

Transport for London

Minutes of a meeting of the Board
held on Thursday 22 July 2004, commencing at 11.00 a.m.
in the Chamber, City Hall, the Queen's Walk, London, SE1 2AA

Present:

Board Members: Dave Wetzel (in the Chair)
David Begg (for mins 126-137/07/04)
Stephen Glaister (for mins 126-132/07/04) Kirsten Hearn
Sir Mike Hodgkinson Oli Jackson
Susan Kramer Paul Moore
Sir Gulam Noon Murziline Parchment
David Quarmby (for mins 126-137/07/04) Tony West

In attendance:

Special Advisors: Bryan Heiser Lynn Sloman

TfL Officers: Maggie Bellis Ian Brown
Stephen Critchley Isabel Dedring
Mary Hardy Peter Hendy
Robert Kiley Fiona Smith
Hugh Sumner Valerie Todd
Tim O'Toole Jay Walder

Observing: Nicky Gavron, Deputy Mayor

Secretary: Jo Chance

126/07/04 APOLOGIES FOR ABSENCE

Apologies for absence were received from Ken Livingstone.

127/07/04 MINUTES OF THE PREVIOUS MEETING HELD ON 23 JUNE 2004

The minutes of the meeting held on 29 June 2004 were **agreed** and signed as an accurate record.

128/07/04 MATTERS ARISING

There were no matters arising.

The Chair reminded members to declare any interests in the papers presented. No interests were declared.

128/07/04 COMMISSIONER'S REPORT

The Board considered the Commissioner's report for July 2004. The key points arising from the discussion were:

- Traffic Management – the Bill was due to receive Royal Assent that day (22 July). At a future date, Board members would be offered a detailed briefing on the Bill. TfL would work closely with the Boroughs, utility companies, and those affected by the Bill to co-ordinate work going forward;
- Congestion Charging Scheme – Peter Hendy reported that consultation on the two variation orders to the Scheme had been completed – one (blue badge registration) was confirmed and the other (including increasing pcn charges and reducing the fleet threshold) was awaiting confirmation by the Mayor. [Post meeting note – now confirmed by the Mayor]. The report on consultation regarding the western extension of the Scheme was due to be submitted to the Mayor shortly. Peter Hendy welcomed the Department for Transport's report on the Feasibility Study of Road Pricing. Until a national distance based charging scheme using satellite navigation technology was available, the interim development of road pricing in London such as with the proposed western extension would be consistent with the DfT's recommendations. Furthermore, TfL's own trials of pricing technologies has confirmed that affordable satellite systems will not be feasible for at least a decade, but that improvements to the existing scheme and any further scheme could be afforded with tag and beacon technology. A comprehensive trial for 'tag and beacon' technology is currently being planned;
- Rail – As a result of the Spending Review 2004 the Government had agreed that the Crossrail project would now be taken forward as a Hybrid Bill. The financing of the Project had yet to be finalised. The agreement with Government also included support for the extension of the East London Line. The Rail Review had been completed and initial work would be carried out on fare structures and marketing and the development of a Route Utilisation Strategy. This was seen by the Board as the single most significant structural change to TfL since it had been established. TfL now had the opportunity to consider the longer range view of improving and integrating overall transport in London; and
- Industrial Relations on LUL – Bob Kiley reported that there had been no actual dispute between LUL and the RMT during pay negotiations at the time the RMT strike took place. Tim O'Toole reported that further discussions had now been held with RMT and progress was being made; LUL stood by their pay offer. Work was being carried out to ascertain how savings could be made to justify the reduction in hours of operational staff sought by the RMT. It was hoped that an agreement would be reached soon.

The Board **noted** the Commissioner's report.

130/07/04 FINANCE AND PERFORMANCE REPORT

Jay Walder introduced the paper on Current Revenue Trends, which had also been considered by the Finance Committee. The key points arising from the discussion were:

- Bus patronage continued to increase and was currently c.6% up year on year, despite the increase in bus fares in January 2004; service and quality improvements were seen as key reasons driving this growth;
- Bus revenue in 2004/05 was forecast to be nearly £10 million above budget based on analysis of the first six periods of 2004 and this would be reflected in the first quarterly report;
- Switching of customers to off-bus ticket purchase was still quite slow but this was expected to pick up and TfL would be continually reviewing ways to motivate customers to use the service;
- Tube patronage had stayed fairly constant over the previous few years but there appeared to be a clear shift of customers from the Tube to buses following the introduction of congestion charging. The reliability and speed of buses, particularly in Zones 1 and 2 was seen as a key driver of this switch;
- Despite this switch of patronage on the tube, customer satisfaction levels for the Tube continued to increase; and
- New ticketing systems and pricing scales would look to utilise the capacity available across London's transport modes, to their best effect.

Spending Review 2004

On Tuesday the Secretary of State had announced an agreement with TfL which provided a five-year financial framework and enabled TfL to move forward on critical capital projects and the works necessary for the Olympic Bid. The onus was now on TfL to deliver; to have a clear view going forward and establish access to capital markets through a 5-year capital programme. TfL was now, for the first time, able to assess its priorities and plan revenue and spending over a 5-year period.

The Board welcomed the outcome of the Spending Review and congratulated all those teams in TfL responsible for the work involved in this.

PPP Performance Report - Period 2 2004/05

Tim O'Toole advised that the tube had put in its best performance in the previous seven years in the first three periods of 2004/05, alongside events that had shown the frailty of the system, issues that could continue to be faced in operating the system whilst the improvement programme was moved forward as quickly as possible.

Work on the Central Line had seen an increase in its performance over

the previous six periods that was more improved than any other line; Bombardier were addressing issues of rolling stock performance. Signal computer failure on the Central Line had been experienced on Tuesday 20th July but overall improvements on the Line were being made.

The Board noted that passenger facing performance indicators for both the Underground and the Buses were at an all time high. Jay Walder undertook to ensure that this information was available on the TfL website.

Jay Walder

The Board **noted** the PPP Performance paper.

131/07/04 APPROVAL OF STATEMENT OF ACCOUNTS

Stephen Critchley advised the Board that –

- (1) the accounts included LUL's results as though LUL had always been a part of TfL although LUL had only transferred to TfL on 15th July 2003. This had been agreed with TfL's auditors; and
- (2) as a local authority, TfL were required to adopt the accounting provisions of the new accounting standards in relation to pensions. The last valuation of the Fund Actuary at 31st March 2003 had revealed a deficit in the Fund of £421 million which had to be made good by additional employer contributions over a period not exceeding 10 years. Contribution rates had been increased from 3.05 to 6.1 times employees contributions with effect from 1st April 2004.

The Board **approved** the Statement of Accounts and **agreed** that the Chief Finance Officer would make any adjustments arising from the ongoing audit work prior to the auditors signing their opinion.

132/07/04 TRANSPORT STRATEGY FOR OLYMPIC BID

Jay Walder introduced the paper which set out the transport strategy and its associated challenges, for the London 2012 Olympic Bid. TfL's funding commitments to already planned transport backdrop schemes had been secured by the Spending Review 2004 agreement reached between TfL and DfT together with pre-existing agreements relating to the London Underground PPP. The key points arising from the Board discussion on the Olympics were:-

- it was essential to ensure there were adequate planning powers to push through relevant projects and these would be taken forward with all due haste; already London 2012, in conjunction with TfL, were reviewing the lessons learned from the Sydney Olympics in relation to obtaining the appropriate legislation;
- planning for the Olympics Bid would provide good additional transport in London and it was recognised that it was important to ensure these enhancements were accessible to all Londoners. The Olympic venues were designed for full accessibility by 2012; 20,000 taxis

were now fully accessible and by 2012 it was planned that 9,000 buses would also be; further planning was being undertaken around park and ride accessibility schemes;

- there would be huge differences made to East London as a result of the Olympics: providing transport in a corridor that was not historically well served. The ultimate aim was to move 100% of Olympic spectators by public transport;
- the 22 minutes travelling time from Central London to the Olympic site was achievable. A typical car journey from Hyde Park to Stratford, using 40 successive signals, achieved a journey time of 22 minutes using existing signalling systems. By 2012 improved systems would be in place and Olympic cars are likely, by that time, have GPS tracking systems, making predictive journey times easier to gauge.
- Concerns had been raised by the residents of Hackney regarding the use of Hackney marshes as a coach park. The coach park would be a temporary facility and environmental benefits that would be left behind as well as the improved transport as a consequence of the Olympic Bid would leave a great legacy to the area. The football pitches currently in place on the marshes would be fully re-instated after the Olympics and would include improved facilities such as changing rooms etc.; and
- The Olympics were planned to be as sustainable as possible and London 2012 had employed experts in this area; within that context transport played a large part and would be the most environmentally friendly form of transport. TfL would continue to drive forward the shift to public transport and would be in a better position by 2012 to procure environmentally friendly vehicles. There would also be new communities emerging around the Olympic site with new and/or improved cycleways, footpaths etc.

The Board **endorsed** the Olympic Transport Strategy as outlined in the paper and **approved** the signing of the International Olympic Committee (IOC) Transport Guarantee, associated Memoranda of Understanding and the carrying out of the terms of the delegation by the Commissioner (and in his absence the Managing Director, Finance and Planning).

133/07/04 2003/04 TfL ANNUAL REPORT

The Board **noted** that TfL were legally bound under section 161 of the GLA Act 1999 to produce an annual report.

Board members would be given a draft of the annual report for comment once Chief Officers comments had been received.

The Board **agreed** the proposed process for finalising the 2003/04 Annual Report and **delegated** authority to Jay Walder, Managing Director, Finance and Planning for final approval of the Annual Report following the submission of comments from Board members.

134/07/04 AUDIT COMMITTEE REPORT

The Board **noted** the report on the proceedings of the Audit Committee meeting held on 13 July 2004.

135/07/04 FINANCE COMMITTEE REPORT

The Board **noted** the report on the matters discussed at the Finance Committee meeting held on 13 July 2004.

136/07/04 SAFETY, HEALTH AND ENVIRONMENT COMMITTEE (SHEC) REPORT

David Quarmby introduced the paper and the first TfL Annual HSE Report for April 2003 to March 2004. In introducing it he thanked Richard Stephenson and colleagues across the business for the good work that had been done in pulling this together. The Board noted in particular –

- that road safety had improved and the continuing trend of a reduction in the number of people killed in road accidents was in line with Mayoral and Government policy in this area;
- powered two-wheelers are the biggest challenge in terms of KSI and meeting the Mayor's targets;
- Health data showed that mental ill health cases caused the largest proportion of sickness absence for all parts of TfL. This was not unusual across the industry as a whole and represented an unclear understanding of stress related illnesses at work. New packages were being introduced to provide improved information in this area.

The Board **noted** the report.

As it was David Quarmby's last meeting of the Board, he thanked his SHEC colleagues for being challenging and supportive during his time as Chair of the Committee. In response the members of SHEC thanked David for his guidance as Chair.

The Chair, on behalf of the whole Board, thanked David Quarmby and Oli Jackson, both of whom were attending their last Board meeting, for their valuable contributions during their terms as Board Members; this was endorsed by the whole Board.

137/07/04 DOCUMENTS SEALED ON BEHALF OF TfL

The Board **noted** the documents sealed on behalf of TfL between 10th June and 7th July 2004.

138/07/04 ANY OTHER BUSINESS

Board Members' on Panels and Committees

Fiona Smith thanked Board members for their responses regarding their preferred Board Panel and Committee membership. It was noted that following discussions to take place with Bob Kiley, proposals for the

membership of Board Panels and Committees would be circulated in August.

CHAIR