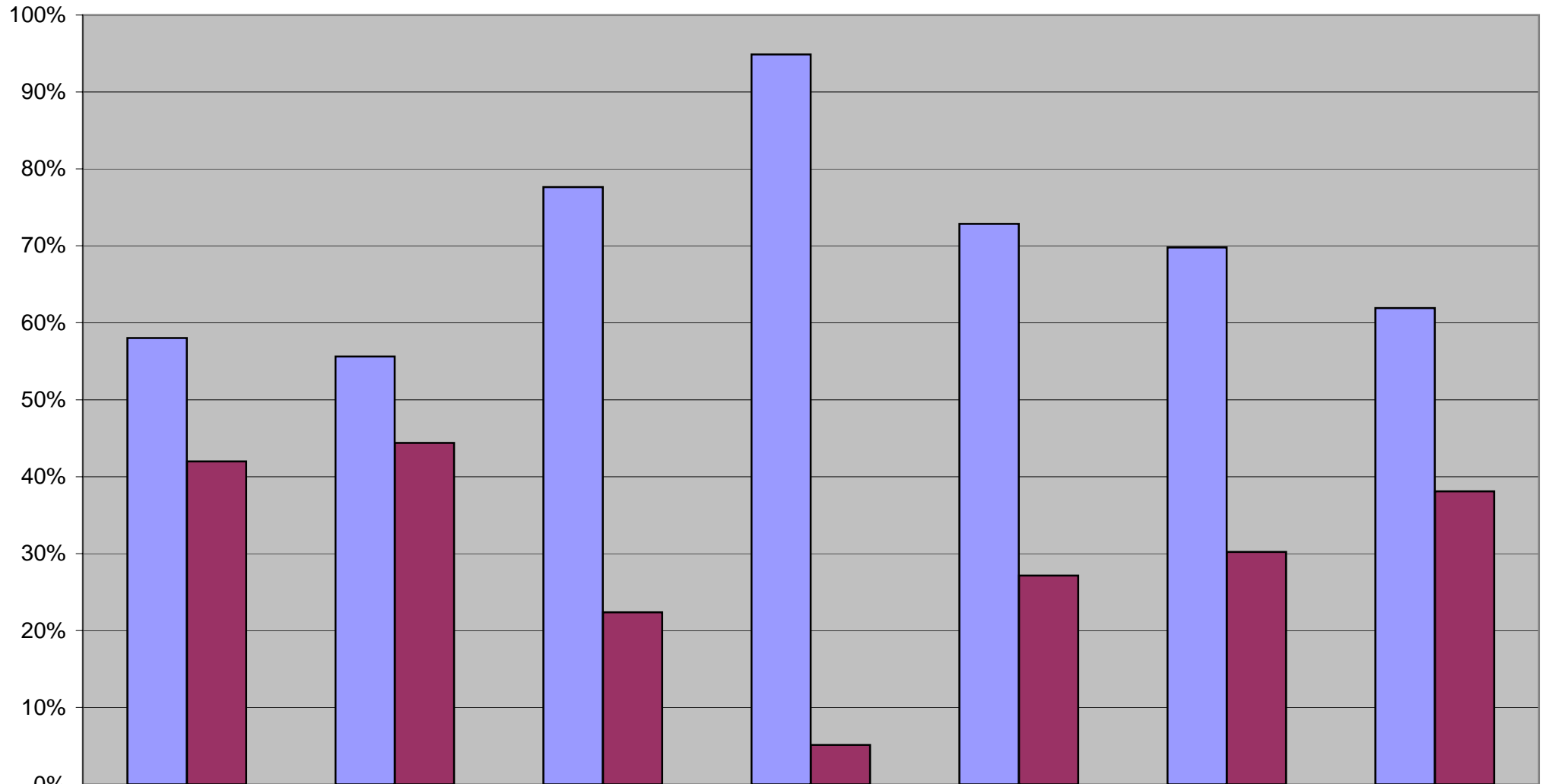


White	86%	85%	77%	78%	86%	76%	90%
Mixed Race	1%	2%	2%	2%	0%	0%	0%
Asian or Asian British	2%	5%	4%	6%	5%	8%	5%
Black or Black British	10%	7%	16%	14%	7%	13%	5%
Chinese or other ethnic group	1%	1%	1%	0%	2%	3%	0%

# Transport for London - Workforce Composition Breakdown - by Ethnicity

Percentage

Gender Breakdown



Male	58%	56%	78%	95%	73%	70%	62%
Female	42%	44%	22%	5%	27%	30%	38%

Transport for London  
Workforce Composition Breakdown

As at 31 July 2001

Employee Numbers - by Ethnicity								
Division	T/L - Corporate	TTL	Surface Transport			Street Management	DLR	Total
			LBSL	East Thames Buses	PCO			
White	209.00	372.00	760.00	183.00	112.00	303.00	19.00	1958.00
Mixed Race	2.00	11.00	18.00	4.00	0.00	0.00	0.00	35.00
Asian or Asian British	6.00	24.00	37.00	13.00	6.00	31.00	1.00	118.00
Black or Black British	24.00	31.00	162.00	34.00	9.00	51.00	1.00	312.00
Chinese or other ethnic group	2.00	6.00	7.00	0.00	2.00	12.00	0.00	29.00
<b>Totals</b>	<b>243.00</b>	<b>444.00</b>	<b>984.00</b>	<b>234.00</b>	<b>129.00</b>	<b>397.00</b>	<b>21.00</b>	<b>2452.00</b>

Employee Numbers - by Gender								
Division	T/L - Corporate	TTL	Surface Transport			Street Management	DLR	Total
			LBSL	East Thames Buses	PCO			
Male	141.00	247.00	764.00	222.00	94.00	277.00	13.00	1758.00
Female	102.00	197.00	220.00	12.00	35.00	120.00	8.00	694.00
<b>Totals</b>	<b>243.00</b>	<b>444.00</b>	<b>984.00</b>	<b>234.00</b>	<b>129.00</b>	<b>397.00</b>	<b>21.00</b>	<b>2452.00</b>

Employee Numbers - by Disability								
Division	T/L - Corporate	TTL	Surface Transport			Street Management	DLR	Total
			LBSL	East Thames Buses	PCO			
No. of employees declaring a disability	12.00	22.00	23.00	0.00	2.00	7.00	0.00	66.00

Employee Percentage Figures - by Ethnicity								
Division	T/L - Corporate	TTL	Surface Transport			Street Management	DLR	Total
			LBSL	East Thames Buses	PCO			
White	86%	85%	77%	78%	86%	76%	90%	80%
Mixed Race	1%	2%	2%	2%	0%	0%	0%	1%
Asian or Asian British	2%	5%	4%	6%	5%	8%	5%	5%
Black or Black British	10%	7%	16%	14%	7%	13%	5%	13%
Chinese or other ethnic group	1%	1%	1%	0%	2%	3%	0%	1%
<b>Totals</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Employee Percentage Figures - by Gender								
Division	T/L - Corporate	TTL	Surface Transport			Street Management	DLR	Total
			LBSL	East Thames Buses	PCO			
Male	58%	56%	78%	95%	73%	70%	62%	72%
Female	42%	44%	22%	5%	27%	30%	38%	28%
<b>Totals</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Employee Percentage Figures - by Disability								
Division	T/L - Corporate	TTL	Surface Transport			Street Management	DLR	Total
			LBSL	East Thames Buses	PCO			
% of employees declaring a disability	4.94%	4.95%	2.34%	0.00%	1.55%	1.76%	0.00%	2.69%

Figures are calculated as a headcount and do not FTEs.

TfL - Corporate - Directorate Employee Numbers - by Ethnicity				
	Integration	Finance & Planning	Communication & Public Affairs	Corporate Services
White	83.0	30.0	27.0	69.0
Mixed Race	1.0	1.0	0.0	0.0
Asian or Asian British	2.0	3.0	0.0	1.0
Black or Black British	3.0	9.0	3.0	9.0
Chinese or other ethnic group	0.0	1.0	1.0	0.0
<b>Totals</b>	<b>89.0</b>	<b>44.0</b>	<b>31.0</b>	<b>79.0</b>

TfL - Directorate Employee Numbers - by Ethnicity		
Finance & Planning	Communication & Public Affairs	Corporate Services
13.0	121.0	238.0
1.0	2.0	8.0
0.0	2.0	22.0
3.0	5.0	23.0
0.0	3.0	3.0
<b>17.0</b>	<b>133.0</b>	<b>294.0</b>

TfL - Corporate - Directorate Employee Numbers - by Gender				
	Integration	Finance & Planning	Communication & Public Affairs	Corporate Services
Male	62.0	30.0	13.0	36.0
Female	27.0	14.0	18.0	43.0
<b>Total</b>	<b>89.0</b>	<b>44.0</b>	<b>31.0</b>	<b>79.0</b>

TfL - Directorate Employee Numbers - by Gender		
Finance & Planning	Communication & Public Affairs	Corporate Services
12.0	73.0	162.0
5.0	60.0	132.0
<b>17.0</b>	<b>133.0</b>	<b>294.0</b>

TfL - Corporate - Directorate Employee Percentage Figures - by Ethnicity				
	Integration	Finance & Planning	Communication & Public Affairs	Corporate Services
White	94%	69%	87%	88%
Mixed Race	1%	2%	0%	0%
Asian or Asian British	2%	7%	0%	1%
Black or Black British	3%	20%	10%	11%
Chinese or other ethnic group	0%	2%	3%	0%
<b>Totals</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>101%</b>

TfL - Directorate Employee Percentage Figures - by Ethnicity		
Finance & Planning	Communication & Public Affairs	Corporate Services
76%	90%	81%
6%	2%	3%
0%	2%	7%
18%	4%	8%
0%	2%	1%
<b>100%</b>	<b>100%</b>	<b>100%</b>

Directorate Employee Percentage Figures - by Gender				
	Integration	Finance & Planning	Communication & Public Affairs	Corporate Services
Male	70%	68%	42%	46%
Female	30%	32%	58%	54%

Directorate Employee Percentage Figures - by Gender		
Finance & Planning	Communication & Public Affairs	Corporate Services
71%	55%	55%
29%	45%	45%

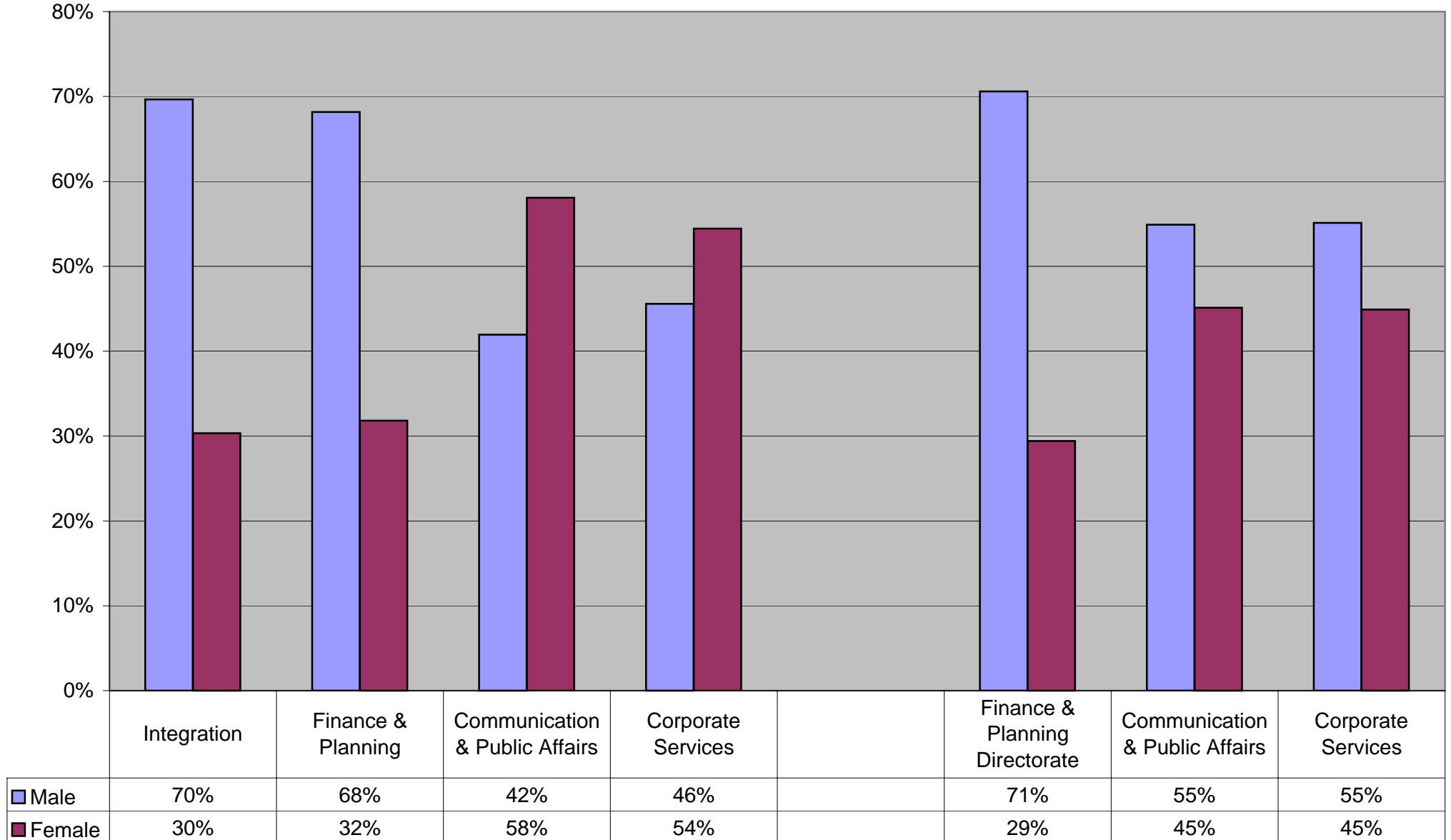
# Transport for London - Directorate Information

## Gender Breakdown

Percentage

Transport for London

Transport Trading Limited





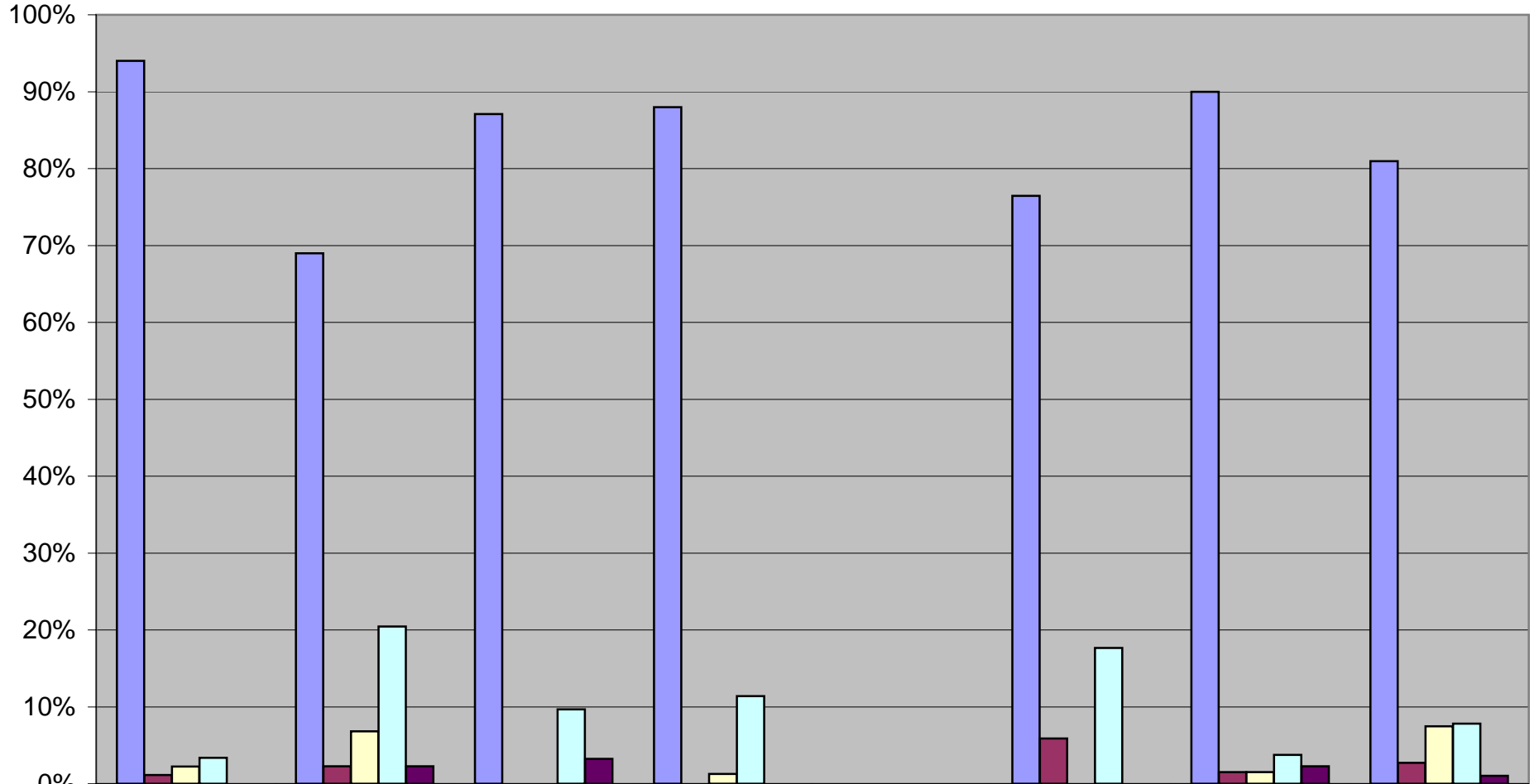
# Transport for London - Directorate Information

## Ethnicity Breakdown

Percentage

Transport for London

Transport Trading Limited



	Integration	Finance & Planning	Communication & Public Affairs	Corporate Services		Finance & Planning	Communication & Public Affairs	Corporate Services
White	94%	69%	87%	88%		76%	90%	81%
Mixed Race	1%	2%	0%	0%		6%	2%	3%
Asian or Asian British	2%	7%	0%	1%		0%	2%	7%
Black or Black British	3%	20%	10%	11%		18%	4%	8%
Chinese or other ethnic group	0%	2%	3%	0%		0%	2%	1%

**Transport *for* London**  
**London Bus Companies**  
**May Information**

**London Bus Companies  
Ethnic Minority Groups  
May 2001**

		Arriva London North/North East	Arriva London South	Arriva Kent Thameside	Go-Ahead London Central	Go-Ahead London General	Go-Ahead Metrobus	Stagecoach East London	Stagecoach Selkent	Metroline Travel	Metroline London Northern
<b>Market Share</b>		<b>10.80%</b>	<b>7.60%</b>	<b>0.90%</b>	<b>7.90%</b>	<b>6.80%</b>	<b>2.20%</b>	<b>9.60%</b>	<b>6.90%</b>	<b>6.50%</b>	<b>5.30%</b>
<b>White European</b>	<b>%</b>	51.11%	53.00%	95.22%	55.36%	60.82%	92.11%	66.70%	78.45%	43.30%	60.82%
	<b>Number</b>	1175	866	219	1017	1136	478	1502	969	571	731
<b>White Other</b>	<b>%</b>	7.66%	2.75%	0.00%	4.35%	2.89%	0.58%	1.20%	1.38%	1.67%	2.75%
	<b>Number</b>	176	45	0	80	54	3	27	17	22	33
<b>Asian</b>	<b>%</b>	10.66%	8.14%	4.35%	4.46%	8.51%	2.31%	19.00%	4.13%	22.14%	8.15%
	<b>Number</b>	245	133	10	82	159	12	428	51	292	98
<b>Black Caribbean</b>	<b>%</b>	16.00%	17.93%	0.00%	19.98%	14.78%	1.35%	7.70%	5.18%	14.78%	12.06%
	<b>Number</b>	368	293	0	367	276	7	174	64	195	145
<b>Black African</b>	<b>%</b>	10.18%	14.75%	0.43%	12.47%	8.99%	0.96%	3.60%	6.48%	8.49%	8.82%
	<b>Number</b>	234	241	1	229	168	5	80	80	112	106
<b>Black Other</b>	<b>%</b>	1.26%	1.10%	0.00%	2.83%	1.71%	0.19%	0.90%	1.30%	1.06%	1.66%
	<b>Number</b>	29	18	0	52	32	12	20	16	14	20
<b>Other</b>	<b>%</b>	1.61%	1.53%	0.00%	0.44%	2.30%	2.31%	0.90%	1.30%	7.73%	3.24%
	<b>Number</b>	37	25	0	8	43	1	21	16	102	39
<b>Undefined</b>	<b>%</b>	1.52%	0.80%	0.00%	0.11%	0.00%	0.19%	0.00%	1.78%	0.83%	2.50%
	<b>Number</b>	35	13	0	2	0	1	0	22	11	30
<b>Totals</b>	<b>%</b>	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	<b>Number</b>	2299	1634	230	1837	1868	519	2252	1235	1319	1202

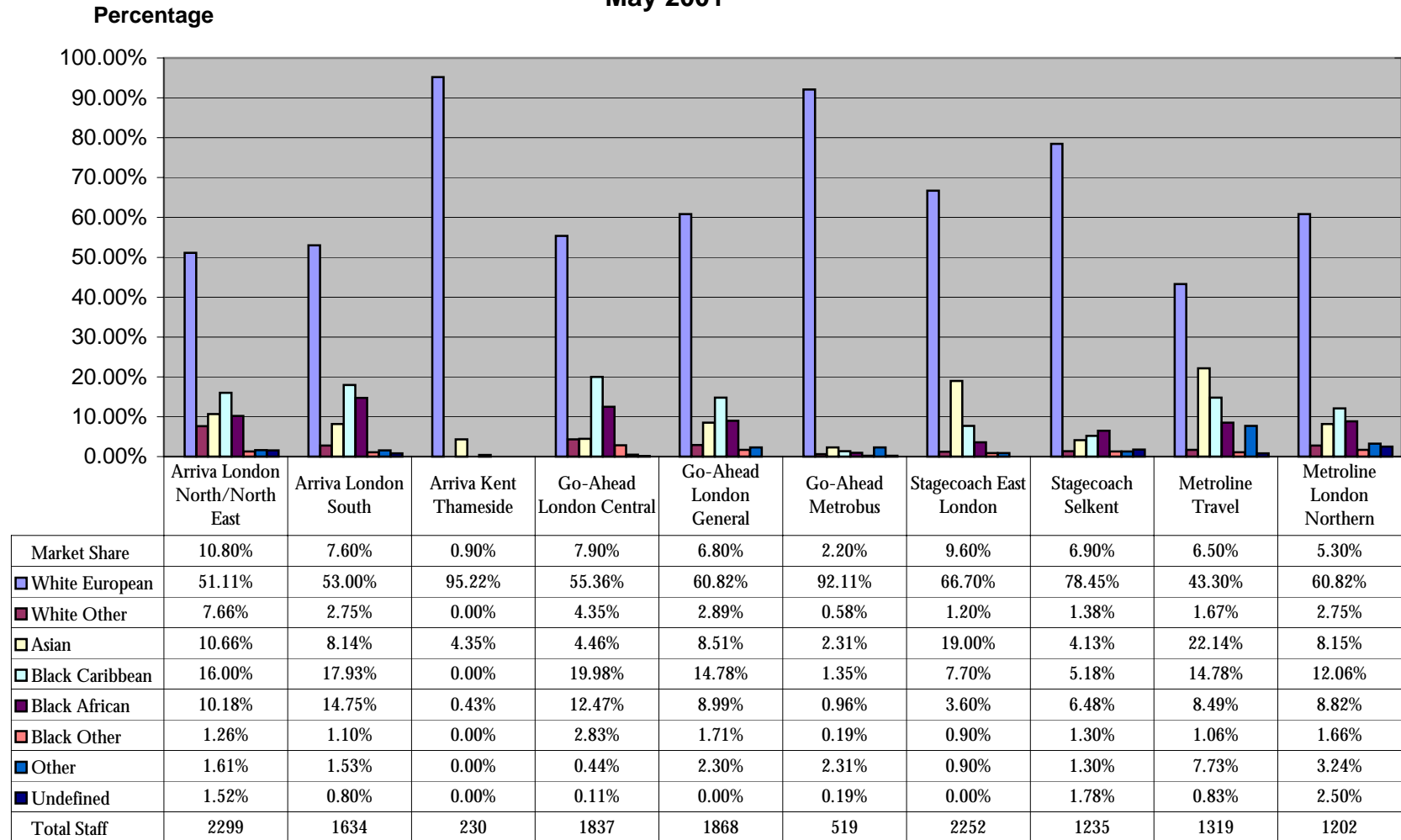
**London Bus Companies  
Ethnic Minority Groups  
May 2001**

		<b>First CentreWest</b>	<b>First Capital</b>	<b>First Essex Buses</b>	<b>London United</b>	<b>Sovereign Buses (March 01 Data)</b>	<b>Armchair Passenger Transport</b>	<b>East Thames Buses</b>	<b>Connex Bus UK</b>
<b>Market Share</b>		<b>8.70%</b>	<b>7.00%</b>	<b>0.20%</b>	<b>7.50%</b>	<b>1.70%</b>	<b>1.50%</b>	<b>1.20%</b>	<b>0.60%</b>
<b>White European</b>	<b>%</b>	46.00%	50.00%	100.00%	61.02%	60.67%	38.00%	78.21%	34.52%
	<b>Number</b>	807	672	29	1000	168	66	183	68
<b>White Other</b>	<b>%</b>	4.00%	0.00%	0.00%	2.50%	1.80%	8.00%	0.00%	0.00%
	<b>Number</b>	62	0	0	41	5	14	0	0
<b>Asian</b>	<b>%</b>	21.00%	18.00%	0.00%	18.43%	15.16%	21.00%	5.55%	13.71%
	<b>Number</b>	360	247	0	302	42	38	13	27
<b>Black Caribbean</b>	<b>%</b>	15.00%	26.00%	0.00%	7.32%	4.33%	13.00%	14.53%	33.50%
	<b>Number</b>	261	356	0	120	12	23	34	66
<b>Black African</b>	<b>%</b>	11.00%	0.00%	0.00%	7.93%	2.52%	15.00%	0.00%	17.76%
	<b>Number</b>	185	0	0	130	7	27	0	35
<b>Black Other</b>	<b>%</b>	1.00%	0.00%	0.00%	0.73%	6.14%	0.00%	0.00%	0.51%
	<b>Number</b>	28	0	0	12	17	0	0	1
<b>Other</b>	<b>%</b>	2.00%	6.00%	0.00%	2.07%	7.94%	5.00%	1.71%	0.00%
	<b>Number</b>	42	79	0	34	22	5	4	0
<b>Undefined</b>	<b>%</b>	0.00%	0.00%	0.00%	0.00%	1.44%	0.00%	0.00%	0.00%
	<b>Number</b>	0	0	0	0	4	0	0	0
<b>Totals</b>	<b>%</b>	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	<b>Number</b>	1745	1354	29	1639	277	173	234	197

**London Bus Companies  
Ethnic Minority Groups  
May 2001**

		<b>F E Thorpe &amp; Sons</b>	<b>Mitcham Belle (March 01 Data)</b>	<b>Epsom Buses (HR Richmond)</b>	<b>Metropolitan Omnibus</b>	<b>Crystals Coaches</b>	<b>Blue Triangle</b>	<b>Wings Buses</b>	<b>Hackney Community Transport</b>	<b>London Easylink (Durham Travel)</b>
<b>Market Share</b>		<b>0.50%</b>	<b>0.50%</b>	<b>0.40%</b>	<b>0.40%</b>	<b>0.20%</b>	<b>0.20%</b>	<b>0.10%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>White European</b>	<b>%</b>	38.95%	59.00%	90.47%	23.00%	100.00%	80.48%	76.47%	28.00%	36.70%
	<b>Number</b>	37	64	76	19	33	99		8	18
<b>White Other</b>	<b>%</b>	0.00%	4.50%	2.38%	4.00%	0.00%	7.32%	0.00%	0.00%	4.10%
	<b>Number</b>	0	5	2	3	0	9	0	0	2
<b>Asian</b>	<b>%</b>	16.84%	10.00%	1.20%	16.00%	0.00%	6.51%	17.65%	10.00%	2.00%
	<b>Number</b>	16	11	1	13	0	8		3	1
<b>Black Caribbean</b>	<b>%</b>	26.32%	12.00%	0.00%	32.00%	0.00%	3.25%	5.88%	59.00%	30.70%
	<b>Number</b>	25	13	0	26	0	4		17	15
<b>Black African</b>	<b>%</b>	17.89%	3.50%	0.00%	20.00%	0.00%	2.44%	0.00%	0.00%	20.40%
	<b>Number</b>	17	4	0	16	0	3	0	0	10
<b>Black Other</b>	<b>%</b>	0.00%	10.00%	2.38%	4.00%	0.00%	0.00%	0.00%	0.00%	6.10%
	<b>Number</b>	0	11	2	3	0	0	0	0	3
<b>Other</b>	<b>%</b>	0.00%	0.00%	3.57%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	<b>Number</b>	0	0	3	1	0	0	0	0	0
<b>Undefined</b>	<b>%</b>	0.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.00%	0.00%
	<b>Number</b>	0	1	0	0	0	0	0	1	0
<b>Totals</b>	<b>%</b>	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	<b>Number</b>	95	109	84	81	33	123		29	49

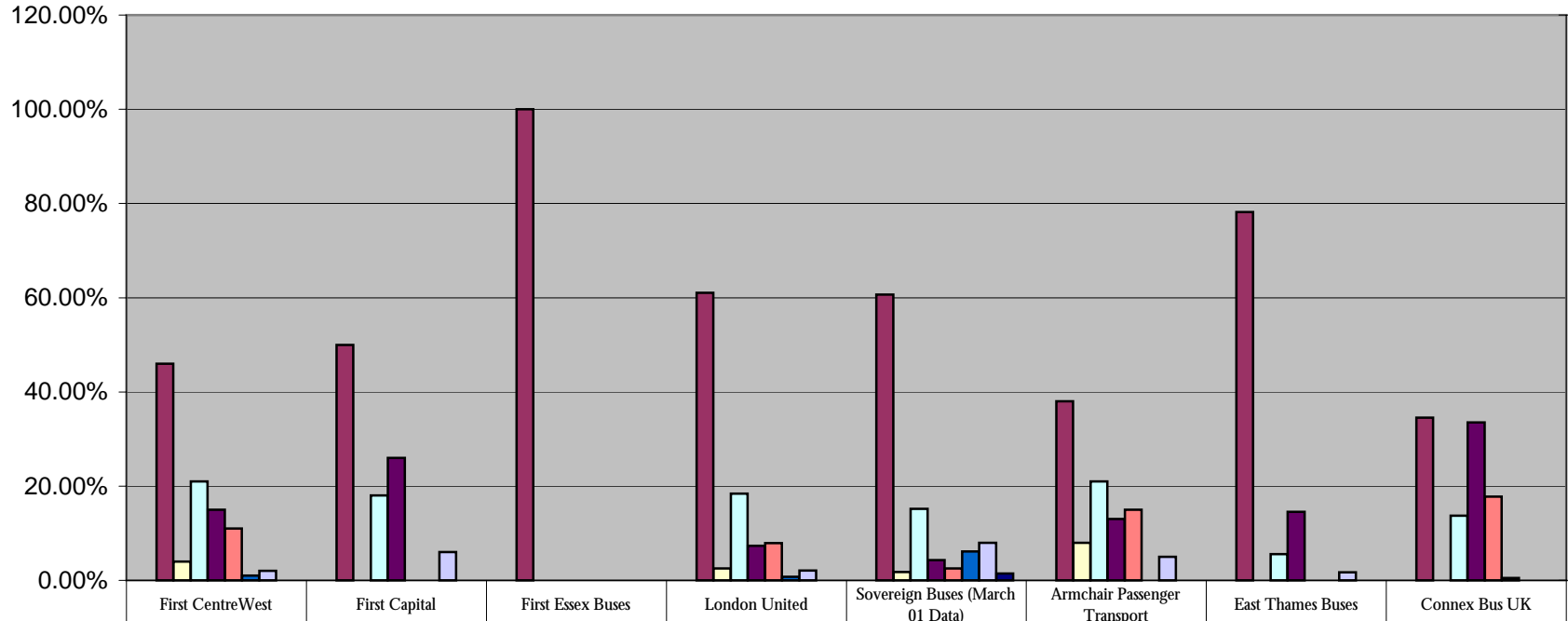
## Ethnicity Breakdown - London Bus Companies May 2001



**Bus Companies**

Percentage

### Ethnicity Breakdown - London Bus Companies May 2001

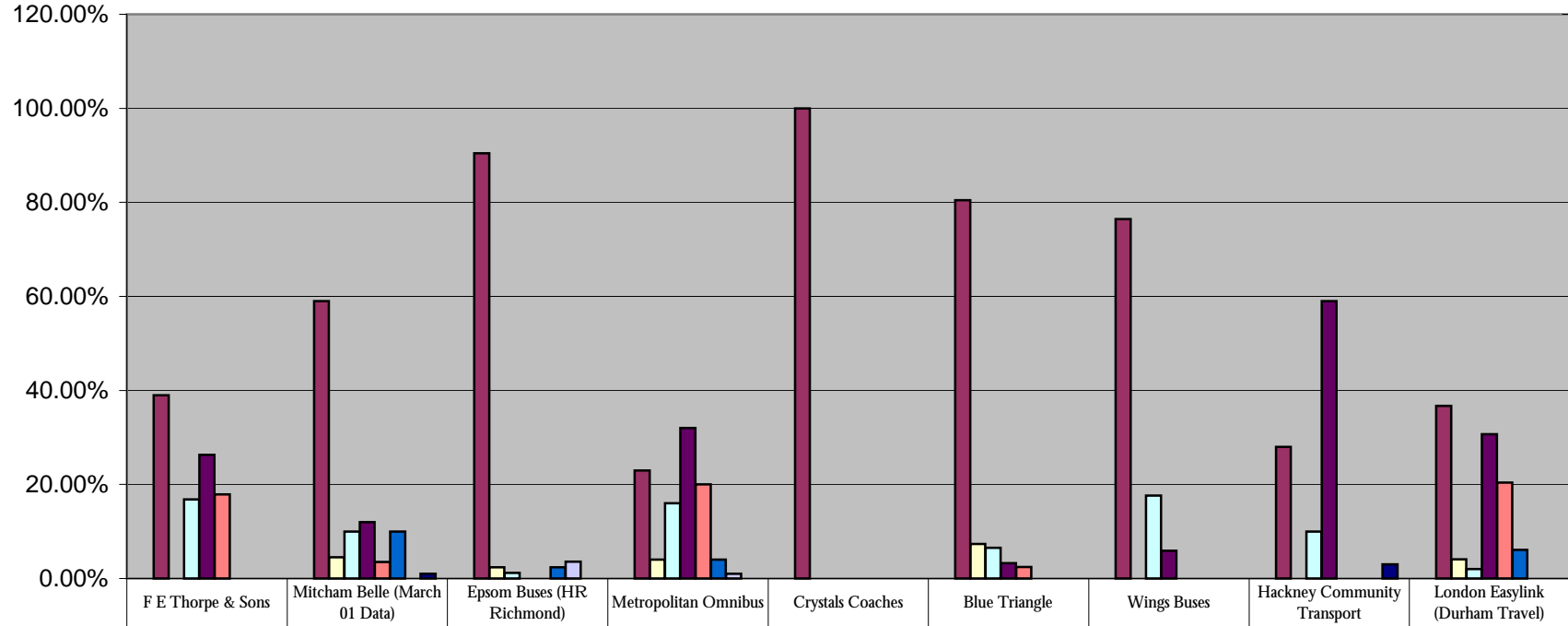


	First CentreWest	First Capital	First Essex Buses	London United	Sovereign Buses (March 01 Data)	Armchair Passenger Transport	East Thames Buses	Connex Bus UK
Market Share	8.70%	7.00%	0.20%	7.50%	1.70%	1.50%	1.20%	0.60%
White European	46.00%	50.00%	100.00%	61.02%	60.67%	38.00%	78.21%	34.52%
White Other	4.00%	0.00%	0.00%	2.50%	1.80%	8.00%	0.00%	0.00%
Asian	21.00%	18.00%	0.00%	18.43%	15.16%	21.00%	5.55%	13.71%
Black Caribbean	15.00%	26.00%	0.00%	7.32%	4.33%	13.00%	14.53%	33.50%
Black African	11.00%	0.00%	0.00%	7.93%	2.52%	15.00%	0.00%	17.76%
Black Other	1.00%	0.00%	0.00%	0.73%	6.14%	0.00%	0.00%	0.51%
Other	2.00%	6.00%	0.00%	2.07%	7.94%	5.00%	1.71%	0.00%
Undefined	0.00%	0.00%	0.00%	0.00%	1.44%	0.00%	0.00%	0.00%
Total Staff	1745	1354	29	1639	277	173	234	197

Bus Companies

Percentage

### Ethnicity Breakdown - London Bus Companies May 2001



	F E Thorpe & Sons	Mitcham Belle (March 01 Data)	Epsom Buses (HR Richmond)	Metropolitan Omnibus	Crystals Coaches	Blue Triangle	Wings Buses	Hackney Community Transport	London Easylink (Durham Travel)
Market Share	0.50%	0.50%	0.40%	0.40%	0.20%	0.20%	0.10%	0.00%	0.00%
White European	38.95%	59.00%	90.47%	23.00%	100.00%	80.48%	76.47%	28.00%	36.70%
White Other	0.00%	4.50%	2.38%	4.00%	0.00%	7.32%	0.00%	0.00%	4.10%
Asian	16.84%	10.00%	1.20%	16.00%	0.00%	6.51%	17.65%	10.00%	2.00%
Black Caribbean	26.32%	12.00%	0.00%	32.00%	0.00%	3.25%	5.88%	59.00%	30.70%
Black African	17.89%	3.50%	0.00%	20.00%	0.00%	2.44%	0.00%	0.00%	20.40%
Black Other	0.00%	10.00%	2.38%	4.00%	0.00%	0.00%	0.00%	0.00%	6.10%
Other	0.00%	0.00%	3.57%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Undefined	0.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.00%	0.00%
Total Staff	95	109	84	81	33	123		29	49

Bus Companies



Gender Breakdown - London Bus Companies  
May 2001

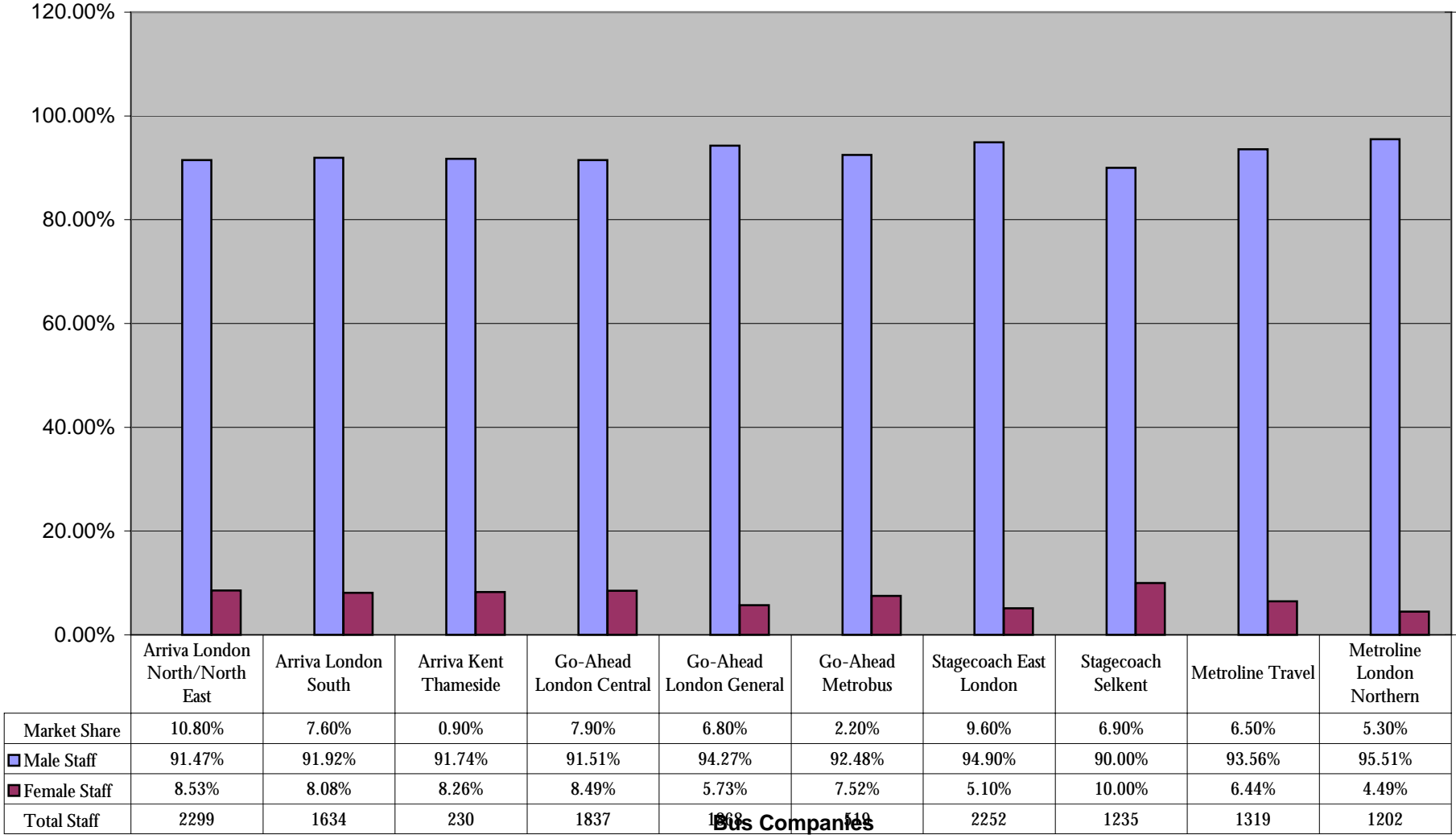
		Arriva London North/North East	Arriva London South	Arriva Kent Thameside	Go-Ahead London Central	Go-Ahead London General	Go-Ahead Metrobus	Stagecoach East London	Stagecoach Selkent	Metroline Travel	Metroline London Northern
<b>Market Share</b>		<b>10.80%</b>	<b>7.60%</b>	<b>0.90%</b>	<b>7.90%</b>	<b>6.80%</b>	<b>2.20%</b>	<b>9.60%</b>	<b>6.90%</b>	<b>6.50%</b>	<b>5.30%</b>
<b>Male Staff</b>	%	91.47%	91.92%	91.74%	91.51%	94.27%	92.48%	94.90%	90.00%	93.56%	95.51%
	Number	2103	1502	211	1681	1761	480	2138	1108	1234	1148
<b>Female Staff</b>	%	8.53%	8.08%	8.26%	8.49%	5.73%	7.52%	5.10%	10.00%	6.44%	4.49%
	Number	196	132	19	156	107	39	114	127	85	54
<b>Totals</b>	%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	Number	2299	1634	230	1837	1868	519	2252	1235	1319	1202

		First CentreWest	First Capital	First Essex Buses	London United	Sovereign Buses	Armchair Passenger Transport	Tellings Golden Miller	East Thames Buses	Connex Buses UK
<b>Market Share</b>		<b>8.70%</b>	<b>7.00%</b>	<b>0.20%</b>	<b>7.50%</b>	<b>1.70%</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.20%</b>	<b>0.60%</b>
<b>Male Staff</b>	%	93.00%	93.00%	100.00%	93.65%	94.58%	93.00%	94.50%	94.87%	95.94%
	Number	1624	1264	29	1535	262	162	326	222	189
<b>Female Staff</b>	%	7.00%	7.00%	0.00%	6.35%	5.42%	7.00%	5.50%	5.13%	4.06%
	Number	121	90	0	104	15	11	19	12	8
<b>Totals</b>	%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	Number	1745	1354	29	1639	277	173	345	234	197

		F E Thorpe & Sons	Mitcham Belle	Epsom Buses (HR Richmond)	Metropolitan Omnibus	Crystals Coaches	Blue Triangle	Wings Buses	Hackney Community Transport	London Easylink (Durham Travel)
<b>Market Share</b>		<b>0.50%</b>	<b>0.50%</b>	<b>0.40%</b>	<b>0.40%</b>	<b>0.20%</b>	<b>0.20%</b>	<b>0.10%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Male Staff</b>	%	91.58%	98.00%	92.86%	95.00%	100.00%	95.12%	100.00%	86.00%	85.70%
	Number	87	107	78	77	33	117		25	42
<b>Female Staff</b>	%	8.42%	2.00%	7.14%	5.00%	0.00%	4.88%	0.00%	14.00%	14.30%
	Number	8	2	6	4	0	6	0	4	7
<b>Totals</b>	%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	Number	95	109	84	81	33	123		29	49

### Gender Breakdown - London Bus Companies May 2001

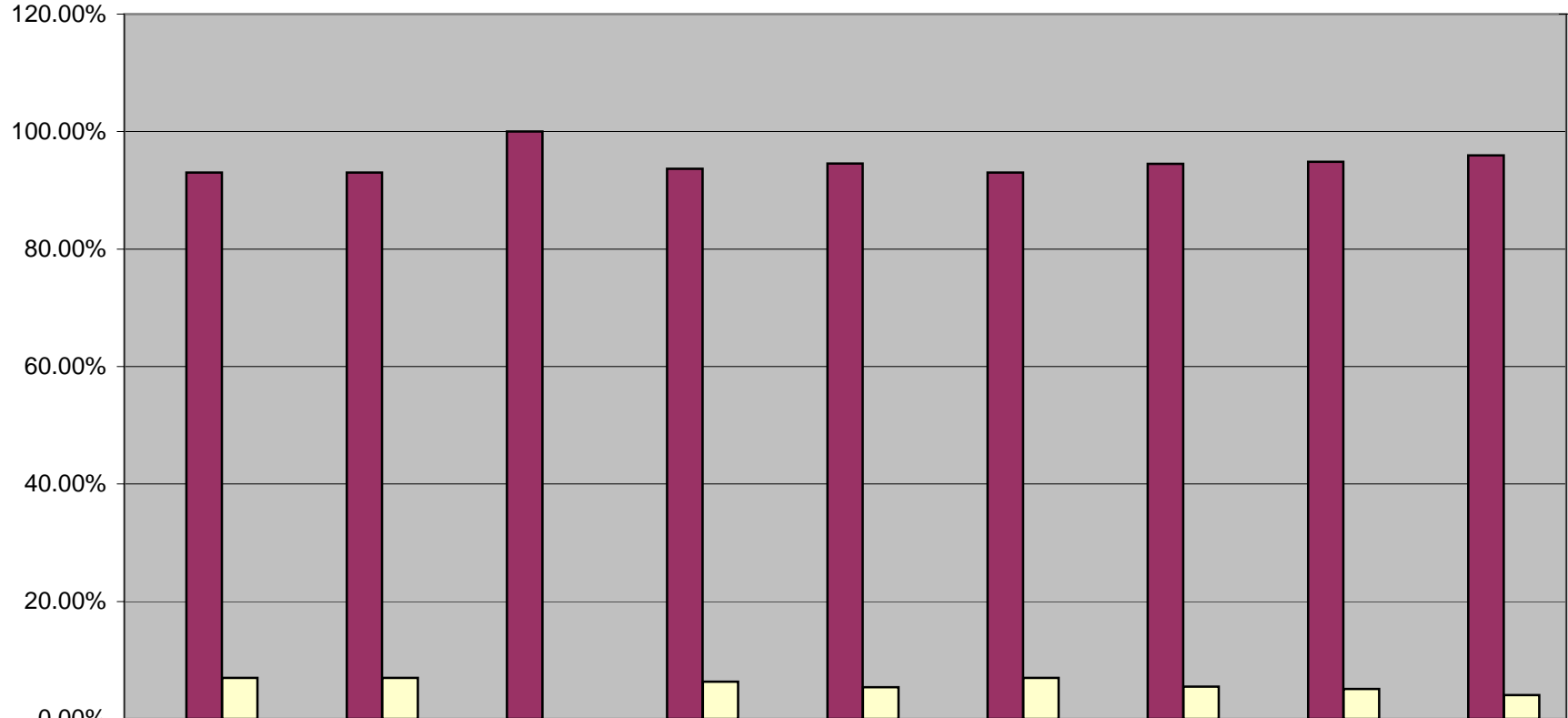
Percentage



Bus Companies

## Gender Breakdown-London Buses May 2001

Percentage

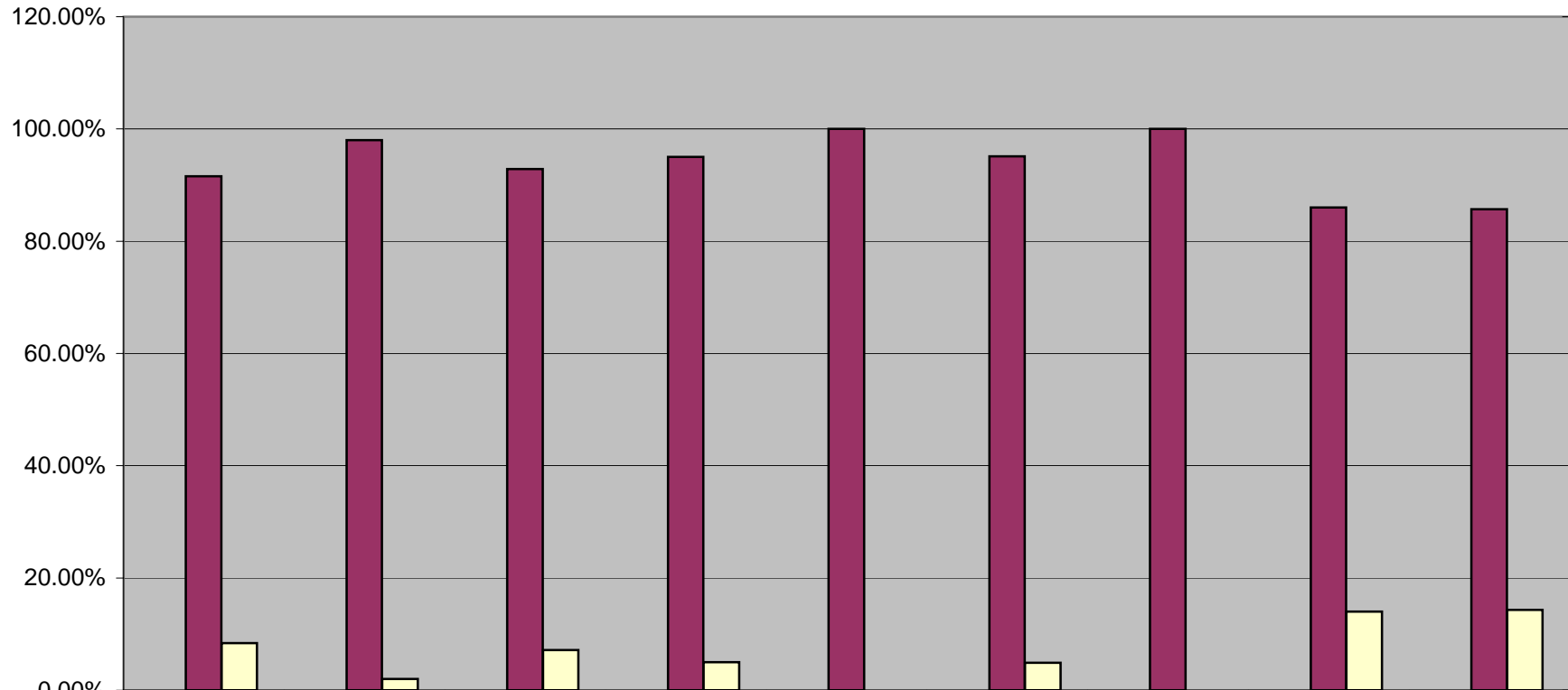


	First CentreWest	First Capital	First Essex Buses	London United	Sovereign Buses	Armchair Passenger Transport	Tellings Golden Miller	East Thames Buses	Connex Buses UK
Market Share	8.70%	7.00%	0.20%	7.50%	1.70%	1.50%	1.50%	1.20%	0.60%
Male Staff	93.00%	93.00%	100.00%	93.65%	94.58%	93.00%	94.50%	94.87%	95.94%
Female Staff	7.00%	7.00%	0.00%	6.35%	5.42%	7.00%	5.50%	5.13%	4.06%
Total Staff	1745	1354	29	1639	277	173	345	234	197

**Bus Companies**

Percentage

### Gender Breakdown - London Bus Companies May 2001



	F E Thorpe & Sons	Mitcham Belle	Epsom Buses (HR Richmond)	Metropolitan Omnibus	Crystals Coaches	Blue Triangle	Wings Buses	Hackney Community Transport	London Easylink (Durham Travel)
Market Share	0.50%	0.50%	0.40%	0.40%	0.20%	0.20%	0.10%	0.00%	0.00%
Male Staff	91.58%	98.00%	92.86%	95.00%	100.00%	95.12%	100.00%	86.00%	85.70%
Female Staff	8.42%	2.00%	7.14%	5.00%	0.00%	4.88%	0.00%	14.00%	14.30%
Total Staff	95	109	84	81	33	123		29	49

Bus Companies

**TRANSPORT FOR LONDON**

***TfL BOARD***

**SUBJECT: TfL GROUP STATEMENT OF ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2001**

**MEETING DATE: 25 SEPTEMBER 2001**

---

**1. PURPOSE**

To present the TfL Group Statement of Accounts for the period ended 31 March 2001 for approval.

**2. BACKGROUND**

- 2.1 The attached Statement of Accounts has been prepared in accordance with the provisions of the Audit Commission Act 1998 and related accounts and audit regulations. The form, content and accounting policies followed in preparing the Statement are as prescribed in the regulations and by the Code of Practice on Local Authority Accounting published by CIPFA.
- 2.2 The Accounts cover the period 3 July 2000 to 31 March 2001. TfL Corporation, which comprises TfL Centre, PCO and Street Management, incurred net operating expenditure of £128.9m. The trading subsidiaries all made operating losses apart from a £1.1m profit in VCS, the aggregate losses amounting to £93m.
- 2.3 These accounts remain subject to audit and any material adjustments arising therefrom will be reported to a future meeting of the Board.

**3. RECOMMENDATIONS**

The Board is asked to approve the Statement of Accounts and to agree that the Chief Finance Officer may make any minor adjustments arising from the ongoing audit work prior to publication.

A hard copy of the accounts is available by ringing the following telephone number: 020 7941 4228.

**TRANSPORT FOR LONDON**

**TfL BOARD**

**SUBJECT: FINANCIAL POLICIES**

**MEETING DATE: 25 SEPTEMBER 2001**

---

**1. PURPOSE**

To obtain formal TfL Board approval to the following financial policies:-

- 1.1 - Guarantees and Indemnities
- 1.2 - Treasury Management and Borrowing
- 1.3 - Financial Assistance.

**2. BACKGROUND**

The approval of these specific policies is a matter reserved to the TfL Board, in accordance with Standing Order No. 2. The Finance and Audit Committee considered this paper on 4<sup>th</sup> September 2001 prior to submission to the Board.

Discussions have been held with the businesses and with TfL's external auditors in the development of these policies. These policies have been established in accordance with relevant legislation and those CIPFA requirements applicable to TfL's governance and functional arrangements.

**3. ALTERNATIVES**

The establishment and review of these policies is a mandatory requirement within TfL's Standing Order No 2. However the extent to which the policies provide for the delegation of aspects of the functions, contained within the policies, is discretionary within the limits of the legislation governing TfL.

The powers to provide financial assistance and to provide guarantees and indemnities (linked to guarantees) are vested solely within TfL. The extent to which treasury management may be devolved, is governed by the requirement for the proper administration of TfL's financial affairs and the efficient use of resources.

In accordance with these constraints and having regard to the need for appropriate financial control to be exercised over these significant financial activities, the attached policies set out the requirement for the activities to be corporately controlled.

**4. RECOMMENDATIONS**

The TfL Board is asked to approve these policies for adoption by the TfL Group.

**POLICY ON GUARANTEES AND INDEMNITIES UNDER SECTION 160 OF THE GREATER LONDON AUTHORITY ACT 1999****1. Introduction**

- 1.1 This policy covers the provision by TfL of guarantees and indemnities associated with guarantees under section 160 of the Greater London Authority Act 1999 ('the GLA Act'). TfL may only give a guarantee under this section.
- 1.2 Definitions for the purpose of the policy are as follows:
- a *guarantee* is a promise to pay a debt or comply with a contractual obligation of another party in the event of default by that party; and
  - an *indemnity* is an arrangement for TfL to indemnify a person who gives a guarantee under section 160 of the GLA Act.
- 1.3 Indemnities given or received for other purposes will be the subject of separate instructions from the Managing Director, Finance and Performance

**2. Policy Objective**

- 2.1 The objective of this policy is to set out the high level principles, together with the decision making framework and control arrangements, governing the provision of guarantees and indemnities throughout the TfL Group.
- 2.2 Any transaction which requires the provision of a guarantee and/ or an indemnity associated with a guarantee must be undertaken in accordance with this policy.

**3. Provision of Guarantees and Indemnities****3.1 Legal powers and requirements**

- 3.1.1 Section 160 of the GLA Act sets out the circumstances where TfL may guarantee the discharge of a financial obligation of another person or legal entity. The limited circumstances where TfL may give a guarantee are:
- (a) where it is the financial obligation of its subsidiary (i.e. a parent company guarantee);
  - (b) where TfL has entered an agreement with a third party under section 156(2) or (3) of the GLA Act and the guarantee is given for the purpose of enabling the third party to carry out that agreement (for example, under a PFI);
  - (c) where a subsidiary of TfL has entered a 'transport subsidiary's agreement' with a third party under section 169 of the GLA Act and the guarantee is given for the purpose of enabling the third party to carry out that agreement (for example, a guarantee enabling a private sector bus operator to carry out its contract to provide bus services with LBSL); and

(d) where, for the purpose of discharging its functions TfL guarantees the financial obligations of a third party, “X” for the purposes of an undertaking carried on by X (or a subsidiary of X). An example of this would be where TfL provides a guarantee for a third party such as a Dial-A-Ride Company for the purpose of discharging TfL’s functions to ensure transport is provided to those with mobility problems.

3.1.2 Section 160 of the GLA Act also provides that TfL may enter into arrangements so that a third party gives a guarantee, which TfL itself has powers to give, and TfL indemnifies that third party for doing so. This allows TfL to procure a guarantee from a third party, for example, from a bank or insurance company, and indemnify them accordingly.

3.1.3 Section 161 of the GLA Act requires TfL to include within its Annual Report a statement regarding any guarantees given, or any indemnities given in relation to a guarantee.

### **3.2 Approval of Guarantees and Indemnities**

No guarantee or indemnity associated with a guarantee may be given without the prior written approval of the Managing Director, Finance and Performance after taking advice from TfL Legal Services.

### **3.3 Recording of Guarantees and Indemnities**

The Assistant Company Secretary shall maintain a register of all guarantees and indemnities given under this policy by TfL.

Chief Officers who, after obtaining the necessary approval under paragraph 3.2 above, enter into a guarantee or indemnity shall notify the Assistant Company Secretary of the following:

- the identity of the recipient of each guarantee or indemnity;
- the extent of the financial exposure of TfL;
- the nature of the events which would cause it to be invoked;
- the date it was effective from and the date of its expiry; and
- the responsible officer within TfL who maintains the guarantee or indemnity and associated documentation.

### **3.4 Reporting**

Annually, the Managing Director of Finance and Performance shall provide a report to the Finance and Audit Committee on all guarantees and indemnities given during the previous financial year. This will form the basis of the statement included within the Annual Report.



## TREASURY MANAGEMENT AND BORROWING

### INTRODUCTION

The establishment and keeping under review of a policy for TfL in relation to Treasury Management is a matter reserved to the Board. This policy is therefore subject to Board approval.

### THE TREASURY MANAGEMENT POLICY STATEMENT

This policy is drafted after taking account of the CIPFA recommendations contained in Exposure Draft March 2001 for Treasury Management in the Public Services. This policy will be re-visited after CIPFA has completed its consultation process and issued its Standard.

### ACTIVITIES

TfL defines its treasury management activities as:

*“The management of the organisation’s cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.*

TfL regards the successful identification, monitoring and control of risk to be the most important criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the major focus of the analysis and reporting of treasury management decisions and transactions will be on their risk implications for the organisation.

TfL also acknowledges that effective treasury management should provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, but always in the context of effective risk management.

### BACKGROUND

The TfL Group receives ticket and other revenues together with Transport Grant and a share of precept from the GLA, received fortnightly and based upon profiles agreed with GOL during the development of the budget. TfL Group cash flows generate substantial balances, which are available for investment, and short term borrowing requirements. This policy sets out the parameters within which Group Treasury will operate to manage these cash flows in accordance with the Local Government controls applicable from time to time.

### SCOPE

This policy will be operated through TfL Group Treasury and will be applied to TfL and all its subsidiaries. The subsidiaries and Chief Officers will have no authority to invest, borrow, or enter into credit arrangements without the written consent from TfL Group Treasury.

## **RESPONSIBLE OFFICERS**

The Managing Director, Finance and Performance is responsible for advising the Board on investments, borrowing, and capital financing and also for the establishment and operation of banking arrangements necessary for the TfL Group business. The Chief Finance Officer is responsible for ensuring the execution of the group treasury policy. He has delegated many of these tasks on a day to day basis to the Group Treasury Manager.

## **TREASURY RISK MANAGEMENT**

### **General Statement**

The Group Treasury Manager will design, implement and monitor all arrangements for the control of treasury management risk, will report in March of each year to the Finance & Audit Committee on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect.

### **Liquidity Risk Management**

TfL will ensure it has adequate cash resources, short-term borrowing arrangements, overdraft or standby facilities to enable it at all times to have sufficient funds available for the achievement of its business/service objectives.

TfL will minimise its exposure to fluctuations in interest rates with a view to ensuring that its net interest costs can be contained within the amounts provided in its annual budget.

### **Legal and Regulatory Risk Management**

TfL will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements.

TfL recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

### **Systems and Procedural Risk, and Contingency Management**

TfL will ensure that it minimises the risk of fraud or error in its treasury management activities, and that it has identified the circumstances in which failures in systems, procedures, or other eventualities may leave it exposed to difficulties in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and contingency management arrangements, to these ends.

### **Market Risk Management**

TfL will seek to ensure that the value of its investments is, so far as can reasonably be achieved, protected from market fluctuations.

## **BEST VALUE AND PERFORMANCE MEASUREMENT**

TfL is committed to the pursuit of best value in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its Treasury Management Policy Statement.

Accordingly, the treasury management function will be the subject of formal analysis of the value it adds in support of the organisation's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for innovation. The actual performance of the treasury management function will be measured using criteria to be agreed by the Managing Director, Finance and Performance.

## **DECISION-MAKING AND ANALYSIS**

TfL will rigorously maintain full records of its treasury management decisions, and of the processes applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time.

## **APPROVED INSTRUMENTS, METHODS AND TECHNIQUES**

All executive decisions on capital/project financing, borrowings and investments within this Group Treasury Policy in accordance with Standing Orders.

TfL will undertake its treasury management activities by employing well tried and recognised instruments, methods and techniques. Investment and borrowing strategy will be developed for consideration by the Finance & Audit Committee in March each year and will cover the risks and opportunities to the budgeted cash flow and the specific actions necessary to cover risk and to maximise opportunities. Above all the strategy will affirm the action taken to protect cash resources and to optimise the levels cash, borrowings and credit arrangements to meet business objectives. The present arrangements are detailed in the schedule attached Para. 1 Investment Policy, Para. 2 Borrowing, Para. 3 Credit Rating and Para 4 Credit Arrangements.

## **TREASURY MANAGEMENT ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS**

TfL considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, and for the reduction of the risk of fraud or error, for there to be at all times a clarity of treasury management responsibilities. There will be a clear distinction between those charged with setting treasury management policies, those charged with implementing and controlling policies and decisions, those undertaking the execution and transmission of funds, those recording and administering treasury management decisions, and those charged with audit and review.

The principles on which this will be based are a separation of duties as between:

- policy formulation, creation and review
- deal transaction and execution
- subsequent recording and administration, and
- audit

The Group Treasury Manager will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Group Treasury Manager will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds.

## **REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS**

The Finance & Audit Committee will receive a report in March each year on the implementation of its treasury management policies, on the decisions taken and the transactions executed in pursuit of those policies, on the implications of changes, particularly budgetary, in regulatory, market or other factors affecting its treasury management activities and on the performance of the treasury management function. The report will also include the strategy and plan to be pursued in the coming year.

## **BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS**

TfL will prepare, and if necessary from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The minimum requirements for matters to be included in the budget will be those required by statute or regulation, together with such information as will demonstrate compliance with this statement.

TfL will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

TfL will ensure that its auditors, and those charged with regulatory review, have access to all information and papers supporting the activities of the treasury management function as are necessary for the proper fulfilment of their roles, and that such information and papers demonstrate compliance with external and internal policies and approved practices.

## **CASH AND CASH FLOW MANAGEMENT**

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of this organisation will be under the control of the Group Treasury Manager, and will be aggregated for cash flow and investment management purposes as directed by the Managing Director, Finance and Performance. Cash flow projections will be prepared on a regular and timely basis, and the Group Treasury Manager will ensure that these are adequate for the purposes of monitoring compliance with this policy statement. The present arrangements are detailed in the schedule attached Para. 5 Group Cash Control and Monitoring.

## **BANKING RELATIONSHIPS AND ADVICE**

Management of banking relationships is a specific responsibility of the Managing Director, Finance and Performance. On an operational basis he will discharge this through the Group Treasury Manager. See attached Para. 6 Banking Relationships and Advice.

## **STAFF TRAINING ARRANGEMENTS AND QUALIFICATIONS**

TfL recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore appoint individuals with suitable qualifications and experience, and will provide training for staff to enable them to maintain an appropriate level of expertise, knowledge and skills. The Group Treasury Manager will recommend and implement the necessary arrangements. See schedule attached Para. 7 Administration.

## **USE OF EXTERNAL SERVICE PROVIDERS**

TfL recognises the potential value of employing external Fund Managers for services which demand specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which will have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed, are properly agreed and documented, and subjected to regular review. The monitoring of such arrangements rests with the Group Treasury Manager.

## **CORPORATE GOVERNANCE**

TfL is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability. The adoption and implementation of the principles and recommendations of the CIPFA Code and Guide, together with the other arrangements detailed in the schedule to this document, are considered vital to the achievement of these ends, and the Group Treasury Manager will monitor the implementation and adequacy of these arrangements.

**Transport *for* London**

**Schedule to the Group Treasury Policy**

**1. Investment Policy**

Surplus funds will be invested by Group Treasury, as principal, for periods of 6 months or less, in securities yielding the best return for minimal risk. This will be achieved by offering deposits in the market on a competitive basis. Exposure limits will be applied to deposit-taking institutions. A separate limit is applied where, as an option, brokers may be used.

**Approved Securities**

Securities with minimal risk are defined as deposits with H M Treasury (through the National Loans Fund account held at the Bank of England), Gilt Repos and money market deposits with London branches of banks having a short term debt rating no less than Moodys PRIME 2 or equivalent ('strong ability for repayment of senior short term debt obligations'). For the captive insurance company Approved Securities are defined as Guernsey branches of banks having a short term debt rating no less than Moodys PRIME 2.

**Exposure Limits**

National Loans Fund account at the Bank of England	No Limit
Gilt Repos	No Limit
UK Clearing Banks	£30m
Other Banks rated PRIME 1	£25m
Other Banks rated PRIME 2	£20m
Other Institutions rated PRIME 2 introduced through brokers	£20m (in total)

**2. Short-Term Borrowing**

Short- term borrowing will be obtained by Group Treasury at best economic rates. This is achieved by inviting banks to compete for business. A competition will normally be held at least every three years or earlier as necessary. In accordance with section 45 Local Government and Housing Act 1989, the TfL Board approves short term borrowing limits and the maximum proportion of interest on borrowing which is subject to variable rates of interest; current limits for 2001-02 are £20m at variable rates of interest.

**3. Credit Rating**

The Managing Director, Finance and Performance will liaise with relevant credit rating agencies and shall be notified by Chief Officers of any matter that may affect TfL's credit rating.

**4. Credit Arrangements**

Local Government financial controls require financial provision to be made for credit arrangements. Group Treasury will provide comprehensive guidance to legal and finance managers who are involved in any proposed contractual arrangement that may lead to the creation of a credit arrangement. Specific approval from Group Treasury must be obtained before such arrangement is entered into; Group Treasury will maintain a central record of all credit arrangements.

## **5. Group Cash Control and Monitoring**

On a cumulative monthly basis operational units shall not exceed their budgeted net cash requirement, unless prior approval has been obtained from the Managing Director, Finance and Performance.

Group Treasury will monitor all cash movements by each operational unit. Records will record daily cash flows and compare them to short term and medium term forecasts and budgets as appropriate.

## **6. Banking Relationships and Advice**

Group Treasury should be consulted on all matters relating to banking matters. In particular the following matters must be dealt with by Group Treasury:

- Opening and closing of bank accounts
- Changes to bank mandates
- Issue of bank guarantees and bonds
- Management and issue of Corporate Purchasing and Charge Cards
- Management of debit/credit card acquiring contracts
- Procurement of electronic banking systems and software

Group Treasury will keep comprehensive records of all bank accounts, mandates, guarantees and bonds.

Group Treasury will issue effective procedures for the operation of bank accounts and electronic systems.

Group Treasury will provide an effective advisory service to TfL on all banking matters.

## **7. Administration**

This policy will be administered by a suitably qualified professional being a member of the Institute of Chartered Accountants, the Chartered Institute of Public Finance and Accountancy or the Association of Corporate Treasurers who will report to the Chief Finance Officer and ultimately to the Managing Director of Finance and Performance.

## POLICY ON FINANCIAL ASSISTANCE

### 1. Introduction

- 1.1 Financial assistance is defined, for the purpose of this policy, as the provision of grant, loan or other payment by TfL corporate to a third party in respect of expenditure incurred or to be incurred by that third party either on its assets or to pursue its transport initiatives. The Greater London Authority Act 1999 allows TfL to give financial assistance to others for matters conducive to the provision of safe, integrated, efficient and economic transport facilities, to, from and within Greater London.
- 1.2 This should be distinguished from the situation where TfL itself incurs such expenditure directly through the procurement of goods, works or services. For the avoidance of doubt, financial assistance does not include commercial agreements by which the TfL Group procures the provision or financing of any services or facilities for its own purposes.

### 2. Policy Objective

- 2.1 The objective of this policy is to set out the high level principles, together with the decision making framework and criteria, governing the provision of financial assistance. All financial assistance must be given in accordance with this policy.

### 3. Background

- 3.1 TfL provides financial assistance on an on-going basis to:

- its subsidiaries in the form of grants and other payments to enable them to carry on their activities of providing transport facilities and services,
- London authorities (London borough councils and the Common Council) in connection with transport objectives and in particular in respect of expenditure incurred or to be incurred in discharging the function of a highway or traffic authority.

TfL may additionally provide financial assistance from time to time to any other person or body for the purposes specified in paragraph 1 above.

- 3.2 Separately, TfL contracts with London authorities and other third parties for them to undertake works and/or provide services from which TfL derives a specified benefit and for which TfL accounts for the expenditure. Payments made under these arrangements **do not** constitute financial assistance.
- 3.3 Responsibility for taking the decision to provide, and for providing, financial assistance lies solely with TfL Corporate; TfL's subsidiaries are prohibited from providing financial assistance.



- 3.4 To assist in accurately classifying expenditure as financial assistance a range of examples are set out in Appendix 1. The Chief Finance Officer will provide guidance in cases of doubt.

#### **4. Legal powers and requirements**

- 4.1 TfL is empowered to provide financial assistance under Section 159 of the GLA Act 1999. Section 161 requires TfL to include within its annual report a statement of financial assistance given under Section 159. These sections are set out in full in Appendix 2.

#### **5. Financial Assistance to Subsidiaries**

- 5.1 Chief Officers responsible for subsidiaries must prepare business plan and budget submissions identifying financial assistance required from TfL to support their operations.
- 5.2 Grant and other forms of payment are made available to the subsidiaries in support of the Budget for the TfL Group and operational requirements arising from time to time. Where the value of a specific transaction is in excess of the authority delegated under Standing Orders then the Managing Director Finance and Performance, the Commissioner or the TfL Board, as appropriate, will approve the transaction.
- 5.3 Chief Officers responsible for the subsidiaries will maintain appropriate systems of financial management and control, in accordance with TfL's Standing Orders, to ensure the proper utilisation of funds received from TfL.

#### **6. Financial Assistance to London Authorities**

- 6.1 The Chief Officers responsible for managing the provision of financial assistance to London authorities will include within their budget and business plan submissions, bids for funds required for financial assistance to London authorities. In particular, bids will support the requirements for funds in respect of :
- borough spending plans submitted by local authorities principally in regard to delivering the Mayor's transport strategy and in due course the Local Implementation Plans, (LIPs)
  - the London Bus Initiative, and
  - the Congestion Charging Programme
- 6.2 Chief Officers bids will be justified in terms of the criteria, both quantitative and qualitative, set out within the business planning process and in particular their compliance with the Mayor's transport strategy.
- 6.3 In the case of competing demands from authorities for financial resources an appropriate process for ranking programmes and schemes for inclusion within budgets and business plans will be established and approved by the Managing Director, Finance and Performance.

- 6.4 Chief Officers may only make available financial assistance where sufficient provision has been specifically included within the budget and business plan for the defined purpose of financial assistance in connection with the scheme or programme of works.
- 6.5 Chief Officers will have in place appropriate procedures endorsed by the Managing Director, Finance and Performance governing the approval of programmes and schemes.
- 6.6 Where no, or insufficient, provision has been made or where the phasing of the funding within the budget and business plan differs from the anticipated incidence of the expenditure, beyond the tolerances set in the procedures approved by the Managing Director, Finance and Performance, then his/ her approval will be required before financial assistance may be provided.
- 6.7 In approving a scheme or overall programme, Chief Officers will ensure that cost estimates and assessments of benefits are produced to agreed standards, that schemes/programmes are appraised appropriately and meet criteria set and that programmes and schemes are prioritised throughout TfL on a consistent basis.
- 6.8 Chief Officers will put in place appropriate procedures endorsed by the Managing Director, Finance and Performance for subsequent monitoring, control and reporting arrangements on the use of such funds.

## **7. Financial Assistance to Other Third Parties**

- 7.1 Chief Officers responsible for TfL corporate divisions will, after having obtained the specific approval of the Managing Director, Finance and Performance, include within their budget and business plan submissions, bids for funds required for financial assistance to other third parties.
- 7.2 Subsequent to the approval of the budget, the approval of any scheme will similarly require the approval of the Managing Director, Finance and Performance subject to any de minimus limits set by the Managing Director, Finance and Performance from time to time.
- 7.3 The Financial Controller will undertake an assessment, at a level appropriate to the funding to be made available, of the financial standing of the third party recipient before any commitment is entered into to provide financial assistance.

## **8. Caveats attaching to the provision of financial assistance**

- 8.1 Financial assistance may be given subject to such conditions as TfL considers appropriate, including (in case of grant) conditions for repayment in whole or in part in specified circumstances.

- 8.2 Chief Officers should determine the appropriate conditions to be imposed, having regard to the nature and materiality of the financial assistance being provided. The criteria for determining the conditions to be applied should form part of the procedures established by Chief Officers and approved by the Managing Director, Finance and Performance. Typically conditions applied would include:

***Programme/Scheme deliverables***

The recipient should be required to deliver the specific outcomes set out in the programme/scheme proposal and to arrange for independent audit certification that funds have been spent for the purposes for which they were awarded.

***Return of unused funds***

Wherever possible funding should be provided in arrears. However where circumstances require that payments are made in advance, then the recipient shall be required to return any unused funds within a defined timescale from completion of the works or provision of the goods, services or facilities. The defined time limit will take into account the requisite period for preparation of final accounts and accompanying administrative processes. In the event of a decision to cancel or abort the scheme for which funds have been provided then the unused funds should be required to be returned at the earliest opportunity.

***Recovery of proceeds from the disposal of assets***

TfL may require that the proceeds (after deducting reasonable costs incurred) from the disposal of assets, acquired through financial assistance given by TfL, be remitted to TfL. Where the scheme includes the acquisition of land the opinion of the Chief Finance Officer will be sought.

***Procurement Arrangements***

All procurement processes in connection with the programme or scheme to be undertaken must comply with any standards prescribed or approved by TfL at the time of the programme/scheme approval by TfL.

***Maintenance of accurate financial records***

The recipient should be required to maintain complete and accurate records of all expenditure incurred *or to be incurred* in connection with a programme or scheme for which financial assistance is provided.

***Reporting arrangements***

The recipient will provide periodically, statements of current expenditure, milestones achieved, forecast out-turn scheme/programme cost and revised phasing.

***Right to audit***

TfL should reserve the right to audit the scheme estimates, the accounts and management accounting information, accounting records and supporting documentation including all procurement documentation with respect to any scheme for which financial assistance is provided by TfL.

***Best Value approach***

TfL should require that the principles of best value are achieved in the execution of any scheme for which financial assistance is provided by TfL.

***Compliance with all relevant legislation and business policies***

The recipient should be required to comply with all applicable legislation.

***Avoidance of any legal liability***

The recipient should provide a statement specifically excluding TfL from liability relating to the scheme in respect of any assets or goods acquired, or services received, by the recipient or the method of execution of the scheme and any actions of the recipient.

**9. Accounting for, and Reporting on financial assistance**

Section 161 of the GLA Act requires TfL to include within its annual report a statement of any financial assistance given under Section 159.

Chief Officers will ensure that expenditure in respect of financial assistance is included, and separately identified by the recipient in TfL books of account.

For the purpose of reporting financial assistance within the annual report, financial assistance will comprise:

- grant to subsidiaries
- all financial assistance given to boroughs by TfL corporate divisions
- all financial assistance given to other third parties by TfL corporate divisions.

## **Appendix 1**

### **Policy on Financial Assistance**

#### Illustrative Examples

##### **Purpose:**

To provide clarification on what constitutes financial assistance by reference to practical situations.

##### **Examples of payments which are classified as financial assistance**

- Programme for the introduction of safety schemes in a London borough.
- Major street works to assist a regeneration area.
- Contribution towards the cost of Hungerford Bridge civil engineering rectification works

##### **Examples of payments which are not classified as financial assistance**

- Payments made to special interest groups to carry service advertisements in their publications
- Payments made to dial – a ride to operate a specified level of service.
- Works by the boroughs to manage TLRN roads under an agency agreement
- Payments made to a borough to carry out specific road works required to be done by TfL as part of a major interchange scheme.

## Appendix 2

### Extract from Greater London Authority Act 1999

#### Financial provisions

#### **Financial assistance.**

159.-(1) Transport for London may give financial assistance to any body or person in respect of expenditure incurred or to be incurred by that body or person in doing anything which in the opinion of Transport for London is conducive to the provision of safe, integrated, efficient and economic transport facilities or services to, from or within Greater London.

(2) Financial assistance may be given under this section by way of grant, loan or other payment.

(3) The financial assistance that may be given to any London authority under this section includes in particular assistance in respect of any expenditure incurred or to be incurred by the authority in discharging any function of a highway authority or traffic authority.

(4) In deciding whether to give financial assistance to a London authority under this section, and if so the amount or nature of any such assistance, the matters to which Transport for London may have regard include-

- (a) any financial assistance or financial authorisation previously given to the authority by any body or person, and
- (b) the use made by the authority of such assistance or authorisation.

(5) In subsection (4) above, "financial authorisation" means authorisation allowing the authority to incur financial obligations.

(6) Financial assistance under this section may be given subject to such conditions as Transport for London considers appropriate, including (in the case of a grant) conditions for repayment in whole or in part in specified circumstances.

(7) In this section-

"highway authority" has the same meaning as in the Highways Act 1980 (see in particular sections 1 to 9 of that Act);

"London authority" means any London borough council or the Common Council; and

"traffic authority" has the same meaning as in the Road Traffic Regulation Act 1984 (see sections 121A and 142(1) of that Act).

(8) In section 88(2) of the Local Government Finance Act 1988 (list of "defined councils" to which transport grants are payable by the Secretary of State under section 87 of that Act)-

- (a) at the end of paragraph (aa) there shall be inserted "and"; and
- (b) paragraphs (c) and (d) (which include in the list of "defined councils" the London borough councils and the Common Council) shall cease to have effect.

(9) This section is without prejudice to any other power of Transport for London.

**Extract from Greater London Authority Act 1999**

Reports and information

**Annual report.**

161.-(1) Transport for London shall, as soon as possible after the end of each financial year, make to the Authority a report on the exercise and performance by Transport for London of its functions during the year.

(2) The report shall deal with-

- (a) the contribution made by Transport for London towards the implementation of the transport strategy;
- (b) the activities of any subsidiaries of Transport for London, so far as relevant to the performance of the functions of Transport for London during the year in question;
- (c) any financial assistance given under section 159 above;
- (d) any guarantees given under section 160(1) or (2) above;
- (e) any arrangements entered into under section 160(4) above; and
- (f) any indemnities given by virtue of section 160(5) above.

(3) The report made under this section in respect of any financial year shall include such information as the Mayor may from time to time specify in writing with respect to any matter the report is required to deal with by virtue of subsection (1) or (2) above.

(4) Transport for London shall publish any report made under this section.

(5) A copy of any report made under this section shall be kept available for the appropriate period by the Mayor for inspection by any person on request free of charge at the principal offices of the Authority at reasonable hours.

(6) A copy of any report made under this section, or any part of any such report, shall be supplied to any person on request during the appropriate period for such reasonable fee as the Mayor may determine.

(7) In this section "the appropriate period" in the case of a report under this section is the period of six years beginning with the date of publication of the report pursuant to this section.

**TRANSPORT FOR LONDON**

**STAFF SUMMARY**

**SUBJECT:           FARES IN AUTUMN 2001 AND JANUARY 2002**

**DATE:               25 SEPTEMBER 2001**

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**1.     PURPOSE**

This note reports on the finalisation of proposals<sup>1</sup> for changes to public transport fares in London in autumn 2001 and from January 2002. The final proposals reflect:

- (1)    the paper submitted to the TfL Board in July and the views expressed by TfL Board Members;
- (2)    discussions and consultation with London Underground;
- (3)    consultation with key stakeholders, including the London Transport Users' Committee, based on the proposals in the Board Paper.

The annual increase in the retail prices index for July was 1.6% - a little less than that assumed in the earlier Board paper on fares. The proposals set out in the July paper have been slightly modified to allow for this. These revisions are highlighted in section 3 below.

**2.     BACKGROUND: RESULTS OF CONSULTATION**

In general, the response to this year's consultation was relatively low key, an indication that current policies have largely defused what were formerly highly charged issues. Annex 1 presents a review of points raised by key stakeholders. A brief summary is as follows.

Consultees generally welcomed the proposed bus fares initiatives for September 2001 and January 2002 and the continued bus fares freeze.

The introduction of the All Day One Day Travelcard was also generally welcomed. The pricing of the All Day ticket was not as attractive as some consultees would have wished but is felt by TfL to be the most that can be achieved at the moment, bearing in mind TfL/LU's financial constraints and the need to reach agreement with the Train Operators.

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<sup>1</sup> The Mayor has now agreed to the bus fares initiatives proposed for this autumn. A formal direction to TfL to this effect was under preparation at the time of writing. The Mayor has also agreed to begin formal consultation with LRT/LU on the January fares proposals, as required prior to the issue of a direction.



London Underground restated their case for a greater focussing of the increases on Zone One and Two and for an increase in fares levels above the rate of inflation. However, these views were at variance with those of other consultees.

Having reviewed all these comments, it is now proposed to go forward with the package of changes set out in the July paper, albeit with some minor modifications to reflect the latest inflation rate of 1.6%. These latest, final proposals are as follows.

### **3. FINAL FARES PROPOSALS**

#### **3.1. Single Fares etc**

As indicated in the July paper, two bus fares initiatives are planned for **the end of September**: a child version of the Bus Saver will be introduced, priced at 35p per ride; and Night Bus single fares will adopt day rates.

**In January 2002**, Tramlink and bus single fares in London will be frozen. The increases in Underground single fares in London set out in the TfL Board Paper are still proposed. However, given the lower inflationary outturn in July, the price of the Underground carnet is now proposed to be frozen in January 2002. This should ease queuing problems at central London stations – a point made strongly by London Underground in their response to the July proposals. The proposed new Underground fares are set out in Table 1.

#### **3.2. Bus Passes**

As indicated in the July paper, Bus Pass prices will generally be frozen in January 2002, while the price of the All Zones adult Bus Pass will be reduced. The price of a weekly All Zones adult Bus Pass will fall from £9.50 to £8.50 to match that of the All Suburbs ticket, enabling one of the current three ticket tiers to be dropped. Longer period ticket prices will fall in proportion to the weekly ticket.

#### **3.3. One Day Travelcards and LT Cards**

The Train Operators have now confirmed their agreement to the One Day Travelcard price increases set out in the July paper and to the proposed All Day Travelcard. The latter will largely replace the existing One Day LT Card range. Details of prices are set out in Table 2.

Taken together, the simple One Day Bus Pass introduced last May and the All Day One Day Travelcard will amount to a significant improvement in the flexibility and value for money of the ticketing options available to less frequent users, part-time workers etc.

#### **3.4. Travelcard Seasons**

The July Board paper proposed that Travelcard season prices should increase broadly in line with inflation. A package of specific proposals, taking into account the latest inflation data, has now been agreed with the Train Operators and endorsed by the Mayor. This is shown in Table 2. Individual price increases range from 0.9% to 2.3% (adult tickets) and from 0.9% to 2.6% (child).

As set out in the July Board Paper, from January 2002 all Travelcards, including One Days, are proposed to become valid across the whole of the bus network – adding value to the Travelcard package, particularly for tickets valid only in one or two zones. The cost of this extended validity is allowed for within the overall package of changes.

### **3.5. Youth LT Card Season Tickets**

Prices of these tickets, which exclude National Rail validity, are shown for completeness on Table 1 – a discount of at least 30% on the price of the adult Travelcard season ticket is provided. Discussions with the Train Operators, with a view to their accepting the student concession, are continuing.

### **3.6. New Deal Travel Scheme**

Holders of New Deal Travel Photocards issued by the DfEE are eligible for child travel on TfL and train services in London and nationally. Following the extension of the New Deal to cover older people, the Board is asked to note that TfL and the Train Operators have now agreed to extend the travel scheme in parallel. No significant financial effects are anticipated.

### **3.7. Visitor Travelcards**

Visitor Travelcards are sold through Travel Agents overseas to prospective visitors to London. Prices are adjusted in April/May and are not normally publicised as part of the January revision. However, travel trade time-scales for producing materials for next summer mean that decisions on prices are now needed.

Table 2 sets out what is proposed. The average increase is about 1.6%. These increases have been agreed with the Train Operators.

### **3.8. Fares on the Metropolitan line outside Greater London**

Fares on the Metropolitan Line outside Greater London are generally agreed with Chiltern Railways once the prices for London fares are agreed. Table 3 shows the fares being proposed by TfL to Chiltern. These aim to be consistent with the proposals for fares within Greater London. The overall yield will be broadly in line with inflation. These proposals may be subject to minor modification following final discussions with Chiltern.

## **4. FINANCIAL IMPLICATIONS**

Taking all fares valid on the Underground together, the overall effect of the increases in prices proposed, changes in ticket validities etc. will be to increase Underground revenue by around £17m in line with the 1.6% benchmark inflation rate for July. Bus revenue will increase by around £5m as a result of the increase in Travelcard prices and extra traffic generated by the fares freeze etc.

## 5. CONCLUSIONS

The Board is asked to note that the proposals set out in the July Board paper are now being finalised following consultation. The final proposed package includes:

- standardising Night Bus fares and introducing a child version of the Bus Saver at the **end of September 2001**. These proposals have now been agreed by the Mayor.

### **And from January 2002:**

- freezing bus and tram fares;
- reducing the price of All Zones Bus Pass Seasons (to £8.50 for a weekly ticket);
- ending zone restrictions on the use of Travelcards on buses;
- increasing fares on the Underground overall in line with inflation;
- increasing single Underground fares generally as proposed in the July Board except for a freeze in the price of the carnet, reflecting the recent downturn in inflation;
- increasing One Day Travelcard prices and introducing the All Day Travelcard as proposed in the July Board paper;
- increasing Travelcard season prices, “broadly in line with inflation”, as proposed;
- increasing prices for Visitor Travelcards and fares on the Metropolitan Line outside London to match inflation – in line with the overall strategy for Underground fares.

Formal directions from the Mayor to TfL and London Underground (LRT) in line with these proposals are currently being progressed and will be reported to the Board in due course.

**Table 1: Final Underground Fares Proposals For 6 January 2002**

	Adult price		Change (£)	Change (%)	Child price		Change (£)	Change (%)
	Current	Proposed			Current	Proposed		
<b>Single</b>								
1	£1.50	£1.60	£0.10	6.7%	£0.60	£0.60	-	0.0%
12	£1.90	£1.90	-	0.0%	£0.80	£0.80	-	0.0%
123	£2.20	£2.20	-	0.0%	£1.00	£1.00	-	0.0%
1234	£2.70	£2.70	-	0.0%	£1.20	£1.20	-	0.0%
12345	£3.30	£3.30	-	0.0%	£1.40	£1.40	-	0.0%
123456	£3.60	£3.60	-	0.0%	£1.50	£1.50	-	0.0%
2,3,4,5,6	£0.90	£1.00	£0.10	11.1%	£0.40	£0.40	-	0.0%
23,34,45,56	£1.20	£1.30	£0.10	8.3%	£0.60	£0.60	-	0.0%
234,345,456	£1.70	£1.70	-	0.0%	£0.80	£0.80	-	0.0%
2345,3456	£2.10	£2.10	-	0.0%	£1.00	£1.00	-	0.0%
23456	£2.30	£2.30	-	0.0%	£1.10	£1.10	-	0.0%
<b>Carnet (10 tickets)</b>								
1	£11.50	£11.50	-	0.0%	£5.00	£5.00	-	0.0%

	Weekly price		Change (£)	Change (%)
	Current	Proposed		
<b>Youth 7 Day LT Seasons</b>				
1	£11.00	£11.30	£0.30	2.7%
12	£13.10	£13.50	£0.40	3.1%
123	£15.60	£15.90	£0.30	1.9%
1234	£19.30	£19.60	£0.30	1.6%
12345	£23.30	£23.60	£0.30	1.3%
123456	£25.40	£25.80	£0.40	1.6%
2,3,4,5,6	£6.10	£6.30	£0.20	3.3%
23,34,45,56	£8.20	£8.30	£0.10	1.2%
234,345,456	£11.30	£11.40	£0.10	0.9%
2345,3456	£14.30	£14.40	£0.10	0.7%
23456	£15.90	£16.00	£0.10	0.6%

**Table 2: Final Travelcard Price Proposals For 6 January 2002**

	Adult price		Change (£)	Change (%)	Child price		Change (£)	Change (%)
	Current	Proposed			Current	Proposed		
<b>One Day Travelcard</b>								
12	£4.00	£4.10	£0.10	2.5%	n/a	n/a	n/a	n/a
1234	£4.30	£4.40	£0.10	2.3%	n/a	n/a	n/a	n/a
123456	£4.90	£5.00	£0.10	2.0%	£2.00	£2.00	-	0.0%
23456	£3.50	£3.50	-	0.0%	n/a	n/a	n/a	n/a
<b>Family Travelcard</b>								
12	£2.60	£2.70	£0.10	3.8%	n/a	n/a	n/a	n/a
1234	£2.80	£2.90	£0.10	3.6%	n/a	n/a	n/a	n/a
123456	£3.20	£3.30	£0.10	3.1%	£0.80	£0.80	-	0.0%
23456	£2.30	£2.30	-	0.0%	n/a	n/a	n/a	n/a
<b>Weekend Travelcard</b>								
12	£6.00	£6.10	£0.10	1.7%	n/a	n/a	n/a	n/a
1234	£6.40	£6.60	£0.20	3.1%	n/a	n/a	n/a	n/a
123456	£7.30	£7.50	£0.20	2.7%	£3.00	£3.00	-	0.0%
23456	£5.20	£5.20	-	0.0%	n/a	n/a	n/a	n/a
<b>7 Day Travelcard</b>								
1	£15.90	£16.20	£0.30	1.9%	£6.60	£6.70	£0.10	1.5%
12	£18.90	£19.30	£0.40	2.1%	£7.70	£7.90	£0.20	2.6%
123	£22.40	£22.80	£0.40	1.8%	£10.30	£10.50	£0.20	1.9%
1234	£27.60	£28.10	£0.50	1.8%	£12.80	£13.00	£0.20	1.6%
12345	£33.30	£33.80	£0.50	1.5%	£14.10	£14.40	£0.30	2.1%
123456	£36.40	£36.90	£0.50	1.4%	£15.40	£15.70	£0.30	1.9%
2,3,4,5,6	£8.80	£9.00	£0.20	2.3%	£4.30	£4.40	£0.10	2.3%
23,34,45,56	£11.80	£12.00	£0.20	1.7%	£5.90	£6.00	£0.10	1.7%
234,345,456	£16.20	£16.40	£0.20	1.2%	£7.90	£8.00	£0.10	1.3%
2345,3456	£20.50	£20.70	£0.20	1.0%	£10.20	£10.30	£0.10	1.0%
23456	£22.80	£23.00	£0.20	0.9%	£11.40	£11.50	£0.10	0.9%
<b>Visitor Travelcard</b>								
12, 3 day	£12.60	£12.80	£0.20	1.6%	£5.40	£5.50	£0.10	1.9%
12, 4 day	£15.70	£16.00	£0.30	1.9%	£6.40	£6.50	£0.10	1.6%
12, 7 day	£19.20	£19.50	£0.30	1.6%	£7.80	£7.90	£0.10	1.3%
123456, 2 day	£13.00	£13.20	£0.20	1.5%	£5.50	£5.60	£0.10	1.8%
123456, 3 day	£18.60	£18.90	£0.30	1.6%	£8.30	£8.40	£0.10	1.2%
123456, 4 day	£24.80	£25.20	£0.40	1.6%	£9.90	£10.10	£0.20	2.0%
123456, 7 day	£37.20	£37.80	£0.60	1.6%	£15.50	£15.70	£0.20	1.3%

	Adult price		Change (£)	Change (%)	Child price		Change (£)	Change (%)
	Current	Proposed			Current	Proposed		
<b>One Day LT Card</b>								
12	£5.10	n/a	n/a	n/a	£2.50	n/a	n/a	n/a
1234	£6.20	n/a	n/a	n/a	£3.00	n/a	n/a	n/a
123456	£7.70	£7.90	£0.20	2.6%	£3.30	£3.40	£0.10	3.0%
<b>All Day Travelcard</b>								
12	n/a	£5.30	n/a	n/a	n/a	£2.60	n/a	n/a
123	n/a	£6.20	n/a	n/a	n/a	£3.10	n/a	n/a
1234	n/a	£6.80	n/a	n/a	n/a	£3.40	n/a	n/a
12345	n/a	£8.70	n/a	n/a	n/a	£4.30	n/a	n/a
123456	n/a	£10.50	n/a	n/a	n/a	£5.20	n/a	n/a

**Table 3: Fares For Metropolitan Line Beyond Moor Park - Proposals For 6 January 2002**

	Adult price		Change (£)	Change (%)	Child price		Change (£)	Change (%)
	Current	Proposed			Current	Proposed		
<b>Single</b>								
1-6+Rick'wth/Croxley	£3.80	£3.80	-	0.0%	£1.60	£1.60	-	0.0%
1-6+Chor'wd/Watford	£4.10	£4.20	£0.10	2.4%	£1.70	£1.70	-	0.0%
1-6+Chalfont	£4.50	£4.60	£0.10	2.2%	£1.80	£1.80	-	0.0%
1-6+Am'shm/Chesham	£5.30	£5.40	£0.10	1.9%	£2.00	£2.00	-	0.0%
<b>One Day LT Card</b>								
1-6+Rick'wth/Croxley	£8.80	£9.00	£0.20	2.3%	£3.60	£3.70	£0.10	2.8%
1-6+Chor'wd/Watford	£9.30	£9.50	£0.20	2.2%	£3.90	£4.00	£0.10	2.6%
1-6+Chalfont	£9.80	£10.00	£0.20	2.0%	£4.10	£4.20	£0.10	2.4%
1-6+Am'shm/Chesham	£11.30	£11.50	£0.20	1.8%	£4.40	£4.50	£0.10	2.3%
<b>All Day Travelcard</b>								
1-6+Rick'wth/Croxley	n/a	£11.00	n/a	n/a	n/a	£5.50	n/a	n/a
1-6+Chor'wd/Watford	n/a	£11.30	n/a	n/a	n/a	£5.60	n/a	n/a
1-6+Chalfont	n/a	£11.60	n/a	n/a	n/a	£5.80	n/a	n/a
1-6+Am'shm/Chesham	n/a	£12.00	n/a	n/a	n/a	£6.00	n/a	n/a
<b>One Day Travelcard</b>								
1-6+Rick'wth/Croxley	£5.20	£5.30	£0.10	1.9%	£2.10	£2.10	-	0.0%
1-6+Chor'wd/Watford	£5.50	£5.60	£0.10	1.8%	£2.20	£2.20	-	0.0%
1-6+Chalfont	£5.80	£5.90	£0.10	1.7%	£2.30	£2.40	£0.10	4.3%
1-6+Am'shm/Chesham	£6.50	£6.60	£0.10	1.5%	£2.50	£2.60	£0.10	4.0%
2-6+Am'shm/Chesham	£3.90	£3.90	-	0.0%	£2.00	£2.00	-	0.0%
<b>Family Travelcard</b>								
1-6+Rick'wth/Croxley	£3.40	£3.50	£0.10	2.9%	£0.80	£0.80	-	0.0%
1-6+Chor'wd/Watford	£3.60	£3.70	£0.10	2.8%	£0.80	£0.80	-	0.0%
1-6+Chalfont	£3.80	£3.90	£0.10	2.6%	£0.80	£0.80	-	0.0%
1-6+Am'shm/Chesham	£4.30	£4.40	£0.10	2.3%	£0.80	£0.80	-	0.0%
2-6+Am'shm/Chesham	£2.60	£2.60	-	0.0%	£0.80	£0.80	-	0.0%
<b>Weekend Travelcard</b>								
1-6+Rick'wth/Croxley	£7.80	£7.90	£0.10	1.3%	£3.10	£3.10	-	0.0%
1-6+Chor'wd/Watford	£8.20	£8.40	£0.20	2.4%	£3.30	£3.30	-	0.0%
1-6+Chalfont	£8.70	£8.80	£0.10	1.1%	£3.40	£3.60	£0.20	5.9%
1-6+Am'shm/Chesham	£9.70	£9.90	£0.20	2.1%	£3.70	£3.90	£0.20	5.4%
2-6+Am'shm/Chesham	£5.80	£5.80	-	0.0%	£3.00	£3.00	-	0.0%
<b>7 Day Travelcard</b>								
1-6+Rick'wth/Croxley	£38.70	£39.30	£0.60	1.6%	£16.00	£16.30	£0.30	1.9%
1-6+Chor'wd/Watford	£41.80	£42.50	£0.70	1.7%	£17.00	£17.30	£0.30	1.8%
1-6+Chalfont	£44.90	£45.60	£0.70	1.6%	£18.10	£18.40	£0.30	1.7%
1-6+Am'shm/Chesham	£53.70	£54.50	£0.80	1.5%	£19.30	£19.60	£0.30	1.6%

	Weekly Price price		Change (£)	Change (%)
	Current	Proposed		
<b>Youth LT Card</b>				
1-6+Rick'wth/Croxley	£27.00	£27.50	£0.50	1.9%
1-6+Chor'wd/Watford	£29.20	£29.70	£0.50	1.7%
1-6+Chalfont	£31.40	£31.90	£0.50	1.6%
1-6+Am'shm/Chesham	£37.50	£38.10	£0.60	1.6%

All proposed fares on this page are subject to agreement with Chiltern Rail

## JANUARY 2002 FARES PROPOSALS – CONSULTATION

### 1. Introduction

The paper to the TfL Board in July indicated that the views of key stakeholders in London's public transport would be sought regarding the fares proposals for this autumn and January 2002. This has now been done, with the Board paper being circulated to London Underground, the Strategic Rail Authority, the London Transport Users Committee, the Association of London Government, the trade unions, and representatives of business in London. An overview of the responses received to date is as follows.

### 2. London Transport Users' Committee (LTUC)

Overall, the LTUC found "much to welcome" in the proposals. The Committee sought clarification in a number of detailed areas. These are being progressed separately.

More generally, the Committee welcomed the freeze on bus and tram only fares but expressed the view that Tramlink fares should adopt bus fares – perhaps accepting Bus Passes in the first instance. This latter proposal is currently under review by TfL and London Buses to determine benefits, affordability etc.

The Committee also welcomed the introduction of the All Day Travelcard – while expressing some disappointment at its pricing. TfL accepts that there is a case for lower prices, particularly at the longer distances. The proposals are a compromise between the views of TfL and the TOCs. Nonetheless, overall, TfL believes the proposals represent a significant step forward.

### 3. Transport & General Union (T&G)

The T&G's response to the consultation was generally supportive, welcoming:

- the freezing of bus fares and supporting fares simplification;
- ticketing initiatives to promote through ticketing and fares integration.

### 4. The Strategic Rail Authority (SRA)

The response from the SRA was generally positive, welcoming the introduction of the All Day Travelcard and restating their desire to explore the benefits of a simplified, integrated fares structure for London as a whole.

## 5. London Underground

TfL has a statutory duty to consult with London Underground on fares matters and a contractual duty to involve the Underground in Travelcard pricing discussions with the Train Operators.

In their response to the fares consultation, the Underground:

- advocated increasing Underground fares by more than RPI in order to provide funds for investment;
- restated the case for focussing increases on Zone 1 and 2 fares to enable other tickets such as off-peak Travelcard prices to be held down;
- expressed concern regarding the operational implications of increasing Underground Carnet prices without a parallel increase in the single fare;

On the first point, TfL accepts the need for greater investment in the Underground system but believes this should be funded through adequate Government funding rather than above inflation price increases.

On the second point, while TfL accepts the commercial logic of the Underground's arguments regarding the Zone 1 and 2 markets, it is clear from the consultation that others have equally strong views and arguments. TfL believes that the two-year programme agreed last year represents the most acceptable way forward for January 2002, given the current constraints and pressures, even though the revision may be slightly less efficient at raising revenue as a result.

The third point raised by the Underground has now been adopted by TfL.



## TRANSPORT FOR LONDON

### TfL BOARD

**SUBJECT: LONDON'S TAXI AND PRIVATE HIRE TRANSFORMATION PROGRAMME**

**MEETING DATE: 25 SEPTEMBER 2001**

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#### 1. PURPOSE

In the Commissioner's Report to the TfL Board dated 29 May 2001, the Mayor's proposed package of changes for London's taxi and private hire trades was outlined. This package, known as the 'Mayor's Taxi and Private Hire Transformation Programme' comprised a range of projects with the collective objectives of increasing safety, improving the balance of supply and demand and enhancing the passenger's journey experience.

This paper describes the progress made to date, the consultation process undertaken and the policy changes identified for action now or later, and those discarded. The proposals have been submitted to the Surface Transport Advisory Panel and the paper reflects discussion at this meeting. The paper seeks the TfL Board's approval for the following:-

- revisions to existing tariffs for licensed Taxis, and to the format of the proposed tariff card that is presented in each cab;
- the corresponding London Cab Order 2001 required under the London Cab Act 1968, in respect of both the tariff change and a change to the compellable distance;
- proposed increases in the Taxi licence fee, the Taxi driver licence fee and a fee for candidates taking the Knowledge;
- the other changes to take place under the Transformation Programme.

#### 2. BACKGROUND

**Progress** - The Mayor announced in April 2001 his intention to transform the Taxi trade and review the arrangements to licence Private Hire vehicles. This initiated the Taxi and Private Hire Transformation Programme in order to bring a great number of initiatives, ideas and existing projects under the same umbrella, which in turn helped prioritise activities, share intelligence and make best use of available resources.

Since the last report to the TfL Board work has continued on investigating the feasibility of the various proposed projects and initiatives. This work has been successful in providing fact-based information enabling important policy decisions to be made. The long list of projects has been re-evaluated and priorities agreed. This report describes the progress made on each initiative and states the policy changes that are proposed as a result. Some issues have been put on hold and will be revisited in the future.

**Consultation** - Consistent with the Mayor's commitment to consultation, the Taxi policy changes under review have been described and distributed to a broad cross-section of interested parties. The Mayor met representatives of the Taxi trade on two occasions, and a wider consultative meeting was also held. Expressions of interest both verbal and written were noted and decisions made in the light of these representations. Appendix A provides a list of all consultees involved. In respect of Private Hire, consultation also continues in respect of the introduction of Operator, Driver and Vehicle licensing.

### **3. ALTERNATIVES**

The details of the proposals to be pursued as part of the initial package are set out in the attached Appendix B. Appendix C details other issues reviewed to be pursued over a longer timescale or not all.

Many of the initiatives examined under the Taxi and Private Hire Transformation Programme had a range of alternative outcomes. These are discussed in the Appendices B and C under the appropriate headings. There is no general alternative to the Programme in the light of the Mayor's stated desire for reform.

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

Some of the changes proposed under the transformation programme do have associated costs. Almost all such additional costs as there are associated with the programme are recoverable through Public Carriage Office (PCO) licensing fees. These are described below:

**Tariff changes** - TfL will be providing a conversion site to ease the burden on Taximeter manufacturers - estimated once-off cost is £5,000. Costs of new meters, meter testing and all logistical aspects of the tariff change will be borne by meter companies.

**The 12-mile compellable distance** - No cost involved.

**Enforcement** - The additional 20 enforcement officers directed by the Mayor will carry a cost, wholly recoverable through Private Hire licence fees, of £600k per annum.

**The Knowledge** - Additional Knowledge examiners being recruited will carry a cost, wholly recovered through licence fees. Assuming 2 are recruited, the cost will be £60k per annum.

**Vehicle emissions** - The proposal currently on hold included a subsidised scheme whereby the Energy Savings trust provided of the order of 75% of applicable costs. The intention was for drivers to pay the balance. No cost to TfL.

**Conditions of Fitness** - A contract is being negotiated with Transport Research Laboratory. The cost, likely to be up to £100k will be wholly recovered through the licence fees.

**CCTV in cabs** - Drivers may fit approved CCTV systems at their own cost. No cost to TfL.

**Taxicard** - Funding has been made available through TfL Integration. In 01/ 02 it is expected to be £3m.

**Research** - The costs of the surveys, estimated at up to £300k per annum, will be wholly recovered through licence fees.

**Programme Management Support** - External support has been engaged in order to define and manage the entire programme of work and many of the elements within it. This cost was not budgeted in the PCO, but will be covered from the London Buses budget within Surface Transport. It is estimated to be about £300k.

## **5. RECOMMENDATIONS**

The TfL Board is requested to approve the proposed tariff change, the proposed London Cab Order, the proposed increase in taxi licence fees, the proposed new knowledge fee and the other policy changes. The TfL Board is also asked to authorise the Commissioner of Transport for London to sign a London Cab Order on its behalf to bring the changes into effect.

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**PETER HENDY**  
**MANAGING DIRECTOR OF SURFACE TRANSPORT**

## **Appendix A – Full List of Consultees for the Proposed Taxi Changes**

### **Organisation**

Association of Local Government

City of London Police

Department of the Environment Transport and the Regions

Dial a Cab

Dial-a-Ride (DaRT)

Greater London Authority

Green Badge Knowledge School

Heathrow Airport Licensed Taxis Ltd

Heathrow Airport Ltd

Joint Radio Taxis Association

Knowledge Point

KPM UK Taxi School

Licensed Taxi Drivers Association

London Accessible Transport Alliance

London Cab Drivers' Club Ltd

London Cab Ranks Committee

London City Airport

London Motor Cabs Proprietors Association

London Taxi Environmental Campaign

London Taxis International

London Transport Users Committee

Metropolitan Police

Owner Driver Society

Paddington Knowledge School

Point Man Knowledge School

Radio Taxicabs (London)

Society of Professional Licensed Taxi Drivers

Suzy Lamplugh Trust

Taxicard Users Association

Transport and General Workers Union

UK Meter Manufacturers and Suppliers Association

## **Appendix B – Proposals for Approval and Introduction now**

**Tariff changes** - The Mayor has decided upon a significant tariff increase at night and weekends in order to encourage more cabs onto the streets to service current unmet demand. The key tariff changes will be as follows:

- The 60p and 90p supplements payable during evenings, nights, weekends and public holidays (except Christmas and New Year) will be removed. The current daytime minimum fare of £1.40 will apply at all times (except Christmas and New Year).
- There will be an increase of approximately 60% (less the usual 60p and 90p supplements) over the current rate per mile up to 6 miles between 8.00pm and 6.00am. The night rate per mile beyond 6 miles will be unchanged at 50% above the weekday daytime rate. These rates will also apply during public holidays, including Christmas and New Year.
- Saturdays and Sundays between 6.00am and 8.00pm will have an increase of approximately 25% on the basic day rate per mile up to 6 miles (less the usual 60p and 90p supplements). The rate per mile beyond 6 miles will be unchanged at 50% above the weekday daytime rate. Weekend evenings and nights will be as weekday nights.
- The existing Christmas/ New Year £3.00 supplement will be extended to include 6.00am on 1 January to 6.00am on 2 January. (This will be in addition to the higher rates per mile at these times).
- The existing day-time tariff (Monday - Friday) will remain unchanged.

The new tariff is proposed to become effective on 02 November 2001. This is agreed with knowledge that some replacement meters will be required in order to accommodate these changes and that a small number of drivers may have to continue using their existing meters until new meters become available. Conversion charts will not be used and the draft London Cab Order, attached as Appendix D, is drafted to allow drivers to use existing meters set at the tariff currently charged until April 2002, in mitigation.

The key concerns of consultees were around anomalies in the originally proposed tariff that actually meant reduced fares for longer day-time weekend journeys and very short night-time journeys. Both these issues have been addressed in the final tariff proposal as a result of the consultation. In addition, there was concern over the use of interim conversion charts. As a result it has been resolved not to use these but to extend the period of grace permitted while drivers have an opportunity to have their meters re-set or replaced.

The companies who supply the Taxi trade with meters were anxious that the proposed tariff change may cause them financial disadvantage in instances where they must replace a meter rather than merely adjust it. Transport for London have listened to these concerns and have not only pushed back the desired tariff revision date from September to November but have also made available on a once-off basis a large site in the Docklands to facilitate the tariff conversion exercise.

The proposed draft tariff chart is attached as Appendix E.

**The 6-mile compellable distance** - The existing 6-mile compellable distance will be extended to 12 miles although the associated 1-hour journey duration will be unchanged and reference will be made to it on the tariff card displayed in the cab.

There was resistance to the proposal to extend the compellable distance to 12 miles. It was argued that this will force drivers to travel extended distances possibly away from their preferred operation areas. This is foreseen as a particular issue as a driver approaches the end of a shift. The counter argument presented by users, in particular, is that Taxis are licensed to cover the whole of London and should do just that when required.

The Mayor has decided to extend the limit in order to secure an improved service for passengers. This resolution was reached in the knowledge that over 80% of journeys taken currently conclude before the 6 mile breakpoint in any case.

The possibility of considering 'going-home-ranks' to deal with end of shift difficulties will be followed up in consultation with the trade.

**Enforcement** - Once private hire operator licensing is in place, private hire operators that continue trading will be trading illegally. The Mayor has committed that the number of private hire enforcement officers will be increased from the proposed 20 to at least 40. In collaboration with the Metropolitan Police, the Mayor intends to greatly increase enforcement against touts. Recently, the Mayor met with the Metropolitan Police Commissioner, who has agreed to review the Met's anti-touting activities, with a view to increasing its capacity. It has also been agreed to establish high level co-ordination between TfL and the Met.

Consultees believe enforcement to be a key area that requires attention.

**The Knowledge** - The Knowledge will not be diluted. A project currently being undertaken by the PCO in close consultation with the trade will introduce an automated section of the 'Knowledge of London' that will enable candidates to progress at a rate that reflects their commitments and ability. This project continues following reviews of the intended output from the project, the level of consultation being undertaken and the proof of concept for the systems based element. An additional review of the Knowledge administration process was undertaken and possible improvements identified. These will be implemented when the new system is integrated with the existing process. Steps are being taken to ensure that there are no discriminatory gender or ethnic barriers.

A recruitment campaign has also been launched to engage more Knowledge Examiners. This has been very successful with over 100 applications received initially. Interviews are in progress.

A £50 once-off 'examination fee' is proposed to be introduced for those on the Knowledge, payable at their first appearance. The rationale for this is a need to ensure that those applying for the Knowledge, and therefore taking up examining resources, are serious about their application. Currently there is no charge to apply and this may, in part, be one reason for the considerable drop out rate. Setting this fee at any higher level might create a barrier for genuine applicants.

In addition, the possibility of recognising the Knowledge as a vocational qualification will be explored thus encouraging grant support and boosting interest for potential applicants.

**Vehicle emissions** - The Mayor has a statutory obligation to take measures to improve air quality in London. Better air quality is also a key issue for cab and other central London drivers' health. It was proposed that taxis should be exempt from congestion charging, but that action must be taken to reduce emissions, by compulsory fitment of oxidation catalysts to all Euro I and Euro II standard cabs by 2004. The Energy Saving Trust, through its *Powershift* programme, have indicated it will be willing to meet 70-75% of the cost with taxi owners meeting the balance (£90 approx.).

This proposal has, however, been put on hold after the unfavourable outcome of recent trials. The Mayor remains committed to reducing harmful emissions from taxis. Oxidation catalysts remain an option but further work on alternative technology is to be undertaken to identify the best means of obtaining the necessary improvements.

**Conditions of Fitness** - The Mayor has not formed any view on alternative taxi vehicles, but as the Conditions of Fitness were last reviewed over 40 years ago, he has endorsed a review which has now been commissioned by the PCO.

**CCTV in cabs** - Approval was given to this measure earlier in the year. One system has already been approved by the PCO and others are being considered.

**Taxicard** - Transport for London will be making a substantial additional contribution to Taxicard for the remainder of 2001/2, to achieve greater consistency in Taxicard provision across London.

**Congestion Charging** - Licensed Taxis will be exempt from the proposed congestion charging scheme.

**Organisational Design of the PCO** - An organisational review has been carried out. A revised organisational structure and corresponding reporting lines have been designed in close consultation with the PCO Senior Management Group. An effective organisation design has now been developed and implementation is about to commence.

**Review of the number and location of Taxi ranks and the facilities provided** - Every Taxi rank in London has been assessed and categorised by the PCO. The findings of this review are being used to identify obvious improvements. In the longer term, there is a need to establish more objective assessment criteria for use in rank proposals. A pilot project exploring the introduction of taxi-shelters has succeeded in providing a trial shelter in a London suburb although planning permission has been denied for a central London example. The proposed 'Review of Taxi Ranks' Operational Performance at Major Interchanges' has been placed on hold. This will be reviewed in due course.

**Review of the Implementation of the Private Hire Regulations** - A review of the current approach to the introduction of the Private Hire Regulations has been undertaken. Key project dates were verified, risks identified and lines of responsibility re-affirmed. Operator Licensing has begun and trading without a licence will be illegal after 22 October 2001. Driver licensing is scheduled to commence in March 2002. The consultation period for Driver licensing concluded on 08 August 2001. Vehicle licensing will commence in August 2002. The consultation document for vehicles are about to be released.

**Research** - TfL will undertake research on supply and demand for Taxis and Private Hire Vehicles and passenger satisfaction. The first report is due in September 2001.



For supply and demand research a tendering process was undertaken and a contract signed with MVA, a company with a strong track record of undertaking Taxi research work in London. The work is progressing at this time and:

- A demand survey of 1,400 interviews currently has field work complete and data analysis is underway;
- A driver survey (Taxis) with 190 recruits is currently in the field;
- A touting survey of hot spot locations is complete and data analysis underway.

For customer satisfaction research London Buses has been involved and:

- 2,500 telephone interviews with frequent and infrequent users and 700 on-street interviews (business and non resident) have been completed
- 500 standard mystery traveller journeys are currently in the field
- A pilot for disabled mystery traveller surveys has been completed
- 50 disabled mystery traveller journeys will follow a half day training period for participants
- a telephone survey of Private Hire Vehicle operators to gather disabled services information will be undertaken
- 12 in-depth interviews to identify barriers to service for disabled users will be completed

The results of this work will inform future decision making, be useful in deciding the success of the currently proposed changes, and be carried out on a regular basis.

**Licence fees** – Some increase in vehicle and driver licence fees are necessary to meet the costs of improving the service the PCO provides to the trade. The increased fees are Taxi licence (1 Year) £106 (currently £78); Taxi driver's licence (3 years) £160 (currently £103); and the new Knowledge of London fee £50 as previously explained. These will come into effect from the date of the tariff increase. These fee increases are substantial (35% and 55% respectively) but have not been increased since 1992 (vehicles) and only twice in the last eight years (drivers).

## **Appendix C – Proposals to be pursued later**

**One Number to call** - A feasibility report concerning the possibility of having just ‘one number to call’ to obtain a Taxi has been completed. The report presents options available to realise this goal and covers technology solutions, the business/ commercial models that could be feasible and included discussions with key industry parties in order to gauge the reaction and input of all interested groups. The findings were of interest but it was felt that it was unwise to take further action during this period of change for both the Taxi and Private Hire Trades. This matter will be reviewed again following the licensing of the private hire trade. Interestingly, it was noted that market forces following licensing might drive a ‘one number’ solution. The private hire trade appears to be the most likely source of a market driven ‘one number’ service.

**Private hire vehicles using bus lanes** - This matter was reviewed and a decision made to continue to prevent Private Hire Vehicles from using bus lanes. This was principally due to Private Hire Vehicles not carrying distinctive markings and the likelihood that other private vehicles would follow them into bus lanes and compromise the integrity of the dedicated road areas. It was agreed to re-examine this matter in the event of Private Hire Vehicles being permitted to carry markings.

**Smoking in taxis** - A report on this subject was completed. The conclusion drawn was that the findings of the extensive national consultation exercise undertaken by the Government in 1999 should stand. That is to say, the current voluntary arrangements will be continued whereby a driver can request his/ her passengers not to smoke but cannot insist that they don't. Equally, passengers can ask the driver to refrain but again cannot insist.

**GREATER LONDON AUTHORITY ACT 1999**  
**METROPOLITAN PUBLIC CARRIAGE ACT 1869**  
**LONDON CAB AND STAGE CARRIAGE ACT 1907**  
**LONDON CAB ACT 1968**

The London Cab Order 2001 (2)

*Made*

*September 2001*

*Coming into force*

*2nd November 2001*

Transport for London, in exercise of the powers conferred on it by section 9 of the Metropolitan Public Carriage Act 1869(1), section 1 of the London Cab and Stage Carriage Act 1907(2) and section 1 of the London Cab Act 1968(3) and of all other powers enabling it in that behalf, hereby makes the following Order:—

**1.1.1 Citation and commencement**

1. This Order may be cited as the London Cab Order 2001 (2) and shall come into force on 2nd November 2001.

**1.1.2 Preliminary**

2 . The London Cab Order 1934(4) shall be further amended in accordance with the following provisions of this Order.

**1.1.3 Distance for which Cab-drivers may be Compelled to Drive**

3. for paragraph 34 (distance for which cab-drivers may be compelled to drive) there shall be substituted the following—

**1.1.4 “Distance for which Cab-drivers may be compelled to Drive**

**34.**—The driver of a cab shall not be compelled to accept a hiring for a distance of more than twelve miles or a duration of more than one hour.”

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- (1) 1869 c. 115; a relevant amendment is made by the Greater London Authority Act 1999 (c. 29), Schedule 20, paragraph 5.
- (b) 1907 c. 55; a relevant amendment is made by the Greater London Authority Act 1999, Schedule 20, paragraph 6.
- (c) 1968 c. 7, amended by the Greater London Authority Act 1999, Schedule 20, paragraph 7.
- (4) S.R and O 1934 No 1346; relevant amending instruments are S.I. 2000/1276; 1999/1117 and 3250.

### 1.1.5 Scale of fares

4. For paragraph 40 (scales of fares excluding extras) there shall be substituted the following—

### 1.1.6 "Scales of fares excluding extras

40.—(1) Transport for London may classify any motor cab as either category A or category B. Subject to sub-paragraph (2) below, the fare payable for the hiring of a motor cab shall be according to the sum of the following amounts:—

- (a) a hiring charge of £1.00;
- (b) if the cab is classified as category B: —
  - (i) in respect of any part of the hiring during which the cab travels at a speed exceeding 10.38 miles per hour, at the rate of 20p for 189.3 metres or, if the fare shown on the taximeter is £11.20 or more, at the rate of 20p for 126.2 metres; and
  - (ii) in respect of any part of the hiring during which the cab is stationary or travels at a speed not exceeding 10.38 miles per hour, at the rate of 20p for 40.8 seconds or, if the fare shown on the taximeter is £11.20 or more, at the rate of 20p for 27.2 seconds.
- (c) if the cab is classified as category A, for any part of a journey between the hours of 6am and 8pm, on any day except a Saturday, Sunday or public holiday: —
  - (i) in respect of any part of the hiring during which the cab travels at a speed exceeding 10.38 miles per hour, at the rate of 20p for 189.3 metres or, if the fare shown on the taximeter is £11.20 or more, at the rate of 20p for 126.2 metres; and
  - (ii) in respect of any part of the hiring during which the cab is stationary or travels at a speed not exceeding 10.38 miles per hour, at the rate of 20p for 40.8 seconds or, if the fare shown on the taximeter is £11.20 or more, at the rate of 20p for 27.2 seconds.
- (d) if the cab is classified as category A, for any part of a journey on a Saturday or Sunday between the hours of 6am and 8pm, except on a public holiday: —
  - (i) in respect of any part of the hiring during which the cab travels at a speed exceeding 10.38 miles per hour, at the rate of 20p for 151.3 metres or, if the fare shown on the taximeter is £13.80 or more, at the rate of 20p for 126.2 metres; and
  - (ii) in respect of any part of the hiring during which the cab is stationary or travels at a speed not exceeding 10.38 miles per

hour, at the rate of 20p for 32.6 seconds or, if the fare shown on the taximeter is £13.80 or more, at the rate of 20p for 27.2 seconds; or

- (e) if the cab is classified as category A, for any part of a journey between 8pm on any day and 6am on the following day or between 6 a.m. and 8 p.m. on a public holiday: —
  - (i) in respect of any part of the hiring during which the cab travels at a speed exceeding 10.38 miles per hour, at the rate of 20p for 118.3 metres or, if the fare shown on the taximeter is £17.40 or more, at the rate of 20p for 126.2 metres; and
  - (ii) in respect of any part of the hiring during which the cab is stationary or travels at a speed not exceeding 10.38 miles per hour, at the rate of 20p for 25.5 seconds or, if the fare shown on the taximeter is £17.40 or more, at the rate of 20p for 27.2 seconds; or

(2) In any case where the sum arrived at in accordance with sub-paragraph (1) above—

- (a) is less than £1.40, the fare payable shall be £1.40; or
- (b) exceeds £1.40 but is not a multiple of 20p, the fare payable shall be the sum so arrived at rounded up to the next highest multiple of 20p.

## Extra charges

5.—(1) Paragraph 41 (extra charges for additional passengers and for luggage and animals in motor cabs) shall be amended as follows. For sub-paragraph (2)(a) there shall be substituted the following—

“In addition to the fare payable for the hiring of a motor cab as provided in the last preceding paragraph, the following extra charges shall be payable by the hirer for the whole of the journey to which the hiring relates, that is to say: —

- (i) for a hiring which commences or terminates between the hours of 8 p.m. on 24<sup>th</sup> December and 6 a.m. on 27<sup>th</sup> December or the hours of 8 p.m. on 31<sup>st</sup> December and 6 a.m. on 2<sup>nd</sup> January [£3]
- (ii) if the cab is classified as category B, for any hiring, not falling within (i) above, which commences or terminates between the hours of 8 p.m. on the day preceding a public holiday and 6 a.m. on the day following that holiday [90p]
- (iii) if the cab is classified as category B, for any hiring, not falling within (i) or (ii) above, which commences or terminates between the hours of 8 p.m. on a Saturday and 6 a.m. on a Monday [90p]
- (iv) if the cab is classified as category B, for any hiring, not falling within (i), (ii) or (iii) above, which commences or terminates between the hours of midnight and 6 a.m. [90p]
- (v) if the cab is classified as category B, for any hiring, not falling within (i), (ii), (iii), or (iv) above, which commences or terminates between the hours of 8 p.m. and midnight or at any time on a Saturday [60p]
- (vi) for any hiring which is arranged by telephone [£1.20]”

(2) Sub-paragraph (2)(b) shall be omitted.

Signed by authority  
of Transport *for* London

September 2001

Robert Kiley  
Commissioner of Transport *for* London,  
authorised for this purpose

Drivers must, unless they have reasonable excuse, accept any hiring up to 12 miles (20 miles if at Heathrow Airport), or up to one hour duration, if the destination is in the Metropolitan or City police Districts. The fare for any journey in these districts is as follows:

## **Fare Table**

### **1. For any hiring during Mondays to Fridays\* between 6am and 8pm:**

For the first 378.6m or 81.6 seconds	minimum charge	<b>£1.40</b>
For each additional 189.3m or 40.8 seconds (or part thereof) if the fare displayed is less than £11.20		<b>20p</b>
Thereafter for each 126.2m or 27.2 seconds (or part thereof)		<b>20p</b>

### **2. For any hiring during Saturdays and Sundays\* between 6am and 8pm:**

For the first 302.6m or 65.2 seconds	minimum charge	<b>£1.40</b>
For each additional 151.3m or 32.6 seconds (or part thereof) if the fare displayed is less than £13.80		<b>20p</b>
Thereafter for each 126.2m or 27.2 seconds (or part thereof)		<b>20p</b>

### **3. For any hiring between 8pm on any day and 6am the following day, and at any time on public holidays including Christmas and New Year:**

For the first 236.6m or 51.0 seconds	minimum charge	<b>£1.40</b>
For each additional 118.3m or 25.5 seconds (or part thereof) If the fare displayed is less than £17.40		<b>20p</b>
Thereafter for each 126.2m or 27.2 seconds (or part thereof)		<b>20p</b>

\*except on public holidays including Christmas and New Year

**Note: Where a new tariff becomes applicable during a hiring it shall be applied immediately, but only from the start of the new charging period.**

## **Extra Charges**

### **1. Additional Passengers**

Each person (excluding infants in arms) 2 children under 10 count as one passenger	<b>40p</b>
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### **2. Luggage**

Each item in the driver's compartment and each other item over 2 feet long	<b>10p</b>
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### **3. Christmas and New Year**

For any hiring beginning or ending within the following periods:

Between 8pm on 24th December and 6am on 27th December	
Between 8pm on 31st December and 6am on 2nd January	<b>£3.00</b>

### **4. Telephone Bookings**

For any hiring which is arranged by telephone	<b>£1.20</b>
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**Complaints** about the cab or the driver should be sent immediately to the Public Carriage Office, 15 Penton St, London N1 9PU with the number of the cab or driver's badge. Complaints can also be notified by telephone to 020 7941 7800

**Lost Property** should be claimed at the Lost Property Office, 200 Baker St, London N1 5RZ. Telephone enquiries may be made on 020 7918 2000.

Please allow at least 24 hours from loss before making any enquiry. These offices are open from 9am to 4pm, Monday to Friday, excluding Public Holidays.

Applicable from 2 November 2001 until further notice. By Order of Transport for London.

TRANSPORT FOR LONDON

TfL BOARD

SUBJECT : CONGESTION CHARGING UPDATE

MEETING DATE : 25 SEPTEMBER 2001

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**1. PURPOSE**

- 1.1 To update the TfL Board on project progress on the Congestion Charging Scheme (CCS) and to advise the Board that approval may be sought to execute a substantial contract for the provision of core, retail and image management services in mid-December 2001.

**2. BACKGROUND**

- 2.1 **Project Progress:** The project is broadly on target with the programme issued to the GLA Transport and Spatial Development Policy Committee in February 2001 and updated at the end of August 2001. This very challenging programme meets the Mayor's wish for CCS go-live in January 2003. The progress under the main project deliverables is summarised in the following paragraphs.

2.1.1 *Transport Strategy:* The Mayor's Transport Strategy was published as planned on 10 July 2001. TfL's proposals for the implementation of Congestion Charging are included in chapter 4G on "Streets for all" and in Annex 5.

2.1.2 *Secondary Legislation:* Regulations enabling the introduction of Congestion Charging laid by the Department for Transport Local Government and the Regions and the Lord Chancellor's Department came into force on 18 July and 30 July respectively.

2.1.3 *Scheme Order:* The Scheme Order was published as planned by TfL on 23 July; the ten-week period of consultation is in progress. As part of the formal consultation, information packs have been distributed to key stakeholders and a further series of stakeholder meetings is taking place.

2.1.4 The Scheme Order has also been made available for public comment. Information leaflets are available in public libraries and details have been posted on the internet ([www.streetmanagement.org.uk](http://www.streetmanagement.org.uk)). In addition, a public exhibition was held at Westminster Central Hall from 13-31 August and is continuing at the GLA headquarters. Public meetings were held at Shaw Park



Plaza Hotel, Euston Road on 10 and 11 September. The consultation will continue until late September.

2.1.5 Responses to the consultation are being logged and will be analysed by TfL for consideration by the Mayor after the close of consultation. Following any necessary amendments identified through consultation, the Mayor will then confirm the Order. The target date for confirmation of the Scheme Order is late November.

2.1.6 *Procurement:* TfL Street Management continues to progress a competitive tendering exercise under OJEC rules for the provision of services to implement and promote and operate the Congestion Charging Scheme under seven significant work packages. These are:

- Core and Retail Services
- Image Management Services
- Fibre Optics Telecommunications Network
- Camera (Supply, Installation and Maintenance)
- Monitoring (Traffic and Transport Design); Traffic and Transport Implementation) (Economic and Business Impacts)
- Market Research
- Public Information Services

2.1.7 The bids have been analysed against a comprehensive scoring regime in three areas:

- General responses (bidder structure, plans, health and safety, etc)
- Technical responses (quality of IT system proposals, etc)
- Commercial (pricing, acceptance of risk and responses to TfL's draft terms and conditions).

Additionally, the bidders were assessed on the basis of the deliverability of their proposals within the project timescale and their responses at the bidder interviews.

2.1.8 Clarifications under the Invitation to Tender process with tenders and revised scoping with bidders for the Camera and Telecommunications contracts are continuing and it is expected that a formal award decision will be taken shortly. Subject to the Commissioner's project approval, contracts will be signed in late September.

2.1.9 Following analysis of the bids for the Core, Retail and Image contracts, TfL Street Management identified two bidders to proceed to the Technical Design Study (TDS) phase. TDS is a comprehensive exercise supported by the Street Management Congestion Charging Division which will allow each bidder to:

- Understand fully TfL's requirements;
- Undertake their initial system designs;
- Demonstrate their proposals will deliver TfL's requirements.

- 2.1.10 The TDS, which will be completed in November, has a series of deliverables and each bidder will be required to demonstrate that they can achieve a series of scenarios. The bidders will be evaluated against these factors.
- 2.1.11 In parallel with the TDS and the design development stage, negotiations will take place to agree the commercial terms and conditions of contract in readiness for the selection of the service provider which is programmed for late November. The TDS, design development and final negotiations process enables the overall timetable and momentum of the project to be maintained whilst consultation on the Scheme Order take place. TfL will not execute these contracts until the Mayor has confirmed or otherwise the TfL Scheme Order (as published or amended) and the Board has approved the procurement.
- 2.1.12 Traffic and Transport Monitoring – Bids for the design phase were invited from organisations currently contracted to TfL Street Management under framework arrangements. Three organisations responded and, following evaluation against pre-set criteria, MVA were appointed. Bids for the implementation stage have been received from five organisations in response to an ITT. The evaluation process is complete with the contract programmed to be awarded in late September.
- 2.1.13 Bids for Economic and Business Monitoring have been received from five organisations in response to an ITT. The evaluation process is complete with the contract programmed to be awarded in late September.
- 2.1.14 Bids have been received from five organisations in response to the Market Research ITT. Detailed evaluation is being progressed with a contract award programmed for September. As with the Traffic and Transport and Economic and Business Monitoring contracts, this is being programmed to be awarded in September in order to establish base line conditions.
- 2.1.15 35 expressions of interest have been received for the provision of Public Information Services. The ITT documentation is being prepared for publication in early September 2001 with a view to awarding contracts subject to the Scheme Order being confirmed in December 2001.
- 2.1.16 The execution of the contracts listed in paragraphs 2.1.13 to 2.1.16 are subject to the Commissioner's project approval.
- 2.1.17 The Statement of Requirements for the on-street enforcement services (attendants, clamping, removal and bailiffs) is currently being drafted with a view to commencing the OJEC procedures in October 2001 and awarding contracts early in 2002.
- 2.1.18 *Traffic Management:* Following the appointment of eight consulting firms in February 2001, the Preliminary Designs have been developed for the boundary and approaches to the charging area. The proposals are being consulted upon during the Scheme Order phase. Proposals have been invited from the Boroughs and Street Management Area Teams on complementary traffic

management and accelerated maintenance that could be funded from the Congestion Charging budget. Work is continuing to identify further schemes to be funded. Discussions are continuing with DTLR to gain approval for the signs relating to congestion charging prior to the confirming of the Scheme Order.

- 2.1.19 *External Services – DVLA:* Agreement has been reached with DVLA on the technical and financial arrangements for the provision of a short term interface to facilitate the TDS. Development is underway of the permanent web-based solution which will be used to support TfL in the live-running situation.
- 2.1.20 *External Services – Adjudication Services:* Agreement in principle have been reached with the ALG's Parking Appeals Service to deal with the increased volumes resulting from Congestion Charging. The Parking Appeals Service will undertake the work necessary to provide the capacity, the Lord Chancellor's Department will shortly commence the recruitment of the required number of adjudication staff.
- 2.2 **Assembly Scrutiny:** As required, a project progress report was submitted to the Transport and Spatial Development Policy Committee on 31 August 2001.
- 2.3 **Staffing and Recruitment:** As reported to the Finance and Audit Committee on 4 September, the plan to reduce the number of consultants and agency staff as a proportion of the total staff working on CCS has been initiated. The first 20 posts are in progress and the first offers will be confirmed shortly. Those posts where the responses received were of insufficient quality to proceed to appointment will be reviewed.
- 2.4 **Award of Core, Retail and Image Management Services Contract:** Execution of this contract will require Board approval under Standing Orders. To maintain the project programme, execution is required in mid December 2001, immediately following the Mayor's decision of the Scheme Order.
- 2.5 Final negotiations with bidders may not be completed sufficiently in advance TfL Board scheduled for 27 November 2001 for a recommendation to be considered at that Board.
- 2.6 **Bus Improvements to support Congestion Charging:** Forecasts indicate that additional bus capacity needs to be made available to support the post charging 'high' estimate of an additional 14,000 or so passengers crossing the Congestion Charging boundary over the three hours between 7am and 10am. Projections indicate that, post charging, taking account of the charge and relative changes in the attractiveness of buses compared to rail and underground services, some 75% of the net additional passenger will travel by bus.
- 2.7 Current bus usage shows that 50% of passengers travel in the 3 hour morning peak. The total transfers to bus on which the enhanced service proposals are based are summarised in the table below; these will be in addition to the expected background growth in bus travel – which could be of a comparable order of magnitude.

	Forecast Transfer to Bus am peak – 0700 to 1000	Forecast Transfer to Bus am peak hour
North –west (Paddington- Baker Street)	1700	850
North (Euston – Kings Cross)	3500	1750
East (Liverpool St – Tower Hill)	1500	750
South (London Bridge – Vauxhall)	4400	2200
West (Victoria – Marble Arch)	3100	1550
<b>Total Boundary</b>	<b>14200</b>	<b>7100</b>

- 2.8 Using the “high” estimates congestion charging is expected to result in an extra 7,100 bus passengers crossing the boundary in the peak hour. The plans currently developed with London Buses and reported to the Transport Policy and Spatial Development Committee on 31 August 2001 would provide, in total, an extra 8,560 peak spaces, in excess of the anticipated extra demand. This caters for the current demand growth in addition to the impact of the scheme. It is worth noting that London Buses have historically catered for substantially larger volumes of passengers, for example, 1976 – 151,000; 1986 – 91,000 and 1996 – 68,000. The current levels are in order of 72,000. London Buses’ operation policy is to meet the expected demand and their Business Plan, which is constructed accordingly, is subject to approval by the TfL Board.
- 2.9 Change proposals have been informed by the congestion charging demand modelling, as well as needs identified in the Mayor’s Transport Strategy such as new routes or new direct links, and areas where existing routes are under pressure from increasing demand. Typical proposed changes include increasing capacity by raising the frequency of services or by providing double deck buses on routes which are currently served by single deckers, creating new routes and introducing articulated vehicles.
- 2.10 Midday, evening and weekend frequencies for all these routes have been reviewed at the same time as the peaks and in a significant number of cases will be enhanced with the peak proposals detailed. In addition, significant increases in frequency and expansion in coverage of the nightbus network will continue.
- 2.11 Complementary changes are also proposed for outer London services, including later last buses, new vehicles, increased capacity and reliability improvements.

### 3. ALTERNATIVES

- 3.1 Not applicable. The Mayor has presented the Congestion Charging Scheme in his Transport Strategy and the Scheme Order is out to public consultation. Changes to the scheme may arise as a consequence of the Mayor’s consideration of the

responses to TfL's Scheme Order which is scheduled to be confirmed in December 2001.

#### **4.0 FINANCIAL IMPACT**

4.1 The report to the Finance and Audit Committee on 4 September 2001 forecast the 2000/01 to 2007/08 costs as:

Set up	£ 172m
6 year running	£ 378m
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	£ 550m (NPV @ 6% £446m)
Revenue	£1,184m (NPV @ 6% £901m)

These figures are subject to the final actual bids received from the potential service providers. Analysis of the bids indicate that these costs will rise. Discussions are taking place with the bidders to minimise such increases. At this stage the bid amounts are commercially sensitive but the budget impact will be reported to the Finance and Audit Committee as negotiations are completed. The schedule for such reports is as follows:

November 2001:	Telecommunications Network, Cameras, Monitoring, Market Research
January 2002:	Core, Retail and Image, Public Information, DVLA, Adjudication
March 2002:	Enforcement

Traffic Management procurements will follow a rolling programme; elements of which will be concluded throughout the first four months of 2002.

#### **5. RECOMMENDATIONS**

The TfL Board is recommended to:

- 1) Note the content of this update
- 2) Invite the Managing Director of Street Management to determine a detailed timetable of presentations to the Board to obtain agreement to the letting of the Core, Retail and Image Management contract.

**DEREK TURNER  
MANAGING DIRECTOR  
TfL STREET MANAGEMENT**

14 September 2001

TRANSPORT FOR LONDON

TfL BOARD

STAFF SUMMARY  
SAFETY, HEALTH AND ENVIRONMENT COMMITTEE REPORT

**SUBJECT: REPORT ON THE SEPTEMBER 14, 2001 SAFETY, HEALTH AND ENVIRONMENT COMMITTEE**

**MEETING DATE: 25 SEPTEMBER 2001**

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**1. PURPOSE**

This report provides a summary of the Safety, Health and Environment Committee meeting held on September 14, 2001.

**2. BACKGROUND**

The Safety, Health and Environment Committee (SHEC) *Terms of Reference* require it to report on a regular basis to the TfL Board'. SHEC meets not less than six times a year.

**3. REPORT ON THE COMMITTEE'S SEPTEMBER 14 MEETING**

The Committee reviewed safety performance reports for 2001/02 Quarter 1 for all business areas across TfL.

Reports followed an agreed structure including an executive summary arranged under four headings:

- Progress against plan;
- The health of the Safety Management System(SMS);
- Accident statistics and trends;
- Summary analysis and key issues.

The Committee received reports from each business area. Highlights from these were:

- **Docklands Light Railway** reported good progress against Plan and elaborated upon its audit arrangements.
- **London Underground Limited** confirmed that steps were being taken to lower customer accident levels through publicity campaigns aimed at improving customer behaviours. It was also confirmed that despite the pace of recruitment into operational grades to achieve desired establishment levels continuing staff shortages are adversely impacting upon its ability to achieve the programmed assault avoidance training targets.

( Highlights – continued )

- **Street Management** reported that the harmonisation of the Safety Management System (from predecessor organisations) was going well. Concerns were expressed over powered two-wheeler (PTW) casualty trends. Street Management would confirm in greater detail the steps being taken to reach out to commercial organisations involved in PTW operations.
- **Surface Transport** confirmed that progress was being made in the major root-and-branch review of its safety management system. It noted that a three-pronged approach was in hand to address bus driving standards involving improvements in initial training, working with Street Management and participating in a joint conference with the Driving Standards Agency in October.
- **TfL Corporate Departments** confirmed good progress against Plan.

The Committee continued its review of Safety Plans and Objectives from the business areas and also discussed safety and compliance monitoring, both of which would be the subject of further review at future meetings. A briefing on the implications arising from the current security concerns, linked to an update on TfL's emergency preparedness arrangements was given.

#### 4. RECOMMENDATIONS

The Board is asked to note the report from the Committee. The next meeting of the Safety, Health and Environment Committee will be on Friday 9 November.