

Agenda

Meeting: Board

Date: Wednesday 22 May 2019

Time: 10.00am

**Place: Committee Room 5 - City Hall,
The Queen's Walk, London, SE1
2AA**

Members

Sadiq Khan (Chair)

Heidi Alexander (Deputy Chair)

Kay Carberry CBE

Prof Greg Clark CBE

Bronwen Handyside

Ron Kalifa OBE

Dr Alice Maynard CBE

Anne McMeel

Dr Mee Ling Ng OBE

Dr Nelson Ogunshakin OBE

Mark Phillips

Dr Nina Skorupska CBE

Dr Lynn Sloman

Ben Story

Copies of the papers and any attachments are available on [tfl.gov.uk How We Are Governed](http://tfl.gov.uk/How-We-Are-Governed).

This meeting will be open to the public, except for where exempt information is being discussed as noted on the agenda. There is access for disabled people and induction loops are available. A guide for the press and public on attending and reporting meetings of local government bodies, including the use of film, photography, social media and other means is available on www.london.gov.uk/sites/default/files/Openness-in-Meetings.pdf.

Further Information

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

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

Howard Carter, General Counsel
Tuesday 14 May 2019

**Agenda
Board
Wednesday 22 May 2019**

1 Apologies for Absence and Chair's Announcements

2 Declarations of Interests

General Counsel

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

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

**3 Minutes of the Meeting of the Board held on 27 March 2019
(Pages 1 - 18)**

General Counsel

The Board is asked to approve the minutes of the meeting of the Board held on 27 March 2019 and authorise the Chair to sign them.

**4 Matters Arising, Actions List and Use of Delegated Authority
(Pages 19 - 24)**

General Counsel

The Board is asked to note the updated actions list and the use of authority delegated by the Board.

5 Commissioner's Report (Pages 25 - 76)

Commissioner

The Board is asked to note the Commissioner's Report, which provides an overview of major issues and developments since the report to the meeting on 27 March 2019 and updates Members on significant projects and initiatives.

6 Crossrail Update (Pages 77 - 82)

Commissioner

The Board is asked to note the paper.

7 Quarterly Performance Report - Quarter 4 2018/19 (Pages 83 - 140)

Chief Finance Officer

The Board is asked to note the Quarterly Performance Report.

8 Annual Update on the Mayor's Transport Strategy (Pages 141 - 158)

Director of City Planning

The Board is asked to note the annual update on progress against the Mayor's Transport Strategy.

9 Remuneration Committee Terms of Reference (Pages 159 - 176)

General Counsel

The Board is asked to approve the proposed revisions to the terms of reference of its Remuneration Committee.

10 Report of the meeting of the Programmes and Investment Committee held on 15 May 2019 (Pages 177 - 180)

Committee Chair, Prof. Greg Clark CBE

The Board is asked to note the summary report.

11 Any Other Business the Chair Considers Urgent

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

12 Date of Next Meeting

Wednesday 24 July 2019 at 10.00am

[page left intentionally blank]

Transport for London

Minutes of the Meeting

**City Hall, The Queen's Walk, London, SE1 2AA
10.00am-1.30pm, Wednesday 27 March 2019**

Members

Sadiq Khan (Chair)
Heidi Alexander (Deputy Chair)
Kay Carberry CBE
Prof Greg Clark CBE (up to Minute 27/03/19)
Dr Alice Maynard CBE (up to Minute 28/03/19)
Anne McMeel
Dr Mee Ling Ng OBE
Dr Nelson Ogunshakin OBE
Mark Phillips
Val Shawcross CBE
Dr Nina Skorupska CBE (up to Minute 27/03/19)
Dr Lynn Sloman
Ben Story

Executive Committee

Mike Brown MVO	Commissioner
Howard Carter	General Counsel
Graeme Craig	Director of Commercial Development
Michele Dix CBE	Managing Director, Crossrail 2
Vernon Everitt	Managing Director, Customers, Communication and Technology
Stuart Harvey	Director of Mayor Projects
Nigel Holness	Interim Managing Director, London Underground
Simon Kilonback	Chief Finance Officer
Gareth Powell	Managing Director, Surface Transport
Alex Williams	Director of City Planning
Tricia Wright	Chief People Officer
Shashi Verma	Director of Strategy and Chief Technology Officer

Also in attendance

Tony Meggs	Chair, Crossrail Limited
Mark Wild	Chief Executive Officer, Crossrail Limited

Staff

Sarah Bradley	Group Financial Controller (Statutory Chief Finance Officer)
Andy Brown	Head of Corporate Affairs
Emanuela Cernoia-Russo	Corporate Finance Director
Jill Collis	Director HSE
Tanya Coff	Finance Director, London Underground
Patrick Doig	Finance Director, Surface Transport
Oana Ford-McNichol	Head of Financial Planning and Analysis
David Hughes	Investment Delivery Planning Director
Shamus Kenny	Head of Secretariat
Clive Walker	Director of Risk and Assurance

19/03/19 Apologies for Absence and Chair's Announcements

Apologies for absence were received from Bronwen Handyside and Ron Kalifa OBE. Professor Greg Clark CBE, Dr Alice Maynard CBE and Dr Nina Skorupska CBE had indicated that they would need to leave before the end of the meeting.

The Chair welcomed everyone to the meeting, including the press and the public. He also welcomed the initiative to further raise the profile of health and safety at meetings by the Chair of each Committee and Panel inviting members present to raise any safety issues; he invited Members to also raise any issues at the meetings of the Board, either under a specific agenda item or under the Commissioner's Report.

20/03/19 Declarations of Interests

Members confirmed that their declarations of interests, as provided to the Secretariat and published on tfl.gov.uk, were up to date. Members noted that Ron Kalifa OBE had been appointed as Chairman of Network International. His declaration of interests and biography on the website had been updated accordingly.

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

21/03/19 Minutes of the Meeting of the Board held on 30 January 2019

Subject to the following corrections, the minutes of the meeting of the Board held on 30 January 2019 were approved as a correct record and the Chair was authorised to sign them:

- (a) Staff Attendance, amended to correct the job title of David Hughes;**
- (b) Minute 05/01/19, paragraph 9, 4th line, last word to read "where" not "were";**
- (c) Minute 09/012/19, 11th paragraph, 9th line to read "shortcomings" not "short comings"; and**
- (d) Minute 09/012/19, 19th paragraph 3rd and 4th lines, insert "substantially" so the second sentence reads "...demobilisation substantially complete...".**

22/03/19 Matters Arising, Actions List and Use of Delegated Authority

Howard Carter introduced the item. There had been no use of Chair's Action since the last meeting. All of the actions in the action list were being addressed.

The Committee noted the updated actions list.

23/03/19 Commissioner's Report

Mike Brown introduced the report, which provided an overview of major issues and developments since the meeting of the Board held on 30 January 2019 and updated the Board on significant projects and initiatives.

The key issues arising from the overview and discussion are summarised below.

- 1 **TfL Scorecard 2018/19:** As requested at the last meeting, the report included additional commentary and the sustainable transport measure included details against each mode. The report provided figures up to 2 February 2019. With two periods to go, 10 measures were on track, four were amber and six were red.
- 2 TfL would continue to focus its efforts on reducing the number of people killed and seriously injured, although it was now clear that the Scorecard target would not be met. As previously reported, the Investment Programme measure could not be met as the Secretary of State had delayed approval of the Development Consent Order for the Silvertown Tunnel, which delayed the selection of a preferred bidder.
- 3 Working with bus operators, TfL was on target for the number of buses that would meet the strictest Euro VI standard, which contributed to improving London's air quality. The sustainable mode share breakdown showed that public transport passenger journeys were lower than target but were tracking well against the updated forecasts in the 2018 Business Plan. TfL was also on target with both of its financial measures.
- 4 **Safety and security:** The report provided a standing update on progress against the remaining recommendations from the Rail Accident Investigation Branch Report into the tram overturning at Sandilands in 2016. Since the publication of the Board papers, TfL had completed the programme to reinforce all of the windows across the tram fleet. The new Light Rail Safety and Standards Board had also been established, following the confirmation of Government funding, with TfL represented by Jon Fox, Director Rail and Sponsored Services.
- 5 TfL held a Vision Zero event on 31 January 2019, led by Heidi Alexander, Mike Brown, Will Norman (Walking and Cycling Commissioner) and representatives from the Metropolitan Police. Attendees heard from people directly affected by road trauma as well as their families, who were determined to turn their difficult experiences into positive outcomes. The productive discussions identified opportunities for TfL to improve its approach to Vision Zero, including through further work with charities such as Brake and RoadPeace.
- 6 Members welcomed the continued and renewed focus on Vision Zero and that the Board would continue to be updated on progress to meet the Vision Zero trajectory. The implementation of new initiatives, such as Intelligent Speed controls on buses and the introduction of the Direct Vision Standard for goods vehicles would have a significant impact on reducing road deaths and injuries. TfL would assess what it thought the impact of those initiatives would be and identify other key contributors to deaths and injuries and how they could be addressed.
- 7 While crime remained at a low level on the transport network, TfL continued to do all it could to support its police partners in making the network even safer including initiatives to help reduce knife crime and serious youth violence. TfL had seconded officers from the Roads and Transport Policing Command to the Metropolitan Police Service violent crime taskforce to assist with this work.
- 8 Work continued to introduce the new Direct Vision Standard, which was supported by the European Union. TfL had consulted on how the Standard would work and the outcome would be reported shortly.

- 9 TfL expected all utility companies working on its network to operate in the safest manner and pushed for the highest penalties when they failed to do so. TfL welcomed the decision of the court to fine Cadent Gas £40,000 and costs for failing to comply with safety regulations between April and June 2018 in Kingsland Road and the North Circular, forcing pedestrians dangerously close to traffic. This was the second prosecution of Cadent Gas in 18 months and the level of the fine sent a clear message to other utility companies.
- 10 TfL had successfully taken legal action under the Equality Act in respect of taxi drivers who had discriminated against wheelchair users.
- 11 **Healthy streets:** Members noted the update on initiatives and projects to increase the proportion of people walking and cycling. In early March 2019, TfL announced that 11 new projects in the Liveable Neighbourhoods programme would receive £50m to create more appealing and attractive places for people to live, work and play through new walking and cycling routes, pedestrian crossings and revamped public spaces.
- 12 TfL was reviewing a number of traffic signals at junctions to ensure that pedestrians had adequate time to cross. The pilot junctions would consider sites where an increase in crossing time may have the greatest benefit, such as those close to hospitals where many users may have limited mobility.
- 13 The popularity of the Santander Cycle Hire scheme continued with record breaking months in January and February 2019 and more than 700,000 hires per month and this was on target to be repeated in March 2019. A major TfL focus for the year ahead was to bring forward consultation and delivery of a number of new cycling routes, as identified in the Strategic Cycling Analysis report in 2017, with public consultation planned in the spring on two of those routes, between Hackney and the Isle of Dogs and Camden and Tottenham Hale. TfL continued to expand its Mini-Hollands, Quietways and Central London cycling grid routes, which would be rebranded to make cycling more accessible.
- 14 Work continued to improve London's air quality and reduce emissions across a range of different transport modes. There were now 174 rapid charging points (RCPs) in place, including 71 dedicated for taxi use, against a target of 300 points by December 2020.
- 15 There were over 1,319 Zero Emission Capable (ZEC) taxis licenced in London. Dr Nina Skorupska referred to a conversation she had with an early adopter of a ZEC taxi who championed their use but was frustrated by the infrastructure. TfL was actively working with boroughs and London Councils to encourage and support their delivery on borough roads. Boroughs had been asked to provide a list of 20 sites each and TfL was looking at how RCPs could be delivered to key sites. The Safety, Sustainability and Human Resources Panel would be provided with more information on the location and peak usage times for RCPs.
[Action: Alex Williams]
- 16 TfL would also look at the technology that supports the Cycle Hire scheme to see if an App could be developed for ZEC taxi drivers to locate the nearest RCP, its peak usage time and if it was available for use.
[Action: Alex Williams]

- 17 The Ultra Low Emission Zone (ULEZ) would launch on 8 April 2019 and operate 24 hours a day, 7 days a week within the same area as the current Congestion Charging Zone. The ULEZ was the centrepiece of the Mayor's strategy to improve air quality in London by discouraging the use of the most polluting vehicles. Since the scheme was announced in February 2017, there had been a steady increase in the amount of compliant vehicles entering the ULEZ area. A comprehensive communication campaign was raising awareness of the scheme, so people knew what they had to do to avoid paying the charge. TfL had also used powers delegated by the Mayor to implement a van scrappage scheme to support eligible microbusinesses and charities to replace older, more polluting vans and minibuses with cleaner vehicles. By launch date, the entire fleet of Dial-a-Ride vehicles would be ULEZ compliant and only ultra-clean hybrid buses would operate in the zone.
- 18 On 7 March 2019, Heidi Alexander launched the Freight and Servicing Action Plan, the fourth 'daughter document' to the Mayor's Transport Strategy. TfL was working closely with businesses to streamline their deliveries to minimise their impact on road congestion and air quality.
- 19 The main works for the extension of the London Overground Gospel Oak to Barking service to Barking Riverside were due to start in April 2019. The extension would support the development of 10,800 new homes and unlock wider benefits and new facilities for the local area.
- 20 In February 2019, as part of a package of measures by the Mayor to combat levels of child obesity in the capital, TfL introduced new restrictions for advertisements on its estate that display products high in fat, salt or sugar. The industry had engaged positively and TfL had worked with a range of brands, agencies and advertising groups to ensure they were aware of the policy and advertised healthier products.
- 21 **A good public transport experience:** The Rail Delivery Group had published radical proposals to reform the national fares and ticketing system, including pay as you go fares with a best price guarantee that could be delivered using technology already in place in London.
- 22 TfL had installed new lifts at Maryland, Manor Park, Seven Kings and Forest Gate stations on the Overground to provide step-free access. South Woodford station on the Central line became the 78th Underground station to be fully step-free.
- 23 On the London Overground Gospel Oak to Barking line, three four-car electric trains had been operating at 30 minute intervals since 18 March 2019. While the trains provided greater capacity, the temporarily reduced timetable was disappointing but necessary as the new Class 710 trains were not yet available for passenger service. TfL continued to press Bombardier at the most senior level to do everything it could for the new trains to be brought into service.
- 24 The Woolwich Ferry service was now operating with two new, modern, low-emission vessels that were bigger, safer and much easier to use by pedestrians and cyclists.
- 25 As part of a wider programme of improvements to customer service on the Underground, arising from recommendations by TravelWatch, a new vest had been launched for frontline staff; the red side was used for customer duties in ticket halls

and around gatelines and the orange reversible side used when dispatching trains, assisting on platforms and in emergencies.

- 26 On the Northern line extension to Battersea Power Station, the rails had been fully installed throughout both the northbound and southbound tunnels.
- 27 Since the publication of the report, a major milestone was achieved on the signalling upgrade for the Circle, District, Hammersmith & City and Metropolitan lines, which together made up 40 per cent of the Tube network. The new digital signalling system was launched between Hammersmith and Latimer Road, which allowed trains to run closer together. When complete, the new signalling would improve reliability and increase capacity by allowing train frequency to increase in central London from 28 to 32 per hour. The frequency increases would be introduced from 2021, with the project targeted for completion in 2023.
- 28 Members asked about the specifications for new trains and new signalling given previous experience and current issues with the Gospel Oak to Barking line. Mike Brown advised that specification was always a challenge. TfL kept its specifications under constant review. When new trains and signalling worked well, they resulted in services like the Victoria line, which was one of the most reliable and high frequency services in the world. The performance of the new signalling on the Hammersmith & City line, reported above, was the best ever of any commissioning. The Gospel Oak to Barking line was using conventional signalling but the issue was with the in-cab driver display.
- 29 Members discussed the low public transport use at Heathrow airport and how the loss of government grant to TfL had caused the signalling upgrade on the Piccadilly line to be paused. As a national asset, the owners and Government needed to invest to provide fast and reliable connections to London. The Programmes and Investment Committee would be updated on the implications for TfL from the proposed expansion of Heathrow Airport. **[Action: Alex Williams]**
- 30 **New homes and jobs:** The Crossrail 2 team was learning lessons from Crossrail 1 and had developed an improved assurance framework to scrutinise work on key issues such as costs, risk, schedule and scheme design. The team was also keeping leaders and Chief Executives of boroughs along the route updated on the pressing need to revise the 2015 safeguarding directions.
- 31 TfL continued to develop its property portfolio and was working to meet its affordable homes commitment. A planning application had been submitted to Southwark Council for the Landmark Court site, which would include 35 new homes and 1,800 square metres of commercial space and TfL was working with the Friends of Crossbones to ensure that the graveyard was preserved and the space was improved so that it continued to be an important part of the local heritage. Planning permission had been confirmed for Beechwood Avenue in Finchley, the first of the Mayor's 'small sites, small builders' programme, which would develop 97 homes, 50 per cent of which would be affordable. A planning application had also been submitted for a development of 300 homes next to Colindale station, and development sites in Barnet and Wembley Park were also being brought forward.

- 32 TfL was reviewing the consultation responses before agreeing the next steps for the Sutton Link scheme, for a new connection between Sutton town centre and Merton. It had received strong support with around 86 per cent of respondents supporting or strongly supporting the scheme.
- 33 Dr Alice Maynard noted that while a lot of car-free housing developments had car parking spaces for disabled people, their use was not protected and so requested that enforcement issues be raised with boroughs and private land owners.
- 34 **Our people:** TfL was halfway through its programme of providing permanent and temporary bus driver facilities on 42 prioritised routes. TfL continued to engage with residents on the location of the facilities. It recognised that it could be a sensitive issue for local communities but had a duty of care to its bus drivers and providing adequate facilities was also important to running a safe and reliable bus network.
- 35 International Women's Day, on 8 March 2019, was marked by TfL's Women's Staff Network Group hosting a week of 32 events. On the day itself, female colleagues took over Victoria station with an all-women roster and portrait exhibition throughout the station. Mike Brown was committed to TfL doing more to better represent not only women but people from all cultures and backgrounds at all levels of the organisation and this was reinforced by two of the overall TfL Scorecard measures upon which the leadership team's performance was measured.
- 36 Kay Carberry commended all the staff, Trade Unions and Police that contributed to TfL's recent Workplace Violence Summit. The event was very well attended and led by immediate staff experience. TfL took staff safety very seriously and there would be a specific follow-up from the summit and the new Head of Occupational Health was also looking at wider staff health, mental health and well-being issues. Updates on the proposed actions would be considered by the Safety, Sustainability and Human Resources Panel.
- 37 The Innovate TfL schools challenge, held on 4 March 2019, asked schools to present their innovative ideas to improve services for passengers. All four finalists had good suggestions and were offered work experience at TfL. The winning team was the 'Mind the Girls' team from Northwood College for Girls, who proposed a fob device for wheelchair users waiting for a bus. The device sent an advance alert to the driver, who would activate a message in the bus asking passengers and buggy users to create space for the wheelchair user.
- 38 **Value for money:** TfL continued to make savings through its ongoing efficiencies and change programme. TfL was modernising its ways of working by implementing smart working with the aim of a 30 per cent reduction in desks by December 2019 which would enable office accommodation to be consolidated.
- 39 On 20 February 2019, Fitch placed the UK Government on Rating Watch Negative due to uncertainty over the UK's exit from the European Union; as TfL's rating was linked to the Government's, Fitch also placed TfL on Rating Watch Negative on 25 February 2019.
- 40 In July 2018, TfL launched its 'Women We See' competition, which encouraged advertisers to create more positive and inclusive campaigns to reflect London's diversity. More than 80 entries were received and Holland and Barrett won for its 'Me.No.Pause' campaign, which challenged the misconceptions around menopause

and featured women aged 40-55. The winning campaign was being advertised across TfL's advertising estate.

The Board noted the Commissioner's Report.

24/03/19 Crossrail Update

Tony Meggs and Mark Wild introduced the update. Good progress was being made with getting a solid grip on the project and developing the revised delivery plan.

A significant amount of effort was underway to develop an integrated programme that sequenced and scoped work into a robust revised plan, to enable a safe and reliable railway to be opened as soon as possible. The Crossrail Limited (CRL) Board would consider the emerging plan in March and April with the aim of making an announcement on progress at the end of April 2019.

The CRL Board was providing challenge and support to its executive and was strengthening its governance processes. It had re-established its Audit and Assurance Committee, with Anne McMeel as its Chair, and established an Investment Committee, with Dr Nelson Ogunshakin as its Chair, both of which would give the Mayor and TfL clearer lines of sight. All audit reports relating to the project would be considered by both the TfL and CRL Audit and Assurance Committees and there were plans for joint engagement between the committees. A three lines of assurance network was also being established, with world class experts, to challenge and support CRL's teams.

Prior to the August 2018 announcement on the delay to the project, CRL had been rapidly reducing the staff in the organisation. Following his appointment, Mark Wild had brought in a talented and experienced leadership team and other key resources were being brought in to enable CRL to deliver the project. MTR, who would operate the service, and TfL were also providing resources to support the project.

Programme costs were being firmed up through cost reviews to provide a realistic final cost estimate. A detailed cost analysis of the final plan would be undertaken but costs were believed to be within the cost envelope. To reduce costs, Mark Wild's first job had been to secure fixed price contracts for the remaining work, which had been achieved for most of the contracts.

CRL was working hard to re-establish positive relationships with its Sponsors, delivery partners, contractors and key stakeholders. Tony Meggs had also appeared before the House of Commons Public Accounts Committee. An engagement strategy would be in place when the programme was finalised. The relationships with both Sponsors were in a good place with regular meetings with the Department for Transport's (DfT's) Permanent Secretary and Heidi Alexander and Mike Brown. The relationship with Network Rail was also working well and it would be invited to future CRL Board meetings on a regular basis. Members recommended early engagement with the DfT and Network Rail on changes to the planned opening programme sequence.

Safety remained a top priority for the CRL Board, with Tony Meggs the Board champion for safety. The CRL Board visited stations, discussed safety at every meeting and attended monthly meetings with contractors. While safety performance was within its tolerance for the past two-three years, there had been three significant lost time injuries, two trips and one manual handling incident recently, so the team was determined to get

back to having no-harm periods. There were some near-miss incidents in the early stages of train testing but mitigations that were put in place had addressed this and risks were continually monitored.

A key focus was on finalising and then executing the plan to complete the station build works as soon as possible, with a desire to complete this by the end of summer 2019. There had been good productivity and performance improvements and the resequencing of work was key. CRL was working with Network Rail to ensure it met its commitment to deliver a totally accessible railway end to end.

Dynamic testing was underway on the trains and signals and while the results were exceeding expectations, the testing programme was expected to last a further six to nine months. Both the Bombardier and Siemens products were new and their integration was complex, though there was a good and collaborative relationship with both companies working together to resolve issues.

Tony Meggs and Mark Wild welcomed the challenge and support provided by the Board and the TfL executive and discussions were underway on the requirements for technical resources over the next 15 months.

The Chair recorded his thanks to the new Crossrail Board and executive leadership for the new culture of openness and transparency. He had written to the Chair of the London Assembly offering to appear before it with Mike Brown, Tony Meggs and Mark Wild when information on the revised opening schedule was available as it was important to rebuild the confidence of the public and the business community.

The Board was asked to delegate authority to the Programmes and Investment Committee to take any necessary decisions in relation to the Crossrail project once CRL was in a position to announce information on its schedule and costs. An informal deep dive briefing would also be arranged for all Members of the Board.

The Board noted the paper.

25/03/19 Quarterly Customer Service and Operational Performance Report Quarter 3, 2018/19

Vernon Everitt, Nigel Holness and Gareth Powell introduced the report, which set out TfL's financial results for Quarter 3, 2018/19 – the period from 1 April to 8 December 2018.

The report had been reviewed in detail by the Customer Service and Operational Performance Panel, which did not identify any specific issues to draw to the attention of the Board. It noted a number of areas of notable success, including the significant increase in the number of step-free access stations since 2016 and the positive impact of the Cycling Strategy and the Bus Strategy. TfL was using the data available to it to improve performance, such as complaints data to drive change and daily visualisations to improve service delivery.

The Board discussed the transformational change in TfL's safety culture across the organisation but asked how a step change would be achieved in the headline reporting figures. A number of initiatives had been introduced to address key risks which included the introduction of the Bus Safety Standard and a real focus with operators to improve

the safety of passengers and vulnerable road users; a focus on addressing slips, trips and falls targeted at high risk stations on the Underground; and zero harm initiatives with staff and contractors working on major projects. While many of the initiatives would take time to feed through to improved safety, Mike Brown assured the Board that TfL was fully committed to improving all safety metrics and considerable effort was made to analyse key risks and to set and follow up action plans. The focus on safety had also resulted in increased and better reporting and subsequent follow-up. TfL would continue to look at its data and to consider other interventions to improve safety.

The Board noted the paper.

26/03/19 TfL Budget 2019/20

Simon Kilonback and Oana Ford-McNichol introduced the draft Budget 2019/20, which set out in detail the strategies outlined in the December 2018 Business Plan to deliver the Mayor's plans for improving transport and reducing TfL's operating costs in the financial year beginning 1 April 2019.

The financial schedules, Scorecard measures and key performance indicators were based on the forecast outturn position for 2018/19 as at Period 11, and if the Board approved the Budget, it was also asked to delegate to the Chief Finance Officer the authority to make any editorial or other minor changes prior to its publication.

Simon Kilonback provided a detailed briefing on the programmes and milestones that would see the most significant developments or progress over the next year. He set out the forecasts for the operational budgets arising from passenger demand, the assumptions underpinning the capital programme, as well as the process to continue to reduce costs through the transformation programme. This was set in the context that TfL was facing many challenges, which included the impact of: the loss of government grant; the delay to Crossrail, which resulted in a reprioritisation of the Investment Programme to focus on only doing what was best for London whilst being affordable; and the ongoing uncertainty around the economy, which impacted on passenger forecasts.

Despite the challenges, the Budget saw the continuation of the relentless focus on efficiency to meet the aim of breaking even on the cost of day to day operations by 2022/23. The savings achieved to date meant TfL started 2019/20 in a stronger position than set out in the December 2018 Business Plan, with a focus on protecting front line services and consolidating back office functions where possible.

Members welcomed the work that had been put into developing the Budget and the engagement with Members and in particular the Finance Committee. The presentation had been helpful as were the waterfall diagrams. Members requested that future presentations include a summary of the assumptions that the Budget had been built on and how they were tested, as was provided for the Business Plan.

Ben Story said the Finance Committee recognised the importance of achieving a net operational surplus and applauded the executive for its efforts on cost control and the openness, transparency and collaboration with Members throughout the process. The challenge to the executive was around the prioritisation and ranking of project investment. Mike Brown said the level of challenge and support provided by the Board added significant value to the process.

Members discussed the level of bus subsidy and the prudent passenger demand assumptions. While the bus subsidy was high, offering low fares and concessionary travel was very important to people who required access to affordable transport. Given improvements in bus safety and driver training were making a difference, more could be done to promote buses as a modern, effective, economic and environmentally social way to get around London. This would be done following the consultation outcome and the introduction of the Ultra Low Emission Zone.

The withdrawal of government grant meant road maintenance had to be subsidised by income from passenger services. The current focus was on dynamic repairs and maintenance rather than a scheduled process but the roads were no less safe and TfL aimed to restart planned renewals in the latter years of the Business Plan.

Cost control was going to get increasingly harder, but the challenge was recognised.

Commercial revenue predictions were ambitious and required the right talent to deliver them.

Some performance targets had not increased but this did not reflect a lack of focus. The bus customer satisfaction score was a relatively static measure and current modelling did not suggest that it would improve under current plans, though ways to address this were being explored. The London Underground customer injuries measure was static but there was a clear focus on eliminating fatalities and major injuries.

TfL had mitigation plans in place for the potential impact on its supply chain of exit from the European Union.

The Board:

- 1 approved the draft TfL Budget 2019/20; and**
- 2 delegated to the Chief Finance Officer the authority to make any editorial or other minor changes prior to its publication.**

27/03/19 2019/20 TfL Scorecard

Simon Kilonback and Shashi Verma introduced the 2019/20 Scorecard, which was aligned to the Mayor's Transport Strategy and the TfL Budget. The Scorecard was a development and improvement from the previous year.

The Scorecard again contained challenging targets, recognising that they may not all be achieved given the current financial climate and external factors not fully within TfL's control, as well as the challenge of delivering the capital programme whilst mitigating the effects on day to day performance. It was also recognised that many targets were dependent upon good relationships or clear engagement with external providers, suppliers and partners.

A summary of the changes and updates from the previous Scorecard was provided to Members, who welcomed the changes and improvements. The executive would continue to look at how it reported back to the Committees and Panels and to the Board on the in-year Scorecard measures but also the trajectory to achieve the medium and longer-term targets in the Mayor's Transport Strategy.

The Total Engagement target remained challenging given the amount of change within TfL, particularly within London Underground.

For the target to reduce the number of people that were killed and seriously injured (KSI), it was important that TfL continued to look at new initiatives and approaches that would enable the Vision Zero aim of all deaths and serious injuries eliminated from London's transport network by 2041 to be achieved. The new approach for the reduction in customer and workforce KSIs which used absolute numbers rather than a percentage was welcomed, with a request that other measures be reviewed to see if they could also be framed in a similar way in the future. **[Action: Simon Kilonback]**

The Board noted the paper and:

- 1 approved the 2019/20 TfL Scorecard set out in the paper;**
- 2 authorised the Chair of the Finance Committee to approve the inclusion of a suitable milestone and target date relating to the Elizabeth line, once the delivery programme has been confirmed; and**
- 3 authorised the Chair of the Finance Committee to approve a revised target, if required during the year, for the new Bus Customer Journey Time metric, as further data was gathered and the metric matures.**

28/03/19 TfL Prudential Indicators 2019/20 to 2021/22

Simon Kilonback and Sarah Bradley introduced the item which set out the proposed TfL borrowing limits and other Prudential Indicators under the Chartered Institute of Public Finance and Accountancy Prudential Code. These were consistent with the proposed Treasury Management Strategy for 2019/20 and the principles underpinning the proposed long term TfL Capital Strategy. The limits and indicators were based on figures in the 2019/20 TfL Budget.

The Board noted the paper and approved:

- 1 the TfL Prudential Indicators for 2019/20 and the following two years, as set out in Appendix 1 of the paper;**
- 2 the Prudential Indicators for Treasury Management for 2019/20 and the following two years, as set out in Appendix 2 of the paper; and**
- 3 the TfL Policy on Minimum Revenue Provision set out in section 7 of the paper.**

29/03/19 TfL Capital Strategy 2019/20

Simon Kilonback and Sarah Bradley introduced the item. The Prudential Code 2017 issued by the Chartered Institute of Public Finance and Accountancy required local authorities to prepare and publish a capital strategy for the first time this year. The purpose of the capital strategy was to set out the longer term investment required to deliver service objectives. For TfL, these service objectives included delivery of the Mayor's Transport Strategy. As well as the longer term investment requirements, the

Capital Strategy also identified future anticipated funding, and the shortfall between investment required and funding identified.

The Board:

- 1 approved the TfL Capital Strategy 2019/20, as set out in Appendix 1 to the paper; and**
- 2 delegated to the Chief Finance Officer the authority to make any editorial or other minor changes prior to its publication.**

30/03/19 Treasury Management Strategy 2019/20

Simon Kilonback and Emanuela Cernoia-Russo introduced the item, which sought approval for the proposed Treasury Management Strategy (TMS) for 2019/20. The TMS 2019/20 comprised the Investment Strategy, the Borrowing Strategy, the Liquidity Strategy, the Risk Management Strategy and the Counterparty Exposure Limits. The TMS supported the TfL objective of prudence and financial sustainability.

On 11 March 2019, the Finance Committee had reviewed a similar paper and supported the recommendations.

The European Investment Bank (EIB) had been a major source of financial support for TfL's infrastructure projects, both directly and through PFI or financing partners that TfL worked with. Although the impact of the UK's exit from the European Union was unclear at present, TfL would seek to continue to work with the EIB if it could. TfL had also built strong relations with Export Development Canada and was able to borrow from the Public Works Loans Board.

The Board noted the paper and:

- 1 approved the Treasury Management Strategy (TMS) for 2019/20, as set out in Appendix 1 of the paper, including the Investment Strategy, the Borrowing Strategy, the Liquidity Strategy, the Risk Management Strategy and the Counterparty Exposure Limits;**
- 2 authorised the Finance Committee to approve any changes to the TMS 2019/20 during the course of the year;**
- 3 noted that the proposals for derivative investments set out in paragraph 4 below had been approved by the Chief Finance Officer, as required under the TfL Group Policy Relating to the Use of Derivative Investments (the 'Derivatives Policy'); and**
- 4 noted that subject to the Board approving the TMS 2019/20 and the Derivatives Policy, the Finance Committee had approved, pursuant to Section 49 of the Transport for London Act 2008 (as amended by the Transport for London Act 2016, together the Act, and in accordance with the Derivatives Policy) for 2018/19 (or 2019/20 as may be applicable at such time), Transport for London Finance Limited (as a qualifying TfL subsidiary for the purposes of the Act) entering into derivative investment(s) in relation to:**

- (a) mitigating exchange rate risk related to specific currency exposures arising from the procurement of goods or services by any member of the TfL Group or grants or revenues payable in currencies other than Sterling to any member of the TfL Group in the ordinary course of business as soon as practicable once the quantum of exchange rate risk to any member of the TfL Group is established;
- (b) mitigating exchange rate risk arising from any TfL Group investments in foreign currencies in accordance with the TMS 2018/19 (or 2019/20 as may be applicable at such time);
- (c) mitigating commodity rate and/or price risk related to specific commodity (including fuel and electricity) exposures arising from the procurement of goods or services by any member of the TfL Group in the ordinary course of business as soon as practicable once the quantum of commodity risk to any member of the TfL Group is established;
- (d) mitigating interest rate risk and if applicable currency risk related to any existing, imminent and future TfL Group borrowing (including any leases), once the borrowing has become certain and authorised in accordance with the TMS 2018/19 (or 2019/20 as may be applicable at such time);
- (e) mitigating inflation risk related to specific exposures arising from the procurement of goods or services by any member of the TfL Group once the quantum of inflation risk to any member of the TfL Group is established; and
- (f) mitigating risk related to any index reflecting any of the above matters referred to in paragraphs (a) to (e).

5 The following Officers and Subsidiaries shall have delegated authority:

- (a) **TfL Officers:** the Commissioner, Chief Finance Officer under sections 114 and 115 of the Local Government and Finance Act 1988 and section 127 of the Greater London Authority Act 1999, the Managing Director (Chief Finance Officer), General Counsel and Corporate Finance and Strategy Director; and
- (b) **Subsidiaries:** Subsidiaries of TfL including Transport Trading Limited and any other subsidiary (whether existing presently or to be formed) of Transport Trading Limited and any of the directors of the relevant company shall be authorised to act for and on behalf of that company.

31/03/19 Treasury Management and Derivative Investments Policies 2019/20

Simon Kilonback and Emanuela Cernoia-Russo introduced the item, which sought approval for the proposed Treasury Management Policies and the proposed TfL Group Policy Relating to the Use of Derivative Investments. The policies supported TfL's commitment to financial prudence through risk management.

On 11 March 2019, the Finance Committee had considered this item and supported the recommendations to the Board.

The Board noted the paper and approved:

- 1 the proposed Treasury Management Policies as set out in Appendix 1 of the paper; and**
- 2 the proposed TfL Group Policy Relating to the Use of Derivative Investments as set out in Appendix 2 of the paper.**

32/03/19 Investment Strategy 2019/20 - Non Financial Assets

Graeme Craig introduced the item, which sought approval for the proposed Commercial Development Investment Strategy 2019/20 – Non Financial Assets, which set out how TfL planned to manage and grow its various commercial assets.

The Board noted the paper and:

- 1 approved the Commercial Development Investment Strategy 2019/20 – Non Financial Assets, as set out in Appendix 1 of the paper; and**
- 2 delegated authority to the Finance Committee to approve any changes to the Commercial Development Investment Strategy 2019/20 – Non Financial Assets during the course of the year.**

33/03/19 TfL Subsidiary Rationalisation

Simon Kilonback introduced the item, and the supplementary information on Part 2 of the agenda, which set out proposals for the making of three transfer schemes under the Greater London Authority Act 1999 (GLA Act) to transfer, subject to the Mayor's approval, certain property, rights and liabilities of LUL Nominee SSL Limited (SSL), LUL Nominee BCV Limited (BCV) and Tube Lines Limited (TLL) (save in relation to rights and obligations under the public-private partnership contracts with London Underground Limited (LUL) and under the Northern Line Train Services Contract) to LUL.

On 11 March 2019, the Finance Committee had considered this item and supported the recommendations to the Board. Given the consideration of the Finance Committee, Members agreed that while the information on Part 2 of the agenda remained exempt, it did not need to be discussed.

The Board noted the paper and the related supplemental information on Part 2 of the agenda and:

- 1 approved the making of the Transport for London (London Underground Legal Entity Rationalisation) Transfer Schemes 2019 described in the paper to transfer all property, rights and liabilities from LUL Nominee SSL Limited, LUL Nominee BCV Limited and Tube Lines Limited to London Underground Limited (save in relation to rights and obligations under (i) the public-private partnership contracts with London Underground Limited; and (ii) in respect**

of Tube Lines Limited only, the Northern Line Train Services Contract with Alstom NL Service Provision Limited);

- 2 approved the submission of the transfer schemes to the Mayor for his approval; and
- 3 authorised the TfL Officers and Subsidiaries described at paragraph 4 below:
 - (a) to agree the form of the transfer schemes;
 - (b) to seek the Mayor's approval of the transfer schemes; and
 - (c) to do all such other things as they consider necessary or desirable to facilitate the making and implementation of the transfer schemes.
- 4 The following Officers and Subsidiaries shall have delegated authority:
 - (a) TfL Officers: the Commissioner, Chief Finance Officer, the Managing Director London Underground and General Counsel; and
 - (b) Subsidiaries: Subsidiaries of TfL including Transport Trading Limited and any other subsidiary (whether existing presently or to be formed) of Transport Trading Limited and any of the directors of the relevant company shall be authorised to act for and on behalf of that company.

34/03/19 Report of the meeting of the Customer Service and Operational Performance Panel held on 13 February 2019

The Chair of the Panel, Dr Mee Ling Ng OBE, introduced the item. The Panel's discussion of the quarterly Customer Service and Operational Performance Report had been covered earlier in the meeting. There were no other issues to draw to the attention of the Board.

The Board noted the summary report.

35/03/19 Report of the meeting of the Safety, Sustainability and Human Resources Panel held on 27 February 2019

The Chair of the Panel, Kay Carberry CBE, introduced the item and drew the Board's attention to the discussion on TfL's energy strategy, with its overarching ambition to get better value for money while meeting the targets in the Mayor's Transport and Environment Strategies to reduce carbon emissions. The Panel had encouraged the executive to quicken the pace in the development of the energy strategy and to ensure the Board had a better view of the projects that supported it.

The Board noted the summary report.

36/03/19 Report of the meeting of the Programmes and Investment Committee held on 6 March 2019

In the absence of the Committee Chair, Dr Lynn Sloman introduced the item. The Committee had approved authority for a number of programmes and considered updates on Crossrail and its strategic risks. The Chair was reassured by the Committee's support for the operation of the re-constituted Independent Investment Programme Advisory Group, which was working well and had a strategic focus.

There were no other specific issues to draw to the attention of the Board.

The Board noted the summary report.

37/03/19 Report of the meeting of the Finance Committee held on 11 March 2019

In the absence of the Committee Chair, the Vice Chair Ben Story introduced the item. A number of the items considered by the Committee had already been discussed at this meeting and there were no other specific issues to draw to the attention of the Board.

The Board noted the summary report.

38/03/19 Report of the meeting of the Audit and Assurance Committee held on 14 March 2019

The Chair of the Committee, Anne McMeel, introduced the item. The Committee had discussed a number of standing items. It had a very useful briefing on protective security risks and dates had just been circulated for a briefing for all Board Members to increase awareness.

There were no other specific issues to draw to the attention of the Board.

The Board noted the summary report.

39/03/19 Any Other Business the Chair Considers Urgent

The Chair commended the work of Val Shawcross CBE on the appointments of Members in 2016. The work of the Committees and Panels demonstrated the value that the Board added at TfL and the executive was really responsive to the Board's views and suggestions.

There were no further items of urgent business.

40/03/19 Date of Next Meeting

The date of the next meeting was scheduled for Wednesday 22 May 2019 at 10.00am.

The meeting closed at 1.30pm.

Chair: _____

Date: _____

Board



Date: 22 May 2019

Item: **Matters Arising, Actions List and Use of Delegated Authority**

This paper will be considered in public

1 Summary

- 1.1 This paper informs the Board of actions agreed at previous meetings and the use of delegated authority since the last meeting.
- 1.2 There has been one use of Chair's Action and it is anticipated that there will be two further uses of authority delegated by the Board to the Programmes and Investment Committee. All uses of authority delegated by the Board relate to the Crossrail project.
- 1.3 Appendix 1 provides an update on the actions, all of which are completed or being addressed.

2 Recommendation

- 2.1 **The Board is asked to note the Actions List and the use of authority delegated by the Board.**

3 Use of Authority Delegated by the Board to the Programmes and Investment Committee in relation to the Crossrail project

- 3.1 On 27 March 2019, the Board delegated authority to the Committee to take decisions on matters reserved to the Board in relation to the Crossrail project, including the appointment of further non-executive directors.

Appointment of TfL Nominated Non-Executive Directors to the Board of Crossrail Limited

- 3.2 Under Standing Order 114, in situations of urgency, the Board delegates to each of the Chair and the Chairs of any Committee or Panel the exercise of any functions of TfL on its behalf, including the appointment of Members to Committees and Panels. Any use of Chair's Action is reported to the next ordinary meeting.
- 3.3 On 16 April 2019, the Chair of the Committee, following consultation with available Members of the Board, approved the appointment of Sarah Atkins as a further TfL nominated non-executive director of Crossrail Limited for the remainder of the Crossrail project.

- 3.4 On 15 May 2019, the Committee has been asked to use the authority delegated to it to extend the appointment terms of the existing nominees Anne McMeel and Dr Nelson Ogunshakin OBE from 2 September 2019 to 20 September 2020. As the Committee meets after the papers for this meeting are dispatched, a verbal update will be provided to this meeting.

Change to the Sponsors Requirements in the Project Development Agreement to provide for a New Stage 3 Opening Date

- 3.5 On 15 May 2019, the Committee has been asked to use the authority delegated to it to approve a change to the Sponsors Requirements in the Project Development Agreement, providing for a new Stage 3 opening date of 'September 2020 to March 2021'.
- 3.6 As the Committee meets after the papers for this meeting are dispatched, a verbal update will be provided to this meeting.

List of appendices to this report:

Appendix 1 – Board Actions List

List of Background Papers:

Minutes of previous meetings

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

Board Actions List (reported to the meeting on 22 May 2019)

Actions from the meeting held on 27 March 2019

Minute No.	Item/Description	Action By	Target Date	Status/Note
23/03/19 (1)	Commissioner's Report – Location and use of Rapid Charging Points (RCPs) The Safety, Sustainability and Human Resources (SSHR) Panel would be provided with more information on the location and peak usage times for RCPs.	Alex Williams	June 2019	On SSHR Panel forward plan.
23/03/19 (2)	Commissioner's Report – App development for RCPs TfL would also look at the technology that supports the Cycle Hire scheme to see if an App could be developed for ZEC taxi drivers to locate the nearest RCP, its peak usage time and if it was available for use.	Alex Williams	June 2019	On SSHR Panel forward plan (as part of the paper above).
23/03/19 (2)	Commissioner's Report – Heathrow Airport Impact The Programmes and Investment Committee would be updated on the implications for TfL from the proposed expansion of Heathrow Airport.	Alex Williams	May 2019	A briefing is scheduled for the Programmes and Investment Committee.
27/03/19	2019/20 TfL Scorecard The new approach for the reduction in customer and workforce KSIs which used absolute numbers rather than a percentage was welcomed, with a request that other measures be reviewed to see if they could also be framed in a similar way in the future.	Simon Kilonback	June 2019	This will be reviewed when the 2018/19 TfL Scorecard outturn is confirmed.

Actions from previous meetings:

Minute No.	Item/Description	Action By	Target Date	Status/Note
75/09/18 (1)	Commissioner's Report – Green GB Week Members would be briefed on TfL's proposals to promote Green GB Week from 15 October 2018.	Vernon Everitt	September 2019	A paper on promotional activity plans is on the SSHR Panel forward plan.
75/09/18 (2)	Commissioner's Report – Major Events Following suggestions from Mee Ling Ng to Shirley Rodrigues, Mike Brown asked Gareth Powell and Vernon Everitt to have a strategic discussion with organisers of major events such as the Notting Hill Carnival on how to make their events more environmentally friendly. An update would be provided to the next meeting.	Gareth Powell and Vernon Everitt	July 2019	A paper on how TfL manages major events is on the SSHR Panel forward plan.
04/01/19	Matters Arising – London Overground Stations Arriva's conclusions and proposals arising from its consideration of the London TravelWatch review would be presented to a future meeting of the Customer Service and Operational Performance (CSOP) Panel.	Gareth Powell	June 2019	On CSOP Panel forward plan.
05/01/19 (1)	Commissioner's Report – Crime Reduction Members welcomed the initiatives but requested details on how the equality impacts of initiatives were assessed.	Siwan Hayward	July 2019	On SSHR Panel forward plan.
05/01/19 (2)	Commissioner's Report – Direct Vision ISO standard Members suggested that TfL's international consultancy look at how the Direct Vision initiative could be converted into an ISO standard.	Gareth Powell	May 2019	This is being reviewed and an update will be provided.
05/01/19 (4)	Commissioner's Report – High Speed 2 Members requested a future paper to the Programmes and Investment Committee on the risks and opportunities relating to the wider interdependencies of High Speed 2 services and TfL's stations, services, tracks and other public transport connectivity.	Alex Williams	May 2019	Completed. A briefing was provided to the Programmes and Investment Committee.

Minute No.	Item/Description	Action By	Target Date	Status/Note
05/01/19 (5) and 75/09/18 (4)	Commissioner's Report – Bank Station step free access Members would be sent details of the cost and feasibility work that meant there was not a business case for providing step free access to the Central line at Bank station.	Stuart Harvey	March 2019	An update was provided to the Programmes and Investment Committee. The Committee has requested further stakeholder engagement or public consultation.
06/01/19 (1)	Quarterly Performance Report Quarter 3, 2018/19 – Diversity Profile of Leavers Future reports would include more detail on the diversity profile of people leaving the organisation.	Tricia Wright	May 2019	This information is included in the 2017/18 Diversity and Inclusion Impact Report, to be published shortly. The 2018/19 report will be published shortly after, incorporating feedback on the initial release. Diversity information is also included in the HR Quarterly Report at the SSHR Panel.
06/01/19 (2)	Quarterly Performance Report Quarter 3, 2018/19 – Debt and Interest Future slides would also include information on the total value of TfL's entire debt and interest position.	Simon Kilonback	May 2019	Completed. Item on agenda.
07/01/19 (1)	HSE Annual Report – Reducing Road Injuries Members suggested that the Safety, Sustainability and Human Resources (SSHR) Panel look at how local borough strategies were performing against the Mayor's Transport Strategy.	Gareth Powell	July 2019	Paper on SSHR Panel forward plan.

Minute No.	Item/Description	Action By	Target Date	Status/Note
07/01/19 (2)	<p>HSE Annual Report – Waste Strategy Members recommended that TfL consider developing a waste strategy so that it was a leader in reducing green house emissions in its operations and also in the work it was doing to support housing. TfL would look at how it captured that information and report back to the Safety, Sustainability and Human Resources (SSHR) Panel.</p>	Jill Collis	July 2019	Paper on SSHR Panel forward plan.
09/01/19	<p>Crossrail Update – Deep Dive Briefing A deep dive briefing on progress would be offered to the Board.</p>	Mark Wild / Secretariat	May 2019	The Board received a briefing on 2 May and further briefings are planned.

Board



Date: 22 May 2019

Item: Commissioner's Report

This paper will be considered in public

1 Summary

- 1.1 The Commissioner's Report provides an overview of major issues and developments since the meeting of the Board held on 27 March 2019 and updates the Board on significant projects and initiatives.

2 Recommendation

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

List of appendices to this report:

Commissioner's Report – May 2019

List of Background Papers:

None

**Mike Brown MVO
Commissioner
Transport for London
May 2019**

[page left intentionally blank]

Commissioner's Report

22 May 2019



About Transport for London (TfL)

Part of the Greater London Authority family led by Mayor of London Sadiq Khan, we are the integrated transport authority responsible for delivering the Mayor's aims for transport.

We have a key role in shaping what life is like in London, helping to realise the Mayor's vision for a 'City for All Londoners'. We are committed to creating a fairer, greener, healthier and more prosperous city. The Mayor's Transport Strategy sets a target for 80 per cent of all journeys to be made on foot, by cycle or using public transport by 2041. To make this a reality, we prioritise health and the quality of people's experience in everything we do.

We manage the city's red route strategic roads and, through collaboration with the London boroughs, can help shape the character of all London's streets. These are the places where Londoners travel, work, shop and socialise. Making them places for people to walk, cycle and spend time will reduce car dependency and improve air quality, revitalise town centres, boost businesses and connect communities.

We run most of London's public transport services, including the London Underground, London Buses, the DLR, London Overground, TfL Rail, London Trams, London River Services, London Dial-a-Ride, Victoria Coach Station, Santander Cycles and the Emirates Air Line. The quality and accessibility of these services is fundamental to Londoners' quality of life. By improving and expanding public transport, we can make people's lives easier and increase the appeal of sustainable travel over private car use.

We are moving ahead with many of London's most significant infrastructure projects, using transport to unlock growth. We are

working with partners on major projects like Crossrail 2 and the Bakerloo Line Extension that will deliver the new homes and jobs London and the UK need. We are in the final phases of completing the Elizabeth line which, when open, will add 10 per cent to central London's rail capacity.

Supporting the delivery of high-density, mixed-use developments that are planned around active and sustainable travel will ensure that London's growth is good growth. We also use our own land to provide thousands of new affordable homes and our own supply chain creates tens of thousands of jobs and apprenticeships across the country.

We are committed to being an employer that is fully representative of the community we serve, where everyone can realise their potential. Our aim is to be a fully inclusive employer, valuing and celebrating the diversity of our workforce to improve services for all Londoners.

We are constantly working to improve the city for everyone. This means freezing TfL fares so everyone can afford to use public transport, using data and technology to make services intuitive and easy to use, and doing all we can to make streets and transport services accessible to all. We reinvest every penny of our income to continually improve transport networks for the people who use them every day.

None of this would be possible without the support of boroughs, communities and other partners who we work with to improve our services. We all need to pull together to deliver the Mayor's Transport Strategy; by doing so we can create a better city as London grows.

Contents

1. Introduction	5
2. TfL Scorecard	6
3. Safety and security	10
4. Healthy Streets and healthy people	18
5. A good public transport experience	32
6. New homes and jobs	40
7. Our people	44
8. Securing value and generating income	48

This paper will be considered in public

I Introduction

This report provides a review of major issues and developments since the Board meeting of 27 March 2019.

2 TfL Scorecard

Period 13

Breakdown of scorecard measures categories:

Safety and Operations: **25%** Customer: **25%** People: **25%** Financial: **25%**

Long-term objectives	2018/19 scorecard	Period 13		Year to date ¹	
Outcome	Measure	Actual	Target	Actual	Target
Healthy Streets and healthy people (18%)					
London's transport system will be safe and secure	Reduction in people killed or seriously injured on the roads from 2005-09 baseline (%) ²	35.8% ■	44.4%	36.5% ■	45.4%
	Reduction in people killed or seriously injured on roads from 2005-09 baseline (incidents involving buses) (%) ²	58.6% ■	49.2%	58.9% ■	55.6%
	Injuries on the public transport network	763 ■	855	11,279 ■	11,683
London's streets will be used more efficiently and have less traffic	Operational improvements to sustainable travel ³	- ■	996	16,985 ■	15,000
London's streets will be clean and green	Number of London buses that are Euro VI compliant ⁴	350 ■	n/a	6,950 ■	6,050
More people will travel actively in London	Healthy Streets scheme assessment	11% ■	10%	11% ■	10%
A good public transport experience (17%)					
Journeys by public transport will be fast and reliable	Tube excess journey time (minutes)	4.80 ■	4.64	4.49 ■	4.50
	Average bus speeds (mph)	9.3 ■	9.2	9.3 ■	9.2
Public transport will be accessible to all	Additional time to make step-free journeys (minutes)	9.1 ■	9.0	9.1 ■	9.0
Journeys by public transport will be pleasant	Customer satisfaction (percentage of Londoners who agree we care about our customers) (%)	48% ■	49%	49% ■	49%

Safety and operations (25%)

Customers (25%)

1. Please note these results are subject to approval by the Chair of the Audit and Assurance Committee.
2. Reduction in people killed or seriously injured: measured in calendar years (YTD is January to Dec 2018). These are provisional estimates and may be subject to change.
3. Operational improvements to sustainable travel: while the full year target was achieved earlier in the year, the phasing of the targets resulted in a negative variance in period 13.

■ Achieved
 ■ Partially achieved
 ■ Not achieved

Long-term objectives	2018/19 scorecard	Period 13		Year to date ¹	
Outcome	Measure	Actual	Target	Actual	Target
New homes and jobs (2.5%)					
Transport investment will unlock the delivery of new homes and jobs	The percentage of affordable houses we take to market in the year (%)	62% ■	50%	62% ■	50%
Mode share (5%)					
80% of journeys will be made by sustainable modes in 2041	Improve sustainable mode share: movement of 4 elements compared to 2017/18:				
	a. Increase in cycling in Central London zone	2 of 3 ■	3 of 3	3 of 4 ■	4 of 4
	b. Increase in public transport journeys				
	c. Increase in walking				
	d. Decrease in traffic index				
	Cycling (% increase to 2014 Baseline)	Increase ■	Increase	Increase ■	Increase
	Passenger journeys (millions)	Increase ■	Increase	Increase ■	Increase
	Traffic index	Increase ■	Decr.	Increase ■	Decr.
	Walking ⁵	n/a	n/a	Increase ■	Increase

Customers (continued)

4. Number of London buses that are Euro VI compliant: the full year target for this measure is 6,050 buses. There are no quarterly targets owing to the unpredictability of when operators will offer new buses. The retrofitting programme is on track.

5. Sustainable mode share improvement: the walking survey is annual and took place in Period 12.

Long-term objectives	2018/19 scorecard	Period 13		Year to date ¹		
Outcome	Measure	Actual	Target	Actual	Target	
All MTS themes (7.5%)						
All MTS outcomes	Deliver key investment milestones (%)	90% ■	90%	81% ■	90%	Customers (continued)
	Open Elizabeth line central section	Delayed ■	Deliver in P10	Delayed ■	Deliver in P10	
People (25%)						
A capable and engaged workforce representative of London	Workforce representativeness					People (25%)
	– all staff (%)	69.9% ■	70.7%	69.9% ■	70.7%	
	– director/band 5 (%)	37.8% ■	46.6%	37.8% ■	46.6%	
	Inclusion index (%) ⁶	n/a	-	43% ■	46%	
	Total engagement (%) ⁶	n/a	-	56% ■	57%	
Financial (25%)						
We are prudent and cover our costs	Net operating surplus (£m)	£24m ■	(£87m)	£358m ■	£96m	Financial (25%)
	Investment programme (£m)	£95m ■	£234m	£1,633m ■	£1,774m	

6. Inclusion index/total engagement: these are based on the annual Viewpoint survey which was reported in period 10.

Our Period 13 scorecard covers 3 March to 31 March 2019, with year-to-date results representing the full year outcome.

We have known for the last few periods that we would not meet our target to reduce the number of people killed and seriously injured. However, on our public transport network – where we have more direct control – we have met our death and injury reduction targets by reducing these figures considerably.

We met all our other Safety and Operations targets. This includes delivering significant time savings for pedestrians, cyclists and bus users by improving the timings of our traffic signals, and bringing the total number of Euro VI compliant buses to nearly 7,000 vehicles. This achievement will greatly improve London's air quality and has been an important part of the introduction of the Ultra Low Emission Zone.

Over the last year we have improved the performance of our Tube and bus services, and successfully increased our customer satisfaction score to 49 per cent.

We have made great progress on our delivery of housing for Londoners, exceeding our affordable housing target by 12 per cent.

Walking, cycling and public transport have all improved in 2018/19. This partially meets our target, but there has been an

increase in motor traffic that we need to address as we move towards the aim in the Mayor's Transport Strategy for 80 per cent of journeys to be on foot, by cycle or using public transport by 2041.

We delivered 81 per cent of our investment milestones for the year. The milestones not met include a number that were affected by factors outside of our control, such as the decision on the Development Consent Order for Silvertown Tunnel coming later than we had expected. We also did not meet the target of opening the central section of the Elizabeth line in 2018, and our 2019/20 Scorecard will include a revised delivery milestone for the scheme.

Our workforce representation for all staff improved overall, but owing to our current low level of recruitment and continuing change in our organisation, we did not meet either of our workforce representativeness targets. Our annual Viewpoint survey has shown that our total staff engagement measure has remained steady, missing our target by one per cent, and we missed our inclusion index measure by three per cent.

In a difficult financial climate we have met both of our financial targets, which supports our longer-term objective to deliver a net operating surplus by 2022/23. This is an excellent final result against a challenging target.

3 Safety and security

Croydon tram overturning

We continue to implement all of the recommendations from the Rail Accident Investigation Branch (RAIB) following the tragic tram overturning at Sandilands in November 2016. All London trams have been fitted with vigilance protection devices. Any sign of driver distraction or fatigue will result in the driver being alerted, with such instances being fed back to the control room for action. An upgrade to the glazing has also been completed.

As reported previously, we have appointed Engineering Support Group Limited to develop a system to reduce tram speeds automatically should they over speed at key locations. Work is now under way and is expected to be completed this year. This is the first such system for trams in the UK. We have shared this with other tram owners and operators.

Fatal injury reporting

So far in 2019, 41 people have been killed on London's roads and 1,220 have been reported as seriously injured. We have committed to improving the transparency and timeliness of casualty reporting, and are now publishing the provisional figures of people killed. The first such report was published on 11 April 2019, including the date, the road, the mode of transport and the borough in which the person was killed.

Vision Zero

Tackling road danger and delivering on the Mayor's Vision Zero commitments continues to be a priority for the Roads and Transport Policing Command (RTPC).

Work has continued on a new three-tier policing approach to deliver road danger reduction. This is through intensifying police focus on the most dangerous drivers and increasing the deterrent effect through widespread high visibility road-side operations. Action is focused on removing the most dangerous offenders from our roads.

In April, the RTPC made 24 arrests, issued around 550 Traffic Offence Reports and seized 93 vehicles, as part of a 24-hour 'Cubo operation' to tackle uninsured and unlicensed drivers. Arrests were made for various offences including driving under the influence of alcohol and drugs, wanted-on-warrant, and possession of drugs. Traffic Offence Reports, which will result in prosecutions or Fixed Penalty Notices, were issued for offences ranging from driving while using a mobile phone to excess speed and dangerous driving. Ninety-three vehicles were seized for being driven without insurance, or not in accordance with the conditions of a licence.

The RTPC is focusing on motorists and riders along the A12 who exceed the speed limit or commit other road traffic



offences as part of Operation Neso, which concentrates on high-risk roads. Over a 10-week period from 4 February to 16 April, 520 drivers were found travelling at excess speeds and received fines. Of those drivers, 187 face potential disqualification owing to their high speed. Six drivers were caught driving in excess of 100mph, with 109mph being the highest speed recorded.

On this six-mile stretch of the A12, there have been five fatal road collisions between 9 April 2018 and 1 January 2019. In the previous 10 years there had been one fatality. Since road enforcement has been put in place to specifically target this problem area, there have been no fatalities or serious collisions.

We are also working with the Metropolitan Police Service (MPS) to increase the levels of safety camera enforcement. This will be done through fixed cameras as well as mobile speed enforcement equipment, including mobile speed vans and recently purchased speed guns and tripods. On 1 April 2019, the RTPC mobilised officers to run 110 speed enforcement operations as part of a week-long operation and as a result, officers dealt with more than 1,400 speeding motorists. We are continuing to work closely with London Councils to develop a new and comprehensive approach to speed enforcement on borough roads.

London Road Safety Council Vision Zero event

On 10 April 2019, we hosted an event with elected members from the London boroughs to discuss our joint role in delivering Vision Zero. The event was particularly well received, with elected members feeding back positively and stating their commitment to embedding Vision Zero in their boroughs.

Workplace violence and aggression

It is imperative that all staff feel safe and supported at work. Following staff concerns around the rise in aggression and threatening behaviour towards them, mirroring the rise in violence being seen across London, we have commissioned a review of our approach to preventing and tackling workplace violence and aggression. This is looking at how we can better support staff in the prevention of workplace violence and aggression, and how we can better coordinate our approach for both directly employed staff and the workforce of our suppliers. It will also look at how we can improve staff support following an incident and the effectiveness of investigation and pursuit of prosecution against assailants.

To support this work we held a summit on 19 March to hear from staff on the frontline about their experience of workplace violence and aggression. I joined the Deputy Mayor for Transport,

Heidi Alexander to open the event. Our Trade Unions, ASLEF, GMB, LTDA, PCB, RMT, TSSA, UNITE and police partners also spoke to show their support for tackling these issues.

We have captured all issues and ideas raised at the summit, including those put forward by speakers during the workshop sessions and the feedback and plenary discussions. We are producing a summary of these and will make this available to Trade Unions. The output from the summit will inform the strategic review into tackling workplace violence and aggression.

Workforce safety

We are rolling out a new approach to workforce safety, which is focused on improving how we communicate information that can have an impact on the safe operation of the Tube network and the safety of our staff. This comprehensive approach has taken lessons from other industry bodies (such as Network Rail and the Rail Safety Standards Board) to ensure that all our operational communication is based on the four ABC-P principles: accurate, brief, clear and professional. We have developed it with input from frontline colleagues, managers and health and safety representatives. It will make working on the network safer for all.



We are currently trialling the use of body worn cameras to help protect our LU staff

Working in a public-facing environment can result in our staff being physically assaulted or abused. We are currently trialling the use of body worn cameras to help protect our staff. The trials are taking place at the locations where workplace violence is most frequently reported. We will review the data after one and three months to see how successful the trial is and how we can roll it out.

Customer safety on the Tube

One of our main safety focuses is on customers travelling with luggage, which is a factor in a significant number of customer accidents during this busy period. To help make travelling across the network easier, we are using station and train announcements, making improvements to signs and updating our journey planner tool to help customers understand where best to interchange, and where they can use lifts instead of escalators or stairs.

Tackling serious youth violence

We are working with the MPS and British Transport Police to support the wider policing effort to reduce levels of serious youth violence in the Capital. In autumn last year, we jointly approved with the MPS the moving of 100 police officers from the RTPC to the Violent Crime Task Force. These officers are providing valuable support to the task force including stop and search, knife arches, metal detector wands and Automatic Number Plate Recognition.

Direct Vision Standard

The proposed Heavy Goods Vehicle (HGV) Safety Permit Scheme for HGVs more than 12 tonnes has been developed to implement the Direct Vision Standard (DVS). The DVS was created to improve the safety of all road users, particularly the most vulnerable, such as pedestrians, cyclists and motorcyclists, by measuring vehicle blind spots. The scheme would require all HGVs more than 12 tonnes to obtain a permit to operate in London and all those with an unacceptably low DVS rating to fit additional safety equipment.

On 26 April 2019 we published the findings of the latest consultation on the scheme's proposals. This showed 60 per cent support and feedback has been used to make further refinements to our proposals. On the same day, the consultation on the finalised scheme proposals was launched, including on a Traffic Regulation Order to make the scheme mandatory from October 2020, which will close on 23 May 2019.

Subject to the outcome of this consultation, permits for HGVs will be available from October 2019, with scheme enforcement launching a year later.

Hammersmith Bridge closure

We are working closely with Hammersmith & Fulham Council to upgrade the 132-year-old Hammersmith Bridge as soon as possible.

We are funding the ongoing investigation and design work and are lending the council our support to advance this complex stage of work as quickly as possible. Once this work is complete, the timescales and costs of the repair work will be much clearer. We will be working with Hammersmith & Fulham Council to identify appropriate funding once we have a clearer idea of costs.

In the meantime, we are doing all we can to minimise the impact of the closure for those who live, work and travel in the area. We recently announced details of changes we are making to the local bus network to improve links for people affected by the closure. The changes include rerouting services to provide direct links to the Tube network at Putney Bridge, as well as a new direct link between Barnes and Hammersmith. We plan to introduce these changes on Saturday 18 May and are inviting customer views on the changes.

We have also begun making changes to traffic signal timings in the area to help the flow of all traffic, and will continue to monitor the situation to determine whether further changes are required.

Innovation in roadworks management

Our TfL Lane Rental-funded London RoadLab programme came to an end on 1 May 2019. Nine suppliers showcased the products they had produced within the 10-week development period to an audience of 200 industry stakeholders.

We are now considering how we can bring to market the best solutions from suppliers that help roadworks become safer, more inclusive and less disruptive.

We have approved a further £830,000 for two proposals. The first is for Street Manager – a new system being developed by the Department for Transport (DfT) – which will enable all highway authorities and works promoters in England to exchange information relating to roadworks in one common system. The second proposal is a tool to provide spatial visualisation of journeys affected by roadworks in the London Borough of Southwark. This will develop an evaluation that retrospectively maps the movement of dispersed road users, where roadworks are taking place. This will help us to better plan for future works.

Intelligent Speed Assistance and Bus Safety Standard

Seven-hundred vehicles in the bus fleet now have Intelligent Speed Assistance (ISA) to enhance compliance with speed limits, particularly the increasing number of 20mph zones. ISA lets vehicles operate up to the posted speed limit by tracking them against a digital speed map. It has been added in advance of the new Bus Safety Standard – a wider range of safety equipment and enhanced vehicle design – which will feature on new buses in 2019. The standard includes: near-side and off-side mirrors with a broader field of view to minimise blind spots; better interior anti-slip

floors in passenger areas; technology making buses more noticeable to pedestrians, cyclists and motorcyclists; and dashboard lights to signal when drivers accelerate or brake to help avoid rare incidents of pedal confusion. The standard sets out continuing safety enhancements required for London buses up to 2024 and will evolve to take account of technological innovation.

Bus Safety Innovation Challenge

In March, we launched our Bus Safety Innovation Challenge, which will stimulate innovation in bus safety within the wider automotive technology market and enable other forms of proven innovation to be incorporated into the Bus Safety Standard. This will help us achieve our Vision Zero targets of no deaths caused on or by a bus by 2030 and no deaths or serious injuries on our highways by 2041. We have also held two events with suppliers of safety products and London's bus operators, to encourage them to bid for funds in the challenge. The deadline for application is June 2019, and we expect to announce successful bids in July.

Bus driver safety training

We are bringing new technology into bus driver safety training to make it more realistic and feel closer to the types of risks encountered on the London road network, and how best to deal with them. Drivers will wear virtual-reality headsets to view a selection of

23 filmed journeys in which accidents might occur, particularly with vulnerable road users such as cyclists, pedestrians and motorcyclists.

The headsets give them a 360-degree view from behind the wheel, including a wide angle of the road ahead, side views out of windows and their near and off-side mirrors. The sensation of passing traffic lights and junctions, and overtaking vehicles can also be felt. Scenarios are then stopped at points where risks might materialise to discuss the best decisions that can be made in these circumstances.

These interactive clips form the central part of a one-day course called Destination Zero which started on 14 May and will run for around 18 months so all 24,500 drivers in the fleet can attend. Also included is a briefing on Vision Zero, looking at the wider partnerships and contributions required to achieve no road deaths or serious injuries in London by 2041, and no fatalities on or by a bus by 2030. New starters who join London bus companies after the course concludes will get a condensed version built into their inductions. The one-day training also contributes to Government-accredited forms of professional competence bus drivers must keep up to date to remain qualified.

Freight Operator Recognition Scheme Future Event

On 26 April we chaired the Freight Operator Recognition Scheme (FORS) Future Event. This was designed to enable discussion on how the Governance and Standards of the scheme should operate in the future, and also to present an updated FORS Operational Model, which has evolved following feedback from previous events.

It was attended by key industry stakeholders including the Freight Transport Association (FTA), the Road Haulage Association (RHA) and the Office of the Traffic Commissioner (OTC), as well as representatives from DfT, High Speed 2, Chartered Institute of Logistics and Transport, Tideway, Skanska, Confederation of Passenger Transport and Motorcycle Industry Association.

The presented FORS Hybrid Model shows some substantial changes to the current operation of the scheme and is designed to address industry's concerns. The proposed changes include:

- A clear separation between the Commercial analysis and the Governance of this scheme
- The creation of an independent Governance Group which is directly contracted to TfL (instead of to the administration body)

- The Governance and Standards task would also include the approval of both training and certification bodies independent of the administration body

We received positive feedback and the FTA, RHA and OTC support our approach. This feedback will help us to review and refine the transitional and re-procurement options.

London Bridge inquests

The inquests arising from the deaths in the London Bridge and Borough Market terror attack on 3 June 2017 began on 7 May 2019 and will last approximately two months. We are an 'interested person' in the inquests for the two people who died on London Bridge – Christine Archibald and Xavier Thomas. We will be giving evidence about physical protective security measures on London Bridge and the removal of the pedestrian guardrails in 2010. The City of London Corporation, which owns the physical structure of the bridge, will also be giving evidence about protective security measures.

4 Healthy Streets and healthy people

Walking and cycling

East-West Cycleway

Work continues on the remaining non-core parts of the East-West Cycleway. North Carriage Drive construction started in February 2019 and will be completed ahead of the British Summer Time events in Hyde Park this summer.

All the required construction works at Trinity Square were completed in October 2018. The final stage of planned resurfacing works, which were postponed from November owing to a series of unplanned events, was completed in March 2019. With all works now successfully completed and the new junction in operation, the project is in the process of being closed out. This scheme has received positive feedback from the City of London and local stakeholders.

Cycleway 4

We have completed the designs, construction programmes and traffic management plans, and subject to the necessary approvals, will be starting works in July 2019. Consultation for the Lower Road section is planned to start in summer 2019 and will be delivered by the London Borough of Southwark.

Cycleway 9

We carried out localised public consultation for revised proposals at Kew Bridge and Duke's Avenue in early 2019, and we are currently reviewing the feedback. Plans for the Kew Bridge and

Hounslow sections are progressing well, with the first drafts due in summer 2019. Construction and traffic management plans are also under way and due for completion this summer.

Cycleway 11

We published a statement on Cycleway 11 on 19 March, outlining our intended way forward following the judicial review. In the short-term we will focus our resources on delivering other much-needed cycle routes. However, Swiss Cottage needs to be made safer and we will work with Camden Council on plans to transform this intimidating, traffic-dominated and outdated junction. We also remain keen to work with the Crown Estate Paving Commission on how they can address road danger in Regent's Park.

Cycling future routes

We are making good progress with the route between Acton and Notting Hill Gate (formerly Cycleway 10). Construction started on 18 March for the outer section between Acton and Wood Lane with major carriageway works starting on 8 April. Proposals for the inner section between Wood Lane and Notting Hill Gate opened for public consultation in early May 2019.

Work continues on several major new routes, identified in the Strategic Cycling Analysis. Stakeholder engagement for four routes was carried out between January and March 2019 to get views and



Work is continuing to deliver a range of cycling routes, encouraging more people to take up cycling

suggestions on our initial plans. Following this engagement, public consultation started for the first route in early May, between Hackney and the Isle of Dogs. Consultations for two more routes are planned for June, between Camden and Tottenham Hale, and the first phase of the route between Ilford and Barking Riverside. We are also planning to consult the public later in the year on additional routes, including Dalston to Lea Bridge and Greenwich to Woolwich.

Mini-Hollands, Quietways and Central London Grid

We continue to make good progress on the Mini-Hollands, Quietways and Central London Grid programmes, with the focus on completing and opening whole or significant sections of these routes. We have constructed 120km and have a further five kilometres

under construction through inner and outer London. Over the summer, we will start to brand all new routes as Cycleways, as outlined in the Cycling action plan. Forty-three kilometres out of the original Central London Grid 85km network are now complete. Recently completed projects include new pedestrian and cycle crossings at Edgware Road, which will remove a key barrier on Quietway 2, and a route connecting Kensington High Street to Notting Hill in Kensington and Chelsea.

We have also introduced new pedestrian and cycle crossings across Euston Road at Judd Street, and new segregated cycle lanes on Midland Road as part of Cycleway 6. We plan to deliver a further 65km over the next few years and we continue to work with the boroughs to develop plans for new routes. Our

current plans include a link between Cycleway 2 and 3 in Tower Hamlets, and a link between Dalston and Bethnal Green via Queensbridge Road in Hackney.

The Mini-Hollands programme involves 98 infrastructure schemes and five behaviour change schemes across three outer London boroughs – Waltham Forest, Enfield and Kingston. Thirty-two of the 103 Mini-Holland schemes are now complete, including the A105 Green Lanes scheme, a five-kilometre protected cycle route linking Enfield Town to Palmers Green and installation of a new pedestrian and cycle bridge adjacent to Kingston Station. The 50 tonne, prefabricated structure will create a four-metre wide walking and cycling link from Kingston Station to the Thames and across to Richmond. Schemes currently under construction include protected cycle routes on Wheatfield Way in Kingston, on the A1010 in Enfield and on Lea Bridge Road in Waltham Forest. Further schemes are progressing through design and consultation, including a number of cycle links and Enfield's Quieter Neighbourhoods.

Bus stop bypasses

The project to retrofit zebra crossings at 43 bus stop bypasses on existing Cycleways was completed on 5 March 2019 as planned.

Rapid electric vehicle charging

We are spending £18m and working with the boroughs and other organisations to provide the rapid charging points the Capital needs. Rapid charge points can charge an electric vehicle battery in 20-30 minutes. Sites can be on arterial roads owned and maintained by TfL, borough roads, car parks and on private land, including Heathrow Airport and multiple Shell service stations. We are committed to installing at least 300 points by the end of 2020 and as of 14 May 2019, 178 rapid charge points have been delivered. This helps to support the growing number of Zero Emission Capable (ZEC) taxis and the wider take-up of electric vehicles.

At present, there are more than 1,544 ZEC taxis licensed in London. Of the 178 rapid charge points that have been installed, 72 are dedicated to taxi use. We continue to work closely with the taxi trade to identify the most favourable locations and are focusing on the central charging zone for taxi-dedicated sites following feedback from the taxi trade.

We are also developing the designs for two hub sites: one in Greenwich and another to be delivered by the City of London. The hubs will consist of a cluster of rapid charge points to support both taxi and public electric vehicle users.



In addition, more than 1,000 residential on-street charges have been installed across London through the Office of Low Emission Vehicle-funded Go Ultra Low City Scheme.

The Mayor's Electric Vehicle Infrastructure Taskforce has been investigating the scale of infrastructure required towards 2025 in London, and how to tackle the barriers to implementing it. The taskforce is currently drafting a delivery plan to set this out. This will be published later in the summer.

Ultra Low Emission Zone

On 8 April 2019, we successfully launched the world's first 24/7 Ultra Low Emission Zone (ULEZ) in central London, and this is the centrepiece of a range of hard-hitting measures to tackle London's toxic air. The system enables the detection and

enforcement of non-compliant vehicles that enter the zone, with a daily charge incurred by those motorists using vehicles that do not comply. The charge is split into two levels. For non-compliant cars, vans and motorbikes a daily fee of £12.50 applies, and for lorries, buses and coaches it is set at £100 a day.

Prior to going live, we ran a major awareness campaign for more than nine months to help drivers and businesses prepare for the introduction of ULEZ, with our online vehicle checker used more than 3.2m times during this period. We also saw thousands of motorists changing their behaviour by driving less polluting vehicles in the zone, and using cleaner transport alternatives including walking or cycling and public transport ahead of launch.

We have made adjustments to our own operations with around 2,800 of our conventional diesel bus fleet and our door-to-door Dial-a-Ride vehicles brought up to tighter ultra-clean ULEZ standards in time for 8 April. Delivery of 90 new Dial-a-Ride minibuses with more advanced heating, cooling and braking systems, was completed a fortnight ahead of the deadline. These are now bringing more comfortable and safer journeys to the Capital's most vulnerable residents.

The ULEZ Expansion project is also being taken forward which involves enlarging the central London ULEZ up to the North and South Circular Roads. Following a public consultation, the Mayor announced the scheme on 8 June 2018 for delivery in October 2021. A feasibility study to understand the options for delivering the systems and services has now been completed. Key decisions on the delivery strategy will be presented to our Programmes and Investment Committee in May 2019.

Low Emission Bus Zones go live

We have put 10 of the proposed 12 zones in place, marking a significant reduction in harmful pollution and making streets healthier places in which to live, work and visit. On 24 April, we announced the addition of three zones in Lewisham, Stratford and Edmonton, which cover more than 1,330 buses across 79 bus routes. With the completion of these three new zones, we will reduce toxic air pollution for more than 40 schools,

nurseries and academies along the routes and surrounding roads. We will endeavour to accelerate the introduction of the final three by the end of 2019. Our wider non-Low Emission Bus Zone rollout is also on schedule to be complete by 2020 with three quarters of our 9,300 fleet already at this ultra-clean standard from 1 April. The remaining zones to launch at dates to be confirmed are:

- Edmonton to Seven Sisters
- Chiswick High Road to Kensington High Street
- Uxbridge Road to Shepherd's Bush

We continue to plan to make the bus fleet zero-tailpipe emission no later than 2037. Around 150 buses are currently zero emission and this number will climb to more than 200 by the second half of 2019, including the introduction of new electric double-deck vehicles on routes 43 and 134 which are currently being manufactured. As London's bus fleet is made up of two-thirds double-deck buses, this marks an important step forward towards our ultimate goal.

World first hydrogen double-deck buses

Hydrogen double-deck buses will be introduced in London and will be picking up passengers in the Capital from next year, producing no pollution from their exhausts. We have ordered 20 of these green buses as part of the drive to make London's transport zero emission. This is

essential in tackling the city's air quality crisis, which is linked to 9,000 premature deaths a year.

The buses will be manufactured by Wrightbus in Northern Ireland, creating new jobs in the region. The £12m project, which includes fuelling infrastructure and buses, is being supported with more than £5m of funding from European bodies and £1m from the Office of Low Emission Vehicles.

Acting as a catalyst for the take-up of this technology in other cities in Europe and the UK, we are leading procurement within the JIVE project, which aims to bring down the cost of these trailblazing vehicles. Buying in bulk with other authorities will help put the price per bus on a par with the other cleanest fuels.

As part of the Mayor's Transport Strategy, we are committed to using only the cleanest buses in our fleet.

Safer Junctions

In April 2017, the Safer Junctions list highlighted the 73 most dangerous junctions on our road network (defined as those with the highest vulnerable road user collision rates between 2013 and 2015). We have now completed work at 29 of these junctions with measures introduced to reduce road danger. We have carried out an initial review of the completed projects and have found there has been a 25 per cent collision reduction on average across all locations. We are

taking the remaining 46 schemes through design, with 14 of these scheduled to start construction by spring 2020.

DfT pothole fund

We have invested money from the Government and utility companies to tackle potholes and congestion, reducing road danger and improving journeys for thousands of people in the Capital. Recent funding from the DfT worth £2.7m has been used to make 22km of our roads safer for both cyclists and vehicles at 30 locations. We used data from our inspections to identify the locations which would most benefit from resurfacing, fixing any existing road defects and helping to prevent them occurring in future. Work to improve the road condition is now complete at each stretch of road making our network safer.

High Speed 2

Following High Speed 2's appointment of Mace/Dragados joint venture as its construction partner for Euston Station, we engaged in a series of contractor briefings in late March 2019. These sessions established relationships and developed the contractor's understanding about the scheme, and the impacts and requirements in respect of our assets, operations and customers. Subsequent to these briefings, on 31 March the Secretary of State delayed the formal notice to proceed on major construction works by six months to December 2019 to allow further work to take place to ensure the scheme is affordable. We continue

to work closely with High Speed 2 to understand the implications of any changes and ensure these are not to the detriment of us or our customers.

Rotherhithe to Canary Wharf crossing

This new river crossing for pedestrians and cyclists between Rotherhithe and Canary Wharf aims to relieve existing transport links, encourage more active travel and support growth in the Canada Water and Isle of Dogs Opportunity Areas. As part of our design development work, we are continuing to engage with a number of stakeholders. Feedback from this engagement will be used to help inform further development of our proposals in advance of any application for the powers to build and operate the new crossing.

Silvertown Tunnel

The Silvertown Tunnel scheme has been developed to address the issues of chronic congestion and poor reliability at the Blackwall Tunnel, as well as to provide a step change in cross-river bus services in south and east London. Integral to the scheme is the provision of user charging at both the Blackwall and Silvertown tunnels that ensures the new crossing does not increase the overall levels of traffic, while meeting the objectives of improving the environment, the economy and supporting good growth.

Following receipt of the bidder submissions for the contract to design, build, finance and maintain the new river crossing in February 2019, we now expect to confirm a preferred bidder in June 2019 and formally award the contract in the summer. This will allow construction to start later this year.

Old Street

Construction is progressing well to improve safety for pedestrians and cyclists at this busy junction at Old Street and to provide new entrances to Old Street Underground station. The enabling works on Cowper Street are scheduled to be complete in May 2019. Advanced works to remove the traffic islands on all four arms of the roundabout started in March 2019 and are also scheduled to be complete in May 2019. Main construction works will begin in late May 2019 for the new Cowper Street station entrance, following the first traffic switchover to close the south-east arm of the roundabout and change traffic to two-way operation over the May spring bank holiday weekend. The detailed design for the scheme, including creation of a large public space and new, improved pedestrian and cycling facilities, as well as new entrances to Old Street Underground station, is progressing in parallel with the early aspects of highway construction works. Construction is on track to be completed by autumn 2020.



Construction is progressing well to improve safety for pedestrians and cyclists at Old Street

Highbury

Construction is also progressing well for the major reconfiguration of the road network, including removal of the roundabout at Highbury Corner. All footway paving and kerbing works were substantially completed on 5 April 2019, followed by the resurfacing of the carriageway in mid-April 2019. The traffic switchover, which closed the west arm of the roundabout and changed traffic to two-way operation, was successfully implemented over the Easter weekend. Installation of the urban realm works is now under way and all highway works are on track to be completed by late summer 2019.

Vauxhall

The transformational changes planned at Vauxhall gyratory, to accommodate increased passenger demand associated with the Vauxhall, Nine Elms and

Battersea development, will make it safer for cyclists and pedestrians and improve the bus station. The successful delivery of the scheme is, however, subject to a number of complex consents and approvals. The revised plans for the Island Site (located in the middle of the gyratory) were approved by Lambeth Council Planning Committee in December 2018. The outcome of the Mayoral referral was the Greater London Authority (GLA) issuing a Stage 2 letter and report of no objection. A review by the Secretary of State is ongoing. This planning permission is the last external consent required and subject to that consent we will progress with a mini competition through our Civils Project Framework to appoint a design and build contractor. We are now finalising the concept design package ahead of tendering the detailed design and construction contract.

King's Cross

We are working to deliver improvements in the King's Cross and Euston Road area to enhance safety and improve connectivity for pedestrians and cyclists, while maintaining bus reliability.

Safety improvements for the Duke's Road and Churchway junction on Euston Road will be the first phase. The proposals include a green man pedestrian crossing across both Churchway and Duke's Road, and provision of safer north-south movements for cyclists. Further information on these plans has now been shared with local stakeholders. This will be followed by more design work with the aim to start delivery in December 2019. The sequencing and scope of other phases of work at King's Cross is being reviewed, taking into consideration the outputs from recent design workshops. The merits of each phase have been considered, with ranked scores generated through an assessment of relative value, cost/benefit and deliverability criteria. This information is now being shared with the boroughs of Camden and Islington to propose a way forward.

Lambeth Bridge north and south

The project team and Westminster City Council have agreed the approach to secure support for the design of the northern junction. This includes agreeing the safety benefits and mitigation measures required to address the issue of displaced traffic on adjacent residential roads. Construction is likely

to start in 2021. The concept design for the southern junction is ready to proceed to detailed design and has the support of Lambeth Council and Lambeth Palace. Work to clarify the amount of work needed on the bridge structure and for protective security measures is being carried out so detailed design can commence once the design solution is agreed with Westminster.

Wandsworth Gyratory

The purchase of properties from landowners on Putney Bridge Road continues to progress. The revised scheme layout in Armoury Way has been reviewed in light of the focus to reduce costs by ensuring all land take is essential. We are awaiting formal endorsement from Wandsworth Borough to officially adopt the revised layout. We plan to start work on site in 2021, at the end of the compulsory purchase process.

Fiveways

Design assurance is currently being carried out and a detailed design and build contract is being prepared for tender issue in August 2019. Following planning approval in December 2019, a compulsory purchase order approval request to the TfL Board is expected to be submitted in January 2020. Financial approval for the detailed design and delivery of the project is expected in March 2020, after which the compulsory purchase order and design and build contract will begin immediately.

Waterloo City Hub

The scheme provides a significant upgrade for the safety and comfort of pedestrians, cyclists and public transport users, with a new pedestrian walking route to the river, improved crossings, segregated cycling facilities and improved bus waiting and boarding. It also provides a better urban realm connecting public transport services with the Southbank area.

The proposed initial concept design has been updated following stakeholder review. We have updated the website and held successful public engagement events to inform the public on the latest design proposals which now address key concerns. Final approval of the concept design is being carried out and we are working with our supply chain to start the detailed design of the scheme. On 28 March 2019, the Lambeth Cabinet Member for Planning, Investment and New Homes approved a £2m funding contribution towards delivering these improvements. We continue to work closely with Lambeth Council and developers in the area, to ensure a coordinated delivery that goes along with existing and future plans for Waterloo. We aim to start construction in spring 2020, subject to securing the necessary consents.

White Hart Lane, Haringey

We have completed the structural installation for the new station buildings on both sides of the railway, including the new platform canopies. The east and west lift shafts are complete, as is the back of house accommodation which is now ready for fit out. We have also installed two of the four new staircases that will serve the enhanced station.

The existing station building remains operational throughout our works to serve the local area and the new Tottenham Hotspur stadium. We are working closely with the stadium to coordinate event days.

Bus priority

We have completed six bus priority schemes on our road network so far this year, including Brixton Hill and Streatham High Road. Large scale works at West Parkside in Greenwich began in early January and were completed on 27 March 2019.

We have also delivered 127 traffic signal technology projects throughout London, including 'Call Cancel' and similar efficiency improvements.

We continue to work with the boroughs to progress delivery of more than 100 bus priority schemes on their road networks this financial year.

Healthy Streets traffic light timing review

Some 1,200 signal timing reviews have been programmed for this year to continue balancing the operation of the network to support people choosing to walk, cycle or travel by bus. The programme will focus on 700 sites, including:

- Areas of poor air quality
- Fifty locations nominated by Living Streets to improve conditions for pedestrians at signalised crossings
- Locations nominated by boroughs and those identified from our own customer enquiries to address local feedback

To accommodate the ongoing Hammersmith Bridge closure, we have also included signal regions surrounding the bridge. This year, a higher number of timing reviews is planned to help support the capital programme, as delivery of schemes ramps up through the year.

Safer, less disruptive techniques for roadworks

In March, both Sutton and East Surrey Water successfully completed a two-week auger bore drill (a no-dig technique) under the A23 Brighton Road (part of the TLRN) as part of their major new 450mm water main project. Initially, they had proposed a six-week programme of open cut main laying across all five lanes of the A23 Brighton Road, which was in close proximity to a major junction. We

pushed for a more innovative approach and after much negotiation they agreed to trial auger boring technology for this section of the route. This methodology was implemented successfully, saving six weeks of journey disruption and pollution. In addition, by using auger boring technology, the risk of a utility strike on a high pressure gas main was dramatically reduced, further improving safety for our customers.

Protests and events on our network

This period we have seen several large-scale sporting events take place attracting large numbers of participants and spectators. These included:

- The opening ceremony for the new Tottenham Hotspur stadium on 3 April with the first premiership match against Crystal Palace
- The London Landmarks, Big Half Marathons and the 39th London Marathon on 28 April
- The FA Cup Final at Wembley on 18 May

All these events were delivered by our Network Management Control Centre to keep the network moving and disruption to a minimum.

Many additional planned and unplanned demonstrations were managed across the network.



This was followed by Extinction Rebellion, protesting for action against climate change, with disruption for approximately two weeks from 12 April.

All of these activities were coordinated from our control centre.

Congestion Charging private hire vehicle exemption removal – judicial review

On 8 April, to align with the introduction of the ULEZ in central London, we removed the exemption for private hire vehicles from the Congestion Charging Zone. This change recognises the significant impact on congestion from private hire vehicles, which have seen a big increase in numbers since the Congestion Charge was first introduced.

A trade union representing private hire vehicle drivers, has brought a challenge by way of judicial review of the Mayor’s decision to remove the private hire vehicle exemption from the Congestion Charge. A hearing took place on 4 April, at which applications for an injunction to stop the change being implemented and for permission to bring the judicial review were determined. The injunction application was refused. Permission for the alleged breach of the public sector equality duty was also refused. Permission to proceed with the claim alleging indirect discrimination and breach of human rights was granted. The judicial review hearing will take place on 9 and 10 July 2019.

Heathrow Airport judicial review

The High Court has refused the judicial review challenge, which was brought by the Mayor, the London Boroughs of Hammersmith & Fulham, Hillingdon, Richmond, Wandsworth, the Royal Borough of Windsor & Maidenhead and Greenpeace, against the designation by the Secretary of State for Transport of the Airports National Policy Statement (ANPS).

The ANPS provides the policy framework for a third runway at Heathrow. The challenge was based on the failure of the ANPS to adequately address a number of fundamental environmental and social issues that will arise from the development. TfL was an interested party. The claimants have decided to appeal the Court's decision on grounds which relate to the lawfulness of the Government's failure to properly assess the strategic environmental impacts of a third runway and to consider a less harmful alternative to it for the purposes of the Habitats Directive. If permission to appeal is granted, the appeal is expected to be heard before the end of 2019.

Demand responsive buses

We are exploring how such services could complement conventional public transport services and enable good growth – particularly in harder to service areas of outer London, in line with commitments in the transport strategy. The demand responsive services operate flexibly in response to local demand. They can change routing and scheduling depending on when and where passengers want to travel. They can be booked at the desired time of travel, primarily through an app, and provide real time updates to customers of vehicle arrival time, and guarantee a seat for confirmed bookings.

This trial follows a consultation and a competitive procurement process, by us. The vehicles used will be Euro VI compliant, in line with the ULEZ vehicle standards, and will be fully wheelchair accessible. Drivers of the service will be trained to the full standard of a London bus operator (holding a Category D Licence), and the London Bus Driver Professional Wage will apply. Freedom Passes and English National Concessionary Travel Scheme Passes will be accepted on this trial service. It will be evaluated throughout the trial and at its end.

Biodiversity net gain

In the Spring Statement, the Chancellor announced that the forthcoming Environment Bill will make it compulsory for developments to achieve an overall increase in biodiversity (biodiversity net gain). We are already developing an approach to this, to implement the net gain goals in the Mayor's Transport Strategy and the London Environment Strategy. Creating and enhancing green infrastructure to deliver net gain brings added amenity benefits and positive customer feedback, as well as improving resilience through flood prevention and tree shading.

Knowing whether we leave sites better for biodiversity than before development means we have to quantify it and track changes. To do this, we commissioned a baseline assessment of our operational networks' habitats and a toolkit for measuring whether project designs deliver a biodiversity net gain.

We are now progressing with plans to integrate biodiversity net gain across the business, including:

- Developing the evidence base to inform a biodiversity offsetting strategy
- Providing training to staff and contractors on net gain and the use of the project toolkit

Environmental requirements

We have reviewed, updated and consolidated a full set of Mayoral environmental goals and legal requirements across our organisation. All our schemes can now identify environmental risks and opportunities at an early stage and have plans in place to manage them, linking to issues such as carbon, resource and waste management and ecology. There are several projects, including Old Street roundabout, where this approach has successfully prevented up to 12 months delay and also saved an estimated £250k in costs on each project.

5 A good public transport experience

Elizabeth line

On 25 April 2019, Crossrail Limited announced a new plan to complete the outstanding works and bring the Elizabeth line into passenger service at the earliest possible date. This plan identifies a six-month delivery window with a midpoint at the end of 2020.

We are working with Crossrail Ltd, Network Rail and the Government to progress plans to take over services between Paddington main line station and Reading from the end of 2019.

Work continues on the fit-out and systems installation in the stations and tunnels, and Crossrail Ltd expects this work to be completed this year. Once complete, this will allow the new stations and rail infrastructure to be integrated with the rest of the railway.

Dynamic testing of the trains in the tunnels has continued with intensive work to further increase the reliability of the train software and enable trains to operate across the three signalling systems. Trains have been operating at line speed (100 kph/62 mph) in the central section using the new automatic signalling system and close-headway multi-train testing.

New London Overground trains

The Gospel Oak to Barking line continues to operate at 30-minute intervals with three four-car electric trains. This is because the new Class 710 electric trains are not ready for passenger service and the last diesel trains being used on the line have now been released for use elsewhere in the country.

We are continuing to work with Arriva Rail London on driver training and as of 13 May, 60 of the 200 drivers who need to be trained have been through the course. This means customers will be seeing the new trains on the line, in test, during service hours. Bombardier Transportation has received partial Office of Rail and Road passenger service approval for the new electric trains and we continue to push them hard to finalise their work and bring the first train into passenger service as soon as possible.

We are continuing to keep customers informed of the travel options during this period via the TfL website and at stations. Station staff also have up-to-the-minute information and are able to help customers with journey planning.



A total of 845,000 tonnes of waste was removed by barge from the Northern line extension work which will be used to restore a site to arable land in Essex

London Underground Northern Line Extension

We are building a twin-tunnelled extension of the Northern line from Kennington to a new terminus at Battersea Power Station, via a new station at Nine Elms. The extension of the line is a catalyst for the regeneration of the Vauxhall Nine Elms Battersea Opportunity Area.

At Nine Elms station, work is progressing both below and above ground. We have finished laying track through the two platforms. Above ground, the station buildings now stand at full height and we are working on the roof. We are creating the internal walls and rooms in the station, and installing the modular cable management system in the basement service corridors.

At Battersea station, blockwork construction continues on the internal walls to form the rooms in the new station. We have also finished the blockwork walls in the crossover box. Following the removal of the last tower crane, installation of the pre-cast coffered panels, which form the ticket hall's signature architectural ceiling, is now complete.

The tower crane's removal has also enabled us to complete the construction of the Prospect Way structure, which spans the station box and supports the roadway to the west of the main entrance. The utilities for the station will be installed in the roadway. The jetty, which was used to remove excavation waste from the site by river barge, has been decommissioned. In all, 845,000 tonnes

of waste was taken by barge to Goshems Farm in Essex and used to restore a Victorian landfill to arable land. A total of 701 barge movements meant that 46,965 wagons were taken off the streets, saving more than 2,000 tonnes of CO₂.

At Kennington Park, the ground floor concrete slab and the columns for the head house are complete. At Kennington Green, the head house structure and parapets are also complete. Construction of the ground floor internal and external walls of the head house continues.

All running tracks have been installed in the tunnel sections across the extension, enabling more deliveries by engineering trains to be made, and the installation of conductor rail is under way. The final piece of track – the diamond crossing in the Battersea crossover box – is due to be installed by June.

The first of the extension's 16 tunnel ventilation fans has been successfully tested. The fan is 2.5m in diameter and will provide temperature and smoke control at Battersea station.

Modernising the Circle, District, Hammersmith & City and Metropolitan lines

We are installing a new digital signalling system on the Circle, District, Hammersmith & City and Metropolitan lines. The first section is now operating between Hammersmith and Latimer

Road, and trains are running in automatic mode on this branch.

The new signalling system will enable trains to run closer together on the four lines, meaning train frequency will increase in central London from 28 to 32 per hour when complete. It will also improve the reliability of these lines. The frequency increases will be introduced from 2021, with the project targeted for completion in 2023. This will lead to a capacity increase of a third on the four lines, equivalent to the space for an extra 36,500 customers during peak times.

This modernisation programme will eventually transform the oldest parts of the Tube network into one of the most modern railways in the world, providing better customer information and making journeys quicker and more comfortable.

Piccadilly line

We are entering the final stage of the interim Piccadilly line signal control upgrade, which is necessary to keep the line running until the current system can be replaced under the Deep Tube programme.

The project has created a new control centre at South Kensington and once the final stage is complete, this will control the Piccadilly line between Cockfosters in the east and Heathrow Terminal 5/ South Harrow in the west (including the

District line between Barons Court and Turnham Green/Ealing Broadway).

The upgrade to the system will also provide our customers with live information on train frequencies through displays on platforms and in ticket halls.

It remains imperative that we secure the funding to progress with a full upgrade of the Piccadilly line signalling system as soon as possible. We will be making the case to Government for this investment as part of the Spending Review later this year.

Bakerloo line upgrade and extension

Our 2018 Business Plan re-confirmed our commitment to extending and upgrading the Bakerloo line, to unlock much-needed new homes and jobs, improve connectivity, increase the capacity of the transport network and reduce journey times to key destinations. We have now taken the decision to bring the projects together as a single programme as we seek to deliver a fully modernised service from Harrow & Wealdstone to Lewisham and beyond.

A joint project team is now in place and is building on the extensive work already carried out by the Bakerloo Line Extension and Deep Tube Upgrade programmes, and learning lessons from other major projects such as the Northern Line Extension, Bank station upgrade and the Piccadilly line upgrade.

An internal assurance review of the joint programme will take place during the summer.

The project team continues to develop the scheme through to confirmation of a single preferred option, including updating the business case, confirming key infrastructure requirements along the route, investigating funding and financing options, and planning for further public consultation in the autumn.

We also continue to work closely with the London boroughs of Lewisham and Southwark as they develop their local plans to ensure that housing and employment requirements in both boroughs can be supported by the scheme.

Bank station

We are boosting capacity at Bank station by 40 per cent. This includes creating a new Northern line tunnel, platform and circulation spaces, a new entrance on Cannon Street, the introduction of step-free access to the Northern line, additional interchange between the DLR platforms, and two new moving walkways between the Central and Northern lines to reduce customer journey times.

The tunnelling works are progressing well, with the majority of the new infrastructure already tunnelled. In March, the first breakthrough between the new entrance on Cannon Street

and the newly constructed Northern line tunnel was made and is already making further construction work easier, helping to ensure the upgrade is delivered by 2022. This breakthrough section will eventually house a bank of three escalators serving the Northern line platforms and Central line moving walkway passage from the new entrance.

Tunnelling of the new lift shaft continues, delivering step-free access to the Northern line and improved step-free access to the DLR in 2022.

At the site of the new entrance, the project has excavated an area 30 metres deep to enable the construction of the new station entrance on to Cannon Street. The structure that will form the new station entrance is 80 per cent complete, with the first of three new escalator barrels in place.

Paddington

We have constructed a new step-free pedestrian walkway at Paddington to link the Bakerloo line platforms with the new Elizabeth line station.

Two new escalators and a new lift have also been installed. On 30 November 2018, the project completed testing and commissioning works, which enabled the Bakerloo line link tunnel to be ready for trial running/integration with the Elizabeth line.

While these facilities will only be operational once the Elizabeth line is opened, planned completion of all works by our contractor Costain-Skanska Joint Venture is forecast for late spring/early summer 2019.

Victoria

At Victoria, we have built a new north ticket hall and 300 metres of subways, and have increased the size of the south ticket hall by 50 per cent. Step-free access to all platforms will meet the needs of the 83 million customers who use the station each year.

The new station was opened in stages. All passenger-facing facilities are now in use. We continue to refurbish the Duke of York pub, which was closed so jet grouting works for the tunnels could be carried out. The project has used a four-storey Portakabin as site offices, attached to the rear of Victoria Station House. These were dismantled and removed in a five-week period in February and March, with the breakout of the piles carried out in April. This will allow the area of Terminus Place to be returned to use after some remedial works have been completed.

The overall completion of the station, surrounding buildings and urban realm is planned for summer 2019.



Central London bus changes

We recently announced the outcome of the central London bus consultation on a proposed package of 33 changes undertaken in autumn 2018. This consultation was in response to falls in bus demand in parts of central London of around 12 per cent to make the network more efficient while continuing to support the city. Having reviewed responses, we dropped changes to four routes altogether and made improvements to the proposals for another four. We are planning on delivering the central London service change in two phases. The first phase will be delivered in June this year and the second phase delivered in October this year. Service changes to increase capacity in outer London is a continuous programme and changes will be

implemented throughout 2019. Additional funding from the Mayor also meant we started consultation on a proposed new route 335 between Kidbrooke and North Greenwich.

Priority seating

On 23 April we launched our Priority Seating Week to raise awareness of what customers can do to make travelling easier for everyone, particularly those who may be in need of a seat. We have created brand new designs for priority seats on the Jubilee line that feature six different messages, including 'please offer this seat' and 'someone may need this seat more'. These designs will be introduced across the whole Jubilee line over the coming months.

Priority Seating Week also marks the second year anniversary of the free Please offer me a seat badge and campaign. More than 44,000 badges have been issued and the scheme has been adopted by a number of transport networks in the UK and across the world including Greater Anglia trains and the New York Transport Authority.

Baby on board badge

On 29 April we announced a partnership with Mothercare and BABYZEN, the innovative brand behind the YOYO+ stroller, as the new sponsors of our Baby on board badge for the next three years.

This is a great collaboration that helps thousands of expectant mothers travel more comfortably on our network. The sponsorship deal will generate more than £100,000, which can be reinvested into improving London's public transport and is another great example of how we work in partnership with well-known brands.

Expectant mothers will now be able to collect their Baby on board badge at selected Mothercare outlets. In addition, the free badge can be ordered on our website, or by asking station staff.

Art on the Underground

Art on the Underground has launched a large-scale public commission by Mexican-born and New York-based artist Aliza Nisenbaum. It will be on view at Brixton station until 16 September 2019.

The work is the first public UK commission by Nisenbaum, who has used the Brixton murals from the 1980s as inspiration. This commission is part of Art on the Underground's 2019 programme that asks how artists can play a role in developing ideas of togetherness and belonging.

Influenced by the Mexican mural movement and its involvement with social history, Nisenbaum's work probes the politics of representation by bringing together often-marginalised or overlooked groups of people. Through an open call, Nisenbaum selected 15 people working on Brixton station and the Victoria line – including train drivers, customer service staff and cleaners – and painted each of them in her studio to create a large-scale group portrait for the entrance of Brixton Underground station.

Oyster refunds

We have updated our systems so that Oyster refunds are now available from all Oyster card readers, including on buses. Customers are automatically refunded when they have to pay additional costs if a station is closed for maintenance, or if their normal bus route is diverted or curtailed due to road closures. Some customers are also automatically refunded where they have been charged the maximum fare because they have accidentally forgotten to touch out.



New York-based artist Aliza Nisenbaum's Mexican inspired mural of the staff who serve Brixton station

Previously, these refunds were sent to the station where we anticipated that the customer would be most likely to collect them. From 27 March, we are now sending them out to all readers, including buses for the first time, which should increase the successful collection rate.

WiFi at North Greenwich bus station

The new free WiFi hotspot at North Greenwich bus station is part of our work to make customer journeys across London more convenient.

Access to free WiFi at the bus station will help customers plan onward journeys, check on the status of the network or simply get online.

This is part of broader work to improve services on the network to make travelling on public transport an even more attractive option for Londoners.

The North Greenwich area has grown and developed significantly in recent years, and now nearly 75,000 passengers use the bus station every day. This key transport hub – with eight bus routes, the Jubilee line and the Emirates Air Line – also supports the area as an entertainment destination.

6 New homes and jobs

Crossrail 2

Learning lessons from Crossrail, we have established a number of expert review groups to further improve our assurance process. These will scrutinise, challenge and verify the outputs of the design, cost and business case. In addition, an independent assurance panel, the overarching review group, will provide independent assurance to the Crossrail 2 sponsors and senior responsible owners concerning the planned and in-progress development of the project, the quality and rigour of outputs, and proposals for delivery of the scheme.

A final meeting of the Independent Affordability Review panel was held in late April. Mike Gerrard (the former managing director of Thames Tideway Tunnel) reconvened his panel to formally sign off its report which was submitted to Government at the end of last summer. Since then, the Crossrail 2 team has been refining the scheme and has carried out further investigative work in response to the recommendations that came out of the report.

The team continues to work closely with the DfT and Network Rail colleagues to refine the scheme as we prepare to submit our strategic outline business case to Government in the summer. Discussions on the plans to consult and update the 2015 safeguarding directions continue.

Affordable homes

Grainger announced as intended partner for Build to Rent

In April, we announced that we intend to appoint Grainger plc as our investment partner for our Build to Rent programme.

Through this programme, we will deliver more than 3,000 homes, with a minimum of 40 per cent affordable on all new planning consents. This means that we remain on track to start 10,000 homes by 2021 across our estate with 50 per cent affordable housing.

We have identified the first phase of sites at some of London's most well-connected locations, such as Canning Town in the east and Southall in the west.

Working with Grainger plc – the UK's largest listed residential landlord – we have a fantastic opportunity to deliver affordable, high-quality homes at pace, while also generating significant ongoing revenue to reinvest back into the transport network.

We and Grainger plc are committed to providing the best service for our future tenants – whether that's 24/7 staff, or tenancies of three years or more. We will also look to provide useful facilities for tenants, such as high-speed WiFi, shared work space, gyms and bike storage. We

look forward to working closely with boroughs and local communities to create places and neighbourhoods where people want to live in the sustainable locations of the future.

Holborn Central

In March it was announced that Aprirose, a real estate investment company, had bought the long leasehold for Holborn Central – a site above Holborn Tube station comprising 68,373 sq ft of offices and retail. The sale will provide a significant return as well as ongoing income to reinvest in the transport network.

Our investment strategy will continue to see us undertaking a small number of targeted disposals while we concentrate our own development activity on Build to Rent in outer London. This will generate ongoing revenue as well as enabling us to provide high levels of affordable housing.

Development partner selected for three Harrow car park sites

In April we announced Catalyst Housing Ltd as our preferred bidder to deliver around 450 homes, 100 per cent of which will be affordable, at three car park sites in Harrow. These sites, brought forward through the GLA's 'London Development Panel 2' (LDP2), will be at Canons Park, Rayners Lane and Stanmore underground stations.

Catalyst is a housing association and a member of the GI5 group, with more than 21,000 homes in London and the South East. It will start detailed design and consult with the local community before a planning application is submitted in 2019/20.

As well as providing new homes, the plans will also improve the public realm with new trees and enhanced pedestrian and cycling connectivity for the local community. Some commuter car parking may be retained at the three sites along with the new homes, subject to surveys.

We will also work with the London Borough of Harrow and local stakeholders to improve the step-free access at Stanmore station making journeys easier for thousands of passengers.

Bond Street topping out

A major milestone was reached in the construction of the over-site development at Hanover Square, on top of the new eastern entrance to the Elizabeth line's Bond Street station. On 4 April, Great Portland Estates plc and Mace marked the structure of the project reaching its highest point at nine storeys. Once the project is complete next year, it will provide 220,000 sq ft of high quality office, retail and residential accommodation centred round a new public courtyard.

Small sites

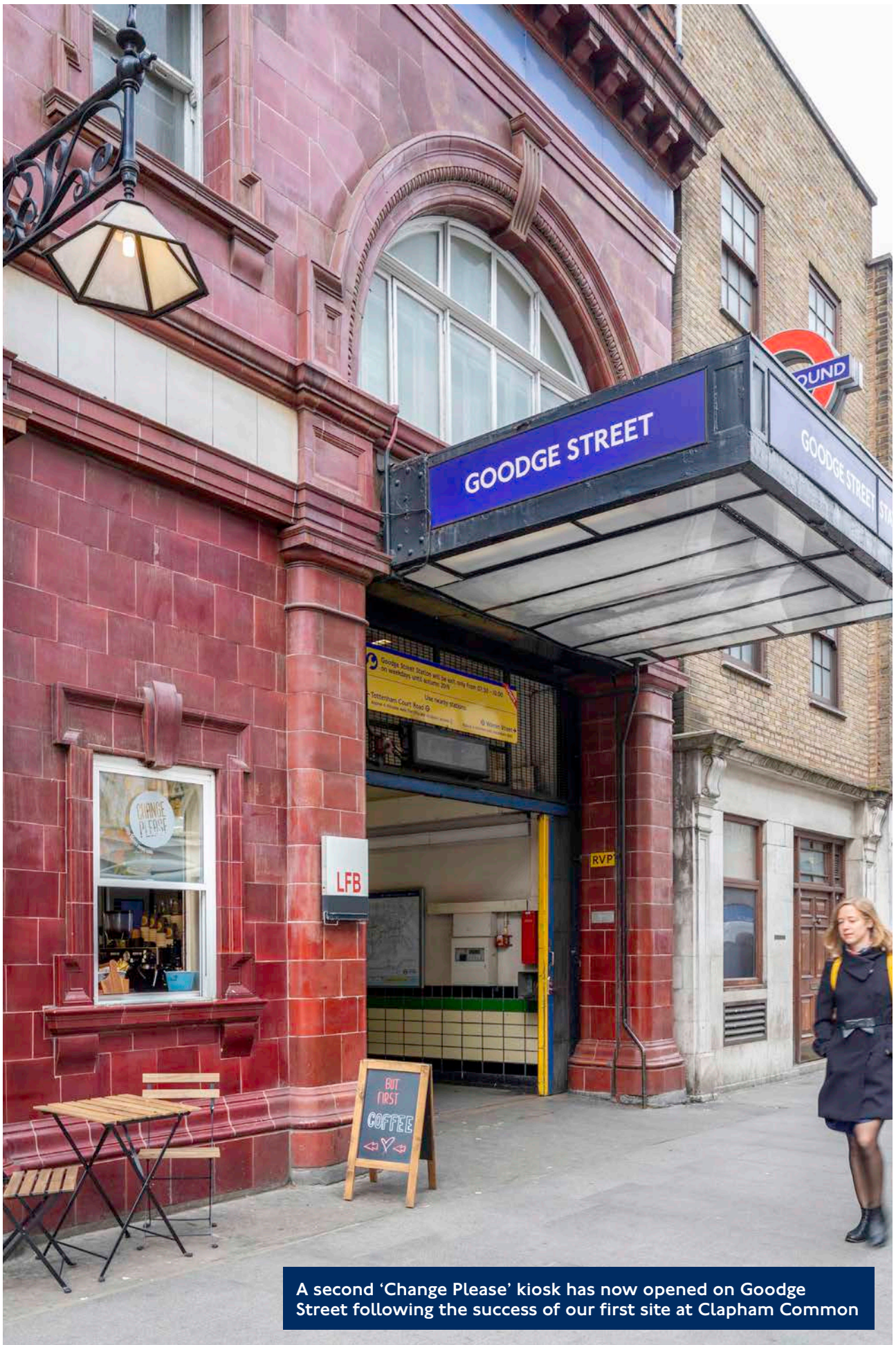
On 5 April, we launched a new group of small sites to deliver much-needed housing for the Capital, as part of the Mayor's 'Small Sites, Small Builders' programme. Through this, we make small plots of land more accessible to London's small and medium-sized builders via a simple bidding process with standardised legal contracts.

We brought forward eight sites which will each deliver between one and 30 homes, up to 90 in total, and are located in Richmond, Ealing, Newham, Bexley, Hounslow, Lambeth and Waltham Forest.

Ten other small TfL sites, located across seven different boroughs, were launched in February last year and there was significant interest, with 134 bids received from 80 organisations ranging from developers and community-led housing organisations to registered providers and architect-developers.

'Change Please' opens new kiosk at Goodge Street

We were proud to see the opening of the second 'Change Please' kiosk on the Tube network. The coffee kiosk - staffed by homeless people - launched in Goodge Street following the success of the organisation's first unit at Clapham Common, which opened last year. Founded in 2015, Change Please is a social enterprise which trains homeless people to become baristas and supports them into the workplace. This is a great example of a commercial partnership that, in collaboration with the Mayor and our dedicated public transport outreach team, is also helping rough sleepers to get back on track and build sustainable futures. We continue to work with Change Please to explore other potential opportunities on our network.



A second 'Change Please' kiosk has now opened on Goodge Street following the success of our first site at Clapham Common

7 Our people

Change

Our programme across the organisation is changing the way we work in a number of areas, including reducing back and middle office costs over the next three years by 30 per cent while building our capability to raise revenue. This is critical to delivering our Business Plan and achieving a net operating surplus by 2022/23.

On the 26 March 2019, we launched formal consultation with Trade Unions on our next phase of organisational change. We are reviewing 1,400 roles across 10 business areas with an estimated recurring annual saving of £17.3m. Business areas affected include Customers and Communication, Compliance, Policing and On-Street Services, and a number of areas in London Underground including Network Delivery, Skills Development, Operational Upgrades and Asset Operations. We are also considering options for a number of further business areas ahead of potential consultation in May.

Smart working is supporting our drive to consolidate head office accommodation, by reducing demand for desks by 30 per cent. A detailed engagement programme is now under way to prepare and support staff. This includes training for senior managers, the roll out of an e-learning course and tech bars where experts are on hand to resolve technology issues.

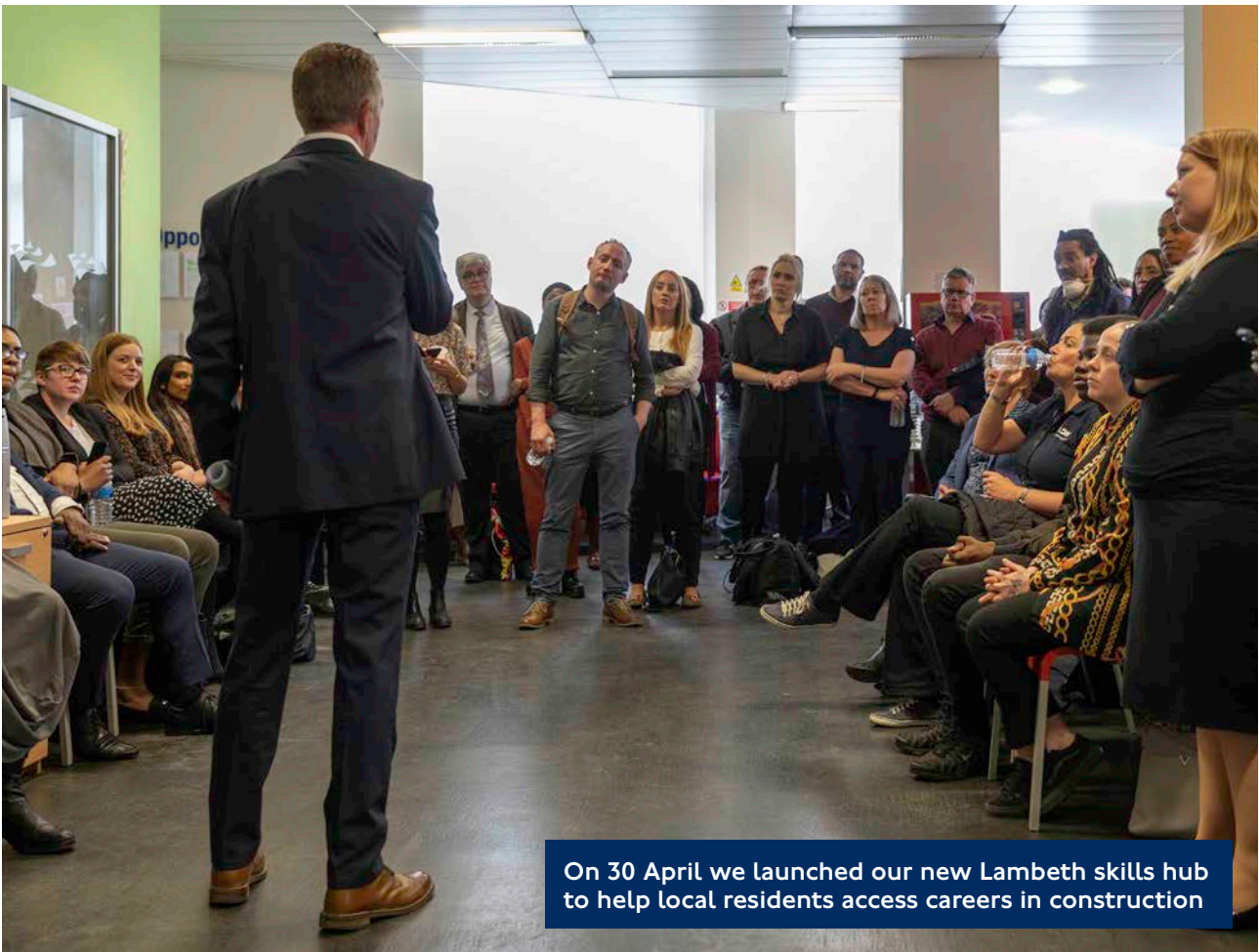
Equality training

We have launched a series of three staff training courses focusing on equality including Equality impact assessment training, Disability equality training and Inclusive design.

Equality impact assessment training helps us to consider the likely impact of our work on customers and our people, and to identify ways to make improvements. It will support everyone in making more inclusive decisions by considering the impact of our choices when designing schemes, delivering projects and developing strategies.

Disability equality training is a one-day course split between classroom training and a guided tour on the transport network led by experts who have learned about disability through their own experiences. It provides staff with a better understanding of the needs and barriers faced by our disabled customers and what we can do to help deliver an inclusive transport network.

Inclusive design, in partnership with the Design Council, focuses on accommodating differences in the way our customers use the network and the areas around it. It is an e-learning course as well as a series of industry-led expert seminars covering topics such as better cities, inclusive practice and communication in the built environment.



More than a thousand of our office-based staff will be trained and the courses will also be available to all London Underground frontline staff.

London Civil Engineering Awards

Yul Munoz has been shortlisted for Technician of the Year category in the Institution of Civil Engineers London Civil Engineering Awards 2019. Yul works in the Underground’s infrastructure protection team, ensuring third party works are delivered safely while protecting TfL infrastructure and operations.

The London Civil Engineering Awards celebrate outstanding civil engineering projects, innovation and ingenuity in London, and recognise emerging talent and the people behind the projects. This year’s awards mark 200 years of the institution.

Construction Skills

On 30 April we were joined by the new Leader of Lambeth Council, Jack Hopkins, launching our new Lambeth Skills Hub. The hub is being set up in partnership with Southwark Construction Skills Centre and Greenman Skills, and will help local residents access careers in construction. The event saw potential employers, referral partners and local residents attend to learn more about our plans.

We will soon be employing more than 7,000 people in construction on our development sites and are investing more than £2.5m in training hubs to help Londoners access training and employment opportunities.

On the day, we were joined by key construction employers who help to coordinate work experience and local job opportunities on developments within Lambeth. Through our skills programme we are actively targeting groups including women, people from BAME backgrounds and ex-offenders that are currently under-represented in the construction industry.

TfL Supplier Skills apprenticeship fair

On 7 March, we hosted this year's fair at Central Hall, Westminster, held as part of National Apprenticeship Week. More than 550 people interested in a career in transportation, engineering or construction were in attendance.

Our biggest yet, the fair showcased more than 500 jobs and apprenticeships and more than 1,500 training opportunities. Those on offer from TfL suppliers included engineering, track maintenance, customer service, construction and HR. Other areas from across the GLA were offered, including fire-fighting.

Showcasing good practice across the UK

Jennifer Melbourne represented us at the annual Traffex show, where road network management professionals come together to share best practice and innovation. Jenny spoke about our innovative work on Putney High Street to use traffic signals to reduce vehicle-related emissions. The technique developed by Jenny and her team in Network Performance

Delivery, which changes signal timings automatically to avoid emission peaks along this pedestrian-heavy high street, was also featured in the ITS (UK) annual review magazine.

Mental Health Awareness Week

During Mental Health Awareness Week (13-19 May) our Occupational Health and Wellment teams hosted drop-in sessions to raise awareness of the support available for those with mental health concerns. This year's theme focused on body image, with research suggesting one in three of us has felt stressed by our body image. Our Wellment team, which is part of our Staff Network Groups, ran lunchtime drop-in sessions to offer advice, support and information to employees and to raise awareness of the importance of mental health.

Pensions funding arrangement

On 22 March 2018, following approval by the Finance Committee and the Chief Finance Officer the documentation necessary to complete the 2018 Triennial Valuation with the Trustee of the TfL Pension Fund was completed. The arrangements include a revised schedule of contributions and recovery plan, as well as a new contingent funding arrangement which provides for TfL's contributions to the Scheme to change should this be required. The documents and associated Valuation report will be published shortly.

The TfL Supplier Skills apprenticeship fair, held on 7 March 2019, was attended by 550 people



8 Securing value and generating income

Sale and leaseback of Elizabeth line trains

We have completed a sale and leaseback deal for the Elizabeth line's Class 345 trains to 345 Rail Leasing, a consortium comprising Equitix Investment Management, NatWest and SMBC Leasing.

The 20-year deal will release around £1bn that we can reinvest in infrastructure across London's transport network. This will include a fleet of Piccadilly line trains, the first of which will appear in London from 2023.

We have an option to buy back the Elizabeth line fleet at the end of the initial lease term. The deal will have no impact on the operation or maintenance of the fleet, which stays with TfL and MTR Crossrail, who currently operate TfL Rail services.

The trains have been built by Bombardier Transportation, helping to support 760 UK jobs and 80 apprenticeships in Derby. Since June 2017, the trains have been gradually introduced on TfL Rail services between Liverpool Street and Shenfield, and between Paddington and Hayes & Harlington since May 2018.

Recover and reuse

This is the second anniversary of our initiative to make the disused York Road station a hub for recycling spare equipment. The equipment ranges from station lockers and booths to CCTV cameras and PA speakers, as well as materials left unused at the end of projects. Since the opening of the York Road hub we have reused more than £900k of Tube equipment. A further £900k in materials and assets is currently available at York Road, and we have identified another £500k in upcoming redundant equipment.

Benefits of the scheme have included helping prevent delays to the Mayor's step-free access programme by providing passenger help points when it was not possible to manufacture these in time because of Crossrail commitments.

A benefit that exceeded expectations has stemmed from recovering items of interest to the London Transport Museum shop. The sale of 2,500 'open door' buttons from the refurbishment of Jubilee line trains brought in £28k income. Another £31k has come from selling salvaged Metropolitan line luggage racks. In the past year, the shop's Decommissioned Originals line has generated £113k in revenue.

Landmark advertising

Bank has become the first station on the Underground to unveil new digital landmark advertising boards. The high spec screens on the head-wall above the escalators can be changed and updated in seconds. This is more efficient than using posters which require escalator closures and challenging installation procedures.

The screens are made up of LED tiles, supported by a metal frame, which connects all the tiles to provide Tube customers with a seamless advertising image. The landmark screens are in line with our aim to keep the Tube modern by providing digitally enhanced advertising space at our stations where advertisers are eager to promote their products, services and experiences. The full motion displays complement the work already well in hand on transforming our digital estate, with digital ribbons and panels on escalator sides, cross track projectors and more than 400 LCD digital screens.

We will be rolling out these premium digital gateways at six major locations: London Bridge, Waterloo, King's Cross, Liverpool Street, Charing Cross and Tottenham Court Road (Elizabeth line). They are the result of close collaboration with our partner, Exterion, and our suppliers, Telent. They will generate around £2.2m gross revenue annually.

Fares and revenue

To promote our services and raise revenue, we launched a new campaign in April 2019 to encourage more people to continue to travel on our network. This follows our recent campaign to promote off-peak travel, and informs customers about our lowest fares and other benefits such as Bus Hopper, daily capping and children travelling free on our network.

Advertising estate/Sponsorship

On 28 April, Customers passing through Canary Wharf will have heard Audible promote its Comedy Marathon podcast, featuring comedians Harry Enfield, Mark Watson, Felicity Ward, Adam Kay and Angela Barnes.

Our Partnerships and Sponsorship team continues its great work with more experiential campaigns that provide fun for our customers and provide vital revenue to reinvest in our transport network.

© Transport for London
May 2019

Board



Date: 22 May 2019

Item: Crossrail Update

This paper will be considered in public

1 Summary

- 1.1 On 25 April 2019, Crossrail Limited (CRL) announced a new plan to complete the outstanding works and bring the Elizabeth line into passenger service at the earliest possible date. A six-month delivery window with a midpoint at the end of 2020 was identified.
- 1.2 Once the central section opens, full services across the Elizabeth line from Reading and Heathrow in the west to Abbey Wood and Shenfield in the east, will commence as soon as possible.
- 1.3 CRL also announced that the central section works are expected to be delivered within the funding package agreed by the Mayor, Government and TfL in December 2018.
- 1.4 Under the terms of the Crossrail Project Development Agreement, CRL has issued Sponsors (Department for Transport and TfL) with a Change Notice to update the Stage 3 opening date within the Sponsors Requirements. The meeting of the Programmes and Investment Committee on 15 May 2019 has been asked to approve that change under the authority delegated by the Board on 27 March 2019 to take decisions on matters reserved to the Board in relation to the Crossrail Project. As the Committee meets after the papers for this meeting are dispatched, a verbal update will be provided to this meeting.
- 1.5 This paper provides an update on the status of the Crossrail Project and the readiness of the Infrastructure Managers, Rail for London Infrastructure Limited (RfLI) and London Underground (LU), for the operations and maintenance of the railway after handover from the Crossrail project.
- 1.6 In addition, the paper provides an update on the actions being taken by Crossrail Sponsors and CRL in response to two of the reviews undertaken for the Sponsors by KPMG.

2 Recommendation

- 2.1 **The Board is asked to note the paper and the exercise by the Programmes and Investment Committee of authority delegated by the Board in relation to:**
 - (a) **proposed changes to the Sponsors Requirements in the Project Development Agreement providing for a new Stage 3 opening date of ‘September 2020 to March 2021’;**
 - (b) **the appointment of Sarah Atkins as a TfL nominee non-executive director to the Board of Crossrail Limited by Chair’s Action; and**

(c) proposed changes to the period of appointment for two of TfL’s nominee non-executive directors to the Board of Crossrail Limited.

3 Change to Sponsors Requirements

- 3.1 On 25 April 2019, CRL announced a revised opening plan for the opening of Crossrail and commencement of Elizabeth line services. This plan replaces the December 2018 opening date affirmed in the Sponsors Requirements and is an update to the autumn 2019 opening date provisionally announced in August 2018.
- 3.2 The plan includes:
- (a) a six-month delivery window with a midpoint at the end of 2020;
 - (b) central section opening between Paddington and Abbey Wood initially operating at 12 trains per hour during the peak; and
 - (c) an expectation that all stations on the route will open except for Bond Street which is delayed because of design and delivery challenges.
- 3.3 In accordance with the requirements of the Project Development Agreement (PDA), CRL has issued Sponsors with a Change Notice to update the Sponsors Requirement in the PDA on the introduction of Crossrail services with this new Stage 3 opening date of ‘September 2020 to March 2021’ noting the delay in the opening of Bond Street station.
- 3.4 The change to Sponsors Requirements refers only to the Crossrail Stage 3 opening date and does not include changes to subsequent stage opening dates, handover and the Target Final Delivery Date (the date of Substantial Completion of the final Element). Further changes to the PDA are expected to be required under separate Change Notices following the development of Crossrail’s detailed schedule and revised baseline.
- 3.5 Sponsors’ representatives have considered the request for change and are content that it should proceed for approval as an amendment to the Sponsors Requirements.

4 Crossrail update

- 4.1 Health and safety performance remains within targets; however there has been an increase in the number of safety related incidents across the project in terms of near misses and accidents. Each of these incidents has been investigated with no single root cause identified. As a consequence, a communication campaign reinforcing the importance of adhering to safety processes and procedures has been developed. CRL is also planning a “Stepping Up Week”, focusing on the key safety issues facing the project.
- 4.2 As the completion work proceeds, CRL will be providing Londoners with regular progress updates, and increasingly specific estimates of when the Elizabeth line will open. CRL has put in place a new visual management system to monitor progress by the contractors and the supply chain so that issues are addressed as quickly as possible.

- 4.3 There are four major tasks that must be completed:
- (a) building and testing the software to integrate the train operating system with three different signalling systems;
 - (b) installing and testing vital station systems;
 - (c) completing the installation of the equipment in the tunnels and test communications systems; and
 - (d) trial running the trains over many thousands of miles on the completed railway to resolve any problems and ensure the highest levels of safety and reliability when passenger service begins.
- 4.4 CRL expects that the remaining fit-out and systems installation in the stations and tunnels will be completed this year. This will allow the new stations and rail infrastructure to be integrated with the rest of the railway. CRL also expects that Bombardier Transportation and Siemens will complete development of the train and signalling software this year allowing the train control system to be fully tested.
- 4.5 At many stations, work is underway to complete the final fit-out and testing of key systems. Each Elizabeth line station has over 50 km of communications cabling, 200 CCTV cameras, 66 information displays, 200 radio antennas, 750 loudspeakers and 50 help points. All this technology needs to be fully installed, tested and integrated.
- 4.6 Dynamic testing of the trains in the tunnels has continued with intensive work to increase the reliability of the train software to enable trains to successfully operate across the three signalling systems. Trains have been operating at line speed (100 kph / 62 mph) in the central section using the new automatic signalling system and close-headway multi-train testing, which was delayed due to software process issues from March 2019, should soon get underway.
- 4.7 The plans to deliver Stage 5A (a TfL Rail service between Paddington main line station and Reading) are progressing for commencement in December 2019. Network Rail has now appointed a contractor to install platform cameras and are finalising their schedule to deliver the platform extensions. The delivery of the full-length rolling stock on the western route is progressing and forms part of a reliability growth programme to prepare the fleet for operations in the central section.

5 Operational Readiness

- 5.1 The new Maintenance Management Centre at Plumstead will be ready for occupation in June 2019 and the RfLI teams have already located to interim facilities on-site to allow for familiarisation. Training and familiarisation continues although transfer of asset and maintenance information from contractors continues to be slower than planned. The Tunnel and Underground Construction Academy is being used for track asset training, as well as for RfLI maintenance teams to support Crossrail contractors to complete outstanding asset overhead lines and signalling work.
- 5.2 The training of RfLI Traffic Managers, Incident Response Managers and Service Infrastructure Managers continues by using signalling and power systems simulators and desk top exercises. More of the functionality of the systems is now available on the simulators but simulator reliability concerns remain and are being

addressed. The RfLI managers are now starting to be engaged in support of the wider Dynamic Testing programme, including providing communication links on-board the trains and working with testers in the Romford Control Centre to observe and support train signalling.

- 5.3 The LU Revenue Service and Handover Readiness Plan includes route maps, processes and measures which enables LU to accept the five central section stations for which LU will become Infrastructure Manager. The plan is being updated to align with the revised approach to delivering the Elizabeth line recently announced by CRL, including the introduction of a Stage Completion milestone before handover.
- 5.4 A Maintenance Arrangement Protocol has been produced which documents the respective maintenance responsibilities of LU and CRL between Staged Completion and Handover. Seventy per cent of the required classroom-based training of maintenance staff was completed in 2018. Training for some of the new systems and for all aspects of Bond Street station has yet to be completed. On site familiarisation will be undertaken for four weeks leading up to Stage Completion. Plans are in the process of being developed for this and will be completed as part of the Maintenance Readiness Plan.
- 5.5 The LU resourcing plan for operational staff was paused in August 2018 following the delay announced by CRL and will be updated once the Stage Completion dates are known for each station.

6 KPMG update

- 6.1 Sponsors continue to work with CRL to implement the recommendations made by KPMG following the governance and finance/commercial reviews of the project.
- 6.2 Changes to the Crossrail Board and executive team are now in place as well as a new independent Sponsor Board member. The meeting of the Programmes and Investment Committee on 15 May 2019 has been asked to note the appointment of an additional TfL nominated member of the Crossrail Board by Chair's Action and to extend the appointment terms of the existing nominees, under the authority delegated by the Board on 27 March 2019 to take decisions on matters reserved to the Board in relation to the Crossrail Project. As the Committee meets after the papers for this meeting are dispatched, a verbal update will be provided to this meeting.
- 6.3 CRL is taking further action to finalise its Integrated Assurance Framework. This will provide greater visibility of risks and provide confidence in delivering their revised schedule, in addition to facilitating early identification of issues.
- 6.4 Sponsors and CRL are now preparing a joint close-out report on the actions that have been taken following the reviews for presenting to the TfL Audit and Assurance Committee on the 10 June 2019.
- 6.5 Action has now been taken on 57 of 59 of the governance recommendations, and action has also been taken on 64 of 67 of the finance/commercial recommendations. Of the actions outstanding or partially complete, many are reliant upon the availability of Crossrail's revised schedule and cost baseline and are on target to be finalised or have full plans in place by the end of May 2019.

List of Appendices:

None

List of Background Papers:

Letter from Crossrail Limited to Sponsors, Change Notice to update the Stage 3 opening date within the Sponsors Requirements

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

Number: 020 3197 5976

Email: HowardSmith@tfl.gov.uk

Contact Officer: David Hughes, Investment Delivery Planning Director

Number: 020 3054 8222

Email: HugheDa03@tfl.gov.uk

[page left intentionally blank]

Board

Date: 22 May 2019

Item: Quarterly Performance Report – Quarter 4 2018/19

This paper will be considered in public

1 Summary

- 1.1 The Quarterly Performance Report sets out TfL's financial results for Quarter 4, 2018/19 – the full year from 1 April to 31 March 2019.

2 Recommendation

- 2.1 **The Board is asked to note the Quarterly Performance Report.**

3 Financial Reporting to the Board

Quarterly Performance Report

- 3.1 In response to feedback from a number of stakeholders the Quarterly Performance Report (QPR) has been changed in order to provide the latest quarterly financial information in a timelier manner and to reduce duplication with other Reports.
- 3.2 The operational and customer information previously included in the QPR will continue to be presented in the quarterly Customer Services and Operational Performance Report.
- 3.3 The QPR presents full year performance against budget, as well as year-on-year and four year trend analysis.

Preliminary Results presentation

- 3.4 Accompanying the QPR is a preliminary results presentation for year ended 31 March 2019, which will be presented to the Board.
- 3.5 The QPR is intended to be a reference document with the accompanying slides containing the same financial information but presented in a more visual way which summarises the story behind the numbers.

List of appendices to this report:

Appendix 1: Quarterly Performance Report, Quarter 4 2018/19
Appendix 2: Preliminary results for year ended 31 March 2019

List of Background Papers:

None

Contact Officer: Simon Kilonback, Chief Finance Officer
Number: 020 3054 8941
Email: SimonKilonback@tfl.gov.uk

Transport for London quarterly performance report

Quarter 4 2018/19



About Transport for London (TfL)

Part of the Greater London Authority family led by Mayor of London Sadiq Khan, we are the integrated transport authority responsible for delivering the Mayor's aims for transport.

We have a key role in shaping what life is like in London, helping to realise the Mayor's vision for a 'City for All Londoners'. We are committed to creating a fairer, greener, healthier and more prosperous city. The Mayor's Transport Strategy sets a target for 80 per cent of all journeys to be made on foot, by cycle or using public transport by 2041. To make this a reality, we prioritise health and the quality of people's experience in everything we do.

We manage the city's red route strategic roads and, through collaboration with the London boroughs, can help shape the character of all London's streets. These are the places where Londoners travel, work, shop and socialise. Making them places for people to walk, cycle and spend time will reduce car dependency and improve air quality, revitalise town centres, boost businesses and connect communities.

We run most of London's public transport services, including the London Underground, London Buses, the DLR, London Overground, TfL Rail, London Trams, London River Services, London Dial-a-Ride, Victoria Coach Station, Santander Cycles and the Emirates Air Line. The quality and accessibility of these services is fundamental to Londoners' quality of life. By improving and expanding public transport, we can make people's lives easier and increase the appeal of sustainable travel over private car use.

We are moving ahead with many of London's most significant infrastructure projects, using transport to unlock growth. We are working with partners on major projects like Crossrail 2 and the Bakerloo Line Extension that will deliver the new homes and jobs London and the UK need. We are in the final phases of completing the Elizabeth line which, when open, will add 10 per cent to central London's rail capacity.

Supporting the delivery of high-density, mixed-use developments that are planned around active and sustainable travel will ensure that London's growth is good growth. We also use our own land to provide thousands of new affordable homes and our own supply chain creates tens of thousands of jobs and apprenticeships across the country.

We are committed to being an employer that is fully representative of the community we serve, where everyone can realise their potential. Our aim is to be a fully inclusive employer, valuing and celebrating the diversity of our workforce to improve services for all Londoners.

We are constantly working to improve the city for everyone. This means freezing TfL fares so everyone can afford to use public transport, using data and technology to make services intuitive and easy to use, and doing all we can to make streets and transport services accessible to all. We reinvest every penny of our income to continually improve transport networks for the people who use them every day.

None of this would be possible without the support of boroughs, communities and other partners who we work with to improve our services. We all need to pull together to deliver the Mayor's Transport Strategy; by doing so we can create a better city as London grows.

Contents

4	Introduction	20	Buses
6	Business at a glance	22	Streets
8	Financial summary	24	Rail
10	Financial trends	26	Other operations
12	Debt and cash	28	Commercial Development
14	Passenger journeys	30	Major projects
16	London Underground	32	Headcount
18	Elizabeth line		

The financial information included in the report is unaudited and does not constitute TfL's statutory accounts. TfL's last audited **Statement of Accounts** for the year ending 31 March 2018 was published in July 2018. TfL's draft unaudited **Statement of Accounts** for the year ending 31 March 2019 will be published in May 2019.

Introduction

This is the fourth quarterly performance report of the year and covers the period to 31 March 2019.

The focus on reducing operating costs was maintained through to the end of the year and the net cost of operations is £479m better than budget, and £168m better than last year.

Passenger income is £48m above budget, with an increase in revenue on the Underground, offset by the loss of revenue from the delayed opening of the Elizabeth line and continuing weaker performance on buses and rail.

Other income is below budget, largely due to Elizabeth line delays impacting regulatory access charges (£102m), but there is an equal and opposite benefit in operating costs. Excluding this item, other income is up on budget and the previous year, owing to a number of one-off items.

After adjusting for the regulatory access charges, operating costs are £243m lower than budget, with significant additional cost savings over and above those already reflected in the budget. The increase against last year reflects

the preparations for the opening of the Elizabeth line and additional services on TfL Rail. Inflationary pressures across the business have been more than offset by year-on-year savings.

Key deliverables in the capital investment programme include commissioning the first area to run in passenger service using the new signalling system as part of the Four Lines Modernisation. All passenger-facing facilities at Victoria have been opened and we have submitted the final proposals for the Silvertown Tunnel.

The new Crossrail management team continued to work on a robust and deliverable schedule, and a window for the opening date of the central operating section was announced in April.

Tight financial management has enabled TfL to reach a position close to break even on the net cost of operations before financing. The delays to the opening of the Elizabeth line and wider economic pressures, however mean we have to remain focused on modernising the business, driving down costs and seeking new opportunities to grow income.

Simon Kilonback
Chief Finance Officer

Sarah Bradley
Group Financial Controller



Business at a glance

Keeping London moving, working and growing to make life in our city better

How we report on our business



Facts and figures*

945 Trains on the TfL network



580km

TfL-operated highways



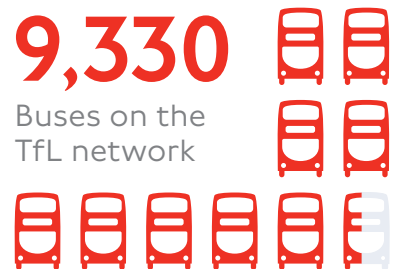
720km

TfL-operated Rail and London Underground routes



9,330

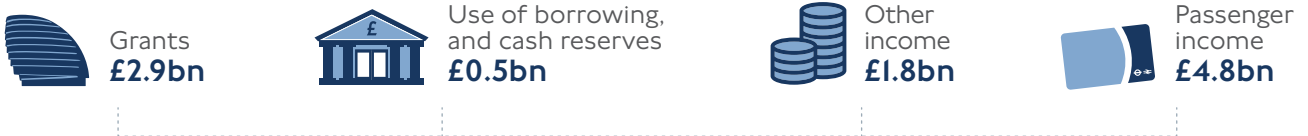
Buses on the TfL network



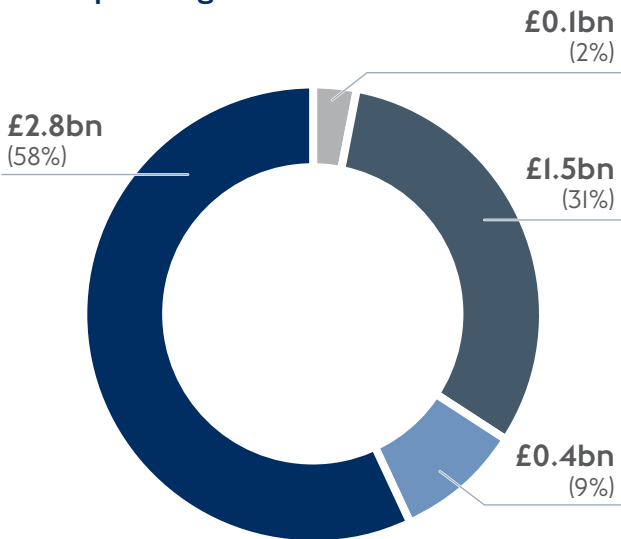
6,365

Traffic signals operated by TfL

Finances at a glance*



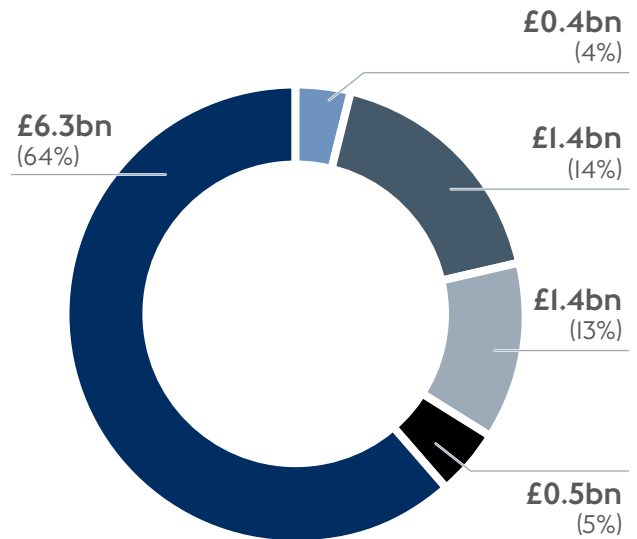
Total passenger income



Total: **£4.8bn**

- London Underground
- Rail
- Buses
- TfL Rail

Total costs



Total: **£10bn**

- Operating cost
- Capital renewals
- New capital investment
- Crossrail
- Net financing

* Based on full year 2018/19

Financial summary

Performance in the full year

Operating account

TfL Group (£m)	Full year 2018/19	Budget 2018/19	Variance	Full year 2017/18	Variance
Passenger income	4,822	4,774	48	4,643	179
Other operating income	812	893	(81)	759	53
Total operating income	5,634	5,667	(33)	5,402	232
General grant	-	-	-	228	(228)
Business rates retention	947	947	-	854	93
Other revenue grants	103	69	34	84	19
Total income	6,684	6,683	1	6,568	116
Operating cost	(6,326)	(6,671)	345	(6,249)	(77)
Net operating surplus	358	12	346	319	39
Capital renewals	(398)	(499)	101	(553)	155
Net cost of operations before financing	(40)	(487)	447	(234)	194
Net financing cost	(454)	(486)	32	(428)	(26)
Net cost of operations	(494)	(973)	479	(662)	168

Capital account

TfL Group (£m)	Full year 2018/19	Budget 2018/19	Variance	Full year 2017/18	Variance
New capital investment	(1,379)	(1,733)	354	(1,465)	86
Crossrail	(1,389)	(435)	(954)	(1,530)	141
Total capital expenditure	(2,768)	(2,168)	(600)	(2,995)	227
Financed by:					
Investment grant	976	976	-	960	16
Third-party contributions	144	94	50	62	82
Property and asset receipts	650	706	(56)	59	591
Borrowing	728	802	(74)	620	108
Crossrail funding sources	795	324	471	108	687
Other capital grants	218	311	(93)	183	35
Total	3,511	3,213	298	1,992	1,519
Net capital account	743	1,045	(302)	(1,003)	1,746

Cash flow summary

TfL Group (£m)	Full year 2018/19	Budget 2018/19	Variance	Full year 2017/18	Variance
Net cost of operations	(494)	(973)	479	(662)	168
Net capital account	743	1,045	(302)	(1,003)	1,746
Working capital movements	(299)	(379)	80	1,142	(1,441)
Increase/(decrease) in cash balances	(50)	(307)	257	(523)	473

Passenger journey analysis

TfL Group (£m)	Full year 2018/19	Budget 2018/19	Variance	Full year 2017/18	Variance
Number of passenger journeys (millions)	3,999	4,005	(6)	3,986	13
Average yield per passenger journey (£)	1.21	1.19	0.02	1.16	0.05
Operating cost per journey (£)	(1.58)	(1.67)	0.09	(1.57)	(0.01)

The net cost of operations is £479m better than budget and £168m lower than last year, as we have exceeded our full-year targets despite a challenging financial climate, including withdrawal of our Government operating grant, the delay of the opening of Crossrail and a subdued economic environment.

Total income is in line with budget as increased passenger journeys on London Underground and additional grant income (to encourage the scrappage of diesel vehicles) have offset the non-receipt of Elizabeth line regulatory income.

Operating costs are £345m lower than budget. Of this, £166m is a result of savings from core costs across all areas of the business. A further £102m relates to delayed Elizabeth line

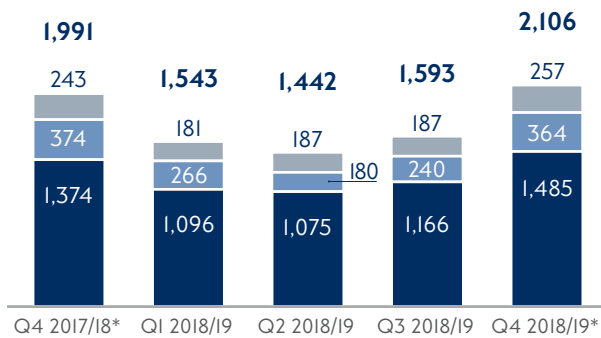
regulatory access charges, which is offset by a reduction in other operating income.

Total capital renewals and new investment are £455m lower than budget. Much of this has been re-profiled into future years on projects such as the Emergency Services Network (funded by the Home Office), Northern Line Extension, Four Lines Modernisation and major stations upgrades.

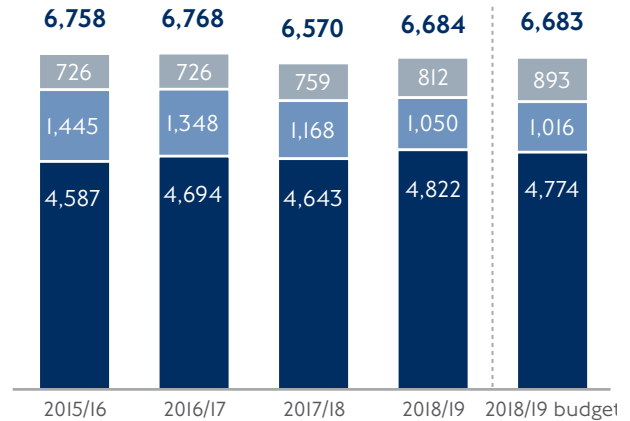
Despite increased expenditure on Crossrail, cash balances ended the year £257m higher than budget. This was achieved through surpluses on both the operating account (£479m) and capital account (£182m – excluding Crossrail) plus favourable working capital movements of £80m.

Financial trends

Total income Quarterly (£m)



Full-year trend with budget (£m)



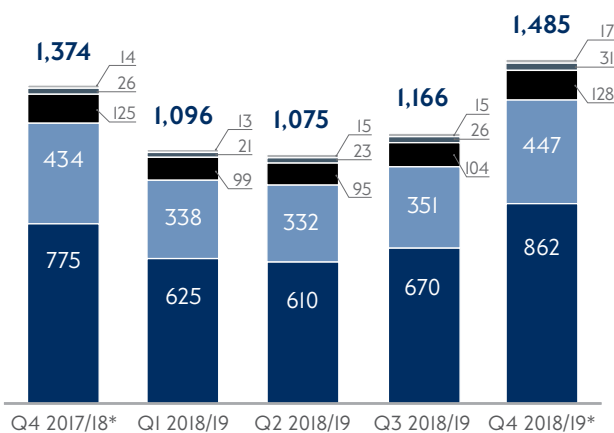
- Passenger income
- Grants
- Other income

Total income £1m above budget

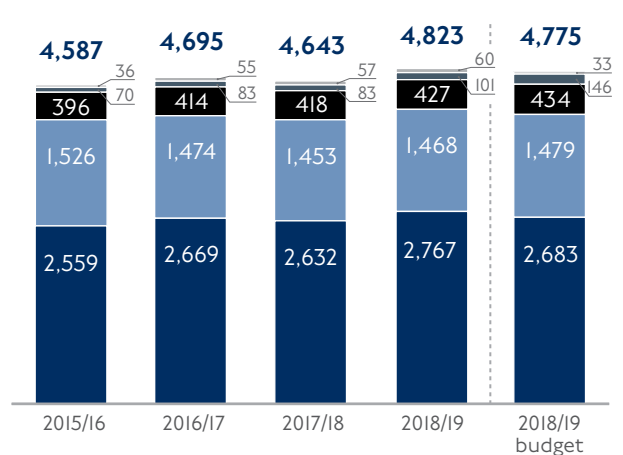
2% ▲ year on year

Total income is in line with expectations. Delayed Elizabeth line income streams have been offset by higher London Underground passenger income and additional grant income to encourage the scrappage of diesel vehicles.

Total passenger income Quarterly (£m)



Full-year trend with budget (£m)



- London Underground
- Buses
- Rail
- TfL Rail
- Other operations

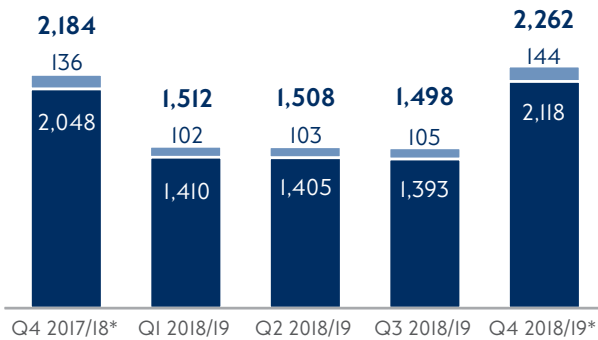
Passenger income £48m above budget

4% ▲ year on year

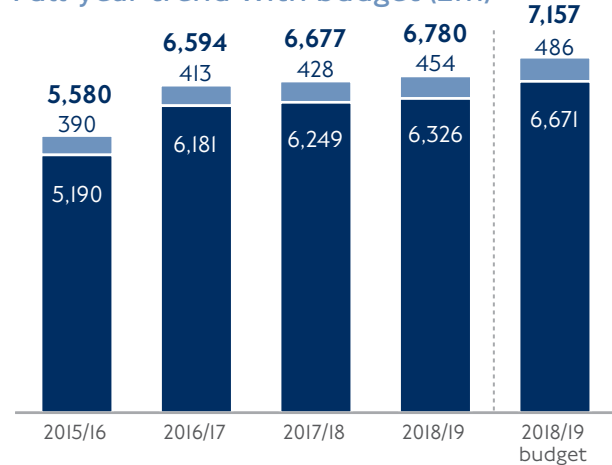
2018/19 saw the busiest day ever on the Tube with more than five million journeys and the launch of Night Overground services. Bus passenger journeys saw a fall in demand mainly owing to reduced off-peak travel.

* Quarter 4 is longer than Quarters 1 to 3 (16 weeks and one day vs 12 weeks)

Total cost
Quarterly (£m)



Full-year trend with budget (£m)



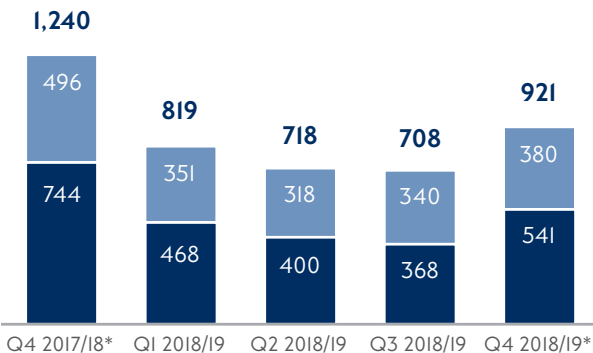
- Operating cost
- Net financing cost

Operating costs
£345m below budget

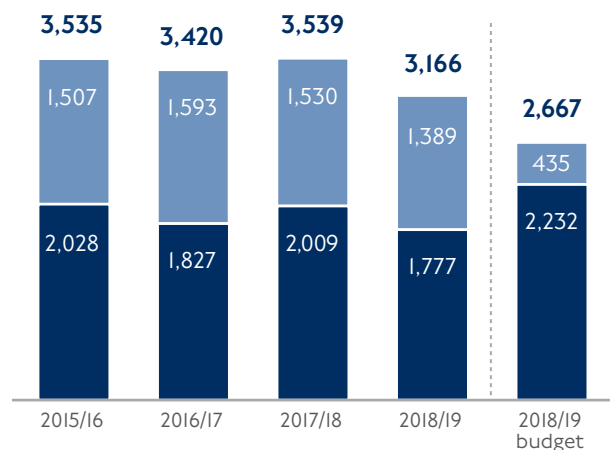
2% ▲ year on year

Lower than budgeted operating costs have been achieved by continued efforts to reduce our annual costs through our modernisation programme and office accommodation rationalisation.

Total capital expenditure
Quarterly (£m)



Full-year trend with budget (£m)



- Capital investment and renewals
- Crossrail

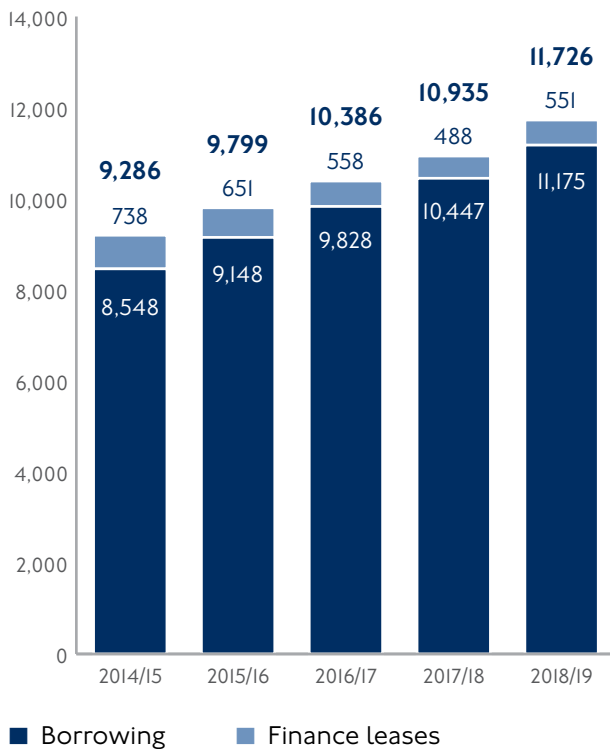
Total capital expenditure
£3.2bn

11% ▼ year on year

Capital expenditure is lower than budget, as some project deliverables have been rescheduled to future years, including £329m of new capital investment.

Debt and cash

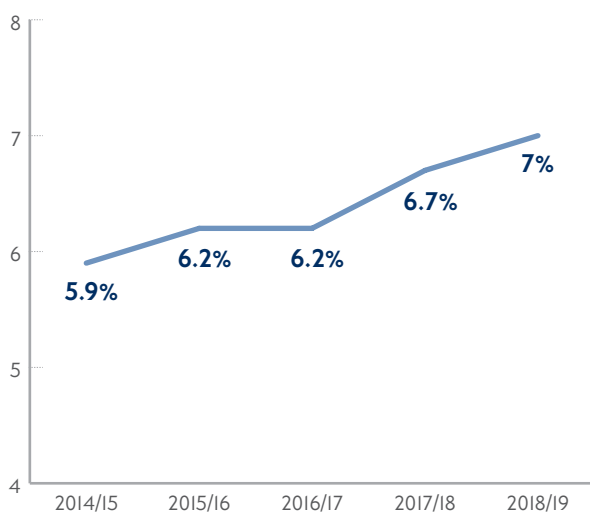
Total value of debt (£m)



At the end of Quarter 4, £350m of long-term debt had been drawn down under existing facilities with Export Development Canada and the European Investment Bank, and £575m had been borrowed from the Public Works Loan Board. These were partially offset by debt repayments of £72m and a reduction of £125m in our outstanding commercial paper balance.

The total nominal value of borrowing outstanding at the end of the quarter was £11,175m, of which £10,443m is long term.

Financing costs (% of total income)*



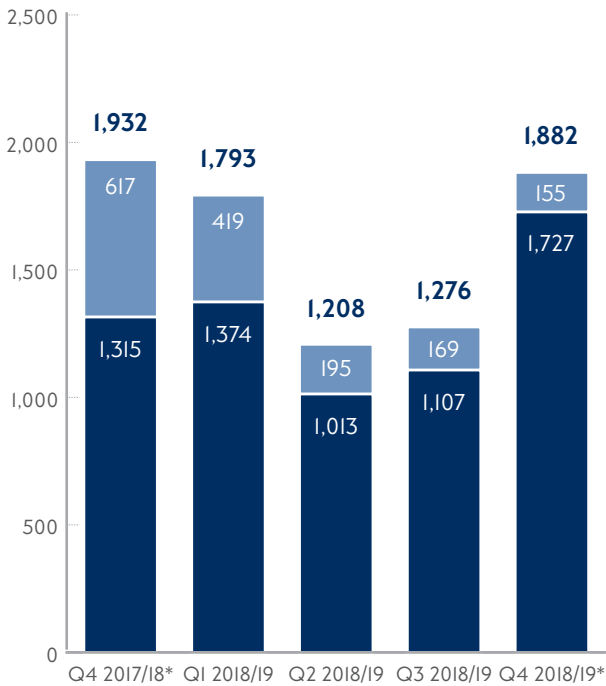
The ratio of financing costs to total income, including operating grants, helps TfL to monitor the affordability of its debt.

Financing costs and income (£m)

Full year	2018/19	Budget 2018/19	Variance
Interest income	12	12	-
Financing costs	(417)	(445)	28
PFI interest payable	(49)	(53)	4

* Financing costs include interest costs for borrowing and finance leases

Cash balances (£m)



- TfL cash balances
- Crossrail

£50m **3% ▼**
Decrease in cash over the full year

Cash balances

Cash balances have decreased by £50m over the year to stand at £1,882m at the end of Quarter 4. Of the total balance, £155m is ring-fenced to deliver the Crossrail project. In addition, we aim to hold a prudent minimum level of cash for TfL (excluding Crossrail) for exceptional circumstances and to retain a high credit rating, in line with our liquidity policy approved by the TfL Board. This level of cash reserves – currently around £550m – is driven by the size of our operating costs and the level of our debt.

We expect to continue to use our balances to fund the improvements outlined in our Business Plan and in our Budget.

Credit ratings

We are rated by the three leading international rating agencies. On 20 February, Fitch placed the UK Government on Rating Watch Negative because of the ongoing uncertainty over Brexit and the likely impact on the UK economy. As a result, Fitch placed TfL on Rating Watch Negative on 25 February.

Credit ratings	
Moody's	Aa3 stable outlook
Standard & Poor's	AA- negative outlook
Fitch	AA- Rating Watch Negative

* Quarter 4 is longer than Quarters 1 to 3 (16 weeks and one day vs 12 weeks)

Passenger journeys

Full year 2018/19

3,999m **4,005m** **3,986m**
total journeys budget prior year



London Underground

1,384m

2.4%▲
budget

2%▲
prior year



Buses

2,220m

0.7%▼
budget

1.2%▼
prior year



DLR

122m

1.3%▲
budget

1.9%▲
prior year



London Overground

189m

0.2%▼
budget

0.5%▲
prior year



London Trams

29m

3.9%▼
budget

1.3%▼
prior year



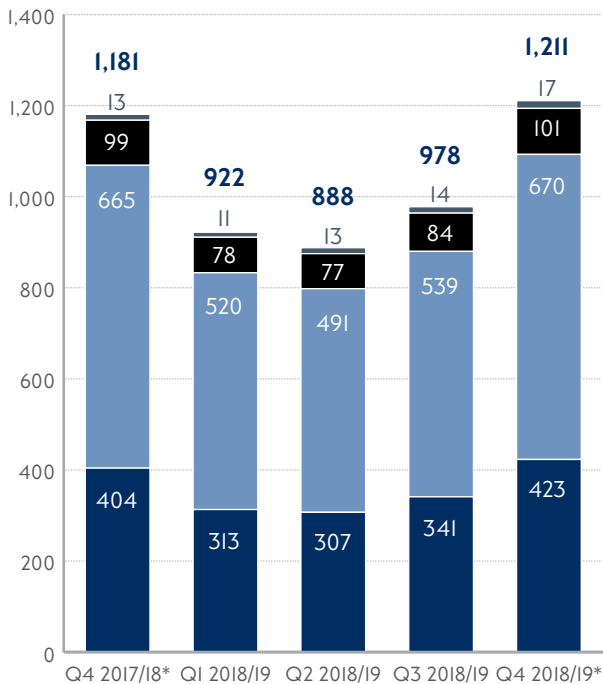
TfL Rail

55m

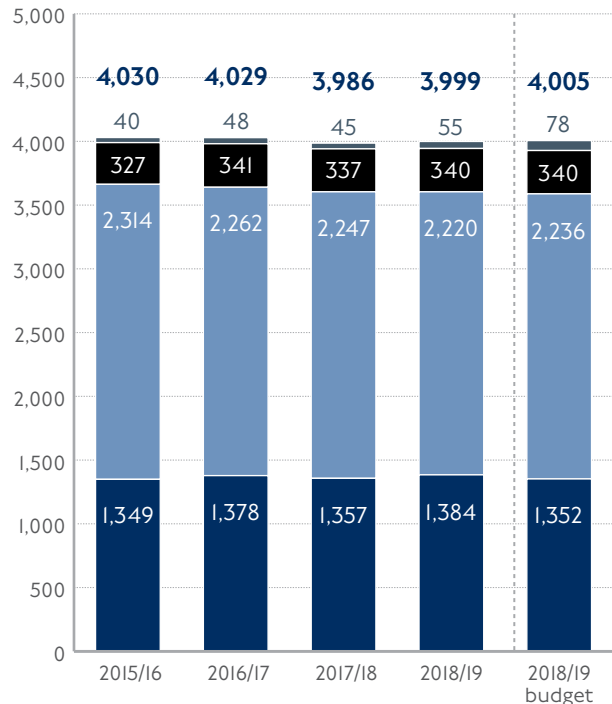
29.1%▼
budget

22%▲
prior year

Quarterly (millions)



Full-year trend with budget (millions)



■ London Underground ■ Buses ■ Rail ■ TfL Rail

London Underground passenger volumes are 32 million higher than budget and 27 million higher than those in 2017/18, with customer journeys continuing to increase following suppressed demand in the previous year.

Bus passenger volumes totalled 2,220m in 2018/19, one per cent lower than the previous year and 16 million journeys below budget. Reshaping of the bus network continued, with a redistribution of services from inner to outer London, while overall bus network mileage decreased by two per cent on 2017/18. Initial analysis shows the reduction in journeys was mainly in off-peak travel.

Rail passenger journeys in 2018/19 are in line with budget and up three million on the previous year. Underlying rail demand is broadly flat when adjusted for the 48-hour DLR strike in Quarter 4 2017/18.

* Quarter 4 is longer than Quarters 1 to 3 (16 weeks and one day vs 12 weeks)

Underground

London Underground

Financial summary

London Underground has benefited from increasing passenger income, coupled with a focus on continued savings.

London Underground (£m)	Full year 2018/19	Budget 2018/19	Variance	Full year 2017/18	Variance
Passenger income	2,767	2,683	84	2,632	135
Other operating income	32	25	7	45	(13)
Total operating income	2,799	2,708	91	2,677	122
Direct operating cost	(2,058)	(2,116)	58	(2,134)	76
Direct operating surplus	741	592	149	543	198
Indirect operating cost	(305)	(313)	8	(311)	6
Net operating surplus	436	279	157	232	204
Capital renewals	(260)	(297)	37	(318)	58
New capital investment	(46)	(72)	26	(38)	(8)
Total capital expenditure	(306)	(369)	63	(356)	50

Passenger income is £84m higher than budget and £135m better than last year. This reflects a small improvement in customer demand.

Direct operating costs are £58m lower than budget and £76m better than last year. This is owing to our continual focus on making cost savings while maintaining a safe and reliable network with limited impact on frontline services.

Capital expenditure is £63m under budget and £50m lower than last year. We have rescheduled £40m of capital renewals – including Victoria line fleet works – to next year. In terms of new capital investment, we have re-profiled £17m of costs to next year as we review the design and procurement strategy to maximise value for money.

Passenger journeys analysis

	Full year 2018/19	Budget 2018/19	Variance	Full year 2017/18	Variance
Number of passenger journeys (millions)	1,384	1,352	32	1,357	27
Average yield per passenger journey (£)	2.00	1.99	0.01	1.94	0.06
Operating cost per journey (£)	(1.67)	(1.80)	0.13	(1.80)	0.13

Passenger journeys

Passenger journeys are 32 million higher than budget and 27 million higher than last year as underlying demand recovers from the downturn seen last year.

Average yield per passenger journey

Underlying passenger income per journey has improved compared to last year. This is partly owing to the increase in average fares for National Rail in January 2019 which has an impact on a proportion of TfL tickets, for example travelcards.

Operating cost per journey

Operating cost per journey is significantly below budget and last year because of increased passenger journeys and savings delivered while maintaining a safe and reliable network.

Underlying passenger journeys year-on-year change (%)



Compares underlying year-to-date passenger journey numbers with those in the previous year. Actual journey numbers are adjusted for one-off events (such as strike days), timing of Easter holidays and the number of days in each quarter.

Elizabeth line

Currently operating as TfL Rail 

Financial summary

The focus is on successfully introducing Elizabeth line services.

Elizabeth line (£m)	Full year 2018/19	Budget 2018/19	Variance	Full year 2017/18	Variance
Passenger income	101	146	(45)	83	18
Other operating income	17	125	(108)	4	13
Total operating income	118	271	(153)	87	31
Direct operating cost	(237)	(379)	142	(118)	(119)
Direct operating deficit	(119)	(108)	(11)	(31)	(88)
Indirect operating cost	(8)	(9)	1	(9)	1
Net operating deficit	(127)	(117)	(10)	(40)	(87)
New capital investment	(281)	(322)	41	(383)	102
Crossrail construction cost	(1,389)	(435)	(954)	(1,530)	141
Total capital expenditure	(1,670)	(757)	(913)	(1,913)	243

An increase in passenger journeys, including on the new Paddington to Heathrow service, resulted in an £18m increase in passenger income compared to last year. However, the delayed start of Elizabeth line services contributed to passenger income being lower than budget. Customers have instead continued to use other modes of TfL transport resulting in a £20m net impact to overall passenger income.

The £108m reduction in other operating income is mainly owing to delayed central operating section (COS) regulatory access income (offset

in operating costs) as well as third party income now expected in 2019/20.

Operating costs are £142m lower than budget owing to delayed COS regulatory access charges (offset in income), in addition to reduced COS operating and maintenance costs. Direct costs are higher than last year as preparations are made for the opening of the Elizabeth line as well as additional costs for operating new services to Heathrow.

New capital investment is £41m lower than budget, mainly owing to the timing of rolling stock delivery works.

Passenger journeys analysis

	Full year 2018/19	Budget 2018/19	Variance	Full year 2017/18	Variance
Number of passenger journeys (millions)	55.3	78.0	(22.7)	45.3	10.0
Average yield per passenger journey (£)	1.83	1.87	(0.04)	1.83	-
Operating cost per journey (£)	(4.43)	(4.97)	0.54	(2.80)	(1.63)

Passenger journeys

Passenger demand is 29 per cent lower than budget owing to the delayed start to the Elizabeth line. Compared to last year, demand has increased by 22 per cent mainly as a result of new services from Paddington to Hayes & Harlington and Heathrow which started in May 2018, as well as a reduction in the number of closures this year and the timing of Easter.

Average yield per passenger journey

Passenger income per journey is 2.1 per cent lower than budget, driven by the delayed start of Paddington to Abbey Wood services.

Operating cost per journey

Operating cost per journey is 11 per cent lower than budget, mainly owing to cost savings associated with the delayed handover of the COS, and is partially offset by the impact of lower passenger journeys. The increase from last year is owing to additional costs as we prepare for the opening of the Elizabeth line.

Underlying passenger journeys year-on-year change (%)



Compares underlying year-to-date passenger journey numbers with those in the previous year. Actual journey numbers are adjusted for one-off events (such as strike days), timing of Easter holidays and the number of days in each quarter.

Buses

London Buses

Financial summary

Reduced passenger income has contributed to the net operating deficit being £12m higher than budget. Total operating costs are broadly flat year on year.

Buses (£m)	Full year 2018/19	Budget 2018/19	Variance	Full year 2017/18	Variance
Passenger income	1,468	1,479	(11)	1,453	15
Other operating income	12	9	3	13	(1)
Total operating income	1,480	1,488	(8)	1,466	14
Direct operating cost	(2,109)	(2,105)	(4)	(2,104)	(5)
Direct operating deficit	(629)	(617)	(12)	(638)	9
Indirect operating cost	(28)	(34)	6	(35)	7
Net operating deficit	(657)	(651)	(6)	(673)	16
Capital renewals	(2)	(9)	7	(10)	8
New capital investment	(19)	(46)	27	(12)	(7)
Total capital expenditure	(21)	(55)	34	(22)	1

Underlying year-on-year demand shows a decline of approximately 1.5 per cent with the reduction primarily occurring in off-peak travel.

Direct operating cost is slightly worse than budget and is marginally up year on year. We continue to almost offset the higher cost, owing to the annual contracted price inflation (2.9 per cent average) in the bus operators' contracts.

Capital expenditure is lower as a result of a change in the way accounting for the installation of enhanced catalytic converters (which reduce the emissions of buses so they meet the Euro VI standard) is reported.

Passenger journeys analysis

	Full year 2018/19	Budget 2018/19	Variance	Full year 2017/18	Variance
Number of passenger journeys (millions)	2,220	2,236	(16)	2,247	(27)
Average yield per passenger journey (£)	0.66	0.66	-	0.65	0.01
Operating cost per journey (£)	(0.96)	(0.96)	-	(0.95)	(0.01)

Passenger journeys

Total passenger journeys are one per cent lower than budget and the previous year with the reduction primarily occurring in off-peak travel. On a normalised basis, passenger journeys are 1.5 per cent lower.

Average yield per passenger journey

The average yield per passenger journey has increased by 1p compared to the same period last year. It remains as per the budget.

Operating cost per journey

Operating cost per journey is in line with budget. It is one per cent higher than last year, largely because of a decrease in passenger journeys.

Underlying passenger journeys year-on-year change (%)



1.5% ▼



0.7% ▲



2.7% ▼

Compares underlying year-to-date passenger journey numbers with those in the previous year. Actual journey numbers are adjusted for one-off events (such as strike days), timing of Easter holidays and the number of days in each quarter.

Streets

Transport for London Road Network (TLRN)



Financial summary

Operating performance is ahead of budget as a result of improved income and reduced investment programme spend.

Streets (£m)	Full year 2018/19	Budget 2018/19	Variance	Full year 2017/18	Variance
Passenger income	-	-	-	-	-
Other operating income	322	323	(1)	314	8
Total operating income	322	323	(1)	314	8
Direct operating cost	(475)	(511)	36	(501)	26
Direct operating deficit	(153)	(188)	35	(187)	34
Indirect operating cost	(64)	(73)	9	(70)	6
Net operating deficit	(217)	(261)	44	(257)	40
Capital renewals	(41)	(31)	(10)	(114)	73
New capital investment	(92)	(146)	54	(82)	(10)
Total capital expenditure	(133)	(177)	44	(196)	63

Income is higher than 2017/18 owing to increased enforcement, compliance and cost recoveries, which are partially offset by reduced Congestion Charge income resulting from lower volumes of charge-paying vehicles entering the zone.

Operating costs are £36m better than budget, largely as a result of Westminster City Council's cancellation of the pedestrianisation of Oxford Street. There is a £26m improvement compared to last year primarily as a result of lower staff costs and contract negotiations.

As previously announced, we have suspended our programme of proactive

capital renewals on highways assets, resulting in the drop compared to 2017/18.

During 2018/19 we have invested a total of £88m in our cycling programme. This is £14m lower than budget and at levels consistent with last year. The underspend against budget is in part owing to the cycling elements of our Oxford Street scheme and the legal challenge from Westminster City Council against our Cycleway II. However we have been successful in accelerating some of our other schemes (such as our cycle future routes 2 and 5) to ensure we continue to deliver cycling benefits to London.

Volume analysis

	Full year 2018/19	Budget 2018/19	Variance	Full year 2017/18	Variance
Congestion Charge volumes (thousands)	14,125	15,679	1,554	15,241	(1,116)
Congestion Charge and enforcement income (£m)	229.9	231.8	(1.9)	229.8	0.1
Traffic volumes – all London (index)	96.0	-	-	94.8	1.2
Cycling growth in CCZ*	13.5%	14.0%	-	6.7%	-

Cycling

A daily average of 529,475km, or around 173,000 journeys, was cycled in the Congestion Charging Zone during 2018.

Cycling increased by 13.5 per cent compared to the 2014 baseline to reach the highest level on record. Levels of cycling during 2017/18 were adversely affected by extreme weather conditions.

Traffic flow

The general trend of growth continued throughout the year in outer London, with inner and central areas relatively flat. For inner London this is a long-term trend, while for central areas this reflects a recent slowing in the long-term reduction.

* Cycling data is based on calendar quarters rather than financial quarters ie Quarter 4 is October to December and is the latest available data. It is presented as a percentage change from the previous year.

Traffic flow (volume) year-on-year change (%)



1.3%▲



0.3%▼



0.1%▼

Compares traffic flow volumes for the year-to-date with the corresponding quarters in the previous year.

Rail

DLR, London Overground and London Trams



Financial summary

Passenger income is lower than planned, while total operating income is higher than the same period last year.

Rail (£m)	Full year 2018/19	Budget 2018/19	Variance	Full year 2017/18	Variance
Passenger income	427	434	(7)	418	9
Other operating income	40	14	26	13	27
Total operating income	467	448	19	431	36
Direct operating cost	(454)	(480)	26	(413)	(41)
Direct operating surplus deficit	13	(32)	45	18	(5)
Indirect operating cost	(17)	(20)	3	(20)	3
Net operating deficit	(4)	(52)	48	(2)	(2)
Capital renewals	(31)	(43)	12	(29)	(2)
New capital investment	(47)	(42)	(5)	(46)	(1)
Total capital expenditure	(78)	(85)	7	(75)	(3)

Passenger income is £7m below budget, mainly owing to weaker demand for journeys on London Trams and London Overground than planned. Passenger journeys in 2018/19 were 0.6 per cent higher than 2017/18 with DLR two per cent higher because of the previous year's industrial action.

Other income is £26m above budget owing to contractual payments from Bombardier for the delayed new London Overground trains.

Operating costs for DLR and London Trams were held at 2017/18 levels contributing to a £13m direct operating surplus, £45m higher than budget. Costs increased because of the delay of the new London Overground trains, though these costs were fully compensated for by Bombardier contractual payments.

New capital investment continues at previous years' levels with several station enhancements due for completion in 2019/20.

Passenger journeys analysis

	Full year 2018/19	Budget 2018/19	Variance	Full year 2017/18	Variance
London Overground					
Number of passenger journeys (millions)	189.5	189.9	(0.4)	189.5	-
Average yield per passenger journey (£)	1.22	1.26	(0.04)	1.19	0.03
Operating cost per journey (£)	(1.57)	(1.68)	0.11	(1.38)	(0.19)
DLR					
Number of passenger journeys (millions)	121.9	120.3	1.6	119.6	2.3
Average yield per passenger journey (£)	1.41	1.42	(0.01)	1.41	-
Operating cost per journey (£)	(1.08)	(1.16)	0.08	(1.11)	0.03
London Trams					
Number of passenger journeys (millions)	28.7	29.8	(1.1)	29.1	(0.4)
Average yield per passenger journey (£)	0.82	0.83	(0.01)	0.83	(0.01)
Operating cost per journey (£)	(1.22)	(1.17)	(0.05)	(1.17)	(0.05)

Underlying passenger journeys year-on-year change (%)



Compares underlying year-to-date passenger journey numbers with those in the previous year. Actual journey numbers are adjusted for one-off events (such as strike days), timing of Easter holidays and the number of days in each quarter.

Other operations

London Dial-a-Ride, London River Services, London Taxi and Private Hire, Santander Cycles, Victoria Coach Station, Emirates Air Line and others 

Financial summary

As well as the operations named above, we include the costs of the Crossrail 2 project team and the Planning team, together with certain group items, in this category.

Other operations (£m)	Full year 2018/19	Budget 2018/19	Variance	Full year 2017/18	Variance
Passenger income	59	32	27	57	2
Other operating income	127	132	(5)	118	9
Total operating income	186	164	22	175	11
Direct operating cost	(335)	(350)	15	(273)	(62)
Direct operating deficit	(149)	(186)	37	(98)	(51)
Indirect operating cost	(40)	(45)	5	(43)	3
Net operating deficit	(189)	(231)	42	(141)	(48)
Capital renewals	(39)	(83)	44	(59)	20
New capital investment	(91)	(182)	91	(59)	(32)
Total capital expenditure	(130)	(265)	135	(118)	(12)

Passenger income variance is largely a result of the accounting treatment for Oyster deposits.

The capital renewals underspend is driven by the re-profiling of the cycle hire payment system. The payment terminals for Santander Cycles have been upgraded, accepting contactless payment for the first time, which will make hiring quicker for customers.

New capital investment is lower than budget, following the re-profiling of the Emergency Services Network project while discussions continue with the Home Office to agree scope and timings. There have also been changes to the spend profile for the Ultra Low Emission Zone.

Volume analysis

	Full year 2018/19	Budget 2018/19	Variance	Full year 2017/18	Variance
Santander Cycles					
Number of hires (millions)	10.9	10.7	0.2	10.2	0.7
Average income per hire (£)	1.16	1.15	0.01	1.18	(0.02)
Operating cost per hire (£)	(2.26)	(2.49)	0.23	(2.52)	0.26
Victoria Coach Station					
Number of coach departures (thousands)	225.0	236.4	(11.4)	236.4	(11.4)
Average income per departure (£)	35.07	38.66	(3.59)	35.80	(0.73)
Operating cost per departure (£)	(35.22)	(33.99)	(1.23)	(32.71)	(2.51)
London River Services					
Number of passenger journeys (millions)	9.8	9.8	-	10.0	(0.2)
Average income per journey (£)	0.24	0.29	(0.05)	0.28	(0.04)
Operating cost per journey (£)	(1.56)	(1.40)	(0.16)	(1.36)	(0.20)
London Dial-a-Ride					
Number of passenger journeys (thousands)	1,000.5	1,000.0	0.5	1,023.9	(23.4)
Operating cost per trip (£)	(46.43)	(47.30)	0.87	(48.51)	2.08
Taxi and Private Hire					
Number of private hire vehicle drivers	106,777	-	-	113,645	(6,868)
Taxi drivers	23,159	-	-	23,826	(667)
Total income (£m)	32.9	39.8	(6.9)	27.1	5.8
Total costs (£m)*	(42.5)	(46.4)	3.9	(40.4)	(2.1)
Emirates Air Line					
Number of passenger journeys (thousands)	1,346.1	1,621.8	(275.7)	1,375.8	(29.7)
Average income per journey (£)	4.47	4.76	0.29	4.26	0.21
Operating cost per journey (£)**	(2.40)	(2.33)	(0.07)	(2.55)	0.15

* Operating costs exclude depreciation and the management fee, which are also charged to the licence fee

** Costs of Emirates Air Line are shown net of sponsorship income

Commercial Development

Property development, commercial property, media, telecoms and facilities 

Financial summary

The net operating surplus is higher than budget and the previous year, owing to a combination of reduced office maintenance costs and accommodation projects.

Commercial Development (£m)	Full year 2018/19	Budget 2018/19	Variance	Full year 2017/18	Variance
Passenger income	-	-	-	-	-
Other operating income	261	265	(4)	252	9
Total operating income	261	265	(4)	252	9
Direct operating cost	(136)	(169)	33	(156)	20
Direct operating surplus	125	96	29	96	29
Indirect operating cost	(13)	(15)	2	(15)	2
Net operating surplus	112	81	31	81	31
New capital investment	(94)	(146)	52	(99)	5
Property receipts	88	56	32	59	29
Crossrail over site development	160	176	(16)	-	160
Net capital account	154	86	68	(40)	194

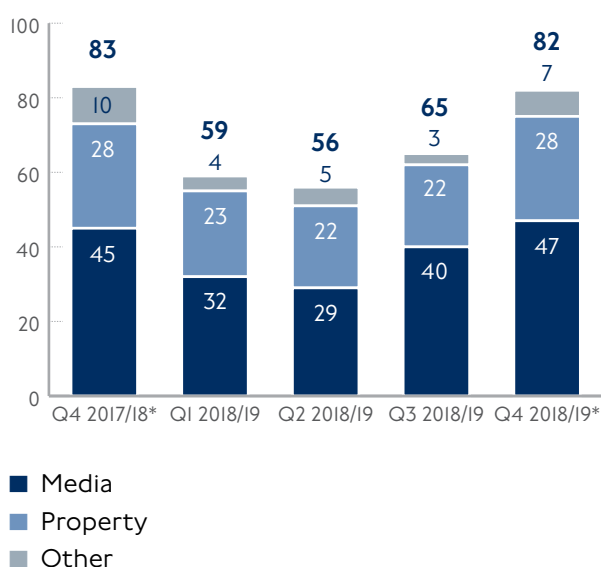
Operating income is lower than budget mainly because of the missed Crossrail advertising opportunities. However, year-on-year advertising income is higher along with property income, which is a result of higher back-dated rents and the sub-let of head office buildings.

Operating expenditure is lower than budget as office maintenance costs have been controlled, some projects delayed and unbudgeted rates refunds received.

New capital investment is significantly lower than budget owing to the delayed roll-out of digital media assets, along with a slower start on property investments, variations in the delivery of Crossrail over-site development and re-phasing of head office works.

Capital receipts are higher mainly because of unbudgeted and re-phased disposals of Crossrail sites.

Media, property and other income (£m) Quarterly



Income has decreased by £1m over Quarter 4 last year.

There has been an increase in media on both rail and bus shelters.

Property income has remained flat compared to Quarter 4 last year.

Other income has decreased because of a one-off property receipt in 2017/18 related to Crossrail activities.

* Quarter 4 is longer than Quarters 1 to 3 (16 weeks and one day vs 12 weeks)

Delivering homes on our land

We announced that we intend to appoint Grainger plc as our partner to deliver 3,000 new homes for our Build to Rent portfolio, with a minimum of 40 per cent affordable on all new planning consents. The first phase of sites has been identified in locations such as Canning Town and Southall.

With the development partners in place for 10,000 homes, we will now work with local communities and boroughs to identify the needs of the area and create places and neighbourhoods where people want to live – the sustainable locations of the future.

Planning homes for the future

We have submitted planning applications for 1,300 homes on our land. Planning consent has already been granted for two of these sites; one for 350 homes at Blackhorse Road in Waltham Forest, and another for 97 new homes at Beechwood Avenue in Barnet. Both sites will have 50 per cent affordable homes.

Major projects

Financial summary

Major projects is responsible for our largest and most complex projects. It comprises line upgrades, Deep Tube Upgrade, network extensions and Major stations.

Major projects (£m)	Full year 2018/19	Budget 2018/19	Variance	Full year 2017/18	Variance
Passenger income	-	-	-	-	-
Other operating income	1	-	1	-	1
Total operating income	1	-	1	-	1
Direct operating cost	(12)	(14)	2	(11)	(1)
Direct operating deficit	(11)	(14)	3	(11)	-
Indirect operating cost	(35)	(38)	3	(36)	1
Net operating deficit	(46)	(52)	6	(47)	1
Capital renewals	(25)	(36)	11	(23)	(2)
New capital investment	(709)	(777)	68	(746)	37
Total capital expenditure	(734)	(813)	79	(769)	35

Four Lines Modernisation

The new automatic train control signalling system will allow more frequent and reliable services on the Circle, District, Hammersmith and Metropolitan lines. Commissioning of the first Migration Area between Hammersmith and Latimer Road was successfully completed on 17 March 2019. This section of the railway is now running in revenue service under Communications Based Train Control and is performing within reliability targets.

Northern Line Extension

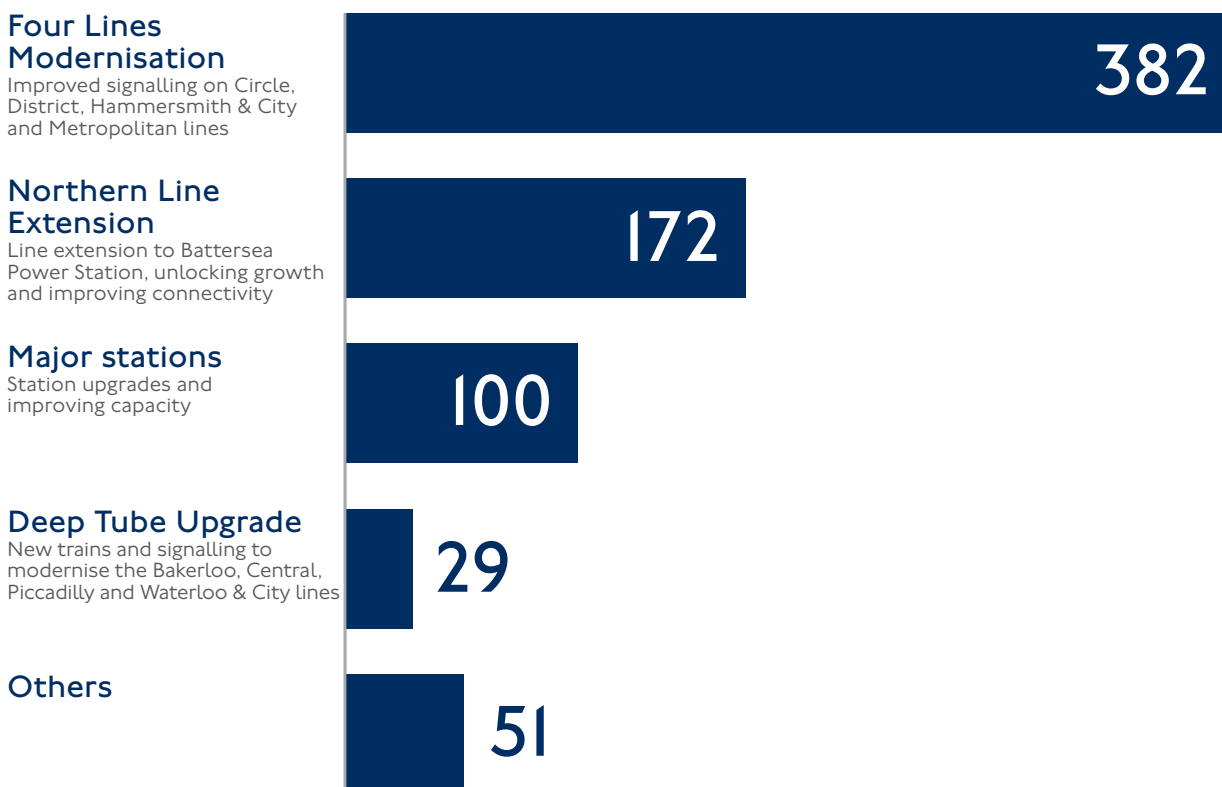
Track installation across the Northern Line Extension is complete, enabling

deliveries by engineering trains to be made deeper into the extension, and the installation of the conductor rail is under way. Successful test trains found that signalling cables can be permanently installed directly in the track bed, which will improve safety and save both time and money.

Deep Tube Upgrade

This project will deliver new trains and signalling to modernise the Bakerloo, Central, Piccadilly and Waterloo & City lines. Work has begun on a draft rolling stock concept design for the Piccadilly line rolling stock under TfL's contract with Siemens.

Full year capital spend by programme (£m)



Major stations

At Victoria station, all passenger-facing facilities have been opened. The overall completion of the station, surrounding buildings and urban realm is planned for mid-2019.

In March, the first breakthrough was made between the new entrance on Cannon Street and the newly constructed Northern line tunnel, as part of the Bank station upgrade works. Tunnelling work for the new lift shaft continues, which will deliver step-free access to the Northern line and improved step-free access to the DLR in 2022.

Silvertown Tunnel

The bidders submitted their final technical, commercial and financial proposals in February 2019, and the contract will be awarded later in the year.

Barking Riverside Extension

The contract for the Barking Riverside Extension was awarded at the end of December 2018. The focus has been to mobilise the joint venture team completing environmental surveys, securing planning approvals for the new station and establishing structural monitoring on the High Speed 1 tunnels – which the new link will cross.

Headcount

Full-time equivalents (FTEs) including non-permanent labour (NPL)

	31 March 2018 Actual	YTD net (leavers)/joiners	31 March 2019 Actual
London Underground	18,851	(409)	18,442
Elizabeth line	238	25	263
Buses	578	(113)	465
Rail	285	(11)	274
Streets	1,518	(211)	1,307
Other operations	1,444	(64)	1,380
Professional services*	3,807	(130)	3,677
Commercial Development	298	19	317
Crossrail	651	(110)	541
Major projects	786	(172)	614
Total	28,456	(1,176)	27,280

We have embarked on another major programme of change, becoming leaner through merging functions, reducing management layers, broadening roles and increasing areas of control. As a result, headcount levels are down by 1,176 in the year.

* Professional Services comprises functions within TfL including Legal, Finance, Human Resources, Ticketing, Procurement and Customers, and Communications & Technology where services are provided on a shared basis across all TfL divisions.

NPL

Our overall use of NPL has fallen by 230 during the year.

It is important that we continue to make use of the flexibility offered by NPL, particularly through this time of

change and temporary peaks in demand, such as in recruitment resulting from our transformation programme. It is equally important that we do not limit our ability to hire talent in areas where skills are scarce.

Date	Reduction since December 2015			
	Number of NPL	Weekly cost (£)	Number of NPL	Weekly saving (£)
15 December 2015	3,092	5,249,002		
31 March 2017	1,742	2,544,009	(1,350)	(2,704,993)
31 March 2018	1,422	1,874,029	(1,670)	(3,374,973)
31 March 2019	1,192	1,688,494	(1,900)	(3,560,709)

The above table shows the cost reduction made from actions taken to reduce NPL costs. The weekly cost assumes seven hours a day and five days a week worked.

NPL by length of service

Length of service	31 March 2018 Actual	YTD net (leavers)/joiners	31 March 2019 Actual
0-6 months	280	62	342
6-12 months	355	(172)	183
1-2 years	259	23	282
2-3 years	237	(17)	220
3-5 years	174	(74)	100
5+ years	117	(52)	65
Total	1,422	(230)	1,192

There are still a large number of non-permanent contractors who have been working at TfL for more than two years. Many of these are working on large construction projects, but we continue to seek to reduce reliance on these resources as much as possible.

May 2019
tfl.gov.uk

PUB19_017_QPR_Q4



TfL Board

Preliminary results for year ended 31 March 2019

22 May 2019

The financial information included in the report is unaudited and does not constitute TfL's statutory accounts. TfL's last audited Statement of Accounts for the year ending 31 March 2018 was published in July 2018. TfL's draft unaudited Statement of Accounts for the year ending 31 March 2019 will be published in May 2019.



Section I

Full year preliminary results

Page 120

Full Year Preliminary Results 1

Business Unit Review 2

Priorities for 2019/20 3



Strong results, a further step towards our ambition

Passenger income up, net operating surplus ahead of last year, fourth consecutive year of reduction in like for like operating costs. Net deficit one third of what it was in 2015/16.



Passenger income

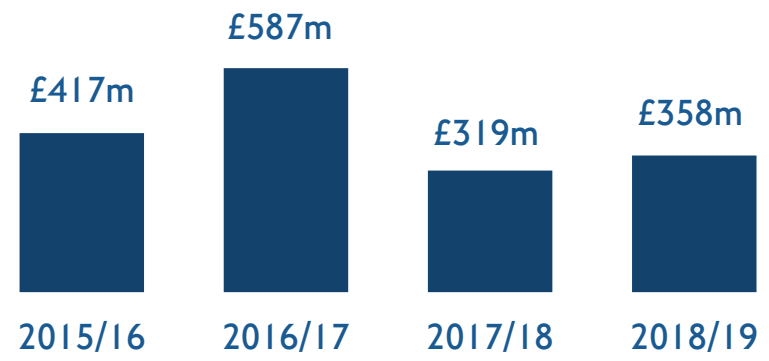
4% ↑



Net operating surplus

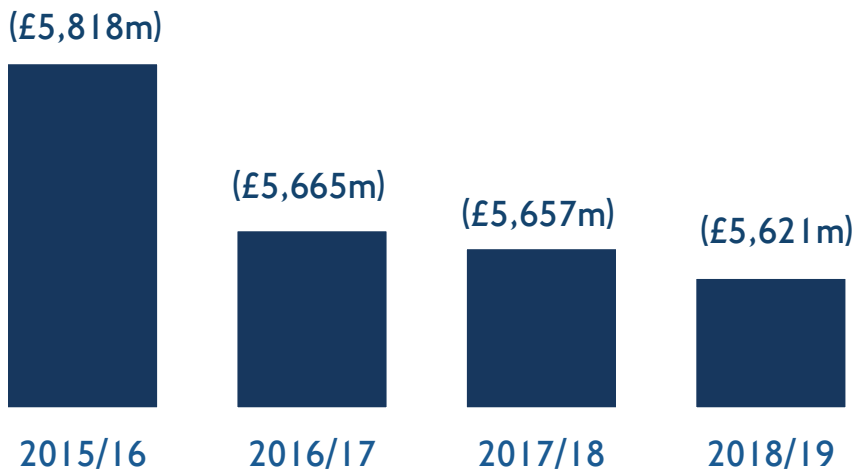
Our approximation of EBITDA

12% ↑



Like for like operating costs

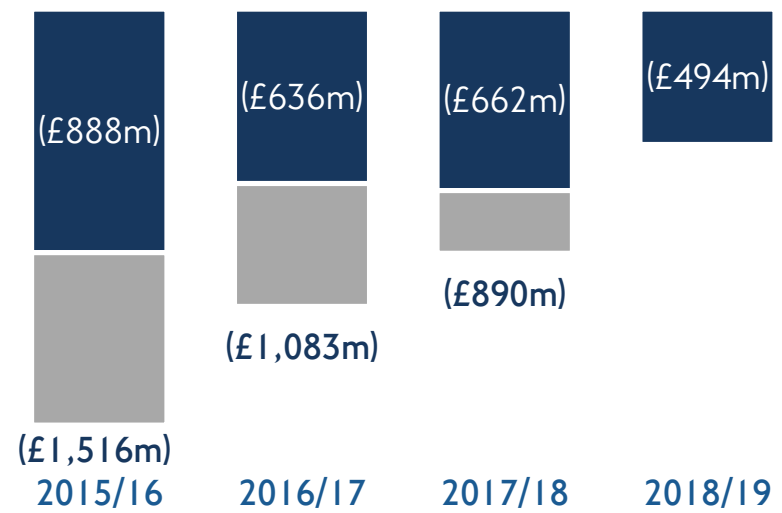
0.6% ↓



Net cost of operations

Our deficit

25% ↑



Like for like costs = operating costs adjusted for one offs, Elizabeth line operating costs, and restructuring costs

Net cost of operations if operating grant was excluded

Group results ahead of our expectations

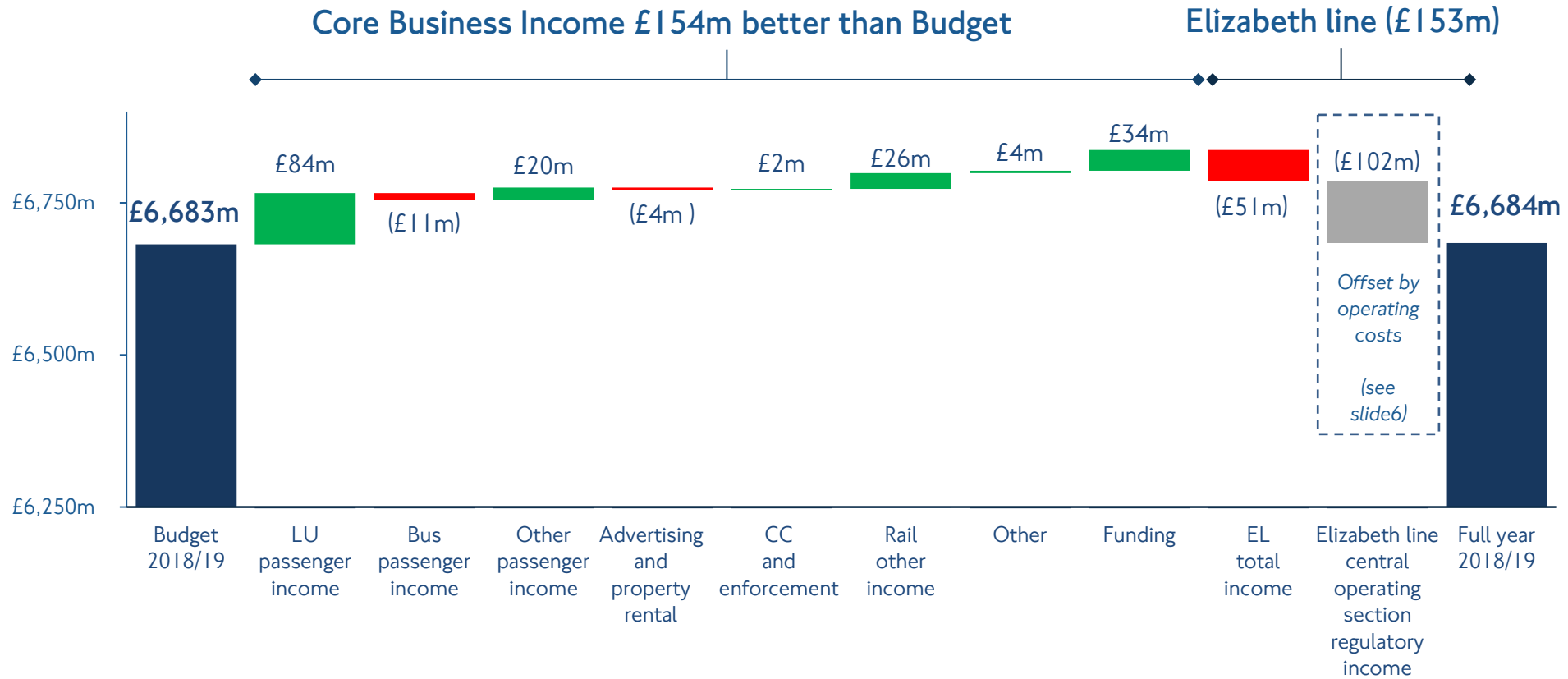
Strong performance compared to budget and prior year, despite loss of operating grant.

£m	2018/19 full year				2017/18		
	Actuals	Budget	Variance to Budget	% variance to Budget	Last year actuals	Variance to last year	% variance to last year
Operating account							
Passenger income	4,822	4,774	48	1%	4,643	179	4%
Other operating income	812	893	(81)	-9%	759	53	7%
Total operating income	5,634	5,667	(33)	-1%	5,402	232	4%
Business Rates Retention	947	947	-	0%	854	93	11%
Revenue grant	103	69	34	49%	312	(209)	-67%
Total income	6,684	6,683	1	0%	6,568	116	2%
Operating costs	(6,326)	(6,671)	345	-5%	(6,249)	(77)	1%
Net operating surplus	358	12	346	3155%	319	39	12%
Capital renewals	(398)	(499)	101	-20%	(553)	155	-28%
Net cost of operations before financing	(40)	(487)	447	-92%	(234)	194	-83%
Net financing costs	(454)	(486)	32	-7%	(428)	(26)	6%
Net cost of operations	(494)	(973)	479	-49%	(662)	168	-25%



Income growth driven by demand

Passenger growth on the Underground ahead of expectations, but buses demand remains subdued. We received one off additional funding for Mayoral air quality initiatives



£93m

Upside in passenger income mainly from the Underground, where journeys were 2.4% better than Budget and up 2% on prior year (underlying 1.3%*) and yield 0.6% better than budget

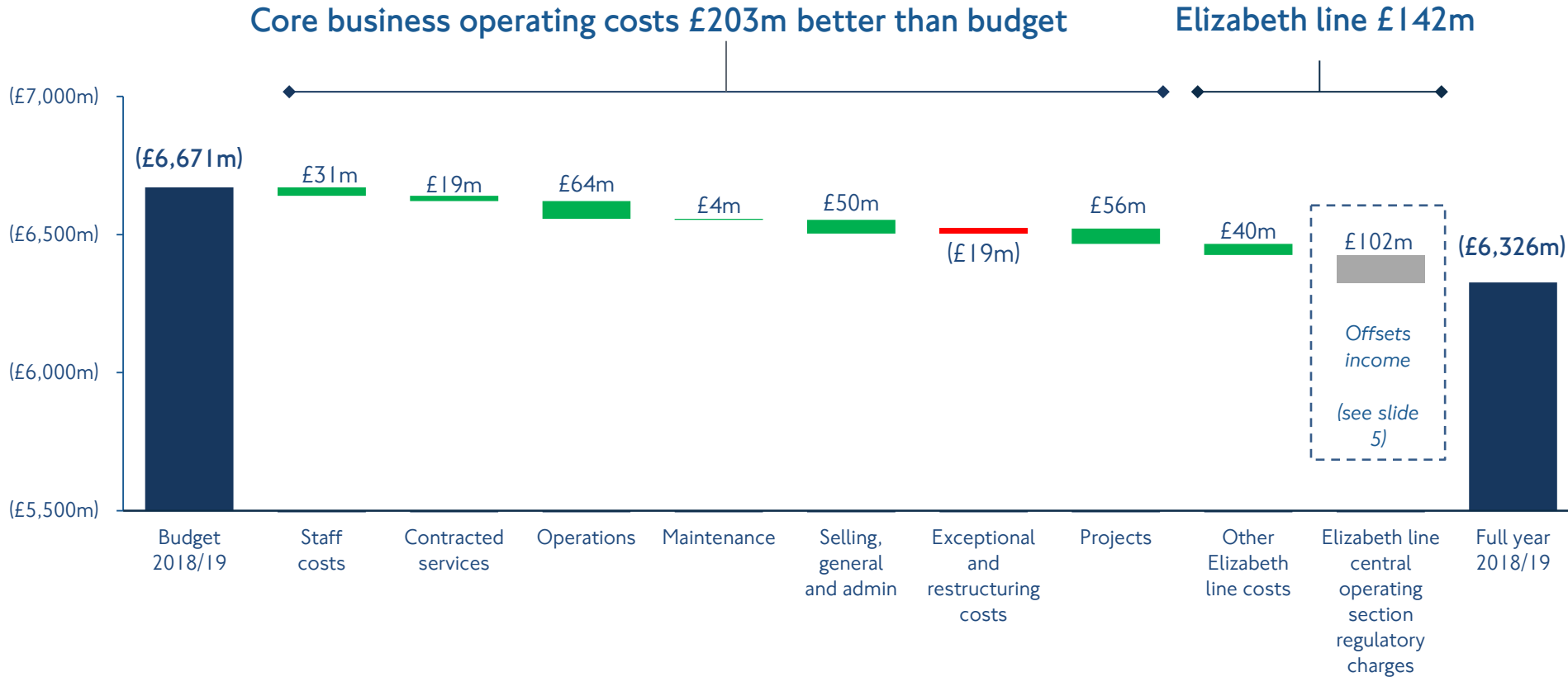
(£51m)

Income loss from the delayed opening of Elizabeth Line
Mitigated through cost reductions

*incidents which occurred in 2017/18 affecting demand include Grenfell tower, the beast from the east, and Easter weekend falling the year before in 16/17

Focus on cost delivers savings ahead of budget

The main drivers behind our cost savings include headcount reductions and modernisation.



£166m

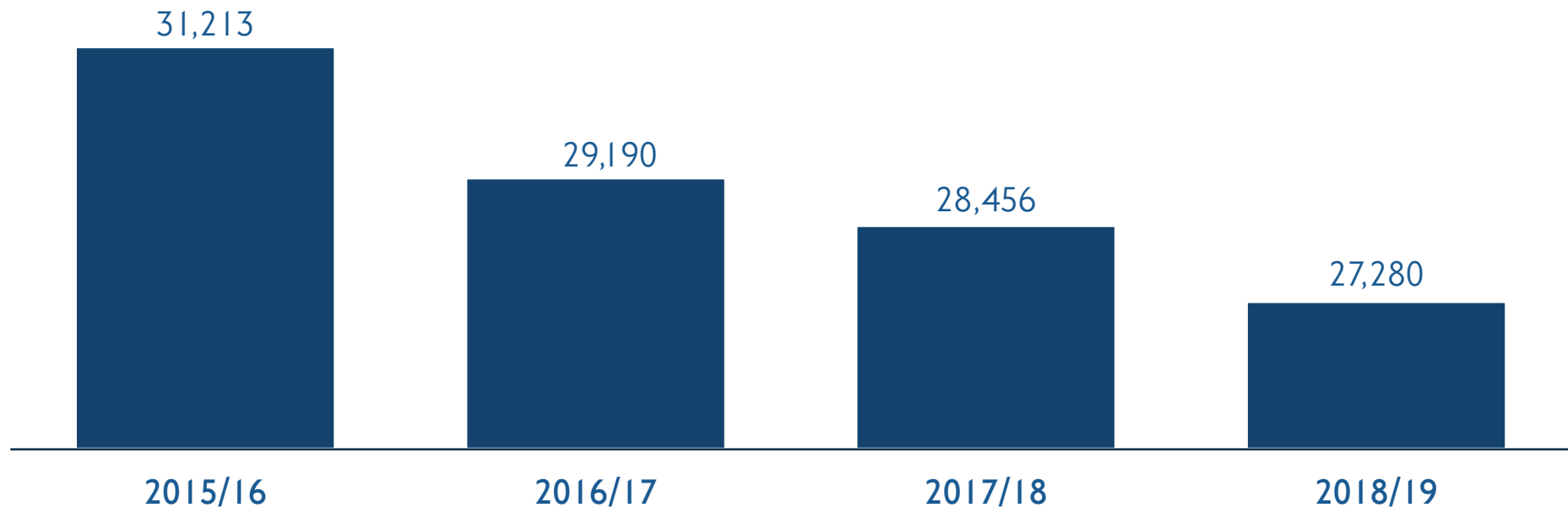
Core costs excluding one offs costs and project costs were lower than 2018/19 budget

£40m

Elizabeth Line operating costs savings

Delivering more with fewer people

TfL headcount (full time equivalents including non-permanent labour)



Page 125
We are progressing well with our plans to deliver a 30% reduction in our back and middle office costs.

61%

NPL reduction since December 2015

20 areas

reviewed in 2018/19, covering 2,100 roles

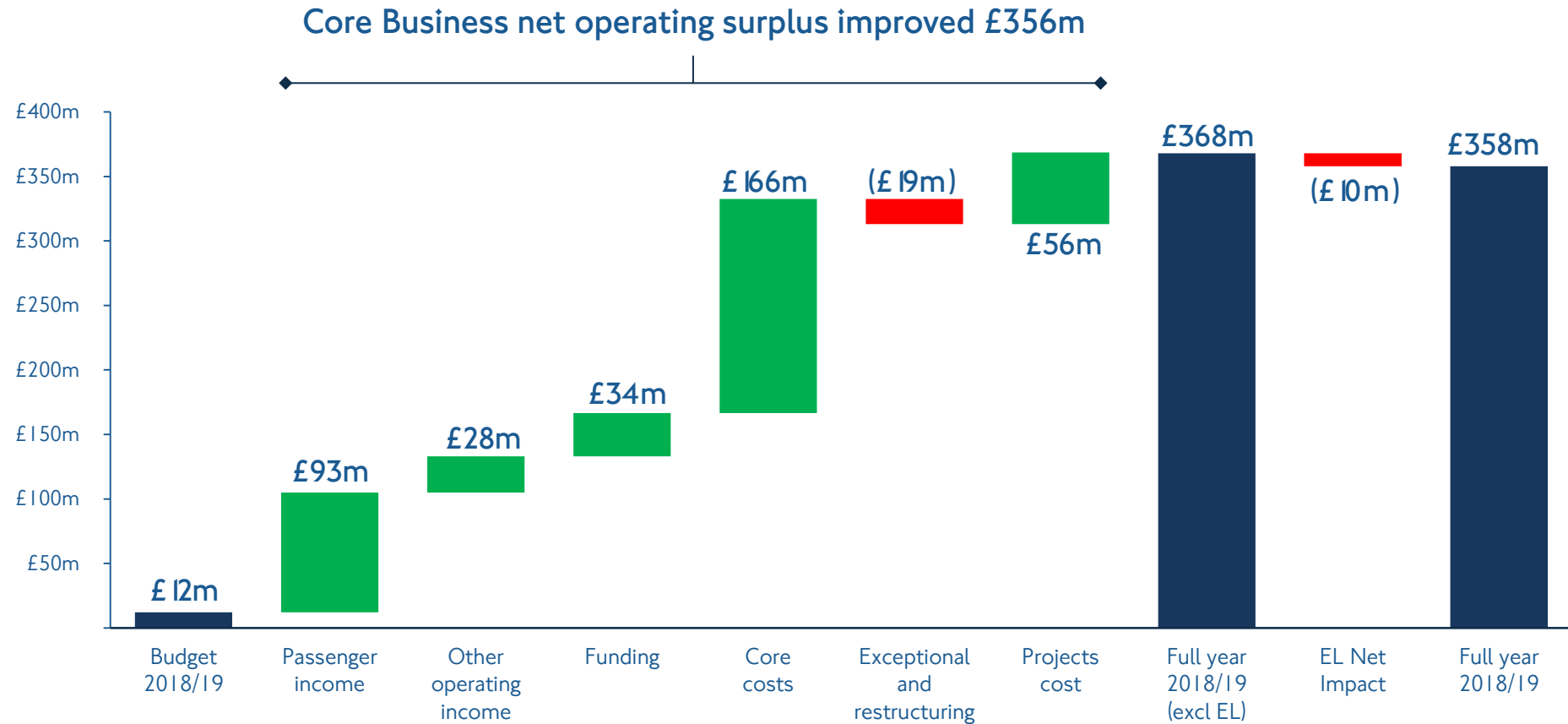
13,000

roles in 50 business areas reviewed since 2015/16



Summary: significant net operating surplus improvement

Page 126



£258m

Improvement in the underlying business, excluding effects of income and costs that are non-repeatable

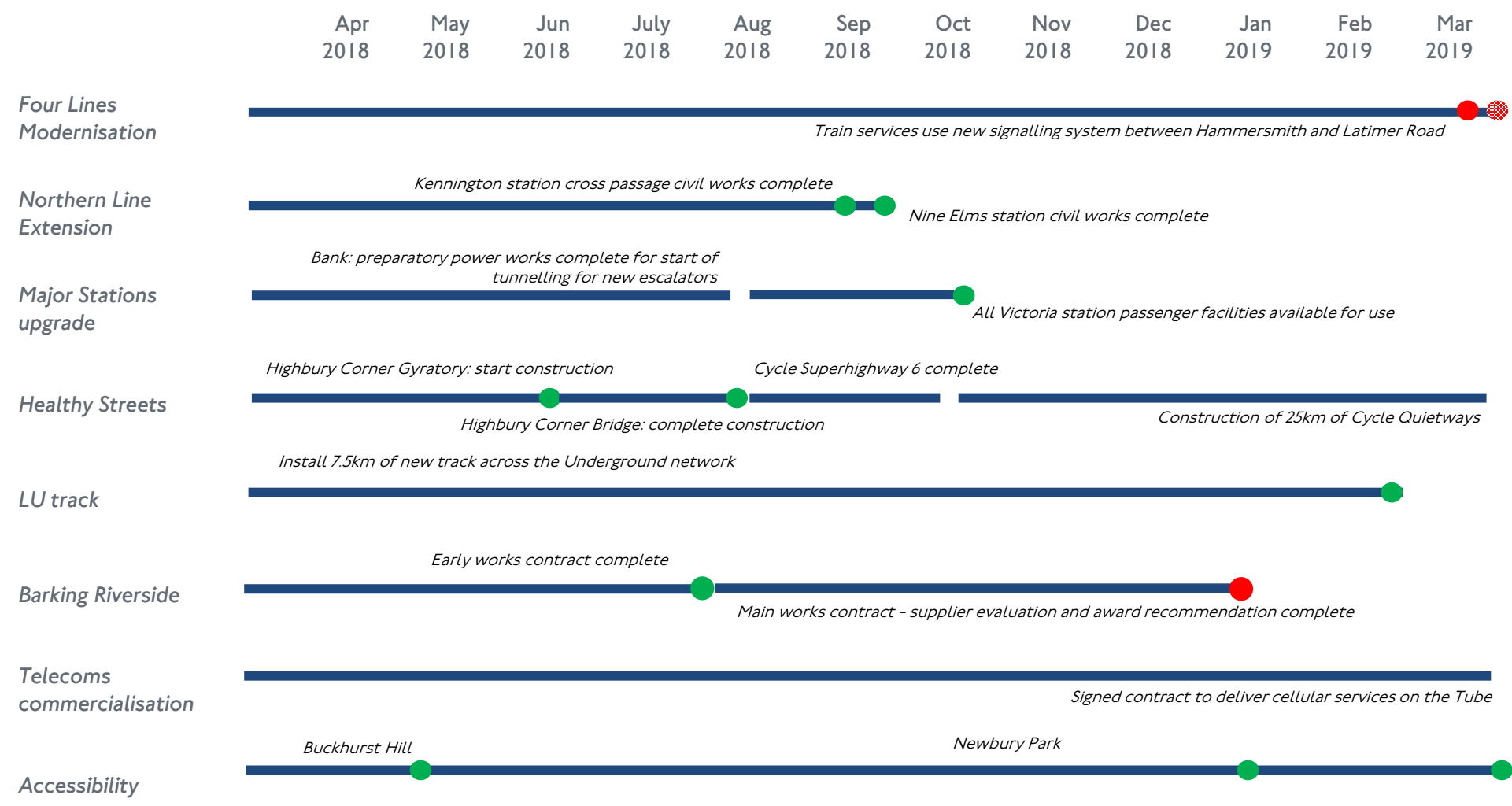
(£10m)

Net impact from Crossrail delays in 2018/19



81% of the investment programme milestones were achieved

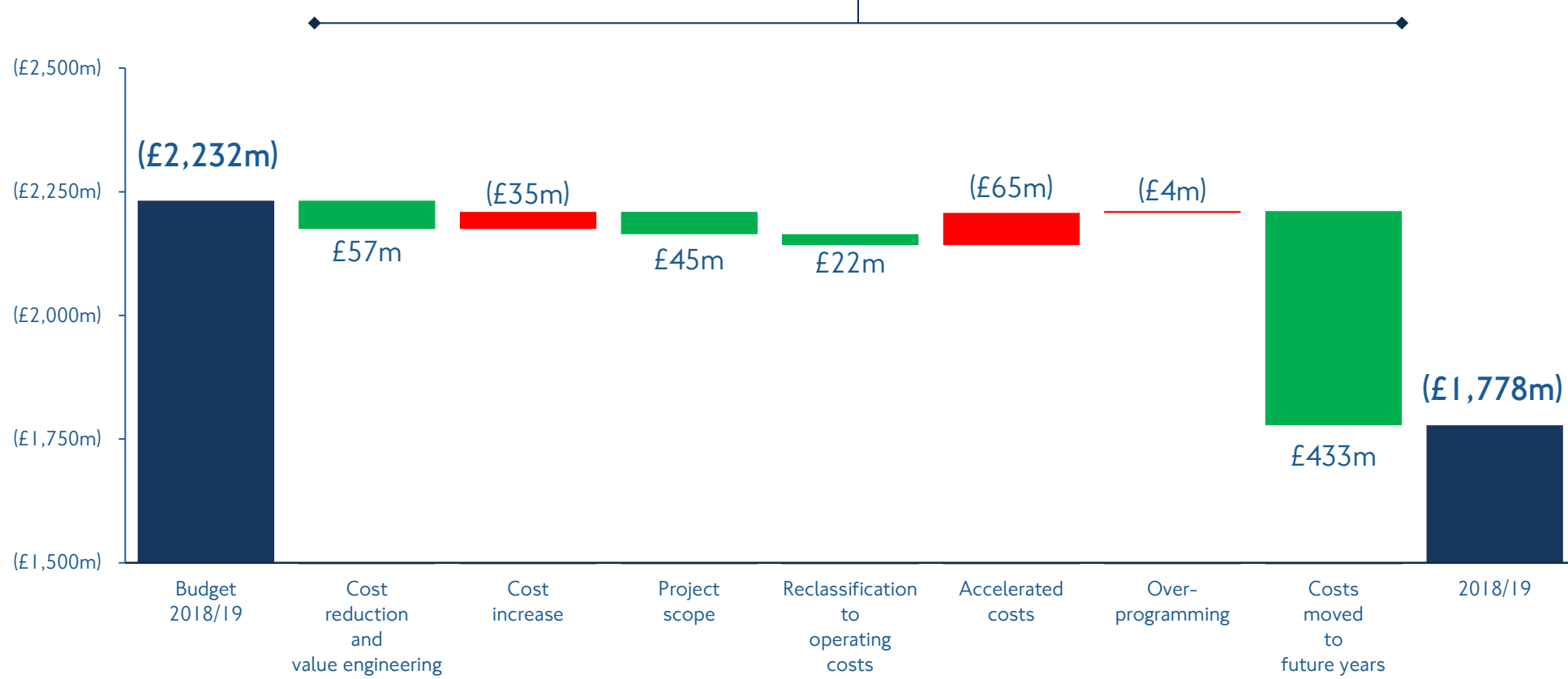
Budget milestones, 2018/19



Capital expenditure significantly below budget

Page 128
 Much of this has been reprofiled into future years.

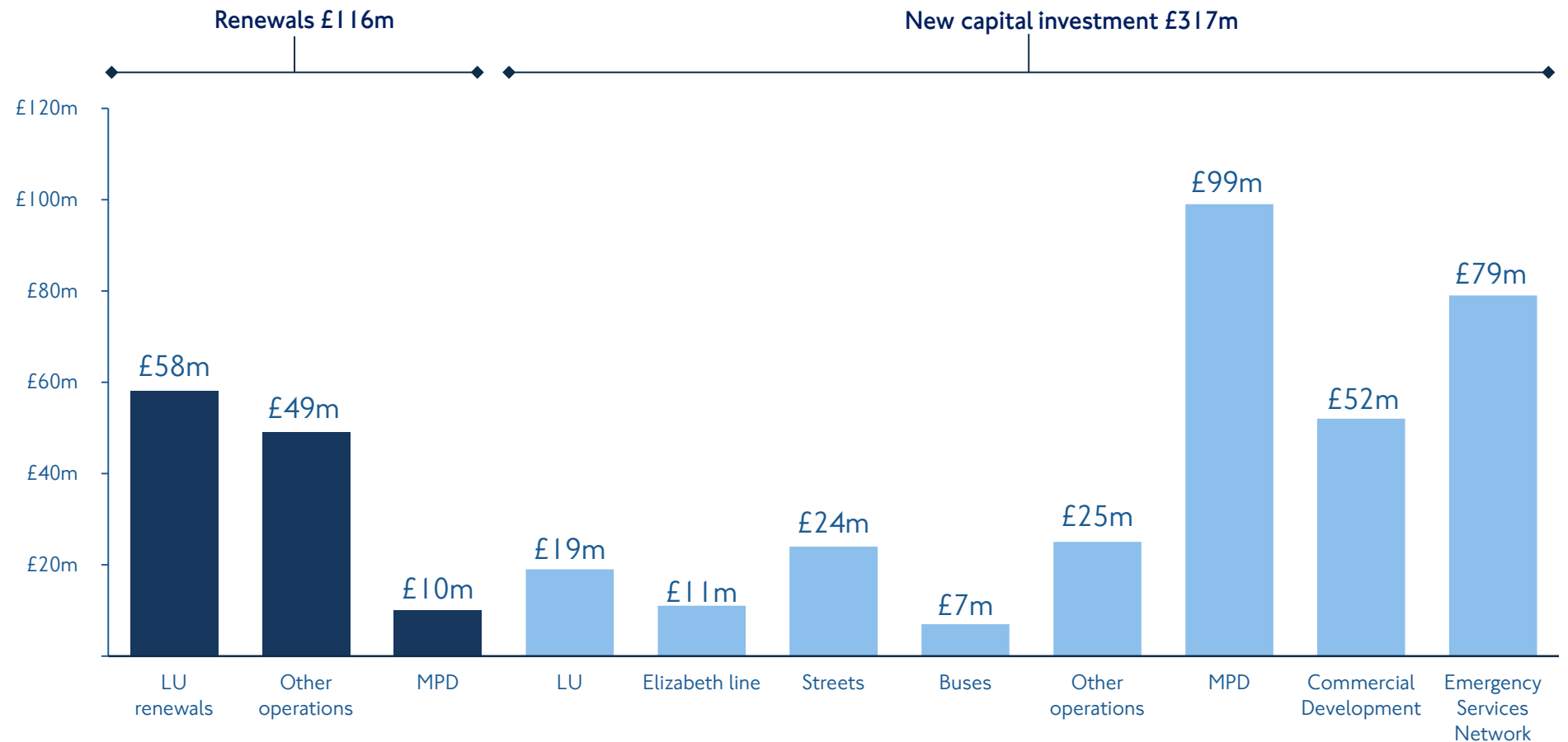
Capital expenditure (excl Crossrail) £455m lower than Budget



Timing differences are from a combination of factors

Approximately half from external factors. We are tightening our grip on forecasting accuracy.

£433m of costs moved to future years

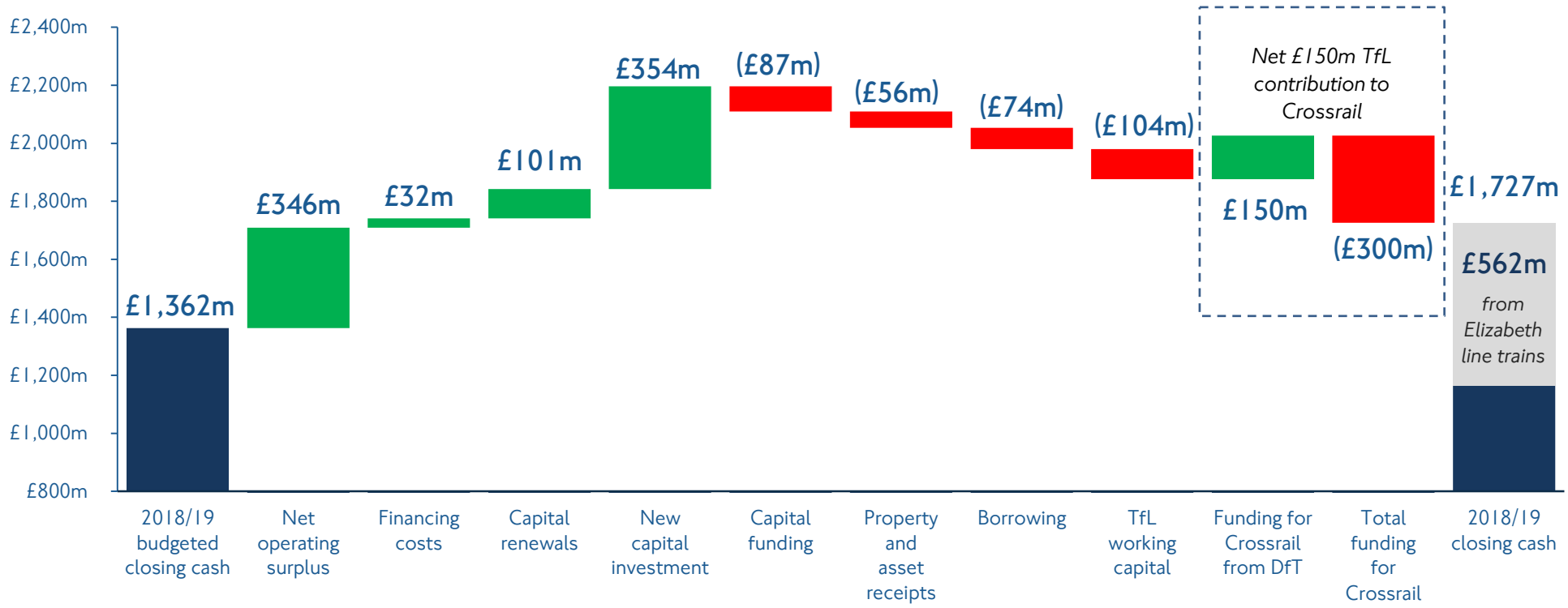


Cash balances improved

Page 130

Cash position heavily supported by large asset disposals and asset recycling transactions

TfL cash full year position £365m better than budget



£1bn

Funding released from Elizabeth Line trains sale and leaseback to be utilised in our investment programme, including funding the new Piccadilly line trains

£248m

Generated from property and asset sales in 2018/19

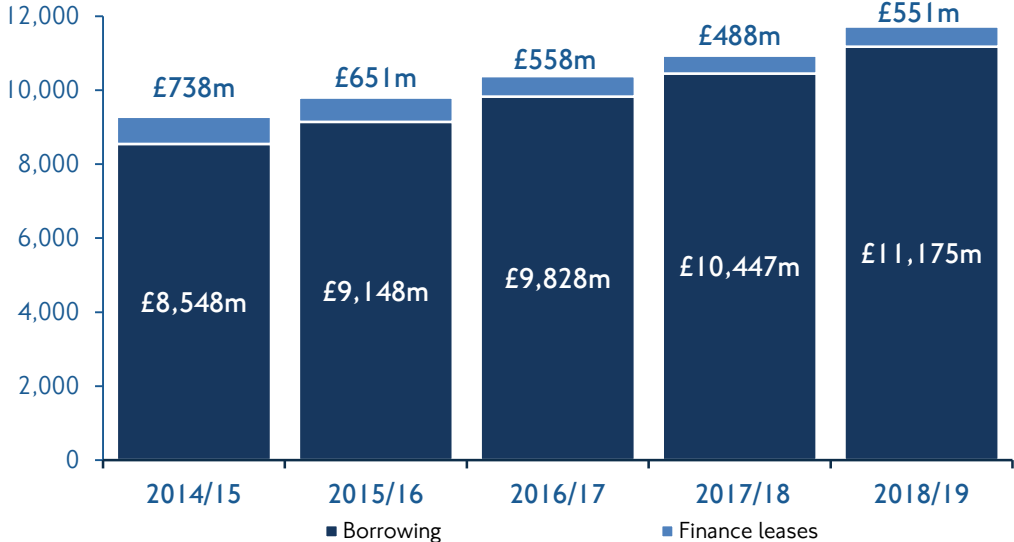


Debt and financing

Page 131

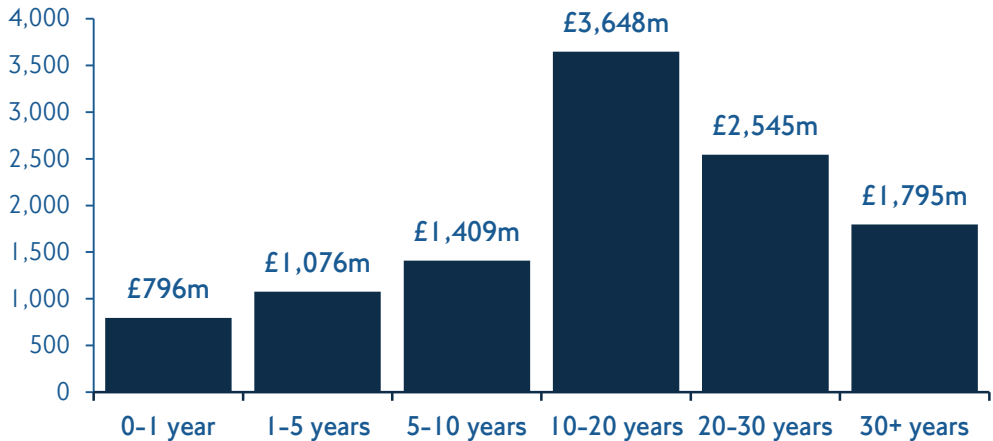
Our debt levels are high but relatively stable and predictable

Total value of debt (£m)



Borrowing increased by £728m over the year to a total of £11,175m at the end of Quarter 4. We raised funds from a number of sources including the European Investment Bank, Export Development Canada and the Public Works Loan Board

Borrowing maturity profile as at 31 March 2019 (£m)



Weighted average maturity of 19 years on our outstanding borrowing, reflecting the long life of the majority of our assets



Section 2

Business unit review

Page 132

Full Year Preliminary Results 1

Business Unit Review 2

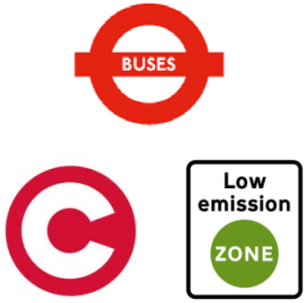
Priorities for 2019/20 3



We have clear long term targets for each division

Page 133

These targets ensure we will break even on day-to-day operations by 2022/23



Combined subsidy of £850m on buses and streets



£300m surplus on Commercial Development



Double the surplus from the Tube to £1.4bn



Affordable capital plan with sufficient renewals



Break even on rail and other operations



30% reduction in back office cost



Elizabeth Line opens and generates surplus



London Underground: solid progress towards our ambition

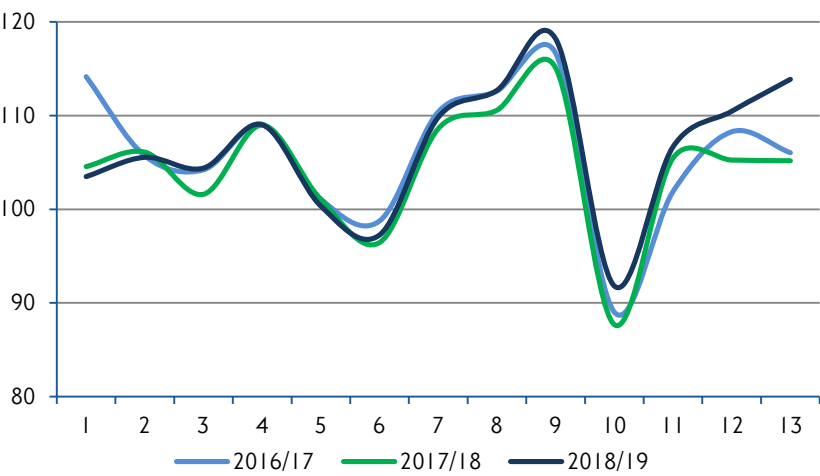
Our aim is to generate a sufficient surplus to cover the cash cost of renewing the Underground and financing costs incurred on borrowings to upgrade the tube



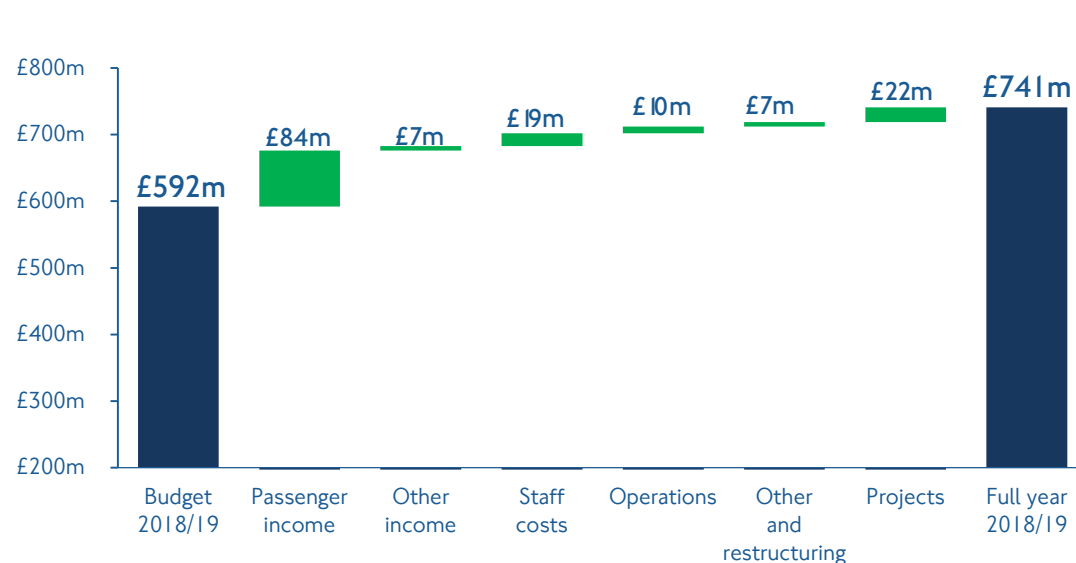
£m	2018/19 full year				2017/18		
	Actuals	Budget	Variance to Budget	% variance to Budget	Last year actuals	Variance to last year	% variance to last year
Operating account							
Passenger income	2,767	2,683	84	3%	2,632	135	5%
Other operating income	32	25	7	28%	45	(13)	-29%
Total operating income	2,799	2,708	91	3%	2,677	122	5%
Direct operating cost	(2,058)	(2,116)	58	-3%	(2,134)	76	-4%
Direct operating surplus	741	592	149	25%	543	198	36%
Indirect operating cost	(305)	(313)	8	-3%	(311)	6	-2%
Net operating surplus	436	279	157	56%	232	204	88%
Capital renewals	(260)	(297)	37	-12%	(318)	58	-18%
New capital investment	(46)	(72)	26	-36%	(38)	(8)	21%
Total capital expenditure	(306)	(369)	63	-17%	(356)	50	-14%

Passenger demand

LU passenger journeys up 32 million on budget (2.4%) and 2% better than last year; underlying demand up 1.3% on last year



Direct operating surplus



Rail: small operating deficit

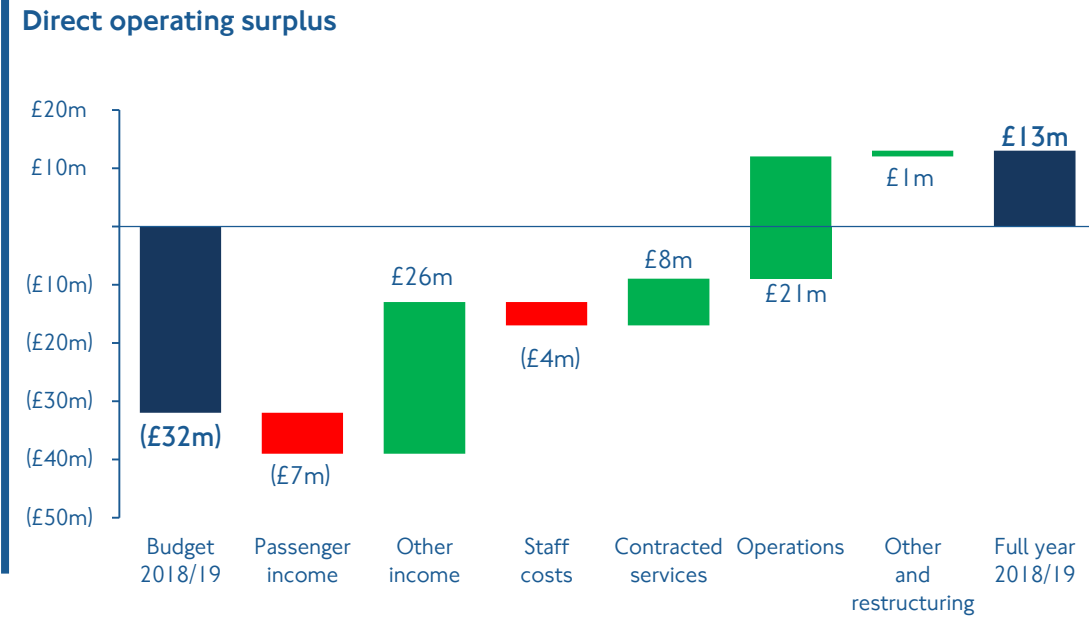
Operating cost increases from service enhancements on the Overground have not materialised, due to later than expected delivery of new trains

£m	2018/19 full year				2017/18		
	Actuals	Budget	Variance to Budget	% variance to Budget	Last year actuals	Variance to last year	% variance to last year
Operating account							
Passenger income	427	434	(7)	-2%	418	9	2%
Other operating income	40	14	26	186%	13	27	208%
Total operating income	467	448	19	4%	431	36	8%
Direct operating cost	(454)	(480)	26	-5%	(413)	(41)	10%
Direct operating surplus	13	(32)	45	-141%	18	(5)	0%
Indirect operating cost	(17)	(20)	3	-15%	(20)	3	-15%
Net operating deficit	(4)	(52)	48	-92%	(2)	(2)	100%
Capital renewals	(31)	(43)	12	-28%	(29)	(2)	7%
New capital investment	(47)	(42)	(5)	12%	(46)	(1)	2%
Total capital expenditure	(78)	(85)	7	-8%	(75)	(3)	4%

Passenger demand

	2018/19	2018/19 Budget	Variance
London Overground	189.5	189.9	(0.4)
DLR	121.9	120.3	1.6
London Trams	28.7	29.8	(1.1)

	2018/19	2017/18	Year-on-year variance
London Overground	189.5	188.6	0.9
DLR	121.9	119.6	2.3
London Trams	28.7	29.1	(0.4)



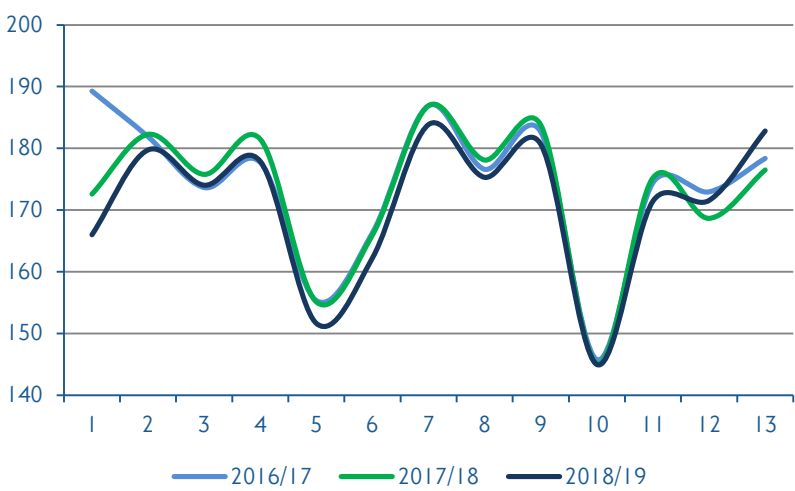
Buses: deficit 1% higher than budget driven by demand

Despite challenges on demand, we have good control of our operating costs and contracting efficiencies

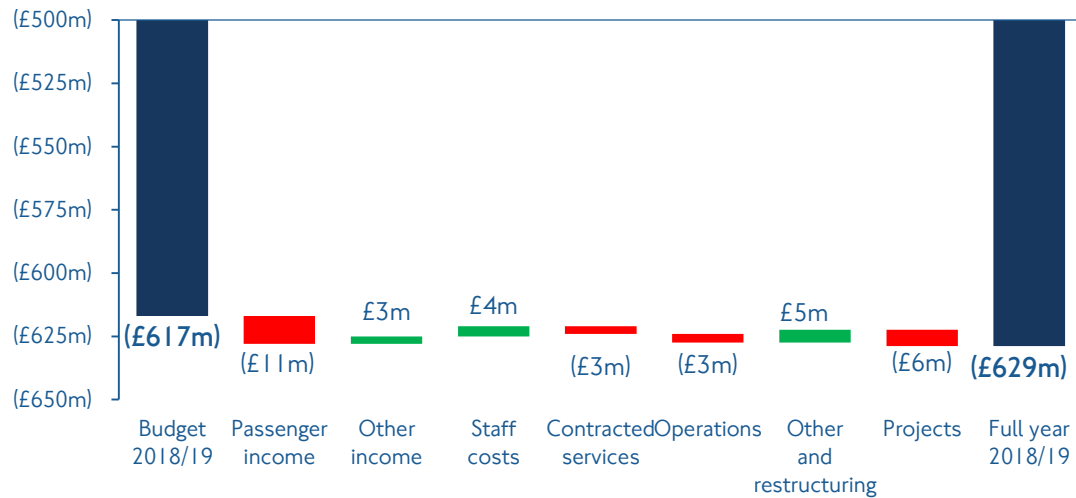
£m	2018/19 full year				2017/18		
	Actuals	Budget	Variance to Budget	% variance to Budget	Last year actuals	Variance to last year	% variance to last year
Operating account							
Passenger income	1,468	1,479	(11)	-1%	1,453	15	1%
Other operating income	12	9	3	33%	13	(1)	-8%
Total operating income	1,480	1,488	(8)	-1%	1,466	14	1%
Direct operating cost	(2,109)	(2,105)	(4)	0%	(2,104)	(5)	0%
Direct operating deficit	(629)	(617)	(12)	2%	(638)	9	-1%
Indirect operating cost	(28)	(34)	6	-18%	(35)	7	-20%
Net operating deficit	(657)	(651)	(6)	1%	(673)	16	-2%
Capital renewals	(2)	(9)	7	-78%	(10)	8	-80%
New capital investment	(19)	(46)	27	-59%	(12)	(7)	58%
Total capital expenditure	(21)	(55)	34	-62%	(22)	1	-5%

Passenger demand

Bus journeys 16 million (0.7%) lower than budget, 1.2% lower than last year



Direct operating deficit



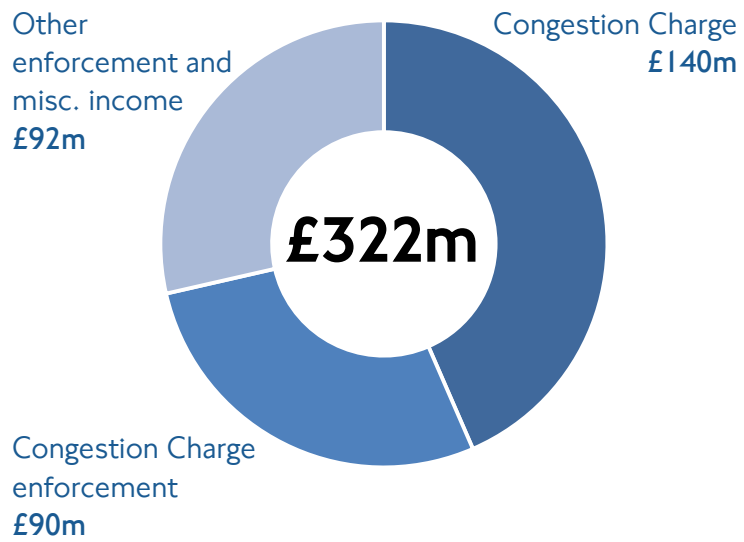
Streets: improved performance but challenging fundamentals

Income broadly in line with Budget and better than last year. Cost reduction primarily due to the decision by Westminster to cancel the pedestrianisation of Oxford Street

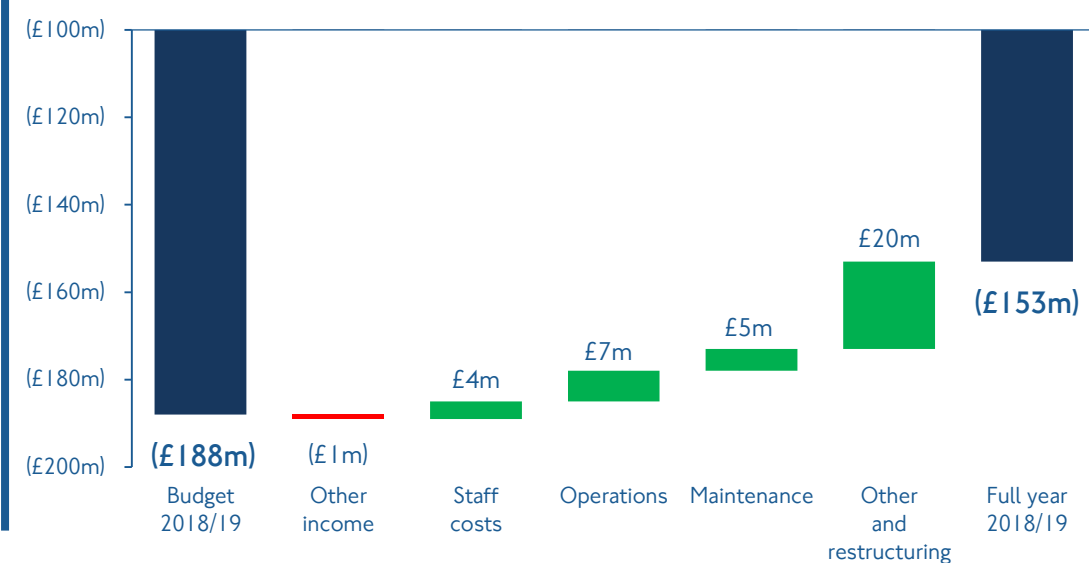


£m	2018/19 full year				2017/18		
	Actuals	Budget	Variance to Budget	% variance to Budget	Last year actuals	Variance to last year	% variance to last year
Operating account							
Passenger income	-	-	-	-	-	-	-
Other operating income	322	323	(1)	0%	314	8	3%
Total operating income	322	323	(1)	0%	314	8	3%
Direct operating cost	(475)	(511)	36	-7%	(501)	26	-5%
Direct operating deficit	(153)	(188)	35	-19%	(187)	34	-18%
Indirect operating cost	(64)	(73)	9	-12%	(70)	6	-9%
Net operating deficit	(217)	(261)	44	-17%	(257)	40	262%
Capital renewals	(41)	(31)	(10)	32%	(114)	73	-64%
New capital investment	(92)	(146)	54	-37%	(82)	(10)	12%
Total capital expenditure	(133)	(177)	44	-25%	(196)	63	-32%

Operating income



Direct operating deficit



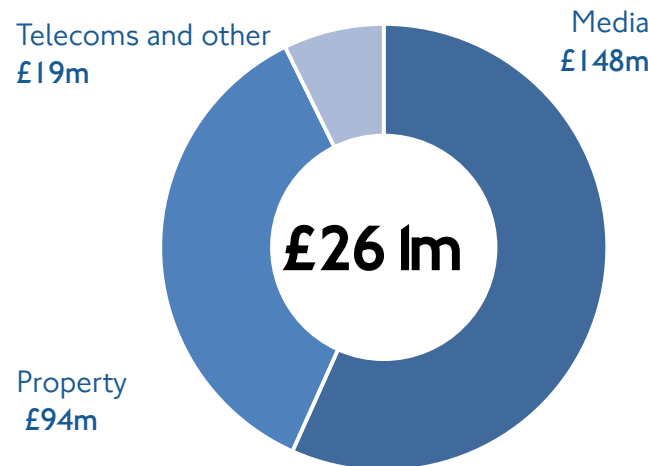
Commercial Development: great performance driven by operating cost improvements

Page 138

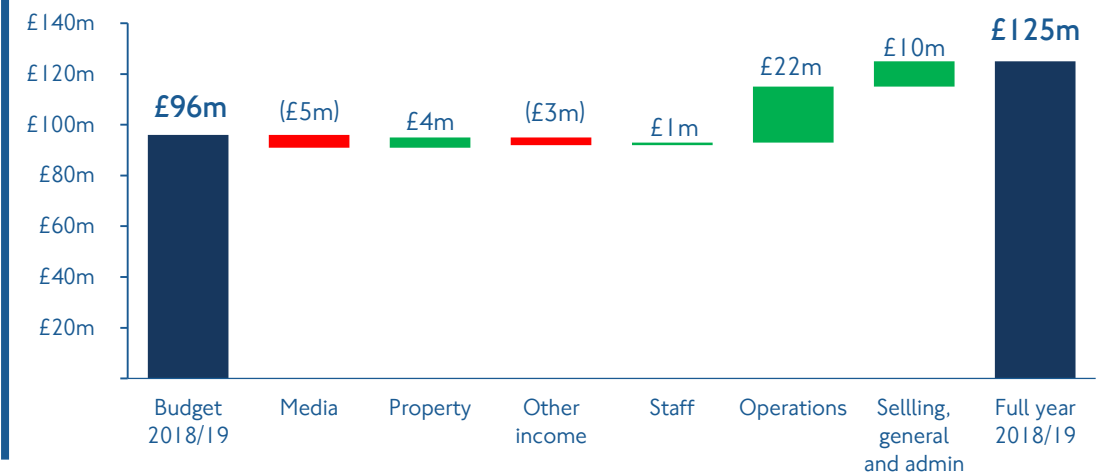
Cost improvements are due to better performance on general administration and operations, but 50% cost improvements are one off

£m	2018/19 full year				2017/18		
	Actuals	Budget	Variance to Budget	% variance to Budget	Last year actuals	Variance to last year	% variance to last year
Operating account							
Other operating income	261	265	(4)	-2%	252	9	4%
Total operating income	261	265	(4)	-2%	252	9	4%
Direct operating cost	(136)	(169)	33	-20%	(156)	20	-13%
Direct operating surplus	125	96	29	30%	96	29	30%
Indirect operating cost	(13)	(15)	2	-13%	(15)	2	-13%
Net operating surplus	112	81	31	38%	81	31	38%
New capital investment	(94)	(146)	52	-36%	(99)	5	-5%
Property receipts	88	56	32	57%	59	29	49%
Crossrail over site development	160	176	(16)	-9%	-	160	0%
Total capital expenditure	154	86	68	79%	(40)	194	-485%

Operating income



Direct operating surplus



Section 3

Outlook for 2019/20

Page 139

Full Year Preliminary Results 1

Business Unit Review 2

Priorities for 2019/20 3







2019/20 priorities

We remain focused on modernising the business, executing our investment plans and growing our revenues

Page 140

Continue to address our core financial position

Modernising the business

-  LU modernisation
-  Bus network modernisation
-  An efficient back and middle office
-  Progress plans to complete the Elizabeth Line

Build the future growth engines

- Property:** property focused business to accelerate delivery of homes and performance in our estate
- Media:** leverage investment in digital assets
- Retail:** progress plans to improve our retail offer
- Applied Solutions:** build a solid foundation for future growth

Enhance capital allocation discipline

Tighten grip on capital expenditure forecast accuracy

Greater focus on prioritisation

Crossrail Delays and wider economic pressures mean we must ensure focus on those projects that are essential to the safe and reliable running of the network and delivery of Mayoral priorities

Long-term funding

We will make our case to government in this year's Spending Review for a long-term funding package, including funding for key strategic schemes

Deliver against our Mayors Transport Strategy outcomes

- Air Quality** – we have successfully delivered ULEZ and are on target for compliance levels
- Cycling and safer junctions** – significant programme for 2019/20
- Housing** – continue our ambitious programme to deliver affordable housing

Crossrail

As Crossrail Limited continues to refine its plans for completing and opening the Elizabeth line, TfL will continue to assess the potential net impact on its financial position.

Any potential material financial impact beyond 2019/20 will be reflected in TfL's 2019 update to its Business Plan.

Board



Date: 22 May 2019

Item: Annual Update on the Mayor's Transport Strategy

This paper will be considered in public

1 Summary

- 1.1 This is the second annual update to the Board on the Mayor's Transport Strategy. It sets out the latest position on the delivery of the strategy, the achievements made in the last year and activity planned for the next year. This paper also includes an update on the environmental policies in the Mayor's Transport Strategy and the London Environment Strategy.

2 Recommendation

2.1 The Board is asked to:

- (a) note the progress made on the Mayor's Transport Strategy and the London Environment Strategy, including the new action plans and the borough Local Implementation Plans;**
- (b) note the current performance in working towards the outcomes in the Mayor's Transport Strategy and London Environment Strategy, with regard to shaping and refining next year's Business Plan; and**
- (c) note the steps we are taking to secure the required funding for delivery of the strategy in the Spending Review.**

3 The Mayor's Transport Strategy

- 3.1 The Mayor's Transport Strategy (MTS) was published in March 2018 and describes the Mayor's vision for transport in London to 2041. The central aim is to reduce car dependency in favour of walking, cycling and public transport use and achieve an ambitious target of 80 per cent of all trips in the city being made by active, efficient and sustainable modes by 2041. These account for around 63 per cent of trips currently made on London's transport networks.

Embedding the strategy in TfL's business processes

- 3.2 Significant work has been undertaken to ensure the aims of the MTS are clearly understood across the organisation. We have embedded the strategy in our business processes through our Scorecard, which is aligned to the ten MTS outcomes. We are monitoring progress and working hard to realise the benefits. This has already led to us reconfiguring the current Business Plan to deliver programmes to support the aims of the MTS.

3.3 In terms of this year's delivery, we have adjusted our Scorecard to reflect the MTS. The Scorecard tells us within year whether or not we are on track. Specific changes of note in this year's Scorecard include new measures covering:

- (a) weighted bus customer journey time – this new measure replaces the “average bus speeds” measure and better reflects passenger experience;
- (b) the cumulative percentage of affordable homes on TfL land with planning applications submitted (post May 2016) – this replaces the “percentage of housing units we take to market that are affordable”;
- (c) public transport trips – these new measures replace “sustainable mode share improvement” and allow us to compare the change in the number of public transport trips and level of cycling undertaken each quarter; and
- (d) reduction in customer and workforce killed and seriously injured – this new measure replaces “reducing the total injuries to workforce and customers.” The new measure better aligns with the Vision Zero target.

Action plans

3.4 Over the last 12 months, we have translated elements of the MTS into more detailed action plans:

- (a) **Walking action plan** – published on 19 July 2018 and focuses on creating streets for walking, planning and designing for walking, and integrating walking with public transport;
- (b) **Vision Zero action plan** – published on 24 July 2018 and sets out actions to eliminate deaths and serious injuries from London's transport network by 2041. The plan sets out four key areas of focus: safer speeds, safer streets, safer vehicles and safer behaviours;
- (c) **Cycling action plan** – published on 17 December 2018 and sets out how we will work with boroughs, businesses and communities across London to enable more Londoners to cycle everyday journeys in the next five years. There are three groups of actions: streets that enable cycling, making it easy to cycle and promoting cycling for all Londoners; and
- (d) **Freight and Servicing action plan** – published on 7 March 2019 and sets out actions developed in collaboration with industry experts and boroughs to support safe, clean and efficient freight as well as protecting land for freight.

Local Implementation Plans

3.5 Boroughs have an essential role in reducing car dependency, embracing and embedding the Healthy Streets approach, demonstrating commitment to Vision Zero, and enabling walking and cycling. It is a statutory requirement for boroughs to produce a Local Implementation Plan (LIP), describing how they plan to deliver the MTS at a local level.

- 3.6 We have been working closely with the boroughs as they have developed their LIPs. Twenty-seven borough LIPs have been approved by the Deputy Mayor for Transport and the remaining six LIPs will shortly be submitted for final review. It is worth noting that there has been significantly better alignment with the MTS following consultation to final drafts, particularly in the boroughs' support for Vision Zero on road safety.
- 3.7 We are exploring how we allocate existing funding support to the boroughs to ensure that it is better aligned with the aims of the MTS. Much of the borough funding is allocated through a formula and this review is reconsidering what metrics should be included and the weight that should be attached to each of them. This review is being carried out in partnership with London Councils and any changes will come into effect in the next financial year (2020/21).

London Environment Strategy

- 3.8 We have a key role in delivering the Mayor's London Environment Strategy (LES), published in May 2018. In addition to measures set out in the MTS for environmental improvements to the transport system, we are contributing to a number of measures in the LES and its implementation plan. This includes responsible procurement, reducing waste, our energy strategy and reducing CO₂ emissions. Further detail is provided in Section 5 of this report.

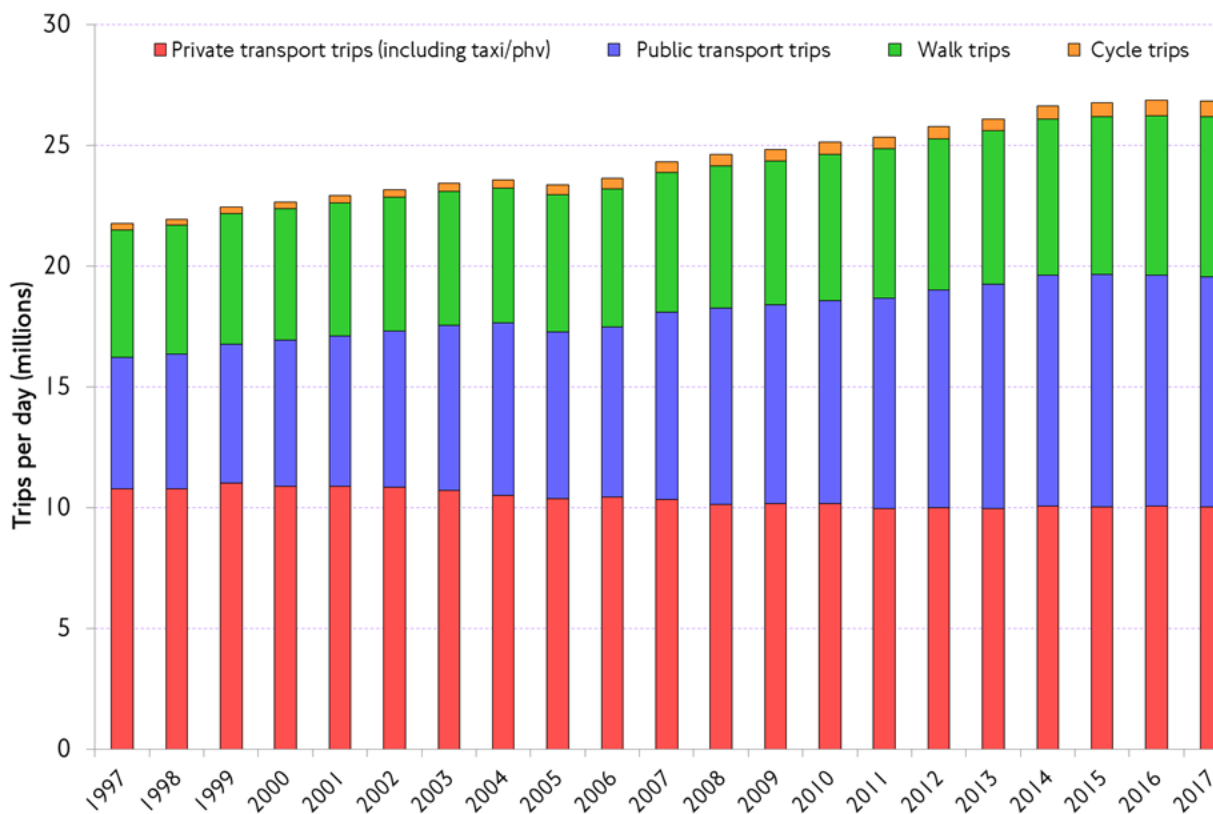
4 Current performance against MTS outcomes

- 4.1 This section summarises how we are doing in delivering the MTS outcomes. At the end of each section is a summary box showing where we currently are on or ahead of target (**green**), slightly off target and therefore further acceleration is needed (**amber**), or behind target (**red**). Much of the analysis is based on the 2017/18 London Travel Demand Survey (LTDS) of 8,000 households. Where appropriate this is supplemented by data used in the Scorecard monitoring and from other sources.

Active, efficient and sustainable mode share

- 4.2 In 2017, 26.8 million trips were made on an annual average day in London. Of these trips 62.7 per cent were by sustainable modes, an increase of 0.1 per cent from the previous year. The long term trend is shown in Figure 1.

Figure 1: Trips in London – trend in total travel demand by principal mode



4.3 Recent changes in each of the main modes of travel are set out below.

- (a) **Walking:** based on data from the 2017/18 LTDS survey, London residents make 5.1 million walk-all-the-way trips a day, a figure similar to previous year's survey results. In addition, there were 23.1 million walk journey-stages, where people walk for a component of a longer trip made by another mode, for example walking to and from stations as part of a rail trip;
- (b) **Cycling:** the total distance cycled in London has increased by 4.3 per cent since the previous survey. There is significant investment underway to increase the attractiveness of cycling in London and this year we have seen higher levels of increases in those areas where cycling investment has been made;
- (c) **Bus:** on average there were 6.1 million trips per day on the bus network last year, this was 1.2 per cent down on a year ago. There are a number of factors influencing this decline, including the incomes squeeze particularly affecting people on low incomes;
- (d) **Underground:** In 2018 demand increased by 0.9 per cent compared to the previous year. The first week of December 2018 was the busiest week in London Underground's history: for the first time ever, more than 30 million journeys were made during the week;
- (e) **Rail:** rail journeys in London and the South East increased by 2.3 per cent from 2017 to 2018. This is a lower rate of growth than previous years and this is probably down to infrastructure and industrial relations issues; and

- (f) **Road:** motorised vehicle kilometres were up by 0.1 per cent overall in 2017. The main driver has been an increase in Light Goods Vehicle (LGV) kilometres. LGV traffic has grown particularly strongly across all parts of London, up 14.7 per cent from 2015 to 2017. By contrast, car traffic has continued to decline, and is now five per cent lower than in 2010.

4.4 Looking ahead, we know that a shift to active, efficient and sustainable modes will not take place on a linear trajectory to 2041. In reality there will be years of little change and years of significant change (for example, when new capacity is provided on the public transport network). All schemes in the Business Plan have a role in shifting to sustainable modes. For example, the central London ULEZ scheme, the primary purpose of which is to improve air quality in central London, is also predicted to lead to a five per cent reduction in vehicle trips in the zone.

4.5 We also know that the challenges of delivering mode shift vary significantly between central, inner and outer London. Traffic dominance and overcrowding on pavements and public transport need to be addressed in central and inner London to support economic growth. In outer London, lack of public transport links, road danger (particularly speed related) and increasing use of vans are key issues.

To achieve a shift to sustainable modes we will focus on:

- Completion of the Elizabeth line, increasing rail capacity by 10 per cent.
- Further increasing the attractiveness of public transport, with more bus priority and greater integration of the suburban rail network.
- Pursuing road space reallocation to favour active, efficient and sustainable modes.
- Enabling car-free / car-lite housing developments to support less car dependent lifestyles.

Healthy Streets and healthy people

4.6 **Active people:** the MTS aims for 70 per cent of Londoners to achieve the recommended daily amount of active travel of two sessions of walking or cycling for at least 10 minutes by 2041. The proportion of Londoners achieving this has ranged from 30 per cent to 34 per cent over recent years, and the latest results indicate it is now just under 30 per cent.

4.7 The proportion of people who are active varies significantly by borough and is generally higher among inner London residents, reflecting the more car dependent environment of outer London. The exceptions in outer London boroughs are in Enfield, Kingston and Waltham Forest, where there has been significant investment in walking and cycling initiatives. In these boroughs residents have increased their levels of cycling by 18 per cent and levels of walking by 12 per cent since the schemes' introduction.

- 4.8 To support the continued case for investment in active travel, we have developed a portfolio of evidence and launched it on our new online hub 'Economic Impacts of Walking and Cycling'. We have also established a system for measuring scheme designs against the Healthy Streets Indicators to drive up the alignment of schemes with the Healthy Streets Approach.

To encourage more active lifestyles we will:

- Work with the boroughs to deliver 18 Liveable Neighbourhood projects by 2021.
- Triple the extent of protected cycle infrastructure during this Mayoral term, with 100km of new protected cycle infrastructure due to be complete or in construction by May 2020. As of late March, over 45km of protected cycle infrastructure has already been constructed since May 2016.
- Broaden the scope of the Healthy Streets Check for Designers to include all projects in the Healthy Streets portfolio.
- Develop an Active People Plan to target our activities to support those Londoners who are currently inactive but open to, and able to, do some active travel as part of their daily routines.

- 4.9 **Vision Zero for road danger:** provisional figures for 2018 show that the number of people killed on London's roads fell to the lowest level on record, with 110 fatalities during 2018 compared to 131 in 2017. The number of people killed or seriously injured fell by an estimated one per cent in 2018 compared to 2017. In aggregate this is a 40 per cent reduction on the (2005-2009 average) baseline.

- 4.10 The Vision Zero action plan has four components:

- Safe speeds:** we are working closely with the police to ensure speed enforcement is prioritised to the worst offenders and the areas of greatest road danger. In 2017/18, the MPS issued 155,729 tickets for speeding. 42,771 of these were issued for offences in 20mph limits. In 2017/18 over 18,000 drivers attended a Speed Awareness Course. TfL and the MPS are also working with London Councils to develop a partnership approach to speed enforcement activity in boroughs, speed camera criteria and the lower speeds toolkit;
- Safe streets:** we are delivering a programme to reduce both collisions and the fear of collision at London's most intimidating junctions. Work on 27 junctions is now complete under the TfL Safer Junctions programme, with 46 at design or construction stages and 15 scheduled for full improvement by spring 2020. This represents a significant acceleration in this programme;
- Safe vehicles:** we launched the final consultation for our world-leading Direct Vision Standard (DVS) on 8 January 2019. This will eliminate heavy goods vehicle (HGV) 'blind spots' that contribute to so many tragic deaths

and life-changing injuries. The DVS proposals allow the drivers of HGVs increased visibility of more vulnerable road users and, subject to the consultation outcomes, permits will be issued from October 2019. We have also introduced a world-leading Bus Safety Standard, which has been incorporated into all new bus contracts from the end of 2018. We are also working to raise vehicle safety and operating standards for taxis, private hire vehicles and other vehicles used for work in London; and

- (d) **Safe behaviours:** we have launched a campaign to tackle the behaviours that create most risk. This is currently focussing on reducing inappropriate speed. The MPS Roads and Transport Policing Command are deterring risk-taking through an enhanced approach to policing and enforcement from 2018. In addition, we are working to raise standards for professional drivers and riders through a training and education programme, and will provide improved and better targeted skills training and education on how to avoid danger when walking, cycling and motorcycling. We have also just launched Destination Zero, a new Certificate of Professional Competence course for all bus drivers. It covers hazard perception and prediction, judgement skills, vulnerable road users, on the road distractions, and driver focus and wellbeing. The course utilises 360 degree virtual reality film to highlight road risk and to place drivers in the position of other road users, such as cyclists.

To work towards our aim of no deaths or serious injuries on our roads, over the next year we will:

- Implement 20mph limits on the Transport for London Road Network (TLRN) in central London, with implementation being widened across inner and outer London as soon as is practicably possible.
- Deliver transformational schemes at high risk locations, including 41 safer junctions by 2020. For example – competing the Highbury Corner and Old Street schemes in Islington.
- Encourage safe behaviour through continued regular high profile police enforcement operations.
- Work with London Councils and the MPS to review the approach to speed enforcement in the capital.

4.11 **Efficient use of street space:** The MTS prioritises space-efficient modes to tackle congestion and improve the efficiency of streets for the movement of people and goods with the aim of reducing overall traffic levels by 10-15 per cent by 2041.

4.12 A key challenge is the increase in LGV traffic. This highlights the importance of implementing a coordinated plan for managing the impacts of the freight and servicing activity on which London's economy relies. The recently launched Freight and Servicing action plan acknowledges this challenge and includes a target to reduce freight movements in central London by 10 per cent by 2026.

4.13 The TfL Scorecard includes a metric on signal timing changes to support Healthy Streets.¹ Over the last year signal timing changes have been made at 800 traffic light controlled junctions and crossings to prioritise sustainable modes. They have saved a total 16,985 person hours per day, for people choosing to use the bus, walk or cycle at these locations. The types of changes made include lowering cycle times at certain times of day to reduce pedestrian wait times, improving linking through staggered crossings to avoid excessive waiting for pedestrians in central islands, and linking signals across a region to support better bus progression along the route.

The increase in traffic volumes is a threat to the efficiency of London's economy so we need to ensure efficient use of street space by:

- Working with boroughs, businesses and the freight and servicing industry to deliver near-term actions set out in the Freight and Servicing action plan.
- Deliver transformational schemes that prioritise space for sustainable modes.
- Develop guidance for the potential delivery of work place parking schemes.

A good public transport experience

4.14 **Customer service quality:** the MTS sets out the need to improve customer service so the whole public transport network becomes easier and more convenient for people to use. 'TfL cares about its customers' is the measure we use to understand whether we are meeting Londoners' expectations and delivering on 'Every Journey Matters'. The key drivers of care are additional metrics that help us to understand how well we are delivering for Londoners, and show where we should be focusing efforts to improve the customer experience. These are:

- (a) supporting customers when things go wrong;
- (b) communicating openly and honestly;
- (c) providing good value for money for fare payers;
- (d) having friendly and helpful staff; and
- (e) investing to improve journeys.

4.15 The care metric score for 2018/19 was 49 per cent and this is a 3 per cent increase on last year's result.² The uplift is probably due to improvements across the customer experience, including improved perceptions of value for money,

¹ Note: all Scorecard metric results are subject to approval by the Chair of the Audit and Assurance Committee.

² See note ¹ above.

influenced by the Hopper fare and off-peak fare promotions, positive experiences with staff and improved support when things go wrong.

For customer service improvements on the Underground, the priorities for the next two years include:

- Consistently high quality customer service from our staff.
- Improving real time information on lift availability and information on alternative routes.
- Continuing Disability Equality Training delivered by trainers with their own experiences of accessibility requirements.

On the bus network:

- Embedding driver customer training (Hello London) with new customer experience incentive scheme for operators.
- Introducing the first tranche of new bus safety improvements into a new bus specification.
- Piloting improved external route information displays on buses – ahead of potential requirement for new vehicles.

4.16 **Public transport reliability:** the MTS sets out the importance of improving reliability across the transport system. There have been significant improvements for both London Underground and the bus network over the last year. On the London Underground, excess journey time is 4.54 minutes per journey, an improvement on 4.6 minutes per journey last year. This was in a year when there were 85 million train kilometres on the network, the highest ever amount on London Underground.

4.17 On the bus network, we have improved reliability and journey times. Annual moving average excess wait time is now under one minute per journey, compared to over 1.1 minutes in 2016/17. Bus services are now more reliable than they have ever been, and bus speeds have now stabilised. In 2018/19, 163 schemes were delivered through the Bus Priority Programme. In addition, the Bus Priority Signals Programme has saved 5,076 bus passenger hours each day through bus focused timing reviews.

Our programme to improve Underground reliability includes further increases in the number of trains available for service.

Our programme to improve bus reliability is focused in delivering bus priority corridors to support the development of a core network of services. We will work with boroughs through their LIPs to deliver bus priority. During 2019/20 the programme will develop new schemes focusing primarily on:

- 50 lowest performing bus routes, ranked according to average speed, speed change and estimated waiting time passenger numbers.
- Schemes in outer London and in growth areas where, through mode shift analysis, the programme can target routes where concentrated bus priority could lead to switchable trips.

- 4.18 **Accessibility and inclusion:** the MTS seeks to enhance London's streets and public transport network to enable disabled and older people to more easily travel spontaneously and independently, making the transport system navigable and accessible to all and reducing the additional journey time that disabled and older users can experience.
- 4.19 We measure our performance by tracking the additional time to make journeys if using just the bus and step-free network as opposed to the whole public transport network. Over the last year this has been reduced to nine minutes from ten minutes in the previous year. The Mayor's aim is ultimately to reduce this to zero. This has been achieved partly through the provision of new step-free access at five London Underground stations, including Finsbury Park, Bromley-by-Bow, Buckhurst Hill, South Woodford and Newbury Park. In addition, over the last year the following National Rail stations gained step-free access: Blackhorse Road, Finsbury Park, Forest Gate, Manor Park, Maryland and Seven Kings.
- 4.20 We worked with Network Rail and the boroughs on a bid for step free access works at National Rail stations in London for DfT Access for All investment. Last month the DfT announced funding for a further 16 London stations to become step free.
- 4.21 Whilst the mode shares of mobility-impaired travellers were not dissimilar to the mode share for all Londoners, the trip rate (average number of trips per person per day) was substantially lower, at 1.67 compared to 2.22. In terms of perception of travel experience, around 50 per cent of disabled respondents agreed with the proposition that 'TfL is making it easier for disabled customers to get around'. To improve this result we are producing a 10 minute training film for bus staff that highlights 'the person before the disability' and offers advice to drivers delivered by disabled people themselves. It will start being offered in 2019 with refresher courses in 2020.

To improve customer experience and enable more Londoners to travel spontaneously and independently, we will also:

- Continue our £200m investment in step free stations, including improvements that have been made already having an impact linked to the Elizabeth line, which, when opened, will transform the accessibility of central London for older and disabled Londoners.
- Continue our programme of 'Accessibility Awareness' events at bus garages into 2019.
- Continue the roll-out new staff Hi-Viz clothing, making it easier for customers to find Underground station staff.
- Produce an Accessibility and Inclusion action plan this year, the fifth daughter document of the Mayor's Transport Strategy.

4.22 **Public transport capacity and connectivity:** the MTS sets out the need for more capacity in London's transport system to meet growing demand. Crowding is a significant issue, with about 40 per cent of Tube passenger kilometres on links with more than four passengers standing per square metre during the morning peak. Over the last year both demand, and subsequently crowding, have plateaued.

4.23 The projects we have delivered in the last year to increase capacity on the existing network include:

- (a) Northern line: we have extended the duration of the peak hour frequencies on the Bank branch and the Morden service to accommodate additional demand;
- (b) Jubilee line peak: we have extended the duration of the peak 30 trains per hour (tph) frequency between West Hampstead and North Greenwich. On the off peak services, we have increased services between Stratford - North Greenwich from 20 tph to 24 tph;
- (c) London Overground: we have increased the frequency between Willesden Junction and Stratford from 6 tph to 8 tph; and
- (d) Buses: our focus has been in outer London where we will introduce new routes, higher frequencies and new express bus routes. We are also conducting area reviews to better understand demand. For example we completed the Wimbledon Town Centre service review in August 2018 which will save significant bus passenger hours.

The main deliverables for the public transport network are:

- To continue the modernisation work on Metropolitan, Hammersmith and City and Circle lines, with upgrades to train depots and associated infrastructure, and the introduction of new modern signalling. Once fully installed in the early 2020s, customers will benefit from a 33 per cent increase in capacity on these four lines.
- To increase Piccadilly line to 24 tph for off peak services by 2020.
- To introduce new rolling stock on the Overground in 2019 and 2020 to provide service uplifts. This will include new four car trains on the Gospel Oak to Barking line, 4 tph on Watford to Euston and higher frequency on North and West London line.
- To increase outer London bus services whilst at the same time reducing central and inner London bus services, partly rebalancing the network to reflect the opening of the Elizabeth line and support growth in outer London and mode shift away from cars.

New homes and jobs

- 4.24 **‘Good Growth’**: to meet the demands of a growing population we need to build at least 65,000 homes every year between now and 2041. The latest annual housing delivery figures from the London Plan Annual Monitoring Report indicate that 45,505 new housing units were completed in 2016/17, an increase of 7,000 compared to the previous report.
- 4.25 The draft London Plan sets policies for achieving this level of housing growth while ensuring that London can grow sustainably. It carefully considers the relationship between delivering new homes and jobs and the transport and environment policies and schemes that both enable it and ensure that growth is sustainable. This includes steering housing delivery towards well connected locations, requiring car-free and car-lite development, supporting improved walking and cycling environments and expanding public transport to enable growth along key corridors.
- 4.26 The link between improving transport infrastructure and enabling new homes is clear for many TfL projects. These projects are therefore great candidates for the Housing Infrastructure Fund (HIF), a new central government pot offering funding for infrastructure that unlocks housing. To make the best of this opportunity, we have been working closely with the GLA and the London boroughs in developing Outline Business Cases to support the submission of six bids for HIF worth £1bn to London, with c.£450m for schemes that we would deliver.
- 4.27 We are directly supporting the delivery of more new homes, with an ambitious programme to start building for the development of 10,000 on ourland by 2021, with at least 50 per cent being affordable housing. In 2018/19, we brought sites to the market with the capacity to deliver 3,165 new homes in highly accessible

locations. We are also exploring innovative housing options to deliver high-quality affordable and market housing quickly, and at the end of March announced our preferred partner for delivering c.3,000 Built to Rent homes on TfL land.

The house building target is dependent on the strategic integration of land use and transport planning, increasing the capacity of the existing transport network and on providing new infrastructure to support good growth.

This year we need to press on with the development and planning for schemes that are necessary to unlock areas for housing. This includes agreeing the submissions for any future round of HIF bids.

We are committed to using our own land to support housing delivery and in this financial year we will submit planning applications to deliver more than 5,000 new homes, more than 50 per cent of which will be affordable housing. In addition, by the end of this financial year, we will have started on sites that will deliver more than 800 new homes on TfL land.

5 Current performance on the London Environment Strategy

- 5.1 The MTS and the London Environment Strategy (LES) were developed in parallel and include the same commitments on air quality and environmental issues. This section of the report sets out progress on the key projects and proposals.
- 5.2 **Improving air quality:** The MTS and the LES aim is to clean London's air and decrease emissions from vehicles by encouraging walking, cycling and the use of public transport, and switching remaining vehicles from petrol and diesel to electric. A key project to improve London's air is the central London Ultra Low Emission Zone (ULEZ) and this came into operation on 8 April 2019. Monitoring data has already shown a steady increase in the proportion of ULEZ compliant vehicles entering the Congestion Charging Zone since the Mayor approved the scheme in February 2017. Initial monitoring results since the scheme has gone live indicate that over 70 per cent of vehicles entering the zone are now compliant with the scheme and the aim is that at least 80 per cent of vehicles will be compliant by the end of the first year.
- 5.3 On 15 February 2019, the van scrappage scheme started providing financial support to microbusinesses and charities to switch to compliant (including electric) vehicles. In the first few weeks we received over 900 applications and we are now developing a similar scheme to support low income households in the coming months.
- 5.4 Ten of the twelve Low Emission Bus Zones in London are now in operation following the recent launch of five more clean corridors. These busy roads are now served only by buses which meet the latest, cleanest emissions standard and emit a fraction of the most harmful tailpipe emissions. The zones have a positive effect on air quality even before they have been fully completed as each bus that is upgraded through the conversion process is put straight into service. Low Emission Bus Zones are part of wider efforts for us to lead by example by cleaning up the bus fleet. There are now 6,950 buses which meet the ULEZ standards operating in London, including 2,800 operating in central London. By

2020 all TfL's 9,200 buses will meet this standard. This will mean all of London is a Low Emission Bus Zone by 2020. Also TfL now has the largest zero emission bus fleet in Europe.

- 5.5 In addition, we have used our licensing powers to require that since January 2018 only zero emission capable taxis are issued new licenses. This, combined with an enhanced delicensing scheme and a network of dedicated rapid charging points, has resulted in more than 1,500 zero emission capable taxis now being on London's streets.

Continued progress is required to achieve legal air quality limits. Our priorities are to:

- Prepare for the Low Emission Zone (LEZ) standards to be strengthened for heavy vehicles in October 2020, and the ULEZ to be expanded to the North and South Circular Roads in October 2021.
- Continue to roll out zero emission buses to meet the target of a fully zero emission fleet by 2037.
- Consult on guidance for borough led Zero Emission Zones.

- 5.6 **Zero carbon city: Our Energy Strategy** sets out our overarching approach to reducing CO₂ emissions from our operations. This contributes to the following four Mayoral ambitions set out in the MTS and LES:

- (a) the TfL bus fleet to emit zero exhaust emissions by 2037;
- (b) aim for all TfL-controlled rail services to be zero carbon by 2030; and
- (c) Meeting the GLA group carbon budgets set out in the London Environment Strategy which include a target of a 60 per cent reduction in GLA group CO₂ emissions on 1990 levels by 2025.
- (d) All cars in GLA group support fleets being zero emission capable by 2025.

- 5.7 We are undertaking work to develop the best approach to meeting the ambition to supply our rail services with zero carbon energy, both through energy efficiency, on-site generation and procurement of renewable energy. We have mapped the potential for solar generation on our rooftops and undertaken assessments of high potential land holdings for generation. We have also conducted an early market engagement exercise to better understand potential opportunities for connecting our assets to local sources of low carbon electricity. We are working with the GLA to explore opportunities for procurement of low carbon energy through Power Purchase Agreements (PPAs).

- 5.8 A key aspect of the transition to zero carbon is to ensure there is sufficient charging infrastructure for private vehicles. Currently there are in the region of 2,200 slow Electric Vehicle (EV) charging points across London and 176 rapid

charging points. We will also shortly publish an Electric Vehicle Infrastructure Taskforce report. The taskforce was launched by the Mayor last May, with the objective to ensure infrastructure is not a barrier to EV adoption in London. It estimates the scale of electric vehicle infrastructure London may require, and provides a clear set of actions for the immediate future and will inspire confidence for adequate provision out to 2025.

Continued progress towards becoming a zero emission transport network. Our focus is to:

- Publish and progress a new EV Infrastructure Delivery Plan and continue to build a network of rapid charge points across London to support the growing number of ZEC taxis and the wider take-up of EVs.
- Deliver a further 90 electric buses to join London's bus fleet by the end of 2019, including 68 double deck electric buses.
- As part of the Carbon Plan, develop a power sourcing strategy that enables our rail services to be fully supplied by zero carbon energy.

- 5.9 **Green infrastructure and biodiversity:** The MTS and the LES aim to deliver biodiversity net gain as part of transport schemes. Biodiversity net gain is being embedded into our project development and management processes. Training has also been provided to staff on how to use the biodiversity net gain project toolkit, as well as the biodiversity baseline data layer on our GIS systems.
- 5.10 We are currently on track to meet the MTS target of a one per cent year on year increase in tree numbers on the Transport for London Road Network (TLRN) to 2025, which in turn contributes towards the target of increasing tree cover by 10% across the capital. However, there are likely to be some individual years where the target is not met (e.g. 2017/18 saw a net reduction of trees) and we plan to address this with more planting this year.
- 5.11 We are also working to improve monitoring of tree planting and installation of Sustainable Drainage Systems (SuDS) in support of the MTS target for an additional effective surface area of 50,000m² to first drain into SuDS. We are working to incorporate SuDS into the delivery of improvement works on the TLRN, as well as encouraging boroughs to deliver via LIPs and Liveable Neighbourhoods.

Progress is required to:

- Deliver SuDS on the TLRN and improve monitoring of SuDS implementation and tree planting.
- Expand the biodiversity baseline from TfL's operational networks to its entire estate, to identify opportunities for enhancement and creation (for example, to compensate for losses elsewhere on the TfL estate).
- Identify opportunities for enhancement and creation (for example, to compensate for losses elsewhere on the TfL estate).
- Identify and incorporate 'green infrastructure' elements in TfL's operations and infrastructure projects to help meet the Mayor's target for London to be at least 50 per cent green cover by 2050.

5.12 **Climate change adaptation and resilience:** climate change is a strategic risk for TfL, with major hazards including overheating, flooding, and water shortages. Impacts range from infrastructure damage (e.g. high temperatures can cause damage to old signal systems, and flooding can destabilise embankments), with consequent impacts on performance. There are also safety implications for our customers (e.g. fainting on hot trains and slipping in wet weather).

5.13 We have established and chair the Transport Adaptation Steering Group, which brings together stakeholders (such as Network Rail and Highways England) and experts (such as the London Climate Change Partnership) to understand how we can address the issue of climate change adaptation in the transport sector.

5.14 In addition, we have set up a research programme with a range of academic institutions to develop a baseline of how current severe weather events (flooding and heatwaves) affect TfL's operations (LU and TLRN). For example, a recent study identified a correlation between LU delay frequencies and ambient air temperature, with delays increasing at higher temperatures.

5.15 Using this information, the newly released 2018 UK Climate Projections, and the expertise of other transport sector partners, we will be better able to prepare for (adaptation) and recover quickly from (resilience) the likely impacts of future climate change. A preliminary assessment of suitable climate change adaptation indicators has been conducted, concluding that there is a need for an annual adaptation performance report.

We will continue to develop our thinking and reporting on TfL's resilience to current severe weather events, with a view to better understanding the likely impacts of climate change. and develop actions that will be taken to reduce and/or manage the impacts.

5.16 **Waste and circular economy:** Approximately 90 per cent of TfL's waste is construction, demolition and excavation waste from construction projects, 98 per cent of which was re-used or recycled in 2018/19. Of TfL's commercial and industrial (C&I) waste, 50 per cent is recycled and the remainder is sent to

one of London's energy from waste plants. Used Metro newspapers are a major C&I waste stream for TfL. An improvement plan is being developed to maximise the use of recycling facilities at London Underground terminal stations.

- 5.17 TfL is working on implementing the single use plastics reduction plan that was finalised last summer. The plan includes plastic packaging reduction requirements in key contracts, such as head office catering, stationery and consumables. TfL will also replace single use plastic bottles with reusable bottles at key maintenance depot locations and issue all staff in LU Track Delivery with reusable bottles.

Looking forward, our focus is now on:

- developing a plan to achieve the LES municipal waste recycling targets by June 2019.
- continuing our support of water fountain installation and increasing the provision of water to customers via the Refill scheme.

6 Securing the resources needed to deliver the strategy

- 6.1 The Board is well aware of the financial challenges that the organisation faces. Four major factors are affecting TfL's outlook over the next five years:

- (a) adapting to the loss of, on average, £700m per annum operating grant from central Government, which used to offset the cost of day-to-day services;
- (b) a subdued national economy, which has affected passenger numbers on public transport nationally;
- (c) the delay announced by Crossrail Limited to the opening of the Elizabeth line, which affects both capital costs and operating revenue; and
- (d) the absence of any funding from central Government for the maintenance of London's strategic road network.

- 6.2 We have responded to these factors by putting some vital programmes on hold until we have confirmation of capital funding beyond March 2021, including new signalling for the Piccadilly line and the upgrade of Camden Town Underground station.

- 6.3 It is critical that we secure long-term funding certainty to provide the steady and sustained investment London needs. In early 2018 we estimated that delivering the MTS would require investment of on average approximately £3.3bn (2017 prices) per year in capital projects to 2041.

- 6.4 Looking to the longer term, for London as a whole, we contributed to the National Infrastructure Commission's (NIC) assessment of infrastructure needs from 2020 to 2050. The NIC is an agency of the Treasury and provides advice on infrastructure requirements across all sectors including transport. We provided the NIC with a commentary on the need for investment, estimated capital costs in five-year segments to 2040 and the expected consequences of not investing. The

published National Infrastructure Assessment (NIA) incorporated our submission and supported the case we set out in the NIA published in July 2018. Its conclusions included:

- (a) “London’s transport networks are already more congested and overcrowded than anywhere else in the country. Future growth will not be possible without substantial increases in capacity.”;
- (b) “Transport for London... will still need support for investment, which should be sustained at current levels.”; and
- (c) “Development of regional cities should be in addition to and not instead of continuing to invest in London.”

6.5 Since the publication of the NIA, we have continued to refine cost estimates of the programmes for inclusion in the GLA’s first 20 year Capital Strategy. The first five years of the Capital Strategy align with TfL’s Business Plan. For years 6-20, we have set out our funding ambition based on the delivery of the MTS. For these years we have also set out the level of funding expected to be available which is materially lower than that required.

6.6 The Chancellor has announced his intention to hold a Spending Review this summer which will set funding levels for the following three years. However, in order to commit to long term investments, we need long term certainty of funding for the full life of the projects. We are working with the GLA on our submission to this review.

7 Conclusion

7.1 Over the last year we have focussed on delivery of the MTS and the LES. We have embedded the MTS in our processes, produced short term action plans and agreed LIPs with boroughs. The TfL Business Plan has been prioritised around delivery of these strategies within available funding. As a consequence, despite the uncertain economic environment we have improved the expected status across many of the MTS and LES outcome areas.

7.2 This year’s revision of the Business Plan will consider further opportunities for mode shift and improved outcomes. However, the most significant risk to delivery of the strategy in the longer term is the availability of sufficient funding and we will be making a strong case for continued investment in London in the forthcoming Spending Review.

List of Appendices:

None

List of Background Papers:

Mayor’s Transport Strategy and related action plans
London Environment Strategy

Contact Officer: Alex Williams, Director of City Planning
Number: 020 3054 7023
Email: AlexWilliams@tfl.gov.uk

Board

Date: 22 May 2019

Item: Remuneration Committee Terms of Reference

This paper will be considered in public

1 Summary

- 1.1 This paper sets out proposals to change the Terms of Reference of the Remuneration Committee, following the outcome of the Dawn Jarvis review.
- 1.2 The Dawn Jarvis review was commissioned by the Mayor in May 2018 to carry out a review of termination clauses and payments for senior employees across the seven organisations that form the GLA Group. The review specifically looked into whether termination clauses in contracts were being used in line with each organisation's relevant policy and if each organisation was effectively guarding the use of public money. A full copy of the Dawn Jarvis Report can be found at Appendix 2.

2 Recommendation

- 2.1 **The Board is asked to agree the new Terms of Reference of the Remuneration Committee set out in Appendix 1.**

3 Proposed new Terms of Reference

- 3.1 Set out in Appendix 1 are the current Terms of Reference of the Remuneration Committee showing proposed tracked changes.
- 3.2 In order to give effect to the recommendations of the Dawn Jarvis review, it is proposed that the Remuneration Committee will have oversight of any proposed exit payments for the Commissioner, Managing Directors and other Senior Directors reporting to the Commissioner.
- 3.3 It is also proposed that the Remuneration Committee Terms of Reference will no longer include: the Director of Transformation and the Director of City Planning who now both report to the Managing Director, Customer, Communications and Technology; and the Director of Commercial Development who reports to the Chief Finance Officer. These Directors will however still be subject to the same requirements in relation to exit payments as all other staff as set out in paragraph 3.6 below.

3.4 The following framework is proposed:

Stage of approval	Staff member	
	Commissioner	Managing Directors, Commissioner's direct reports and appointments made by the Board
Approval to initiate settlement discussions	Chair of TfL	Commissioner
Negotiation of settlement terms	Chair of the Remuneration Committee	General Counsel and Chief People Officer
Approval of proposed settlement agreement	TfL Board	Remuneration Committee

3.5 The governance process proposed is:

- (a) for all Managing Directors, senior direct reports of the Commissioner and those appointed by the Board, the approval of the Commissioner must be obtained prior to any negotiations commencing about the terms of any Settlement Agreement;
- (b) the proposals or recommendations will be drawn up by General Counsel (GC) and the Chief People Officer (CPO) together with any appropriate senior professional support that they consider necessary. GC and the CPO will also be responsible for conducting any settlement negotiations;
- (c) the Chief Finance Officer (CFO) must be satisfied that the proposals are appropriate before any negotiations are commenced by the GC or CPO;
- (d) the approval of the Remuneration Committee must be sought prior to any agreement being finalised;
- (e) where the Commissioner, CFO, the GC or the CPO are directly affected by what is proposed, alternative arrangements will be put in place so that no perceived or actual conflict of interest arises; and
- (f) where the decision relates to the Commissioner, the Chair of the Remuneration Committee will propose the terms of any settlement to the Board.

3.6 In addition to the above, it is proposed that in circumstances where there is a proposed exit payment outside of standard redundancy terms and which exceeds £100,000 (excluding notice periods, which are contractual) this would also be considered by the Remuneration Committee irrespective of the grade and/or salary of the employee.

- 3.7 In practice it is expected that some of these decisions will be taken by Chair's Action in consultation with members of the Remuneration Committee. Such decisions will be reported to the subsequent meeting of the Remuneration Committee.
- 3.8 The Remuneration Committee will report any decision to the Board at the next ordinary Meeting.
- 3.9 In addition, the Dawn Jarvis review considered contractual notice periods for senior staff. We have updated our contracts of employment for future appointees based on the recommendations in the review.

List of appendices to this report:

- Appendix 1 – Current Terms of Reference showing proposed tracked changes
Appendix 2 – Dawn Jarvis Review

List of Background Papers:

None

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

[page left intentionally blank]

Remuneration Committee Terms of Reference – current showing proposed changes

Frequency of Meetings

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

Terms of Reference

2. The Committee will keep an overview of TfL's reward and remuneration policies and its arrangements for talent management and succession planning.
3. The Committee will review from time to time the remuneration of the Commissioner and senior direct reports to the Commissioner:
 - (a) the Commissioner
 - (b) the Chief Finance Officer
 - (c) the General Counsel
 - (d) the Managing Director, Customers, Communication & Technology
 - (e) the Managing Director, Crossrail 2
 - (f) the Managing Director, London Underground
 - (g) the Managing Director, Surface Transport
 - (h) the Chief People Officer
 - (i) the Director of Major Projects
4. The Committee will exercise TfL's functions related to remuneration in respect of Crossrail Limited.
5. In considering the remuneration of the individuals listed above, the Committee will take into account:
 - (a) the need to remunerate at a level that is competitive in comparison with the external market and peer organisations;
 - (b) the need to remunerate at a level that attracts, motivates and retains high calibre, suitably qualified individuals to manage TfL successfully while also, in a fair and reasonable manner, rewarding them for their individual contributions to TfL's long-term success, without paying more than is necessary; and
 - (c) the context of remuneration levels across TfL, including the level of

changes to remuneration across the workforce.

6. The Committee will determine the level of any annual performance award for the Commissioner within the parameters of the performance award arrangements in their contract of employment, taking into account the TfL Group Scorecard outcome as agreed by the Audit and Assurance Committee.
7. The Committee will consider the Commissioner's recommendations for annual performance awards proposed for the individuals listed above.
8. The Committee will receive a report at least once each year addressing remuneration on a pan-TfL basis including base pay and performance awards and will use that report to inform its decisions on senior officer remuneration.
9. The Committee will determine the salary for any person proposed to be appointed as an Officer of TfL with an annual basic salary of £100,000 or more.
10. The Committee will, as appropriate, take into account any views expressed by the Mayor on senior salary levels.
11. The Committee will receive a report at least once each year addressing pay gaps between those within TfL's workforce who may have a protected characteristic and those who do not, including, but not limited to, gender and race.
12. The Committee will receive regular update reports on TfL's approach to talent management and succession planning.
13. The Committee will have oversight of any proposed exit payments for the Commissioner, Managing Directors and other Senior Directors reporting to the Commissioner working to the following framework:

<u>Stage of approval</u>	<u>Staff member</u>	
	<u>Commissioner</u>	<u>Managing Directors, Commissioner's direct reports and appointments made by the Board</u>
<u>Approval to initiate settlement discussions</u>	<u>Chair of TfL</u>	<u>Commissioner</u>
<u>Negotiation of settlement terms</u>	<u>Chair of the Remuneration Committee</u>	<u>General Counsel and Chief People Officer</u>
<u>Approval of proposed settlement agreement</u>	<u>TfL Board</u>	<u>Remuneration Committee</u>

12.14. In addition, in circumstances where there is a proposed exit payment outside of standard redundancy terms and which exceeds £100,000 (excluding notice periods, which are contractual) this would also be considered by the Committee irrespective of the grade and/or salary of the employee.

Reporting

13.15. The Committee will report any meeting to the Board at the next ordinary Meeting.

[page left intentionally blank]



FINAL - REPORT

Dawn Jarvis

Review Lead

4 September 2018

1. Background and Introduction

1.1. In late May 2018, The Mayor of London - Sadiq Khan, appointed Dawn Jarvis, ex-NHS and Central Government HR Director, to carry out a review into termination clauses and payments. Specifically, whether termination clauses in contracts of senior employees of the seven organisations that form the GLA Group, were being used: -

- 1.1.1. in line with their relevant policies;
- 1.1.2. effectively regarding the use of public money; and
- 1.1.3. make any recommendations for the future.

1.2. The seven organisations referred to are listed alphabetically below: -

- 1.2.1. Greater London Authority (GLA);
- 1.2.2. London Fire Brigade (LFB);
- 1.2.3. London Legacy Development Corporation (LLDC);
- 1.2.4. Mayor’s Office for Policing and Crime (MOPAC);
- 1.2.5. Metropolitan Police Service (MPS);
- 1.2.6. Oak Park Development Corporation (OPDC); and
- 1.2.7. Transport for London (TfL).

1.3. The terms of reference for the review (shown below) were agreed and shared with the HR Directors or equivalents in all seven organisations who were asked to provide any assistance required to the review, and a news release announced the review on 1 June 2018.

“The review will look at the policies and practices of the 7 GLA Group organisations in relation to senior staff, specifically their approaches to severance payments, contractual notice periods and other related contractual agreements and the application of these policies. Recommendations will then be made about whether they are appropriate going forward, and if not, what changes may be made. The review will consist of desk-based research, interviews and culminate in a written report presented by the summer.”

2. Methodology

2.1. Contact was made with all seven organisations, and they were asked to provide a range of documents to provide helpful background for the review as follows: -

- 2.1.1. policies (links or pdfs) on recruitment, contracts and pay, or any others which related to this matter;

Final Report – Dawn Jarvis Review Lead

- 2.1.2. minutes of the governance meeting or committee where they were approved or ratified;
 - 2.1.3. copies or, or links to latest annual reports, and previous two annual reports; and
 - 2.1.4. definition of what each organisation classed as “senior staff” for the purposes of this review.
- 2.2. These documents were reviewed and follow up meetings were set up with representatives of the seven organisations to discuss the content of the documents and ask any supplementary questions. These meetings took place on 22 and 25 June 2018 with HR Directors or equivalents in all seven organisations.
- 2.3. The main points of clarification were: -
- 2.3.1. notice periods agreed on appointment (whether they were too long or long enough);
 - 2.3.2. how the policy on exits was applied;
 - 2.3.3. how senior salary agreements, changes and exits were agreed and governed;
 - 2.3.4. whether there was an appropriate degree of separation between decision making; and
 - 2.3.5. We also discussed the joining up, or not, of the HR community across the GLA Group, and whether more joining up would be helpful or desired.
- 2.4. Information was also provided by one ex-employee of TfL who contacted Dawn Jarvis following the news release to provide information of areas of concern. These areas, if relevant to the terms of reference, were included in the areas for discussion at the interview with TfL. The individual raised some areas of concern that were not relevant to the terms of reference and they were provided with the appropriate independent channels through which to raise their concerns.

3. Findings

- 3.1. Several of the smaller organisations share similar policies and approaches, with both the development corporations mirroring the policies of the GLA, bringing a level of standardisation across GLA, ODPC and LLDC, with MOPAC generally setting their own, or using Civil Service terms and conditions (for their pension scheme).
- 3.2. Both the MPS and LFB are tied to national agreements for most of their staff, and their non-uniformed staff follow terms and conditions generally aligned either to the civil service/local government or to those applicable to their uniformed colleagues.

- 3.3. TfL, as a large and complex organisation, sets its own terms and conditions, and had several changes to the senior manager population because of the 2016 Senior Manager Exit Programme and the Transformation Programme, meaning there have been a number of senior exits. With the smaller and uniformed organisations exits being in single figures.
- 3.4. Notice periods were mostly consistent at 3 months, with some reporting the ability to shorten them by agreement and some reporting they had agreed a longer period if required for handover. However, in some instances this has presented occasional difficulties where retaining senior officials to complete a thorough handover has proved problematic, or the reverse where it may have been better for the individual to leave sooner. Some organisation felt there was occasionally an operational need to vary notice periods, depending on the role and the context in which they were employed. An overview of the notice periods is given below.

	Notice period	Variations from this
GLA	3 months	None found but as per recommendation 5.1.2 it would be helpful for each organisation to check the contracts of all staff which are designated to be senior as per the definition in recommendation 5.1.1.
LFB	6 months for Directors, three months for other senior staff	
LLDC	3 months	
MOPAC	3 months	
ODPC	3 months	
MPS	3 months	Some older contracts may default to (e.g. civil service terms in MPS) six months, hence a full check required as above or other older or individual contracts.
TfL	6 months for Directors, three months for other senior staff	None found but as per recommendation 5.1.2 it would be helpful for each organisation to check the contracts of all staff which are designated to be senior as per the definition in recommendation 5.1.1.

- 3.5. Policies for exit payments were generally consistent and followed what may be expected across the public sector, although the 2016 changes https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/555304/reforms_to_public_sector_exit_payments_consultation_response.pdf including a cap on payments, a cap on number of weeks etc now used in the Civil Service and the NHS has not been universally adopted. This is due partly to the variance of type of organisation and the section in the response the consultation which covers local government, fire and police forces. This refers to those different contractual approaches and offers a view in section 2.25 that **“The**

government does not believe there is a case at this time for, for example, a single exit compensation scheme across all workforces, or a single set of unified exit terms that cover every workforce. This government response does not therefore propose to change the mechanisms through which exit terms are currently delivered.”

- 3.6. Given the varied nature of the GLA Group organisations by size, union representation and various transformations that have been agreed (with unions) on existing terms and conditions, it would be problematic to move to an adoption of these reforms across all seven organisations at the same time; indeed, this is not an expectation of the government as they recognise the varied nature of organisations across the public sector. Furthermore, it would not be possible to introduce changes to the exit payment arrangements that would be consistent with the government’s framework without the government making changes to the legislation governing compensation for each organisation in the GLA Group.
- 3.7. While there are governance and decision-making routes in all organisations for the approval of exit payments, there is a differential approach to who makes decisions in the seven organisations and while some have very well thought through escalations and separation of duties via a remuneration committee, others do not have such a robust approach. This review has not found that this has presented any issues up to this point.
- 3.8. However, CEOs taking decisions on salary increases or exit payments of their executive colleagues without recourse to external or non-executive type scrutiny could bring about unhelpful accusations in the future and does not provide the level of transparency required. For example, the 2016 report by the Financial Reporting Council <https://www.frc.org.uk/getattachment/ca7e94c4-b9a9-49e2-a824-ad76a322873c/UK-Corporate-Governance-Code-April-2016.pdf> in section D.2.2 and D.2 supporting principles, states that ***“The remuneration committee should have delegated responsibility for setting remuneration for all executive directors and the chairman, including pension rights and any compensation payments. The committee should also recommend and monitor the level and structure of remuneration for senior management. The definition of ‘senior management’ for this purpose should be determined by the board but should normally include the first layer of management below board level”,*** and that ***“the remuneration committee should take care to recognise and manage conflicts of interest when receiving views from executive directors or senior management or consulting the chief executive about its proposals”.***

	Decision make route/committee	Notes
GLA	Chief Officer	Chief Officer takes decisions following formal advice from legal/hr /finance and also review/a signature from the Executive Dir Resources If PILON forms part of the exit payment a similar scrutiny is undertaken That Mayor / LA determine T&Cs of statutory officers
LFB	London Fire Commissioner	Terms of Reference could be more specific about which types of payments required to appear
LLDC	Chairman’s Committee	Monitors pay and performance, including annual pay review and pay increases of the executive team and/or exit payments. The CEO has delegated authority to make decisions on pay where staff may, for example, be appointed above the first point of the pay scale.
MOPAC	CEO and CFO sign off	No remuneration committee During the writing of the report MOPAC is in the process of setting up a remuneration committee which consists of the Head of HR, Chief Executive, CFO and Director of DARA (who is the lead for PCS trade union relations).
MPS	Remuneration Committee	Terms of Reference could be more specific about which types of payments required to appear
ODPC	CEO decision/Appointments and Remuneration Committee (RemCom)	CEO sits on appointments committee as there is no remuneration committee The OPDC do have an Appointments and Remuneration Committee (RemCom) The Appointment and Remuneration Committee will approve termination of Executive Management team that includes more than six months' salary costs or equivalent. All other settlements that include more than PILON are reserved to the Chief Executive Officer.

TfL	Remuneration Committee (Remcom)	Exit payments, PILON, settlement agreements or severance payments do not go to Remcom
-----	---------------------------------	---

4. Conclusions

4.1. This review has generally found that all organisations have satisfactory and appropriate policies for appointing, agreeing initial and developing salaries and agreeing exit payments for senior officers. However, there are one or two areas where these matters could be strengthened to make sure that such policies keep up with what Londoners might expect from their organisations as efficient, progressive best practice. These are set out in the recommendations below and would, enhance the transparency of practice regarding GLA Group senior salaries.

5. Recommendations

5.1. There are three main recommendations: -

5.1.1. **Definition of senior staff.** Firstly, it would be helpful to have a wholly standard understanding, based on either levels of pay, or place in the hierarchy or both, of what constitutes senior staff. It has been unhelpful to this review and will be unhelpful to future practice to have each organisation defining this, even in a slightly different way. Clearly in smaller organisations, depending on where the threshold it set there will be a smaller number and in larger organisations there will be more. Several organisations use the threshold of £100,000 annual salary, but it would be helpful to be specific about whether, or not, this includes bonuses, overtime and pensions contributions as this is currently inconsistent across each organisation. ***It is recommended that each organisation provides a full list of all named posts (vacant or filled) containing a basic salary over £100,000 and a separate list of those posts that report directly to the CEO or equivalent, and one layer down from that. This list across the GLA Group should be reviewed by the Mayor’s office and working with each organisation, decisions should be taken about the removal of any large groups of roles, for whom a national pay agreement for example, takes them over £100,000 but where it is clear they do not fit into the definition of “senior staff”. The final agreed list should be agreed by the remuneration committee or equivalent annually and included in the annual report, and this definition listed as “senior staff”. All other payments to the group then agreed as “senior staff” should also be reviewed annually, in retrospect, by the remuneration committee or equivalent in the following format. Further there should be as much***

standardisation as possible, given the varied size and construct of each organisation, as possible. This will help the public understand what the GLA group means when it refers to “senior staff”.

Post	Basic Salary	Pension contribution	Expenses	Bonus	Overtime	Other payments e.g. exit etc
XX	£	£	£	£	£	£xxx

5.1.2. **Notice Periods.** Secondly, it would be helpful to move to a standard three-month notice period in contracts at the start of employment in senior posts in all cases unless an exception needs to be agreed. This should take effect for all new appointments and organisations that either do not have this, or who still have senior staff on longer or shorter notice periods, should provide a schedule of those employees to the Mayor’s office and a timeline suggesting when they may be able to move to three months as standard. After that point any deviation from three months, as occasionally this may be thought to be useful or necessary, should seek input from the Mayor’s office prior to the decision being made at the organisation’s relevant governance body. ***It is recommended that a full list of individuals who have anything other than a three-month notice period be drawn together and an assessment of the risk this creates for the organisation be made, along with an assessment for current staff of whether these can be changed by consultation, or on a timeline associated with turnover.***

5.1.3. **Oversight and separation of duties.** Thirdly, there should be a strengthening and/or a transparency of the separation of decision making regarding senior officers pay, notice periods and exit payments. In most cases there is a separation of duties, but not always covering all payments and it is not always as clear to the outsider as it could be. Some organisations take salaries, additions to salaries, exit payments and pay in lieu of notice payments to their remuneration committee or their public accountability committee. Some bring one or more of those things but not all. It would be helpful to have a clear list of items, and it is recommended that these be anything that has an impact on payments made to those in the senior group as it should be defined in 5.1.1. Decisions on such payments may not be able to be taken away from the delegated authority of the CEO or equivalent, depending on the construct of that organisation; however, oversight from or the advice of the organisation’s remuneration committee or equivalent should be sought. The main purpose of this recommendation is to ensure a separation of the relationship between direct reports and the CEO is maintained when agreeing is needed on any remuneration matters.

Removing that decision, where appropriate, or including an oversight or advice seeking stage from some form of non-exec, or separate committee on which the CEO does not sit, provides a clearer level of transparency across all seven organisations. ***It is recommended that each organisation provide suggestions for how they might improve their current arrangements regarding decision making or separation of duties. Alternatively, they provide a statement that their arrangements do not need improving, because they already meet the spirit of the recommendations in this report. This statement should then be reviewed for consistency and be a matter of annual review.***

- 5.1.4.** Finally, each organisation should be asked to respond to the Mayor, in writing, to these recommendations by 31 October 2018, with suggestions for how and when they may be implemented. The Mayor should then prepare and publish a report summarising this information.

Grateful thanks from Dawn Jarvis

“I would like to thank the staff of each of the seven organisations who have provided speedy responses, documents and dates for interviews, and their time and commitment to support a thorough and timely concluded review. I would like to thank Amelia Hicks, HR Apprentice (GLA), who has provided excellent administrative support throughout the review.”

[page left intentionally blank]

Board



Date: 22 May 2019

Item: Report of the Meeting of the Programmes and Investment Committee held on 15 May 2019

This paper will be considered in public

1 Summary

- 1.1 This paper provides a short summary of the items to be considered by the Programmes and Investment Committee at its meeting on 15 May 2019. As that meeting is held after this paper was published, a verbal update on the issues raised by the Committee will be provided to the Board.

2 Recommendation

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

3 Committee Agenda and Summary

- 3.1 The papers for the meeting of the Committee held on 15 May 2019 were published on 7 May 2019 and are available on the TfL website: <https://tfl.gov.uk/corporate/publications-and-reports/programmes-and-investment-committee>
- 3.2 The main matters to be considered by the Committee are:
- (a) Crossrail Update;
 - (b) Crossrail Limited Board Appointments;
 - (c) Update on Major Projects and Sub-Programmes;
 - (d) Independent Investment Programme Advisory Group 2019/20 Workplan;
 - (e) Use of Delegated Authority; and
 - (f) Air Quality Management Programme.
- 3.3 A summary of the items to be discussed is provided below. The more detailed minutes of the meeting will be published ahead of the meeting of the Committee on 17 July 2019.

4 Issues Discussed

Crossrail Update

- 4.1 Under the authority delegated by the Board, the Committee has been asked to approve a change to the Project Development Agreement, providing for a new Stage 3 opening date of 'September 2020 to March 2021'.
- 4.2 A Crossrail Update paper is included elsewhere on the agenda for this meeting and a verbal update of the Committee's considerations will be provided during that item.

Crossrail Limited Board Appointments

- 4.3 Under the authority delegated by the Board, the Committee has been asked to extend the appointments of TfL Sponsor nominated non-executive directors to the Crossrail Limited Board. An update on this item will be provided under the Crossrail Update item that appears elsewhere on the agenda for this meeting.

Update on Major Projects and Sub-Programmes

- 4.4 The Committee has been asked to note the paper, which provides an update on progress of major projects and sub-programmes.

Independent Investment Programme Advisory Group 2019/20 Workplan

- 4.5 The Independent Investment Programme Advisory Group's (IIPAG) Terms of Reference require that IIPAG produce an annual workplan and this be reviewed twice per year by the Committee and the Audit and Assurance Committee. The workplan has been developed following discussions with TfL senior management. The workplan will be submitted to the next meeting of the Audit and Assurance Committee for approval.
- 4.6 The Committee has been asked to note the paper, which sets out IIPAG's workplan for 2019/20.

Use of Delegated Authority

- 4.7 There had been one use of Chair's Action. On 27 March 2019, the Board delegated authority to the Committee to take decisions on matters reserved to the Board in relation to the Crossrail project, including the appointment of further non-executive directors. On 16 April 2019, the Chair of the Committee, following consultation with available Members of the Board, approved the appointment of Sarah Atkins as a further TfL nominated non-executive director of Crossrail Limited for the remainder of the Crossrail project.
- 4.8 The use of Chair's Action was considered appropriate as a decision was needed as soon as possible, as part of the implementation of the KPMG recommendations on improving governance.

- 4.9 The Committee has been asked to note the paper, which sets out the use of delegated authority since the previous meeting.

Air Quality Management Programme

- 4.10 The Committee has been asked to note the paper and:
- (a) approve the extension and variation of the contract with Siemens plc to enable the delivery of the Detection and Enforcement Infrastructure (D&EI) element of the Ultra Low Emission Zone Expansion (ULEX) 2021 project;
 - (b) approve additional Programme and Project Authority for ULEX and additional Procurement Authority in respect of the extension and variation of the D&EI contract with Siemens plc;
 - (c) note the update on the Business Operations System element of ULEX and the proposal to extend and vary the contract with Capita plc to enable the delivery of ULEX;
 - (d) approve the transfer of remit, Financial Authority and Programme and Project Authority of the AQM Programme into the Air Quality and Environment Programme, and the transfers of remit, Financial Authority and Programme and Project Authority of the Low Emission Zone 2020, HGV Safety Permit Scheme (Direct Vision Standard) and Camera Refresh Scheme into the AQM Programme; and
 - (e) approve £11.9m of Programme and Project Authority for the Camera Refresh scheme.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the Programmes and Investment Committee on 15 May 2019.

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

[page left intentionally blank]