

Transport for London

Minutes of the Meeting

**Committee Rooms 4 and 5, City Hall, The Queen's Walk, London
10.00am, Thursday 24 September 2015**

Members

Boris Johnson MP	Chairman
Isabel Dedring	Deputy Chairman
Sir John Armit	Member
Sir Brendan Barber	Member
Richard Barnes	Member
Charles Belcher	Member
Roger Burnley	Member
Brian Cooke	Member
Baroness Grey-Thompson DBE	Member
Angela Knight	Member
Michael Liebreich	Member
Eva Lindholm	Member
Daniel Moylan	Member
Bob Oddy	Member
Steve Wright	Member

Staff

Mike Brown	Commissioner
Nick Brown	Managing Director, London Underground and London Rail
Richard De Cani	Managing Director, Planning
Howard Carter	General Counsel
Leon Daniels	Managing Director, Surface Transport
Michele Dix	Managing Director, Crossrail 2
Vernon Everitt	Managing Director, Customer Experience, Marketing and Communications
Terry Morgan	Chairman Crossrail Limited
Ian Nunn	Chief Finance Officer
Clive Walker	Director of Internal Audit
Shamus Kenny	Head of Secretariat

65/09/15 Apologies for Absence and Chairman's Announcements

Apologies for absence were received from Peter Anderson and Keith Williams. Steve Allen, Managing Director Finance was also unable to attend the meeting.

The Mayor advised that he would take the agenda item on the Appointment of the Commissioner of Transport for London immediately after the item on Matters Arising.

The Mayor and the Board congratulated Steve Allen on his appointment as Chief Finance Officer for HS2 and recorded its thanks and appreciation for his work at TfL. Steve had joined TfL in 2003 and was appointed the Managing Director, Finance in 2007. He had been relentless in ensuring that TfL was prudent and had been highly successful in driving through a massive programme of investment and delivering,

amongst other things, the foundations for Crossrail and the Tube upgrades. He had also led on the financial restructuring of the Underground PPPs following the collapse of Metronet and the acquisition of Tube Lines, enabling TfL to restructure the improvement of the Underground on a more sensible basis.

The Mayor and the Board thanked Andrew Pollins, who was interim Chief Finance Officer from October 2014 to 31 August 2015 and welcomed Ian Nunn to his first meeting. Ian had joined TfL as Chief Finance Officer on 1 September 2015 and would be the interim Managing Director, Finance from 1 October 2015 until a permanent appointment was made. The Board also welcomed Nick Brown to his first meeting as interim Managing Director, Rail and Underground.

66/09/15 Declarations of Interest

The following interests were declared: Sir John Armit as Chairman of the National Express Group plc, Deputy Chairman of the Berkeley Group plc and a Member of the Airports Commission; Sir Brendan Barber as Chairman of ACAS; Charles Belcher as a member of Atos Origin Advisory Council on Transport; Baroness Grey-Thompson as a member of the London Legacy Development Corporation; Michael Liebreich as Chairman of the Advisory Board of Bloomberg New Energy Finance; Daniel Moylan as a Councillor for the Royal Borough of Kensington and Chelsea, Chairman of Urban Design London and a non-executive director of Crossrail Limited (appointed by TfL); Bob Oddy on taxi related issues; and Steve Wright on matters relating to private hire vehicles.

67/09/15 Minutes of the Meeting of the Board held on 1 July 2015

The minutes of the meeting of the Board held on 1 July 2015 were approved as a correct record and the Chairman was authorised to sign them.

68/09/15 Matters Arising, Actions List and Use of Delegated Authority

Howard Carter introduced the item.

The Board noted the actions list and the exercise by the Finance and Policy Committee of authority delegated by the Board.

69/09/15 Appointment of Commissioner of Transport for London

Daniel Moylan introduced the paper, which set out the recruitment and selection process undertaken to support the appointment of a Commissioner of Transport for London. The role had been externally advertised in a range of major publications and a recruitment consultant was engaged and approached at least 50 people. The recruitment process attracted a number of high calibre individuals from the UK and internationally.

Five candidates were shortlisted and interviewed by a selection panel comprising Board Members. Two candidates were subsequently interviewed by the Mayor. The Board discussed the appointment in a short closed session. The Mayor and Panel were both in agreement that Mike Brown MVO was the strongest candidate and this was unanimously supported by the Board. Members congratulated Mike on his appointment.

The Board noted the recruitment and selection process and appointed Mike Brown MVO as the Commissioner of Transport for London.

70/09/15 Commissioner's Report

Mike Brown introduced his report, which provided an overview of major issues and developments since the report to the meeting on 1 July 2015, and updated Members on significant projects and initiatives.

The key issues arising from the overview and discussion were:

- (a) discussions on the introduction of the Night Tube were progressing. During the related 24 hour strikes on London Underground services on 8-9 July and 5-6 August, extra buses ran and staff across the rest of the transport network worked hard to keep London moving. Three control staff on the Waterloo & City line were due to strike from 21:00 hours on Monday 28 September until 23:00 hours on Wednesday 30 September but service on the line would not be impacted. Despite the low number of staff involved, the calling of the industrial action would have met the new thresholds proposed by the Government;
- (b) the technically challenging and innovative work to repair the Bond Street to Baker Street tunnels had been completed on time without any disruption to the operational service;
- (c) a passenger walkway interchange between the Hackney Downs and Hackney Central Overground stations had opened;
- (d) Terry Morgan had been asked by the Government to lead a skills strategy review, which TfL would support;
- (e) on cycling, good progress was being made on the Cycle Superhighways projects, mini-holland projects had commenced in Waltham Forest and Kingston and the Prudential Ride London and Tour of Britain events had been very successful;
- (f) there had been a very good response rate to a consultation on the ability to pay for taxi journeys by debit or credit card, with an overwhelming majority in favour. Members gave their support to the City Hall staff injured in the recent taxi-related disruption at the Mayor's Question Time meeting in City Hall. Should any driver be convicted in relation to the disruption, TfL would take this into account when reviewing whether a driver was suitable to hold a licence;
- (g) Michael Liebreich commended the staff who had taken him out to see Operation Neon in action. Operation Neon sought to combat touting, unlawful plying for hire and other illegal mini-cab activity. The Mayor had called for the Government to grant powers to enable TfL to limit the number of private hire licences. The recent surge in numbers was having a major impact on congestion. TfL was working with local authorities and Heathrow Airport to address mini-cab related congestion, parking and anti-social behaviour;
- (h) the take up of contactless payment for TfL journeys continued to exceed all expectations and Apple Pay had just been launched. TfL was sharing its experience with both integrated ticketing and contactless payments with Train Operating Companies, Network Rail and government departments (Department for Transport and HM Treasury) to encourage a wider take up. It provided clear

benefits to customers through convenience and flexibility and to service providers through reductions in revenue collection;

- (i) TfL had entered into a new corporate loan facility that had forward fixed the interest rate for five years; and
- (j) funding for Crossrail 2 was a key ask in TfL's discussions with Government on the forthcoming spending review.

The Board noted the Commissioner's report.

71/09/15 Operational and Financial Performance and Investment Programme Reports – First Quarter, 2015/16

Ian Nunn, Nick Brown, Leon Daniels and Terry Morgan introduced the paper, which informed the Board of TfL's Operational and Financial Performance and presented the Investment Programme Report for the first quarter of 2015/16 (1 April – 27 June 2015).

Ian Nunn was in the process of reviewing how financial information was presented in meetings and TfL publications.

The highlights from the reports and discussion were:

- (a) the operational and capital expenditure budgets over the first quarter had performed close to target;
- (b) operational revenue was slightly below target due to a reduction in bus revenue as a result of a reduction in journey time reliability. This was expected to recover as major road schemes were completed;
- (c) as TfL aimed to cover its operational revenue through the fare box, proposals to reduce bus fares would need to examine the overall yield for passengers travelling on buses and review the current concession arrangements;
- (d) TfL's cash reserves were fully committed to a range of investment projects, as set out on page 84 of the agenda. They would fall to £3bn by the end of 2015/16 and below £1bn by the end 2016/17;
- (e) the major signalling contract to upgrade the sub-surface railway lines had been awarded to Thales, with the service benefits due to be delivered in 2021 including an increase in capacity by 33 per cent and a peak central London service of 32 trains per hour. The contract would generate 1,100 jobs with 35 apprentices;
- (f) the Walthamstow blockade to upgrade the Victoria line had been completed two days ahead of schedule and would allow a peak end-to-end service of 36 trains per hour. TfL had been commended for its customer information and additional buses had been run to assist passengers travelling between Walthamstow and Seven Sisters. Issues reported in the press on an increase in the noise on the track had now been addressed;
- (g) enhancements to the tram service, including new trams and increased frequency, were being put in place to respond to the rapid growth in tram ridership;
- (h) London Underground station capacity upgrades continued to make good progress, with plans also being developed for Holborn and Camden;

- (i) London Underground's station staffing changes, including the introduction of Visitor Information Centres at major stations, continued to be well received with higher customer satisfaction scores;
- (j) the Cycle Superhighways programme was on schedule. The programme was moving into its most intense period just as traffic volumes built up from October to Christmas, with the result that there was minimal resilience in the system. TfL was working hard to keep stakeholders informed and to minimise disruption by using techniques developed during the London 2012 Games and with the police to ensure that any traffic incidents were addressed promptly. TfL was about to publicise details of a new App that would enable road users to have up to the minute information on road disruption so they could better plan their journeys;
- (k) the Structures and Tunnels programme was making significant progress in addressing years of underfunding. The life extension work on the Hammersmith flyover had been completed and had won several awards for innovation in refurbishment. Major refurbishment works were planned on the North Circular at Chiswick, Upper Holloway and Highbury Corner to avoid having to close routes or introduce weight restrictions;
- (l) TfL had launched its Safer Lorry Scheme, which was the first stage in bringing in higher standards to reduce the disproportionate rate of people killed or seriously injured by such vehicles. The next stage was to drive the market to improve drive visibility by including requirements in all GLA procurement contracts for lorries to have side doors or lower cabs. Information on the exemptions in the Safer Lorry Scheme would be provided to Roger Burnley; **[Action: Leon Daniels]**
- (m) the Crossrail project continued to move from building tunnels to fitting out the stations and laying track beds. The biggest challenges remained Whitechapel station and the Network Rail work to deliver signalling beyond the tunnel section in the west. Terry Morgan acknowledged the support his team had received from London Underground and London Overground;
- (n) performance across the Rail and Underground businesses remained strong, despite some lost customer hours due to industrial action. TfL was working hard to improve service performance on the West Anglia services, where performance had dipped when TfL took over the routes due to the poor quality of the rolling stock provided;
- (o) performance on the road network and consequently many bus services had been impacted by major roadworks. Some loss in bus customers had transferred to rail or Underground services, but other losses appeared to return once journey time reliability improved (for example on Kingsway). TfL was deploying measures to improve the reliability of buses and traffic generally;
- (p) recorded crime continued to fall across services. The figures included London Overground and TfL was actively engaged in monitoring rates on the West Anglia services that it was now responsible for and to increase reporting on the bus network;
- (q) customer satisfaction scores remained high. In response to requests by Members, additional customer related measures had been included in the report; and

- (r) Members asked about the movement in headcount figures. The Commissioner confirmed that the business cases for major programmes were robust but he had instigated a full cost review of the organisation following the major change programme in 2011. Steve Allen had led on the cost review exercise, which would now be continued by Ian Nunn.

The Board noted the TfL Operational and Financial Performance and Investment Programme Reports for quarter four 2014/15.

72/09/15 Surface Intelligent Transport System

Leon Daniels introduced the paper, which sought additional Project Authority of £3.54m for the Surface Intelligent Transport System (SITS) bringing the total to £5.80m. The funding would move the programme to be ready to commence procurement and cover the upgrading of LondonWorks – London’s system for coordinating planned roadworks and events.

SITS would replace a number of existing systems in an integrated way and was expected to result in a significant reduction in costs and traffic delays. Members wanted SITS to be future-proofed to allow integration with future technological developments such as travel demand management and autonomous vehicles. The lessons being learned elsewhere in the business on management of software and telecoms procurement and systems should also be applied to the development of SITS.

At its meeting on 30 July 2015, the Finance and Policy Committee endorsed the recommendations in the paper to the Board.

The Board noted the paper and:

- 1 approved additional project authority of £3.54m for the Surface Intelligent Transport System bringing the total to £5.80m;**
- 2 authorised the Finance and Policy Committee to grant additional Project Authority of up to £6.26m (which would bring the total Project Authority to £12.06m) required to undertake all procurement activities up to contract award, following satisfactory completion of an Integrated Assurance Review undertaken prior to the commencement of the procurement process; and**
- 3 noted that the current estimated final cost for the Surface Intelligent Transport System is in excess of £100m and further authorities would be sought from the Board in due course.**

73/09/15 Alstom Northern Line Train Service Contract: Renewal to 2027

Nick Brown introduced the paper and the related supplemental information on Part 2 of the agenda, which set out the contractual position regarding the renewal/non-renewal of the Alstom Northern Line Train Service Contract (NLTSC) at the end of September 2017 and sought a decision as to whether to renew into the Secondary Usage Period, which would run until 2027.

Following the dispatch of papers for the meeting, Members had requested further information to enable a decision to be made on this item. As a notice to either renew or not had to be served by 30 September 2015, authority would be delegated to the

Finance and Policy Committee and an extraordinary meeting of the Committee would be called to consider the item.

The Board noted the paper and supplemental information on Part 2 of the agenda and delegated to the Finance and Policy Committee the authority to make any decisions that were reserved to the Board for determination in relation to the Northern Line Train Service Contract.

74/09/15 Report of the meeting of the Safety, Accessibility and Sustainability Panel held on 7 July 2015

The Chairman of the Panel, Charles Belcher, gave an update to the Board on the meeting of the Safety, Accessibility and Sustainability Panel held on 7 July 2015.

The Panel had requested regular items on customer facing issues. It had considered TfL's customer service strategy and action plan and this would be circulated to all Members for information. **[Action: Secretariat]**

Charles Belcher advised that a future meeting would also consider the impact on London's air quality by vehicle emissions in the light of the VW diesel emissions scandal.

The Board noted the report.

75/09/15 Report of the meeting of the Remuneration Committee held on 8 July 2015

The Chairman of the Committee, Baroness Grey-Thompson, gave an update to the Board on the meeting of the Remuneration Committee, held on 8 July 2015.

The Board noted the report.

76/09/15 Report of the meeting of the Finance and Policy Committee held on 30 July 2015

The Board considered the update on the meeting of the Finance and Policy Committee, held on 30 July 2015.

The Board noted the report.

77/09/15 Any Other Business the Chairman Considers Urgent

There was no other business to discuss that was not included on the agenda.

The next scheduled meeting would be held on Thursday 4 November 2015 at 10.00am.

78/09/15 Exclusion of Press and Public

The Board agreed to exclude the press and public from the meeting, in accordance with paragraphs 1 and 3 of Schedule 12A to the Local Government Act 1972 (as amended), in order to consider the exempt appendices to the following items: Appointment of Commissioner of Transport for London; and Alstom Northern Line Train Service Contract: Renewal to 2027.

There being no further business, the meeting closed at 11.55am.

Chair: _____

Date: _____