

TRANSPORT FOR LONDON

BOARD MEETING – OPEN SESSION TO BE HELD ON WEDNESDAY 30 MAY 2007 AT 1000 HOURS IN COMMITTEE ROOMS 4 & 5 CITY HALL, THE QUEEN'S WALK, LONDON SE1 2AA

AGENDA

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

1. Apologies for Absence
2. Minutes of the Previous Meeting held on 28 March 2007
3. Any Matters Arising from the Minutes

Business Items

Sponsor

- | | |
|--|---|
| 4. The Commissioner's Report | Peter Hendy, Commissioner |
| 5. Operational, Financial and Investment Programme Reports | Steve Allen, MD Finance
David Brown, MD Surface Transport
Tim O'Toole, MD London Underground
Ian Brown, MD London Rail |
| 6. Update on Sustainable Procurement | Valerie Todd, MD Group Services |
| 7. TfL's Community Safety Plan 2007/08 | David Brown, MD Surface Transport |
| 8. Venezuela: Energy Funding and Cooperation Agreement | Peter Hendy, Commissioner |
| 9. Transport Trading Limited - Appointment | Howard Carter, General Counsel |

Items for Noting

- | | |
|---|---|
| 10. Report from the Finance Committee | Sir Mike Hodgkinson, Chair of the Committee |
| 11. Mayoral Delegation and Direction: re Cross GLA Group Sustainable Procurement and Supply Diversity Implementation Support Team | Howard Carter, General Counsel |

12. Mayoral Direction: Discounted Bus and Tram Fares
for London Residents who receive Income Support

Howard Carter, General
Counsel

13. Any Other Business

Date of next meeting: Wednesday, 27 June 2007

TRANSPORT FOR LONDON

MEETING OF MEMBERS OF THE BOARD – OPEN SESSION

MINUTES of the Board Meeting held in Committee Rooms 4-5, City Hall, The Queen's Walk, London, SE1 2AA at 10.00 am on Wednesday, 28 March 2007

Present:	Dave Wetzel Chris Garnett Stephen Glaister Kirsten Hearn Sir Mike Hodgkinson Judith Hunt Eva Lindholm Paul Moore Patrick O'Keeffe Rana Roy Tony West	(In the Chair) (from minute 14/03/07 to 26/03/07)
In attendance:	Lord Toby Harris Bryan Heiser Shiria Khatun Lynn Sloman Steve Allen David Brown Ian Brown Howard Carter Suzanne Charlton Stephen Critchley Naomi Connell Isabel Dedring Charles Doyle Nicky Gavron Mary Hardy Peter Hendy Ellen Howard Tim O'Toole Nigel Marson Jeff Pipe Ben Plowden Sam Richards Richard Stephenson Steve Tyler Horatio Chishimba	Interim MD Finance Managing Director, Surface Transport Managing Director, London Rail General Counsel TfL Secretariat Chief Finance Officer Director of Finance & Support Services (for Tim O'Toole) Director of Policy Unit Senior Finance Manager, LUL Deputy Mayor Director of Internal Audit Commissioner Director of Corporate Governance Managing Director, London Underground Interim MD Marketing & Communications Corporate Governance Adviser Programme Director, Travel Demand Management Commissioner's Chief of Staff Director of Group Health, Safety & Environment TfL Secretariat TfL Secretariat

Dave Wetzel introduced and welcomed to the Board the new Board Members and Advisers. Dave Wetzel also welcomed the members of the public present in the public gallery.

14/03/07 **Apologies for Absence**

Apologies for absence were received from Peter Anderson, Honor Chapman, Sir Gulam Noon, Murziline Parchment and Dabinderjit Singh Sidhu.

Apologies for lateness were received from Ken Livingstone.

Declaration of Interests

No interests were declared.

15/03/07 **Minutes of the Previous Meeting held on 7 February 2007**

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

16/03/07 **Matters Arising**

There were no other matters arising from the minutes of the previous meeting. A table had been prepared setting out the current status for each of the actions.

Vehicle Excise Duty (VED) bands: The analysis requested at the December 2006 Board meeting had been received and would be circulated to Board Members.

Action: Secretariat

The Board **noted** the actions list.

17/03/07 **Commissioner's Report**

The Commissioner introduced his report and highlighted key issues and those that had progressed since he issued his report.

Launch of the Congestion Charging Western Extension Zone:

The Congestion Charging Western Extension Zone was successfully launched on 19 February and had produced a 13% reduction in traffic, which was in line with expectation. The Board wished for its thanks to officers to be recorded for the successful launch of this important initiative.

Industrial Relations – Pay Negotiations:

The Commissioner commended Tim O'Toole for negotiating the first ever three-year pay offer that had been accepted by the trade unions without any industrial action. Board Members commended TfL on this ground breaking settlement.

North London Line Upgrade Scheme:

The Commissioner reported that on 26 March the Olympic Delivery Authority (ODA) confirmed its contribution towards the North London Line upgrade scheme.

Woolwich Crossrail Station:

The Board noted that the Secretary of State and Berkeley Homes had signed an Outline Agreement for the construction of a Crossrail station box at Woolwich. On Crossrail itself, the Commissioner commented on the recommendations of the Lyons Report and added that a lot of work was in progress on funding and determining how the Crossrail project would be managed.

Cab Design on Overground Rolling Stock:

Patrick O’Keeffe asked about the cab design process for this new rolling stock. Ian Brown indicated that TfL was facilitating discussions with Bombardier so that the design met the needs of users and staff.

Agreement between the Mayor and the Republic of Venezuela: The Commissioner discussed the agreement reached between the Mayor and the Republic of Venezuela to provide discounted bus travel to Londoners in receipt of income support as part of the Energy Fund Contribution and Co-operation Agreement with Venezuela. The scheme would provide substantial benefits to some of the poorest people in London.

The Commissioner said that he would be visiting Caracas to initiate the process of providing Venezuela with technical advice. A paper with details of the Venezuelan agreement would be brought to the Board in due course. The Commissioner also undertook to provide Patrick O’Keeffe with more details of the number of Londoners who would benefit from the agreement.

Action: Commissioner

Guide Dogs for the Blind Association Award: Bryan Heiser was pleased that staff at Wembley Park Station had been recognised by the Guide Dogs for the Blind Association award. Kirsten Hearn suggested that TfL consider these awards when carrying out staff performance reviews. Naomi Connell informed the Board that LU would continue to drive forward customer service initiatives and undertook to pass on the Board’s thanks to those involved.

Action: Naomi Connell

Comprehensive Spending Review 2007: Steve Allen informed the Board that TfL had spent considerable time assisting DfT with its submission for funding, which had now gone to the Treasury. The CSR 2007 announcement had now been postponed by government until the autumn. TfL also expected to be consulted on the recommendations of the Lyons Review, in particular on the recommendation for a business rate supplement to fund infrastructure projects.

Oyster for Visitors to London: Nigel Marson informed the Board that Oyster is now available on the Gatwick Express. In response to a question from Chris Garnett, Nigel Marson indicated that publicity at National Rail stations in London was constantly reviewed so as to ensure that domestic tourists accessed Oyster. He also confirmed that sales in Paris and on Eurostar were being looked into.

Travel Demand Management: Lynn Sloman asked what could be learned from Tesco's understanding of customer needs and its targeted marketing campaigns. The Commissioner said that Marketing and Communications were investigating similar approaches. A paper on Monitoring Travel Plans would be prepared and submitted to the Panels.

Action: Ben Plowden

Powered Two Wheeler Casualties in Greater London: Dave Wetzel informed the Board that although there was a considerable reduction in casualties there was still a long way to go and observed that expenditure was fully justified.

Loop Publication: Paul Moore raised the issue of TfL's 'Loop' Publication which does not cover National Rail. Nigel Marson agreed to take on board a more multi-modal approach to the publication.

Action: Nigel Marson

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

18/03/07

2007/2008 Budget

Steve Allen introduced the Budget paper and presentation. The paper outlined TfL's detailed budget for 2007/08, reflecting both the Mayor's agreed budget for 2007/08 and changes that had arisen since the business plan was approved by the Board.

He explained that overall, the 2007/08 Budget represented a significant growth in TfL's activity in terms of both operations and infrastructure.

Operations: It was noted that as London continued to grow, TfL's services would have to attempt to meet the rising demand for public transport. Keeping pace with that growth was a challenging goal given the physical constraints. London Underground expected to carry more than one billion passenger journeys in the current financial year and in 2007/08, the milestone of three billion passenger journeys was expected to be exceeded for the first time.

Network Expansion: The network expansion on the London Underground in 2007/08 reflected timetable improvements on some lines. Kilometres operated on the bus network would increase in 2007/08 by 9m. This included additional services made possible by the western extension of the Congestion Charging Zone and additional services to the new development at White City.

Kilometres operated by the DLR would increase by 10% year on year reflecting the service enhancements made possible by the improvements at Stratford station.

When TfL takes over the North London Railway (NLR), passengers will see improvements both in service and infrastructure. The NLR will have Oyster validators installed and 11 more station will be gated. New rolling stock will become available in 2008/09.

Construction works on the 3-Car DLR project will start in 2007/08.

Climate Change Fund: This is the first year of the Climate Change Mitigation Fund to support initiatives designed to reduce CO2 emissions. One of the first draws on the Climate Change Fund would be funding 44 hybrid buses over three years.

Capital Expenditure: There would be significant further increase in capital expenditure across all modes, particularly in London Rail with major expenditure on the East London Line and DLR extensions.

The Board commended Steve Allen for the Budget and everyone involved with TfL's successful bond issue.

The Board **noted** the contents of the report and **approved** the 2007/08 budget.

19/03/07 Treasury Management Strategy and Prudential Indicators

Steve Allen introduced the report which requested the Board to approve a Treasury Management Strategy for the financial year 2007/08. The report also required a Board decision to adopt Prudential Indicators which supported planned borrowing.

Steve Allen said he was asking for more flexibility to seek the best returns on the cash balances and the ability to invest those balances for terms longer than one year.

The Board **approved**:

1. the Treasury Management Strategy attached to the report (Appendix One);
2. the Prudential Indicators (Appendix Two); and
3. Subject to the Mayor's consultation, an Authorised Limit for External Debt of £2,030m, based on borrowing a further £600m in 2007/08.

20/03/07 Woolwich Ferry Transfer

David Brown introduced the report which sought Board approval to transfer the assets of the Woolwich Ferry from TfL to its subsidiary, London River Services Limited (LRS). The Mayor's approval was also required and would be sought if the Board approved the transfer. The purpose of the transfer was to align actual responsibility with operational reality.

In reply to Patrick O'Keeffe's question on the financial impact on TfL of the transfer, Stephen Critchley confirmed that the transfer was an internal arrangement and would have no financial or staffing impact.

The Board **approved**:

1. the transfer of the Woolwich Ferry assets from TfL to London River Services;
2. delegation to finalise the details of the Transfer Scheme to the Managing Director of Surface Transport; and
3. for the matter to be sent to the Mayor for his final approval in accordance with the GLA Act 1999.

21/03/07 Revision of Standing Orders and Appointments

Howard Carter introduced the report which proposed amendments to TfL's Standing Orders including amendments to facilitate changes to TfL's senior management structure and the allocation of recently appointed Board Members and Advisers to TfL Committees and Advisory Panels.

The Board:

1. **Approved** the changes to TfL's Standing Orders as outlined in the paper;
2. **Approved** the additional appointments of Board Members and Advisors to the Panels and Committees as outlined in the paper;
3. **Approved** the appointment of the MD Planning and in his/her absence the Director of Borough Partnerships as TfL's representative on the London Councils' Transport and Environment Committee. Prior to permanent appointments being made to the roles, to appoint the Programme Director of Travel Demand Management as TfL's representative; and,
4. **Noted** that TfL's General Counsel would make any additional, consequential or further changes to Standing Orders which may be necessary in order to facilitate the changes set out in the paper.

22/03/07 Report from the Finance Committee

The Board **noted** the report which summarised matters discussed at the Finance Committee meeting held on 8 March 2007.

23/03/07 Report from the Safety, Health and Environment Committee

Dave Wetzel introduced the report provided a summary of matters discussed at the Safety, Health and Environment Committee held on 6 March 2007.

Safety Advisers' vacancies: It was reported that interviews for the two vacant positions of Safety Adviser to the SHEC had been held.

The Board **noted** the content of the report.

24/03/07 **Report from the Audit Committee**

Judith Hunt introduced the paper which summarised discussions at the Audit Committee meeting held on 14 March 2007.

It was reported that training for Audit Committee members, as identified in a self assessment of compliance with CIPFA's Guidance for Local Authority Audit Committees, would be offered to all Board Members who wished to participate.

The Board **noted** the content of the report.

25/03/07 **Mayoral Delegation and Direction to TfL to Revise the Transport Strategy**

Howard Carter introduced the paper which informed the Board of a Delegation and Direction from the Mayor to TfL to undertake a revision of the Transport Strategy.

Peter Hendy said that it was TfL's intention to start the process of revising the Transport Strategy as quickly as possible but following discussion with the Mayor and the need to take on initiatives such as the Climate Change Action Plan, a longer timetable is likely to be adopted, and therefore it is likely that the Assembly and Functional Body consultation would commence in summer 2008.

The Board **noted** the receipt of the Delegation and Direction from the Mayor.

26/03/07 **Mayoral Guidance and Direction to TfL in relation to Charging Schemes under the GLA Act**

Howard Carter presented the paper which informed the Board of the Mayoral Guidance and Direction received in relation to procedural requirements such as consultation and format for charging schemes under the GLA Act.

The Board **noted** the receipt of the Mayoral guidance and direction.

27/03/07 **Update on Sustainability and Climate Change**

Isabel Dedring introduced the report and gave a presentation which updated the Board on the Mayor's Climate Change Action Plan (CCAP) and the activities of the TfL Group Sustainability Unit, including the management of the Climate Change Fund.

She explained that the first step had been to develop a baseline for all sectors. Employment, population and other projections were then used to estimate "business as usual" in 2025. The next step was a review of the science to understand the minimum contribution required from London. With that understanding, actions across the sectors to cut CO2 were identified – assessing which offered the best value for money.

The presentation showed that London's annual CO2 footprint was about 44 million tonnes and the figures ignored aviation – as did all the major treaties and targets on climate change. If emissions from aviation were included, London's CO2 footprint grew dramatically. Aviation accounts for 34 per cent of emissions.

For London to play its part in stabilising at 450ppm, it must save 33 million tonnes of CO2 each year by 2025, an enormous challenge. Isabel Deding explained that the problem was not technology but taxation and other policies which did not factor in the cost of carbon.

Isabel Deding confirmed that most actions in the CCAP in relation to transport had been agreed and some areas were being developed further. Senior management commitment was supported by the setting up of a £25m TfL Climate Change Fund.

Travel Demand Management:

Ben Plowden informed the Board that Travel Demand Management (TDM) programmes comprised two main elements. The first is the continuing delivery of the existing TDM programme activities including workplace and school travel planning, the Sutton pilot and the roll out of personalised travel planning. Monitoring and evaluation of these activities will be a high priority to ensure that resources will be used to achieve value for money.

The second element of the programme will involve developing a number of new work streams that would both be informed by and support programme delivery. These include developing a better understanding of consumer behaviour change in general, and travel behaviour change in particular, developing relationships within and outside TfL that will help support the TDM programme and working with the organisation to develop KPIs to measure progress in this area.

Peter Hendy explained that TDM was an integral part of the Climate Change Action Plan.

Freight: Isabel Deding confirmed that there were a lot of technological solutions regarding freight related emissions. About half of the freight emissions came from Light Goods Vehicles (LGVs).

Peter Hendy told the Board that a sustainable approach to freight and the Olympics has been discussed with the LDA and the ODA and progress had been made.

Dr Rana Roy told the Board that the CCAP was the best thought-through climate change document that he had seen and congratulated Isabel Deding and her team. He was especially pleased to note that the document also focused on other economic and social benefits in addition to CO2 reduction and invited businesses to participate.

Nicky Gavron commended Isabel Deding and her team for the impressive work done on the CCAP and proposed that other technologies be considered, for example, the satellite-based 'air text' technology. Other members of the Board

agreed. Lynn Sloman commented that London had set itself more ambitious targets than the UK government and that the Mayor should be congratulated for the Climate Change Action Plan.

Judith Hunt stated that there was a clear link between health promotion issues and climate change mitigation measures and that they should be examined in parallel.

Air Quality: Stephen Glaister asked whether there was a document which explained the relationship between air quality and climate change could be given to Board Members.

Isabel Dedring undertook to speak to the LEZ team regarding air quality and provide that information to Board Members.

Action: Isabel Dedring/ Michele Dix/ Malcolm Murray-Clark

Ben Plowden told the Board that TfL needed to work closely with planning teams and departments in local authorities across London in order to achieve targets in the CCAP through TDM. He also added that TfL will learn from other public awareness campaigns such as those in the health sector.

Dave Wetzel thanked Isabel Dedring and Ben Plowden for the presentation and Nicky Gavron for attending the meeting.

The Board **noted** the content of the report and the presentation.

28/03/07 **Any Other Business**

There being no further business the meeting closed.

Signed by the Chair: _____

Date: _____

Actions Arising from the Open Board Meeting

Held on 28 March 2007

Minute No:	Action:	Action to be taken by/Status:
16/03/07	<p><u>Commissioner's Report: Proposed Changes to Congestion Charging – Vehicle Excise Duty Bands</u></p> <p>Analysis carried out on VED Band G to be circulated to Board members for information.</p>	<p>Secretariat</p> <p>COMPLETED</p>
17/03/07	<p><u>Commissioner's Report: Agreement with Venezuela</u></p> <p>A paper with details of the Venezuela Agreement to come to future Board meeting.</p>	<p>Commissioner</p> <p>COMPLETED - On Agenda.</p>
17/03/07	<p><u>Commissioner's Report: Agreement with Venezuela</u></p> <p>Details of those that will benefit from the discounted fares as a result of the Venezuelan Agreement to be given.</p>	<p>Commissioner</p> <p>COMPLETED - On Agenda.</p>
17/03/07	<p><u>Commissioner's Report: Guide Dogs for the Blind Association</u></p> <p>Board thanks passed on to staff at Wembley Park Station.</p>	<p>Naomi Connell</p> <p>COMPLETED</p>
17/03/07	<p><u>Commissioner's Report: Travel Demand Management</u></p> <p>Paper on monitoring travel plans would be considered by the relevant Panels.</p>	<p>Ben Plowden</p> <p>COMPLETED - considered at the Strategic Planning Advisory Panel on 14 May 2007 and would be further considered at its December 2007 meeting.</p>
17/03/07	<p><u>Commissioner's Report: Loop Publication</u></p> <p>Nigel Marson agreed to consider a more multi-modal approach to the publication.</p>	<p>Nigel Marson</p> <p>Discussions with Paul Moore and Nigel Marson completed. Further work with London Rail being undertaken so that Overground and DLR may be included in future editions.</p>
27/03/07	<p><u>Update on Sustainability and Climate Change</u></p> <p>Isabel Dedring to provide a paper on the relationship between climate change and air quality and provide to Board members.</p>	<p>Isabel Dedring/ Michele Dix/Malcolm Murray Clark</p> <p>Briefing paper is in preparation to be sent to Board Members by 8 June.</p>

TRANSPORT FOR LONDON

BOARD

SUBJECT: THE COMMISSIONER'S REPORT

MEETING DATE: 30 MAY 2007

1. PURPOSE

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

2. MODAL OPERATIONS

2.1 Surface Transport

2.1.1 Bus Passenger Journeys

In 2006/07 bus passenger journeys grew by 3.5% compared to last year (from 1816m journeys to 1880m journeys). A target of 1897 million bus passenger journeys has been set for 2007/8.

2.1.2 Double-decker Hybrid Bus Launch

On 16 March, the world's first hybrid double-decker bus was launched in London. The bus is operated by Arriva on route 141 between Palmers Green and London Bridge. This follows the successful trial of the hybrid single deckers which began in February 2006. Hybrid bus engines run on a combination of diesel and electric power and reduce the impact of the London bus fleet on the environment, in accordance with the Mayoral strategies on Air Quality, Energy, Noise and Climate Change.

2.1.3 Private Hire Vehicles on Red Routes

The Mayor announced in April that London's 42,000 licensed private hire vehicles (PHVs) are to be given the same rights to drop off and pick up passengers on Red Routes as licensed taxis (or black cabs). To qualify for this new right, licensed minicabs and other PHVs will have to display additional signage on both the front and rear of their vehicles to help identify them more clearly. Consultation has started and statutory processes normally take about 16 weeks. TfL is now working closely with the private hire trade to implement a practical solution which brings benefits to private hire customers while preserving the effectiveness of the Red Route (TLRN) network.

2.1.4 London Construction Consolidation Centre

The London Construction Consolidation Centre (LCCC) has won the Building Magazine award for "Sustainable Construction". This complements the success of

the European Supply Chain “Best Environmental Improvement” award. Both awards recognise the contribution of the LCCC to sustainable growth by reducing emissions, congestion and tackling climate change. The LCCC cut emissions and road freight journeys by over 70 per cent in the first six months of operation, reducing journey times by two hours. The two year pilot study, funded through a partnership between TfL and industry partners, was launched in January 2006 to service four major construction sites in central London.

2.1.5 Blackwall Tunnel

The Metropolitan Police (MPS) have operated the peak period tidal flow at Blackwall since its introduction in 1978. The MPS advised TfL in September 2006 of its increasing concerns over risks being taken by drivers during the operation of tidal flow and its view that there was a significant and increasing risk of a serious accident occurring. In light of this, the MPS was considering withdrawal of its support in the operation of tidal flow. The MPS agreed with TfL that tidal flow would continue while internal and external reports were prepared to evaluate the tidal flow. This evaluation by TfL, which was presented on 28 March to an internal board, concluded that tidal flow operation was hazardous and should be stopped.

TfL initially requested that the MPS continue its operation until 30 July 2007, to allow for the necessary communication with stakeholders and the installation of signage advising motorists of the cessation of tidal flow, to enable them to consider alternative routes. On 29 March the MPS informed TfL that they would stop operating the tidal flow on 5 April (i.e. one weeks notice). TfL challenged this, stating that an effective communications plan could not be implemented in such a short timescale. Consequently a meeting was arranged on 5 April and it was agreed that tidal flow operation should cease from 23 April, allowing two weeks for publicity and traffic management planning. A Mayoral press statement to this effect was issued on 18 April. In the event, for operational reasons, following a collision injury to a motorcyclist overtaking in the southbound tunnel contra-flow on the morning of 17 April, the Metropolitan Police brought forward the cessation of the tidal flow arrangements to the morning of 18 April.

2.1.6 Highways Term Maintenance & Works Contracts

The Highways Maintenance & Works contracts were approved by the TfL Board in December 2006. This resulted in the appointment of 3 contracting partners (Amey, Ringway Jacobs and AccordMP) who provide controlled and highly responsive highway maintenance of the red route system - 24 hours a day, 7 days a week. The new Highways Maintenance & Works (HMWs) contracts commenced operation at midnight on Saturday, 31 March. The Stewards responsibilities that had not been transferred to the HMWs contractors were taken over by TfL who staffed the new co-located network offices. 29 new permanent members of staff, who had worked for companies under contract to TfL to the end of March 2007, were welcomed into TfL on 1 April through the Transfer of Undertakings (Protection of Employment) Regulations. There were no setbacks experienced over the first weekend and Faith Lawson House was staffed throughout via a 24 hour shift basis rota to ensure service continuity. There were few problems during the first week of regular commuter travel and the long Easter weekend.

2.1.7 Tour of Britain

London will host the start of the Tour of Britain - the biggest cycle race in the UK - on Sunday 9 September. The 2007 race will kick off in Crystal Palace Park with the Transport for London (TfL) sponsored 2.5km Prologue. The race will then leave London for a tough six stage route covering around 800kms before finishing in Glasgow on Sunday 16 September.

2.1.8 Mayor announces 83% rise in cycling since 2000

Cycling on major roads in London has increased by a further six per cent between March 2006 and March 2007, continuing the strong annual growth since 2000. There are now an estimated 480,000 cycle journeys every day across London, around 30,000 more than a year ago.

2.2 London Underground

2.2.1 Customer Service & Performance

In 2006/7 London Underground carried a record number of passengers – over 1 billion – and operated its highest ever train service volume. Demand growth has however increased the level of crowding on trains and congestion in stations, thereby contributing to increased journey times and a consequent reduction in customer satisfaction, although over the last two quarters the latter has shown a steady recovery from the low of last summer.

2.2.2 Accessibility Information Service

On 9 April LU launched its new detailed interactive service which allows passengers to understand the access available at every station across the network, particularly the routes between street and platforms. The service is initially only available on www.directenquiries.com but will soon be fully integrated with the Transport for London (TfL) Journey Planner. Visitors to the site can search for accessible routes through each Underground station, prioritising their search according to their individual needs by viewing access details including the number of steps, lifts, escalators, walking distances, ramps and platform to train gap width. The site also allows passengers to search for comprehensive information about each station, including car parking, toilets, and services for visually impaired people, induction loops and other access facilities.

2.2.3 Jubilee line 7th car project

At the London Transport Awards 2007, London Underground and Tube Lines won the 'Transport Partnership Project' award for the Jubilee line 7th car project. This is the second award the project has earned, having previously been awarded the title of Project of the Year by the Association of Project Management.

2.2.4 New Victoria line trains

The first two cars of Train 1, one of two pre-production trains for the Victoria Line Upgrade, were delivered to Northumberland Park Depot on 4 May. The cars arrived by road from Bombardier in Derby, with the six remaining cars arriving over the following four days. A series of tests are being carried out in the depot and if successful, the train will enter a phase of testing on the line in non-traffic hours.

2.2.5 Victoria Station Upgrade

LU has appointed Mott MacDonald to be lead consultant for the detailed design through to construction of the Victoria Station upgrade. Subject to the necessary consents being secured, this key project is due to begin construction in 2009 and be complete in 2014, supporting the extra capacity on the Victoria line that is due to be delivered by new trains and signalling in 2013. When complete, the project will increase the size of the station by about 50 per cent with a new ticket hall, escalators and lifts to ease congestion and to provide step-free access from street level to the Victoria, Circle and District line platforms.

2.2.6 Groundwater Cooling

LU's innovative groundwater cooling trial at Victoria station has been recognised with a prestigious Innovation Award by the Carbon Trust. The award was presented to South Bank University who developed this unique cooling solution. The trial, which started last summer, had a noticeable impact in reducing temperatures on the Victoria line concourse and platforms and will continue throughout 2007. It uses groundwater which is already pumped out of the station. The water is pumped through a network of pipes to feed three heat exchange units on the concourse area between the Victoria line platforms. These units have fans which draw in the warm station air and supply cooled air to the concourse area. The movement of trains then spreads the cooled air to the platforms. If the trial continues to provide good results then the technology will be rolled out to a number of other locations across the Underground network.

2.2.7 FA Cup Final

The Cup Final on 19 May was a success story for TfL. The stadium was filled to its 90,000 capacity and, because the game went into extra time, its finish clashed with the test match at Lords (capacity 32,000). Despite this Wembley Park Station soaked up the massive crowds and the Metropolitan, Jubilee and Bakerloo Lines coped well. The planning for the Final had anticipated that all train passengers would be away within 90 minutes of the final whistle, in the event this was achieved in 85 minutes; a very good day for the Underground. In addition to LU's contribution, London Streets' London Traffic Control Centre (LTCC) played an important role in the overall transport success of the Final by ensuring that both inbound and outbound road traffic were well managed and that there were no significant delays.

2.3 London Rail

2.3.1 Docklands Light Railway Performance

Overall performance continues to be good with virtually all targets exceeded. Ridership levels exceeded 60m passengers in 2006/7.

2.3.2 National Rail in London

DfT's High Level Output Statement for rail capacity enhancements in London for the next 7 years is expected in late July. In advance of this it is encouraging that DfT have acknowledged the similarities between TfL's Rail 2025 document and their own Statement.

Discussions continue with the train operators to seek their agreement to introduce Oyster Pay As You Go. The roll-out will commence in November this year with

London Overground services on the North London Railway, (Richmond to Stratford, Watford to Euston, Barking to Gospel Oak, Clapham Junction to Willesden Junction), followed by Chiltern, C2C and some local 'one' services in January 2008. The roll out of the remaining operators, First Capital Connect, First Great Western Link, Govia Southern, Govia South Eastern, 'one' and South West Trains, is due in January 2009. Currently only South West Trains has contractually agreed to accept PAYG from January 2009) but technical feasibility work is underway to ensure that Oyster PAYG validating equipment can be ordered as soon as contractual negotiations are completed with all the operators. To ensure that the structure of Pay As You Go rail fares is compatible with those on Underground services, a number of changes to fare levels and validities are being considered by the TfL Fares & Ticketing team.

TfL's Rail Freight Strategy, which supports the London Freight Plan, will be published shortly. It identifies positive business case benefits from encouraging modal shift from freight to rail especially for imported containers and further rail freight via the Channel Tunnel. It also demonstrates the business case for rail freight to continue to share lines with passenger trains in London.

2.4 London Overground

The placing of the 7-year concession contract to operate London Overground services is progressing on programme. Best and Final Offers were submitted on 19 March and final resubmissions on 11 May. The concessionaire is expected to be confirmed in June 2007, ready to commence operations on 11 November 2007. It is hoped to be in a position to announce the London Rail Concessionaire to the Board at the meeting. Management structures are being put in place to manage the Concessionaire as soon as the announcement has been made.

Installation of additional gates for selected stations and Oyster equipment for the Overground network remains on programme before TfL takes over in November. A major order for additional ticket machines for Overground has been placed.

The Main Works Contract to construct the extended East London Railway is well underway, with detailed design work progressing and the commencement of the first two key implementation milestones ahead of schedule. The programme is on schedule for public opening in June 2010.

Design continues on the 44 trains which will form the Overground Rolling stock, ordered from Bombardier, Derby. Cab and Saloon mock ups are now complete and commencement of physical construction of the trains remains on target for later this year. Delivery will take place in 2008/9 with trains introduced first onto the North London Railway then the East London Railway.

TfL is fully engaged with Network Rail on the North London Line infrastructure project which will deliver more and longer trains, as well as station upgrades and will allow the introduction of TfL's new rolling stock in 2009, followed by the service upgrade necessary to meet the Olympic requirement and legacy specifications from early 2011. The Olympic Delivery Authority has confirmed their contribution to the North London Line upgrade scheme.

Following the Mayor's announcement with respect to connecting the East London and North London railways at Dalston, the project now includes the Dalston Curve and design work for this additional infrastructure is underway. The Dalston Curve, which allows through services from the East London Line to run to the key interchange at Highbury & Islington, is planned to be open by February 2011.

3. MAJOR PROJECTS AND INITIATIVES

3.1 Crossrail

Discussions are taking place on funding and the governance structure for Crossrail. The Crossrail service should, in any event, become a train service specified under a TfL concession.

3.2 Stratford Regional Station Upgrade

The Olympic Delivery Authority (ODA) has now secured full funding for the project following agreement with the Secretary of State; this was launched on 16 March. As sole funder, the ODA will takeover the management of the project post the completion of the current stage.

3.3 DLR Projects

The first car for the new fleet of 55 vehicles for the DLR has been completed by Bombardier in Bautzen, Germany. The plant has been equipped for testing which will commence soon. These trains are needed for Woolwich Arsenal, the 3 Car upgrade, the extension to Stratford International and for Olympic services.

The second bore of the Woolwich Tunnel has now commenced and has made good progress in the first four weeks of tunnelling. The second tunnel should be complete by the autumn of this year with the project on schedule for opening in 2009.

Taylor Woodrow have been appointed as contractor for the 3-car capacity enhancement project with the contract signed at the beginning of May.

The Stratford International Project is underway with Skanska leading the joint venture for 'Package 8', the construction of new Network Rail infrastructure at Stratford for North London Line (NLL) services. These new platforms are being constructed as part of the DLR project for Network Rail and to Network Rail standards and approval. This package also includes construction of the DLR station box at Stratford International. The junction works at Canning Town are included in the 3-Car Project. The main DLR works contract 'Package 6' involves conversion of the former North London Line corridor to DLR technology. It also includes the construction of 3 new DLR stations and the conversion of 3 former national rail stations to DLR standards and the fitting out of the DLR station box at Stratford International. Bids have been received with a target contract award set for mid-June 2007.

Other DLR Projects currently underway include the provision of the new Will Alsop designed DLR platforms at Stratford Regional, where both platforms are expected to open in early September, the expansion of Beckton Depot, the construction of a new station at Langdon Park and works to improve the station environment at Shadwell. Planning is also underway for an improved connection between DLR and C2C at Limehouse.

3.4 Thames Gateway Bridge

The OJEU (Official Journal of the European Union) notice, which initiates the procurement process and complies with the EU Procurement Directive to open up tendering of public sector contracts to suppliers across the EU member states, was issued on 8 May 2007.

The Transport for London - Supplementary Toll Provisions Bill was read for a second time in the House of Lords on 26 April. The Bill will now go to the Unopposed Bill Committee for further scrutiny.

3.5 Cross River Tram

The route alignment design and assessment continues, with a recommended alignment is on target for delivery in May 2007. The preferred route is scheduled to be chosen in July 2007. Further alignment designs have been produced for various sections of the route, and assessments undertaken on the relative merits of alternative options. A Traffic and Transport Working Group is being established, through Cross River Partnership, to secure Borough officer input and involvement in the technical work, especially modelling.

3.6 Croydon Tramlink Extension (CTLE)

Network Rail has confirmed verbally that CTLE options can be accommodated within the future timetable. TfL is now awaiting written confirmation and a copy of the timetabling report from Network Rail. The preferred option is scheduled to be chosen late in 2007. The LDA planning application for Crystal Palace Park is to be submitted in September 2007 with design freeze at the end of May 2007. The CTLE project team is working very closely with LDA to ensure the application is consistent with the tram extension proposals.

3.7 East London Transit

The London Borough of Barking & Dagenham (LBB&D) Executive on 10 April 2007 agreed, with conditions, to allow ELT1a (from Ilford to Dagenham Dock station via Barking station and town centre) to pass through Barking Town Centre.

Following the LBB&D decision on ELT1a, the public consultation on ELT1b (from Phase 1a route on River Road, passing through a proposed residential development site to Dagenham Dock station) has now been scheduled to begin in May 2007.

3.8 Greenwich Waterfront Transit

The final engineering feasibility assessment report defining the preferred alignment of Phase 2a (a segregated alignment through Charlton Retail Park) has been received and approved by the TfL Steering Group. Preparations are being made to allow handover to Surface Transport.

3.9 Interchange Programme

3.9.1 Tottenham Hale

TfL is leading a resolution of the relationship between the rail safeguarding and the proposed housing development with Network Rail, London Rail, the London Borough of Haringey and developers. TfL has commenced an appraisal of potential

development opportunities on the proposed interchange site which the LDA has now agreed to sponsor.

3.9.2 Victoria Transport Interchange

The Heads of Terms Agreement for a development agreement has been signed by TfL and Land Securities. Design work is progressing well with a preferred solution for the surface transport layout and the District and Circle line which is due to be identified in July 2007.

4. CORPORATE ACTIVITIES

4.1 Group Services

4.1.1 GLA Convergence Programme

TfL is now leading five work streams of the GLA Convergence Programme which is designed to assist with the promotion of the Mayor's vision and priorities for the capital. The scheme has now been running for one year and will identify efficiencies that have been and can be achieved through cross functional body working between TfL, GLA, LDA, MPA/MPS and LFEPA.

4.1.2 Equality & Inclusion

The TfL mentoring programme has now completed its first year of activity and is about to launch phase two. The 120 mentees within the current programme have the following profiles: 48% BAME, 46% women, 4% disabled and 9% LGBT). It is hoped that this activity will further assist greater representation of these groupings within more senior roles throughout the organisation and that a further 25 mentees will join the programme this year.

The Mayor of London, the Commissioner and members of the TfL faith network supported the 'Vaisakhi on the Square' on 29 April 2007. The event received considerable coverage across local media.

TfL has achieved Gold Standard in the Opportunity Now annual benchmarking survey, a nationwide survey of public and private sector organisations that covers all aspects of employment and policy development.

4.1.3 Procurement

London Underground (LU) became the first public sector body to join the Ethical Trading Initiative (ETI), a UK-based alliance of companies, NGOs and trade union organisations working to promote and improve the implementation of corporate codes of practice which cover supply chain working conditions. The ETI Base Code will now be adopted and included in all future tenders and contracts for LUL uniform garments.

The total value of purchase orders raised with diverse suppliers during 2006/2007 was £152.6m, (9.5% of total spend). £11.4m of spend was with self-classified BAMEs and £9.6m with self-classified female owned companies.

4.1.4 Property and Facilities

As part of the over-arching regeneration of the Greenwich peninsula, Period 1 saw the completion by Group Property of a license for alterations and occupation by English Partnerships for land at North Greenwich. This will add income to LUL at a rate of £750k per annum.

4.2 Policy and Strategy

4.2.1 Revision of the Mayor's Transport Strategy

The Mayor recently delegated authority and directed TfL to draft and consult on a revised Mayor's Transport Strategy (MTS2). TfL will take the opportunity to build on the T2025 Vision, taking account of the Mayor's new target for a 60% reduction in CO₂ emissions by 2025 and the higher projected population levels for London. A project team and work programme has been established. TfL envisages production of a draft Assembly and Functional Body consultation draft in summer 2008, and the final MTS2 publication in summer 2009.

4.2.2 Surface Access to Airports

The first in a series of meetings with BAA was held in April. At this meeting BAA outlined their approach to surface access to airports in the South East, including acknowledging the importance of mode shift towards public transport and how this will be achieved for air passengers and airport employees. TfL and BAA have agreed to exchange information on airport surface access data and assumptions.

4.2.3 London Plan

The Further Alterations to the London Plan will be considered in an Examination in Public (EIP) between 18 June and 10 July 2007. This is overseen by a Government-appointed panel of inspectors. The panel have confirmed that the transport matters to be considered will be airports and freight. TfL will produce position papers on these matters by 18 May, and provide expert witnesses to attend the EIP's discussion of the transport matters on 05 July.

4.2.4 Thames Gateway Prioritisation

Following a letter from the Commissioner to LDA and GLA, transport planning and prioritisation work for the Thames Gateway area is underway. This will review how transport can best support growth in the Thames Gateway and what land use changes could take best advantage of committed transport capacity. It is planned that the initial outputs for this work will be discussed at the next Thames Gateway Investment Panel, attended by the Commissioner, the Mayor and Government.

4.3 Fares & Ticketing

4.3.1 Cash fares

Cash use on buses fell slightly to 2.2% of all bus trips in the first period of the financial year. On the Underground, 4.3% of journeys in Period 1 were in cash fares, slightly up from 3.9% in Period 13 because of Easter, but down from 6.7% in Period 1 a year ago.

4.3.2 Oyster Sales Capacity

A capacity issue has been identified with the links between the Oyster Sales website and the TranSys central system. Work is on-going to determine the nature of capacity problems and identify solutions and is work is also required to estimate the capacity requirements for increasing online sales. It is likely that substantial increases in online sales will require upgrades to the data links between the website and the TranSys central system, significant upgrades to the central system and an overhaul of station communications systems.

4.3.3 Oyster on National Rail

Further progress has been made on setting up the national rail expansion project. Temporary staff have been hired and recruitment for permanent staff is progressing. Requirements for the software upgrade for national rail have been scoped. Discussions with the DfT are at an advanced stage to include the requirements of a limited version of ITSO (the Integrated Transport Smartcard Organisation's standard favoured by DfT) in the software release scheduled for autumn 2008.

4.4 Travel Demand Management

4.4.1 School Travel Planning (STP):

A conference for schools was held on 24 April with 350 schools in attendance. The conference saw the launch of a cycle curriculum pack (including schools Tour de France resources); walking and cycling initiatives guidance for schools; a Film and Media Studies resource pack which resulted from the project undertaken with the London Film Festival in 2006; and the schools launch of the STP London Accreditation Scheme. Over 550 STPs produced in 2006/7 have now been submitted and are undergoing the Quality Assurance checks required by the DfES. An annual STP report on delivery and achievement in 2006/7, together with a forward plan for 2007/8 will be published in early June 2007. A written response was made to the Assembly Transport Committee Rapporteur Scrutiny Report on the School Travel Plan Programme published by John Biggs.

4.4.2 Workplace Travel Planning (WTP)

'Enterprise', the new SME travel plan offering, was launched on 17 May and was attended by approximately 200 people representing over 100 businesses, together with chambers of commerce and other business networks.

4.4.3 Personal Travel Planning (PTP)

Two geographical areas are benefiting from this year's PTP programme, the London Boroughs of Sutton and Camden. The Smarter Travel Sutton programme, targeting 70,000 households, was launched 13 April. The launch was positively captured on ITV London, BBC London and local radio. Early indications show high levels of residents are requesting information (i.e. participation rates are running at 60%, although experience has shown that this may fall over time by 10% or more). The London Borough of Camden programme, targeting 30,000 households, is being launched on 20 June. Training for the travel advisors will commence on Tuesday 12 June and the marketing and information materials for the project are in development.

4.5 Finance

4.5.1 Credit Ratings

The international credit rating agency Fitch Ratings reaffirmed TfL's AA rating last month as part of their annual update. This rating means that investors can have a high degree of confidence that TfL will meet its repayment obligations as the works in the Investment Programme are progressed. TfL staff met with Fitch over the past three months, to discuss the Business Plan, progress of the investment programme plan as well as business strategy. As part of the report, Fitch highlighted what they saw as the key strengths of TfL: good predictability of budget structure (DfT grant under a five year settlement and fares); moderate debt outstanding and a high level of liquidity; and the business plan remaining in line with initial plans. The weaknesses they flagged up were: ambitious capital spending plan totalling £13.5 billion, partly funded by projected sustained growth in patronage; limited further flexibility to increase fares coupled with relatively inflexible expenditure; and PPP representing a potential source of operational and contractual risks. The AA rating from Fitch is equivalent to the AA rating TfL has from Standard & Poors which was reported to the Board in March.

4.5.2 Performance of Group-wide services

Group Business Performance has been working with service providers and customers across all the business units with the aim of improving the visibility and accountability for performance issues. Draft proposals are being worked up as part of the business planning process, but include greater clarity on price and demand, and the development of Service Level Agreements. In addition it is proposed to simplify dramatically the recharge arrangements, leading to a standard management fee by 2008/09.

4.5.3 Quarterly Performance Reports

The Q4 end of year performance reports have been finalised, and detail the overall TfL operation, financial and Investment Programme performance both for the 4th quarter and for the 2006/07 year overall. These will be published on the website in the investor relation section following the Board meeting.

4.5.4 Community Infrastructure Fund

Discussions have been initiated with the DfT to agree the phasing of £34m grant to support for the DLR 3-car, Greenwich Waterfront Transit and East London Transit projects.

4.5.5 Financial Services Centre (FSC)

A delegation from the Metropolitan Police Service finance team visited the FSC to learn about the FSC's successful implementation and continuous improvement processes.

4.5.6 Pensions and Employment Equality Age Regulations

The Employment Equality (Age) Regulations 2006 have applied from 1 December to pension schemes. In conjunction with legal advisers, a thorough review of the Trust Deed and Rules for TfL's schemes has been conducted. This identified the provisions of the rules which are potentially discriminatory on grounds of age, the statutory exemptions which might apply and where these do not apply the "objective

justification" for maintaining the status quo or alternative proposals for rule changes. These will be presented shortly to the trustees of the TfL pension schemes.

4.5.7 TfL Low Taxation Risk

Last year, HM Revenue and Customs (HMRC) carried out a risk assessment for Transport Trading Limited (the commercial subsidiary of TfL) and its trading subsidiaries, and awarded it a low risk rating. This exercise has now been carried out for TfL (the non-commercial entity); which has also been rated as low risk. In particular, HMRC has noted the strength and reliability of the organisation's systems and controls, the low level of use of tax avoidance schemes, the high level of co-operation and disclosure, and the relative irregularity of technical dispute

4.6 Information Management

4.6.1 Consultants Review

Group IM are presently reviewing the arrangements for the use of Consultants for IT related services across TfL. The objective of this review is to create mutually beneficial relationships that deliver value for TfL. This would require TfL to prepare better specifications and provide more effective control over requirements, while consultants would be expected to offer a new approach. This would be reflected in increasing levels of openness about their respective real strengths and expertise, and a move away from the generalist approach. In addition, consultants would be required to focus on increasing the levels of transparency and knowledge transfer to TfL staff, accepting the premise of value in terms of knowing when to scale back and cease assignments, while focussing on genuine and tangible opportunities to add value, better pricing, and providing services that result in executable recommendations. Following presentations from all of the major consultancy providers and additional discussions with others, IM will develop a set of preferred consultancy providers, based on successful relationships that add value to TfL. Over the short and medium term it is expected that the value and number of consultants will be reduced.

4.7 Marketing and Communications

4.7.1 Free Oyster cards

The campaign offers 100,000 customers who do not yet have an Oyster card the opportunity to get one for free. This press campaign went live in 16 April and targets lower income groups; by 14 May 87,359 free cards have been issued, and by the time of the Board meeting it is expected that all 100,000 will have been taken up.

4.7.2 Free Travel for U-11s

From 1 April 500,000 children aged under 11 have been able to travel free all day every day on the Tube and Docklands Light Railway when accompanied by an adult. Media coverage of the announcement included BBC London News and ITV London Tonight.

4.7.3 Award for Journey Planner

The ongoing work building links to Journey Planner from third party websites, was recognised at the London Travel Awards - coming top in the Travel Information and Marketing category.

4.7.4 London Travel Demand Survey (LTDS)

LTDS is an annual survey which captures the travel patterns of around 12,000 people from over 5,000 carefully selected households across London. A detailed snapshot of all the journeys made by every member of the household, including children over 5 years, on a selected day is collected. The information gathered includes origins and destinations, time of day, journey purpose, all the modes used (including cycling and walking), ticket types and parking fees. Key preliminary findings from the 2005/6 survey include the following. The weekday travel profile shows the expected pattern - work and education dominate the AM and PM peaks, shopping and personal business in the interpeak, and leisure in the evening. During the traditional 'peak' hour of 08.00 – 09.00 education related trips (50%) account for a far higher proportion than commuting (30%). The mode share of Inner London residents is fairly constant across all days of the week, with trips split fairly evenly between walk, private modes and public modes. Outer London residents' mode share varies more by day with nearly two thirds of trips made by private transport on a Sunday, leisure being the dominant journey purpose. The majority of Londoners use all the public transport modes, though only 37% use National Rail on a regular basis. Bus is the most frequently used form of transport, with 57% of Londoners using buses at least once a week. Three quarters of Londoners regularly travel as car passengers, reflecting the current high levels of dependency on the car. Data for 2006/7 will be available in June.

4.7.5 New TfL website (tfl.gov.uk) launched

The new website was launched on 21 March 2007 and excellent customer and staff feedback has been received so far. New Media Age voted the relaunched tfl.gov.uk the website of the week. There has been a 10% increase in visits since the launch and a 300% increase in the uptake of Travel Alert subscriptions.

5. CORPORATE ISSUES

5.1 Legislation

5.1.1 The London Local Authorities and Transport for London Bill 2004

The Bill contains various provisions relating to traffic enforcement, closing roads for filming and new provisions relating to persistent evader vehicles. The Bill was considered by the Unopposed Bill Committee in the House of Lords on 25 April 2007 who approved the progression of the Bill without further amendment. The Bill will now be scheduled for a third reading debate in the House of Lords.

5.1.2 The Transport for London Bill 2005

The Bill contains further powers in relation to financial hedging, road user charging, London cabs and private hire vehicles, fare enforcement and street management. The Bill received its third reading in the House of Lords on 2 May and passed to the House of Commons that day and also received its first reading in that House. Subsequently there were two petitions deposited opposing provisions in the Bill. The petitions were received from the London Cab Drivers Club who have opposed certain provisions relating to taxis and the London Borough of Barnet who have opposed certain provisions relating to Congestion Charging, enforcement and penalty fares

and street management. The Bill received its second reading in the House of Commons on 21 May.

5.1.3 The Transport for London (Supplemental Toll Provisions) Bill 2006

The Bill gives TfL additional powers to collect and enforce tolls using the same techniques as those used for Congestion Charging. The Bill was debated by the House of Lords on 26 April 2007 at which time the Bill received its second reading. The Bill will now progress to the Committee stage and will be considered by an Unopposed Bill Committee at a date to be scheduled.

5.2 Senior TfL Appointments

Following the recent realignment of functions within TfL, appointments have been made to three Managing Directors posts. I welcome the appointments of Valerie Todd as Managing Director Group Services, Stephen Allen as Managing Director Finance, and Michèle Dix and Malcolm Murray Clark as Managing Director Planning on a job share basis. Michèle and Malcolm job share their current post as TfL's Director of Congestion Charging. The remaining selection process to appoint a Managing Director for Marketing and Communications is expected to conclude in the near future.

5.3 Appointments to Safety Health and Environment Committee (SHEC)

I welcome Gordon Sellers and Brian Wilkinson who were appointed to SHEC on 7 May.

Peter Hendy
Commissioner of Transport
Transport for London
May 2007

TRANSPORT FOR LONDON

BOARD

SUBJECT: TfL Operational and Financial Performance, and Investment Programme Reports – Fourth Quarter 2006/07

MEETING DATE: 30 May 2007

1. PURPOSE

- 1.1 To inform the Board of TfL's performance over the fourth quarter of 2006/07 (10 December 2006 to 31 March 2007).

2. INTRODUCTION

- 2.1 Attached are two reports which detail TfL's performance over the fourth quarter of 2006/07. They are as follows:
- The TfL Operational and Financial Report – Appendix One
 - The TfL Investment Programme Report – Appendix Two
- 2.2 The most recent quarterly copy of the Olympic Transport Portfolio Executive Report is also attached as Appendix Three.

3. RECOMMENDATION

- 3.1 The Board is asked to:

Note TfL's operational and financial performance over the fourth quarter, 2006/07; and

Note TfL's progress on the Investment Programme over the fourth quarter, 2006/07

Appendix One:

Transport for London
Operational and Financial Report
Fourth quarter, 2006/07

Operational and Financial Report

Fourth quarter, 2006/07



Cover Image: Jubilee Line ticket hall at Waterloo Station.

Transport for London

Operational and Financial Performance Report

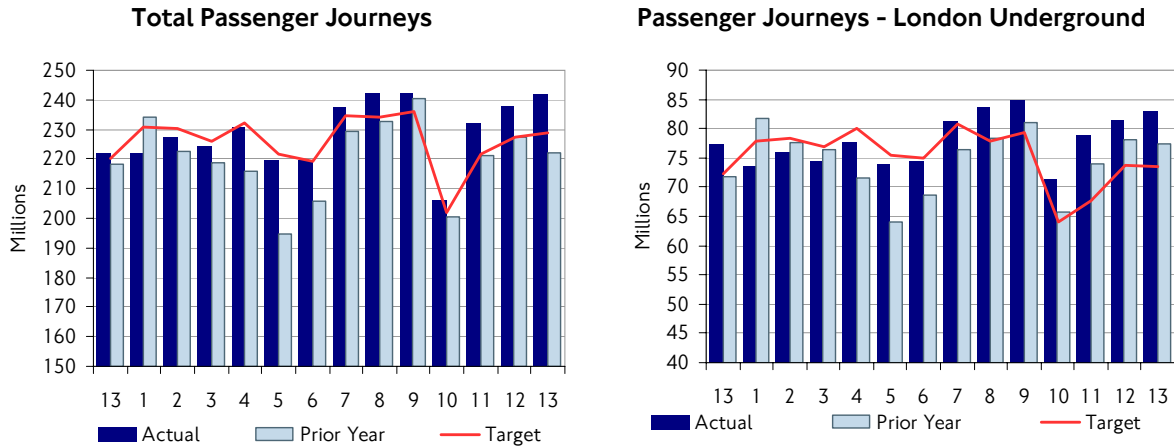
Fourth Quarter, 2006/07

Performance

- 1.1 2006/07 was a year of substantial passenger growth across the Transport for London (TfL) network. Passenger journeys on the Underground exceeded 1 billion for the first time ever supported by the highest ever number of kilometres operated in a year. Service demand on the bus network reached 1.88 billion passenger journeys for the year, and the Docklands Light Railway (DLR) carried more than 60 million passengers in a year for the first time in its 20-year history.
- 1.2 This growth in demand was supported by a bus fleet which now exceeds 7,000 buses – a fleet size not seen since 1958, an Underground system undergoing the most substantial upgrade and renewal works programme in its 144 year history, and infrastructure upgrades on the DLR to meet the continually rising demand.
- 1.3 The combination of increased passenger numbers with the network wide improvement and upgrade works means that some measures of reliability, such as those on the Underground, did not meet their targets for 2006/07. However, there has been strong performance on those parts of the TfL network that have seen recent investment such as the bus network and the DLR.
- 1.4 Other highlights and performance issues in the fourth quarter of 2006/07 included:
 - At 7am on Monday 19 February the Congestion Charging Zone extended westwards. While it is too soon to report in detail on the specific traffic impacts of the Western Extension to the zone, early indications are in line with expectations. Early impacts of the extended zone will be reflected in the 5th Annual Congestion Charging Impacts Monitoring Report due to be published at the end of June.
 - On 28 February London Underground concluded the first ever 3 year pay and conditions agreement with its staff. Passengers will benefit from the stability provided by the first three-year deal for all staff in the history of the Underground, the first for several years to be accepted by all the trade unions without any industrial action.
 - On 1 February the Association of Train Operating Companies announced an outline agreement to implement Oyster Pay-As-You-Go across their networks in Greater London. This followed an offer from the Mayor made last May to provide £20 million to help fund the provision and installation of smartcard readers, station equipment and back-office support systems.

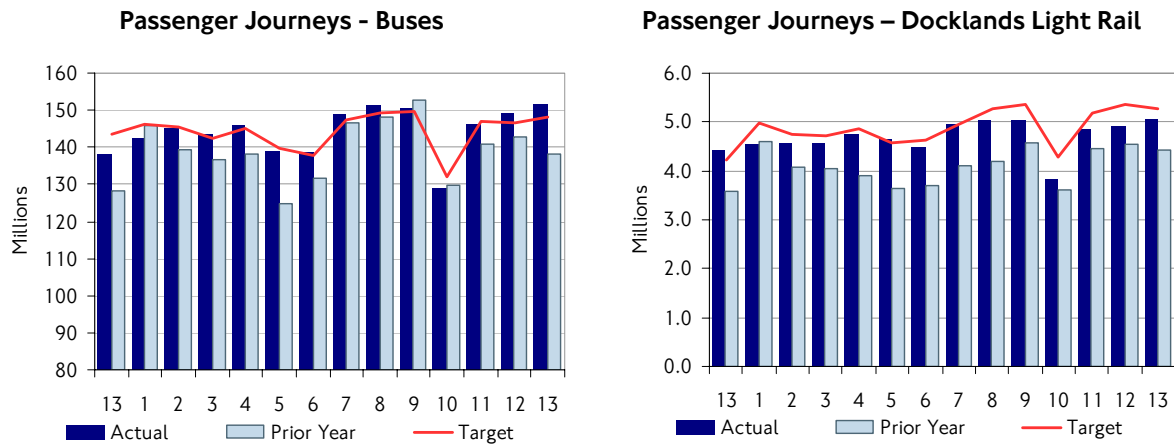
Service demand

2.1 Levels of patronage on the TfL network reached all time highs in 2006/07. Across the TfL network there were 918m passenger journeys in the fourth quarter, 38m higher than target and 47m higher than 2005/06. Overall 2006/07 passenger journey numbers reached almost 3 billion, nearly 120m higher than 2005/06.



2.2 The number of passenger journeys on the Underground exceeded target again in the fourth quarter, continuing the trend of strong growth in passenger numbers seen since August of 2006. The fourth quarter outturn of 315m passenger journeys was 7 per cent higher than in the fourth quarter of 2005/06, while the full year result of 1,014m journeys was 4 per cent higher than 2005/06.

2.3 The ongoing growth in patronage on the Underground reflects the continuing strength of London’s economy which has been growing at an annual rate faster than the rest of the UK for the last eight available quarters of data. In the third quarter of 2006 (the last quarter for which data was available), output in London was up 4.3 per cent on 2005 improving on the impressive growth of 4.2 per cent in the second quarter.¹ This growth is expected to continue, and by 2016 it is estimated that the Underground could be carrying 25 per cent more passengers.



2.4 Service demand on the bus network, as on the Underground, has exceeded target levels for the quarter, the year, and the prior year’s actual result. There were 576m passenger journeys in the fourth quarter, slightly ahead of target and 24m higher than 2005/06. The total number

of passenger journeys for 2006/07, 1,880 m, was 4m higher than target and 4 per cent higher than the 2005/06 full year result. This growth was supported by a bus fleet which now exceeds 7,000 buses – a fleet size not seen since 1958

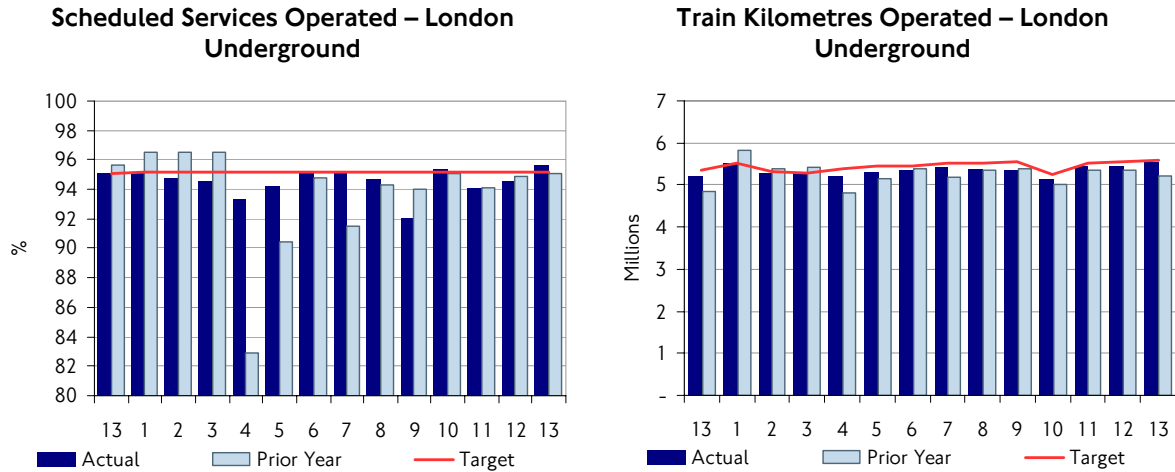
- 2.5 Demand on the DLR reached record levels in 2006/07, with the total number of passenger journeys at 61.3m exceeding 60m for the first time ever. Performance in the fourth quarter saw 18.7m passenger journeys, 1.6m more than the same time last year, though 1.4m fewer than the budget of 20.1m journeys for the quarter. While not meeting the passenger journey target of 64.2 journeys for the full year, patronage on the DLR for all of 2006/07 was 14 per cent higher than in 2005/06.

Fare Trends

- 2.6 Following the introduction of the new fares package across the TfL network in January 2007 there has been a significant fall in the use of cash on the Underground and on the Buses.
- 2.7 On the bus network, cash use on vehicles fell to 2.3 per cent of all bus trips by year end (2.6 per cent including roadside ticket machines) from 4.4 per cent at the end of the third quarter and 5.5 per cent at the end of 2005/06, a reduction ahead of that expected upon the introduction of the new fares package. On the Underground, 3.9 per cent of journeys were on cash fares by the end of 2006/07, down from 5.4 per cent in the third quarter and 6.5 per cent at the end of 2005/06.
- 2.8 Oyster pay as you go use is still rising, continuing the trend seen since its introduction. On the Bus network Oyster single fare journeys increased to 15.1 per cent of all bus journeys by year end, up from 13.3 per cent in the third quarter and 8.1 per cent in 2005/06. There was similar growth on the Underground with Oyster single fare journeys making up 24.8 per cent of all Underground journeys in 2006/07, up from 22.2 per cent in the third quarter and 14.8 per cent at the end of 2005/06.

Service provision

3.1 Levels of service provision across the TfL network in 2006/07 were largely improved on 2005/06 and included an historically high number of kilometres operated on the Underground.

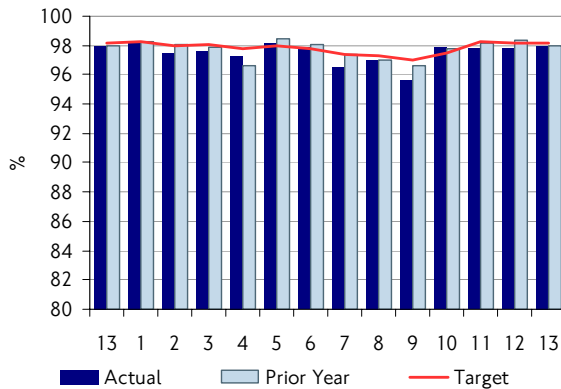


3.2 In the fourth quarter of 2006/07 the percentage of scheduled services operated on the Underground reversed the decline in performance seen in quarter three to come in at 94.9 per cent, an improvement of 0.9 per cent on quarter three and 0.1 per cent on 2005/06. For the full year the percentage of schedule operated was 0.9 per cent better than the 2005/06 result of 93.6 per cent, though 0.7 per cent short of target.

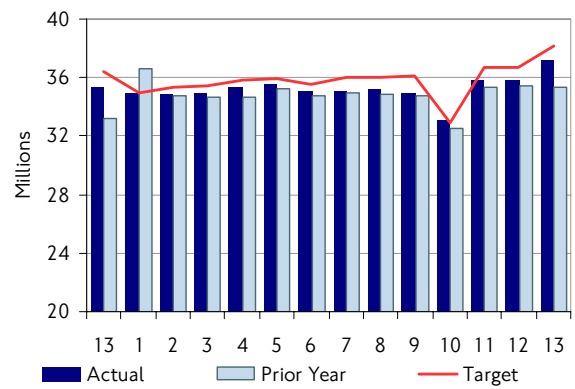
3.3 The total number of kilometres operated on the Underground in 2006/07, 69.8m, was a new all time high and was 1.4 per cent higher than 2005/06. Despite this growth, total train service volume for 2006/07 was still 1.1m kilometres below budget, partly as a result of the lower percentage of scheduled services operated but also due to more engineering possessions than were anticipated when targets were set.

3.4 Looking at performance for the year, at line level the Northern line showed the greatest shortfall against its target principally due to signal failures and poor rolling stock reliability, although the line’s performance has improved towards the end of the year. The District line also suffered from signalling failures and declining rolling stock performance. The best performing major line in 2006/07 was the Central line which exceeded its target by 1.2 per cent.

Scheduled Services Operated - Buses

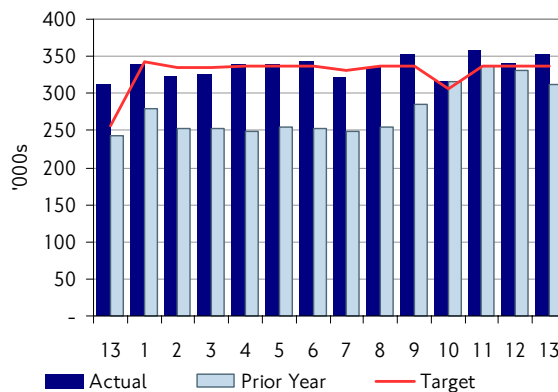


Kilometres Operated - Buses



- 3.5 Kilometres operated on the bus network increased sharply at the end of the fourth quarter, including expansion in inner West London to complement the western extension of the congestion charging zone. Despite the growth, the result of 142m for the quarter was 2.5m kilometres less than the target of 144.5m kilometres. For all of 2006/07 the number of kilometres operated on the bus network, at 458m, was 4m higher than 2005/06, though 8m short of the 466m kilometre target.
- 3.6 With the better than expected weather through December and January, the percentage of scheduled services operated on the bus network improved markedly from 96.4 per cent in quarter three to 97.8 per cent in quarter four – the best result of the year. Despite the improvement, the result was still 0.2 per cent behind the target of 98 per cent for the quarter. The full year result, at 97.5 per cent, was 0.3 per cent short of the full year target. Across all of 2006/07 the most significant factor contributing to lost kilometres was higher than expected levels of road congestion.

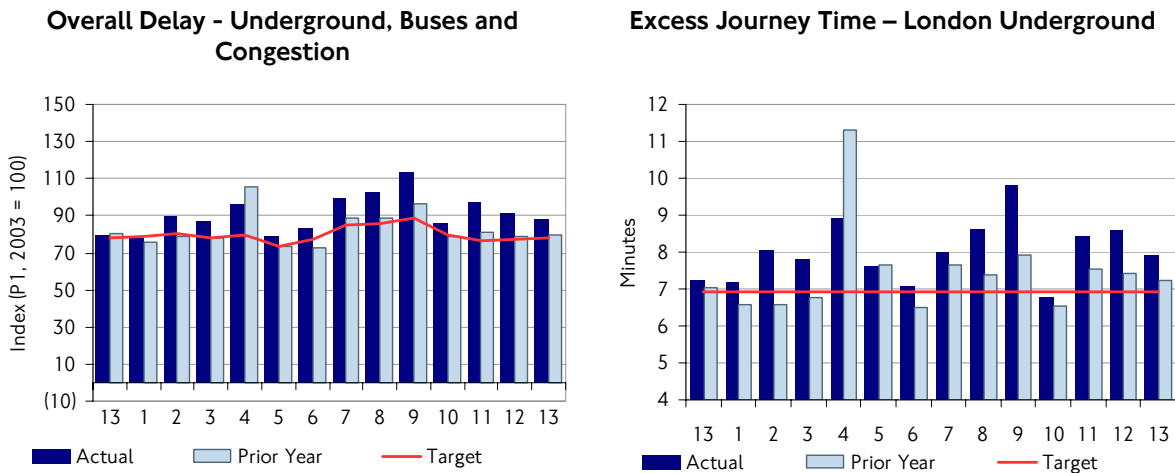
Train Kilometres Operated – Docklands Light Rail



- 3.7 As in the second and third quarters of 2006/07, kilometres operated on the DLR exceeded target, reaching 1.4m for the quarter. Performance for all of 2006/07 was also better than target, the full year result of 4.38m being just ahead of the target of 4.35m.

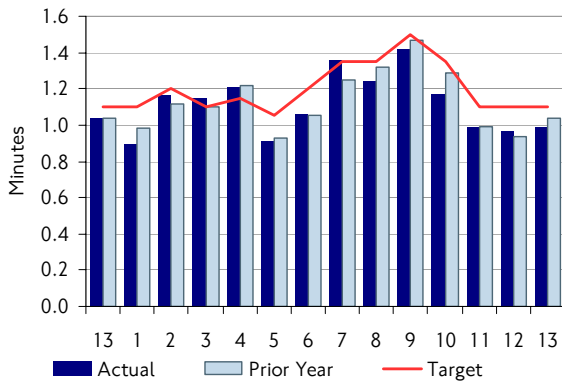
Service reliability

- 4.1 Following a reduction in road congestion levels and excess journey time on the Underground in the fourth quarter, overall delay improved to 90.1 minutes for the quarter and 91 minutes for all of 2006/07. Despite the improvement, the result was 12.3 minutes worse than target for the quarter and 8.9 minutes worse than target for the year, caused by a combination of higher than target excess journey time on the Underground and high passenger journey numbers.

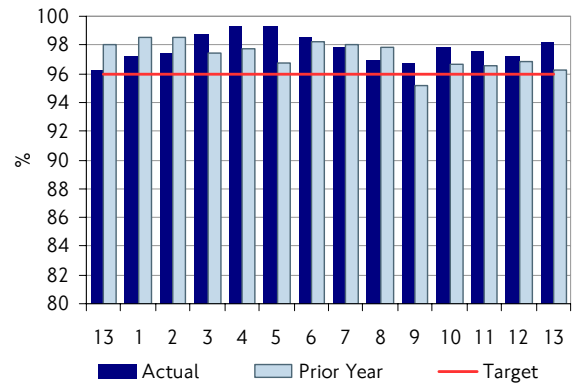


- 4.2 Excess journey time on the Underground improved in the fourth quarter to 7.92 minutes, 0.88 minutes better than the average for the third quarter. Despite the improvement, average excess journey time over the quarter was on average 1 minute higher than the target of 6.92 minutes and 0.73 minutes worse than the same time last year. Excess journey time finished the year averaging 8.06 minutes per period, 0.59 minutes higher than 2005/06 and 1.14 minutes higher than target.
- 4.3 As discussed in the third quarter report, the sharp increase in demand on the Underground has had a significant on a network that is operating near to capacity. Measures of the excess journey time calculation that are affected by demand have all increased this year: dwell times due to rising demand increased by 0.15 minutes, excess due to on train crowding rose 0.45 minutes, and access, egress and interchange time increased by 0.12 minutes due to increased station congestion. However, when allowing for the increases caused by demand total excess journey time for the year was still higher than target due to operational delays. For 2007/08 The Excess Journey Time metric is under review to ensure it is properly able to isolate the impact on service reliability from excess demand.

Excess Wait Time -High Frequency Routes – Buses



On Time Performance – Docklands Light Rail

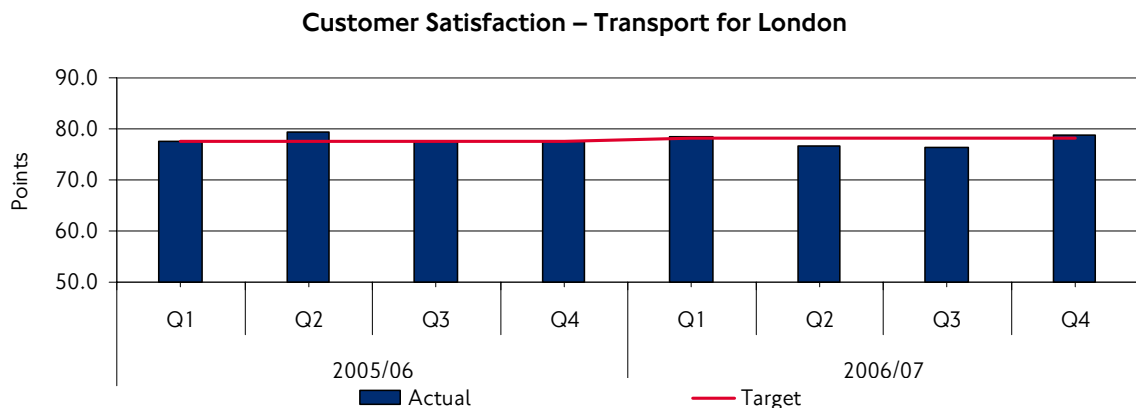


- 4.4 In the same manner as the percentage of scheduled services operated, and reflecting the unseasonably warm weather this winter, excess wait time on the bus network also improved to record the best result of the year at 1.03 minutes for the quarter, 0.13 minutes better than target and 0.31 minutes better than quarter three. The full year result of 1.12 minutes was also better than the target of 1.20 minutes and slightly ahead of the 2005/06 result of 1.13 minutes. This performance means that excess wait time on London Buses has now been better than target for 16 consecutive quarters or four years.
- 4.5 As on the Underground and the Bus network, reliability improved on the DLR in the fourth quarter. On time performance was again better than target, averaging 1.7 per cent higher than the target of 96 per cent for the quarter. On time performance for 2006/07 averaged 97.8 per cent, some 1.8 per cent higher than target and 0.5 per cent better than the 2005/06 average, continuing the good levels of reliability seen since the re-letting of the franchise.

Customer

Customer Satisfaction

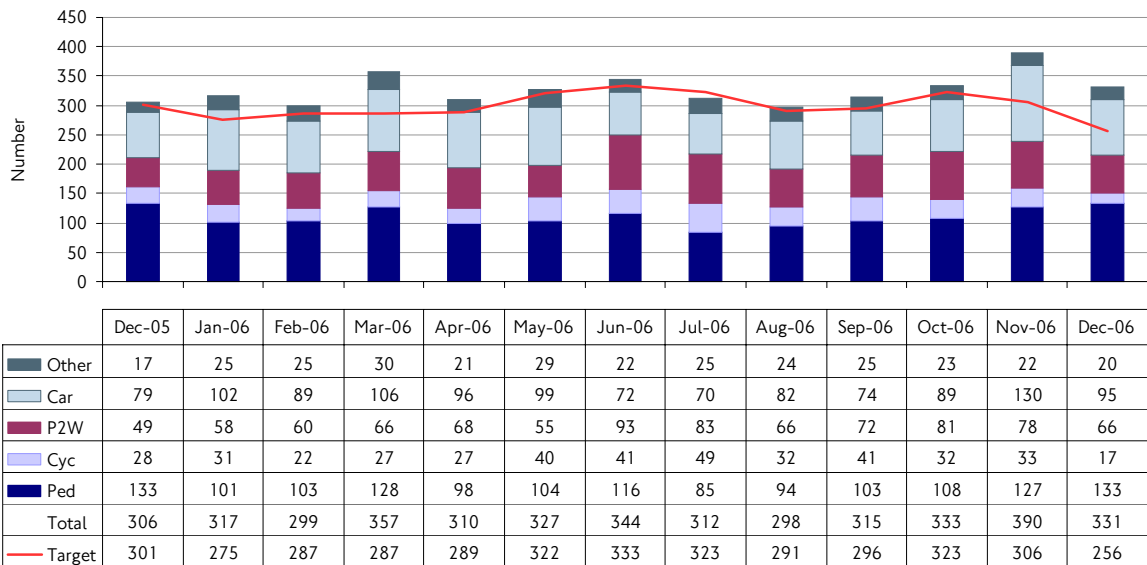
- 5.1 Customer satisfaction levels on the TfL network improved by 2.2 points this quarter to 78.7 points, 0.4 points ahead of target following a jump in levels of customer satisfaction on the bus network between the third and fourth quarter. Despite the improvement, results for the full year were 0.7 points lower than the target of 78.3 points.



- 5.2 Overall customer satisfaction on the Bus network (day bus services) for Quarter four, at 79 points, improved by 3 points since last quarter. This result represents a reversal of the decline seen in the previous quarters, and was better than target for the first time since quarter two 2005/06. For the full year satisfaction levels were 0.5 points lower than the target of 78.
- 5.3 Customer satisfaction levels on the Underground improved this quarter to 77 points, 1 point higher than the third quarter result though 1 point below target. At a system level, there were no significant decreases on any measure, and a significant improvement in smoothness of journey.
- 5.4 The result for the full year was 2 points below the target of 78. The main factors behind the full year result were the low scores in quarters two and three. In quarter two Metronet's failure to stress the rails had a significant impact on the result, and in quarter three the problems on many lines including the difficulties with new timetables on the Central line, combined with record levels of demand, contributed to the lower than target result.
- 5.5 Customer satisfaction survey results on the DLR, at 96.6 points, have remained well ahead of their target result of 90 points in the fourth quarter. Over the course of 2006/07, customer satisfaction levels on the DLR were on average 6.8 points higher than target, 1.4 points better than the 2005/06 outcome.

Safety

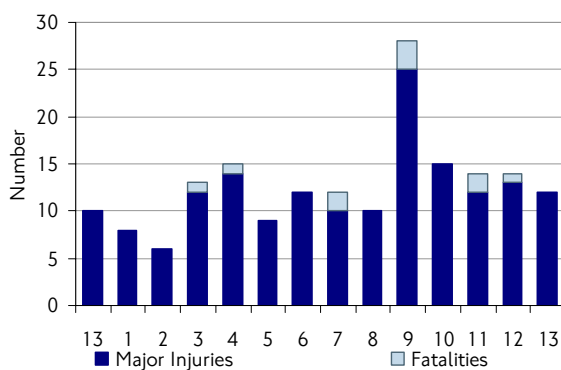
Number of Killed or Seriously Injured (KSI) on London Roads



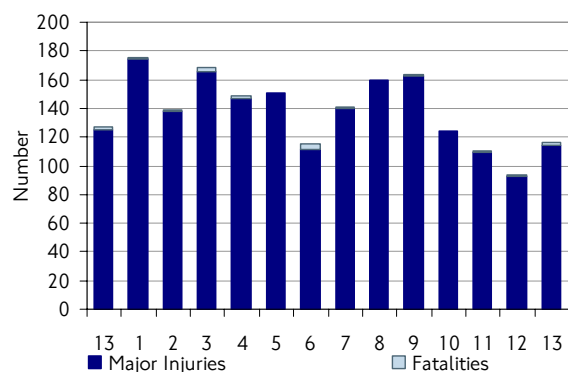
Note: Due to reporting processes and the nature of road traffic accident data, results are reported 4 to 5 months in arrears. The most recent data available is for December 2006. Results are also subject to retrospective adjustments.

5.6 The number of killed or seriously injured casualties on London Roads from September to December 2006 (the latest data available) was relatively unchanged on the same period last year (down 2). For the full year, the result of 3,933 casualties was 345 higher than the target of 3,588 and 283 higher than the 2005/06 result of 3,650. The full year result is thought to be caused by anomalies in data from previous years upon which targets were based. Despite the rise in casualties in 2006, longer term trend data is showing an encouraging and consistent decline sufficient to meet the target of a 50 per cent reduction in casualties by 2010.

Major Injuries and Fatalities – London Underground



Major Injuries and Fatalities – London Buses



5.7 The number of major injuries and fatalities on the London Underground network in the fourth quarter of 2006/07, at 55, was 16 higher than the same time last year. For the full year there were 168 major injuries and fatalities on the Underground, 39 more than in 2005/06, reflecting in part the increase in traffic across all of the Underground. Eight of the 10 customer fatalities this year were the result of trespass incidents and the remaining 2 were caused by inappropriate behaviour on platforms that resulted in customers falling into the path of trains.

- 5.8 Following the roll out of the new online accident reporting system in London Buses we are now able to report the number of major of injuries and fatalities for 2006/07.
- 5.9 In the fourth quarter of 2006/07 the number of major injuries and fatalities on the bus network fell from 465 to 444, a significant improvement considering there are four more weeks in the fourth quarter than the third. For the full year, the total number of reported major injuries (1,790) and fatalities (16) were respectively 109 and 2 lower than 2005/06. As the new reporting system is further embedded in all the bus operating companies it is expected to lead to an increase in the number of reported casualties, with data stability expected from mid 2007 onwards.

Sustainability

6.1 Highlights of TfL initiatives with sustainability benefits in the fourth quarter were:

- The Mayor's Climate Change Action Plan for London was launched in February. It sets out a path for London to tackle this challenge and to deliver London's CO₂ reduction targets. Green transport is one of four key sectoral programmes, outlining an agenda for TfL that focuses on changing the way Londoners travel, operating vehicles more efficiently, and promoting lower-carbon vehicles, fuels and infrastructure.
- Planning for 2007/08 saw three initiatives approved for funding from TfL's Climate Change Fund: eco-driving, hydrogen cars and vans and hybrid buses. A further 16 projects have been submitted for consideration by the Climate Change Fund Approvals Group at the end of April.
- TfL adopted the GLA Sustainable Timber Policy. The policy requires TfL suppliers to use or supply timber from accredited sustainable sources in performance of TfL contracts. If this is not practicable, suppliers are required to justify the use of non-sustainable timber, gain express permission for its use and report quantities used. TfL is the first of the GLA functional bodies to implement the policy in the procurement of office furniture.
- Implementation of Supplier Diversity has continued apace with appropriate Supplier Diversity requirements being included in the Palestra Facilities main works contract, the IM Computer Aided Design contract, the IM Enterprise Content Management contract and the London Streets Traffic Control Systems maintenance contract.
- In December 2006, London Underground became the first public sector body to join the Ethical Trading Initiative (ETI). The ETI is an alliance of companies, non governmental organisations and trade unions established to improve the lives of workers and their families in global supply chains. Ethical Sourcing requirements will now form a part of the contract conditions for all of LU's uniform contracts. Ethical Sourcing is being rolled out across TfL Procurement, and a TfL Ethical Sourcing Policy is currently under review.
- In December 2006, TfL was involved in the 'Very Important Pedestrian' (VIP) event which involved the closure of Oxford Street and Regent Street. Shoppers and visitors were provided with information on the benefits of walking, pedestrian streets maps and pedometers.
- The Smarter Travel Sutton Project, which brings together a suite of travel demand management activities to test the combined impacts, put measures in place to support the acceleration of the project in 2007/08. A series of stakeholder engagement events were held in the quarter to disseminate information on the project and to engage businesses and other organisations in the development and delivery of the measures. Activities planned for 2007/08 include widespread personalised, workplace and school travel planning, large scale travel awareness programmes, and the establishment of a car club with 40 vehicles.

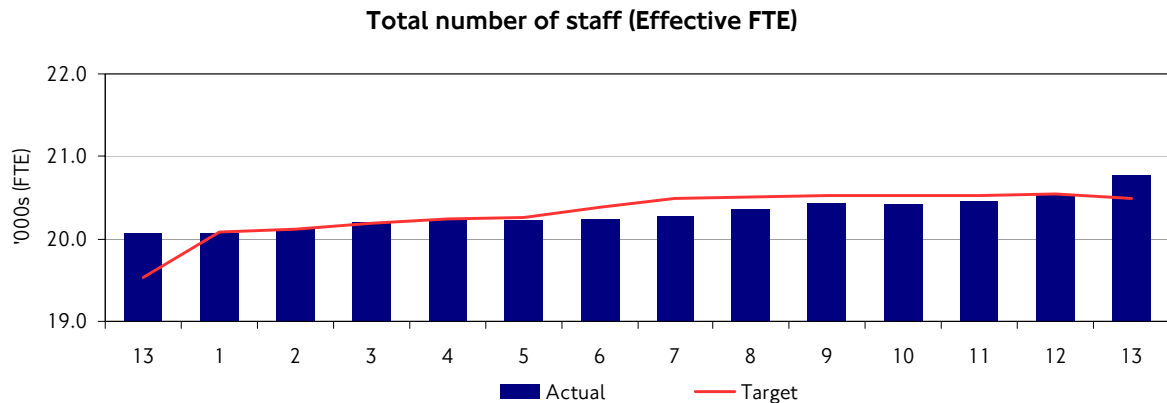
Section 17 of the Crime and Disorder Act

- 7.1 The Government Office for London has confirmed that the Home Office review of the 1998 Crime and Disorder Act (the Act) will result in secondary legislation designating TfL as an organisation which is subject to section 17 of the Act (section 17). This is likely to come into force by the end of 2007. The Police and Justice Act 2006 also broadened the scope of section 17 to include prevention of substance misuse, anti-social behaviour and behaviour that adversely affects the environment.
- 7.2 The approach adopted by TfL to date has been to embed section 17 into the formal business-decision making process and will align TfL with the requirements outlined above. This means that every paper considered by TfL Board and its associated panels (rail, underground, surface, strategic, corporate and finance) should include a section highlighting the implications for preventing crime and disorder. TfL's Transport Policing and Enforcement Directorate (TPED) has offered advice and guidance when requested to aid the drafting of these sections.
- 7.3 TPED continues to provide specialist advice to business areas on a number of projects being developed across TfL to ensure that all reasonable steps are taken to mitigate, and wherever possible, remove the risk of crime and disorder occurring. Over the last quarter, TPED has provided advice and assistance on the planning and delivery of a number of projects including the O2 NFC Trial (incorporation of Oyster chips in O2 mobile phones), proposals for Oyster cards for 11-15 year olds, proposals for paid for parking and I Bus video download capability, the new Tottenham Court Road Station and piazza.
- 7.4 TPED is also working closely with London Underground (LU) and the British Transport Police (BTP) to ensure that Underground station environments minimise opportunities for crime and anti-social behaviour. TfL and BTP's Crime Prevention Officers are carrying out a programme of environmental audits of LU stations to identify improvements that will improve safety and security.
- 7.5 The next steps in the implementation of section 17, in advance of section 17 becoming a statutory requirement on TfL, and to progress the commitments made in TfL's 2007/08 community safety plan will include:
- Review first year progress on implementing section 17 across TfL.
 - Raise awareness of Section 17 across the organisation.
 - Facilitate the implementation of Section 17.
 - Monitor and audit implementation.
 - Evaluate the impact of TfL adopting section 17.
- 7.6 The development of TfL's Community Safety Plan 2007/8 is an integral part of the implementation of Section 17 across the organisation. The strategy is being revised following external consultation earlier this year. The revised strategy will be submitted to the TfL Board in May and published soon after.

People

Staff Numbers

- 8.1 The total number of full time equivalent staff (FTE) across TfL increased by 343 in the fourth quarter to finish the year at 20,778, 289 higher than budget due to higher than budget staff numbers in Surface Transport.

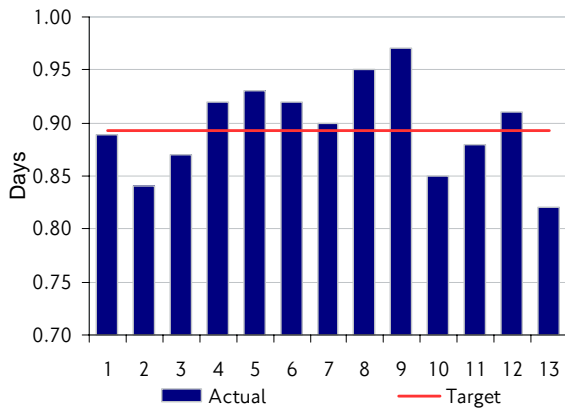


- 8.2 At 14,000, staff numbers in London Underground at the close of 2006/07 were 285 higher than at the end of quarter three following the acceleration of the Customer Service Assistant recruitment programme. The year end position, though still 120 below budget, was 197 higher than at the end of 2005/06. Temporary staff numbers fell by 104 to end up 3 below budget supported by a programme of reduction and monitoring over the last quarter which was critical to informing the development and achievement of realistic but stretching targets for 2007/08.
- 8.3 The total number of staff in Surface Transport rose by 61 this quarter to end the year at 4,577. The number of temporary staff fell by 27 from quarter three to 594 at the end of the fourth quarter. Total staff numbers in Surface Transport at the end of 2006/07 were 239 higher than the budget of 4,338 due to additional staff employed on Road Network management projects, IT projects, and in East Thames buses to operate a bus route formerly run by the Centra company.
- 8.4 Staff numbers in London Rail increased by 5 this quarter to end the year at 189, 15 FTE below the target of 204.
- 8.5 Group Directorate staff numbers, at 2,011, fell by 20 from quarter three to end the year 185 above budget, up 110 (5 per cent) on 2005/06. This higher than budget result was due to additional staff working on the Oyster help desk to ensure that service targets continue to be met, additional staff working on projects to rationalise TfL's customer service activities, and additional staff in central Human Resources Services to support recruitment activity across the business.

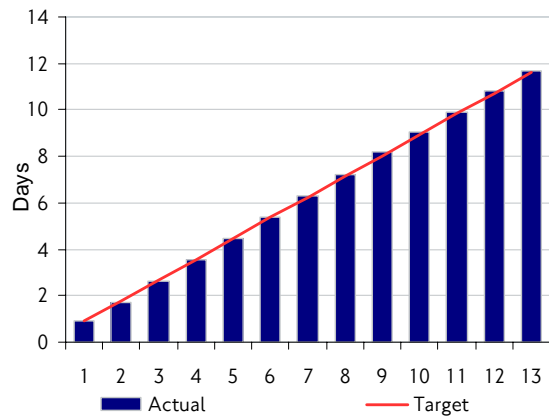
Sickness

8.6 TfL’s average sickness absence per employee for the fourth quarter was 3.5 days per employee, 0.1 days per employee inside the target of 3.6 days for the quarter.

Periodic Sickness Absence – Days per Employee



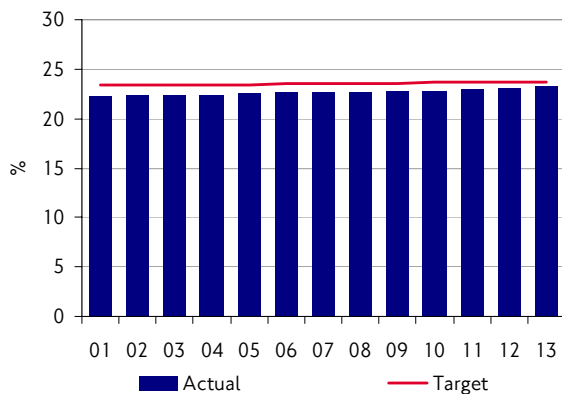
Cumulative Sickness Absence – Days per Employee



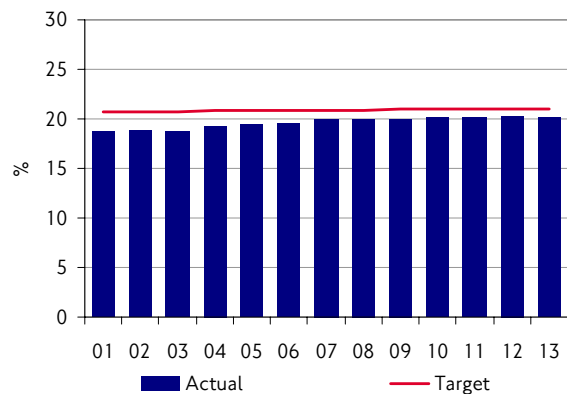
8.7 Average absence rates for all of 2006/07 came to 11.7 days per employee, 0.1 days higher than the target of 11.6 days, due to rates of absence for operational staff that were 0.7 days higher than target.

Workforce Composition

Female staff



Female staff in senior management



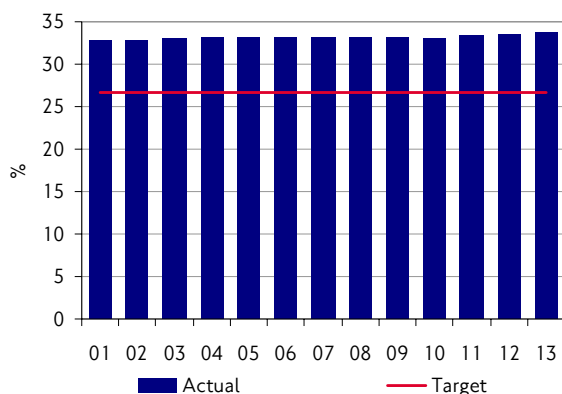
8.8 The percentage of female staff across all of TfL increased by 0.5 per cent this quarter to 23.3 per cent, 0.4 per cent short of the target of 23.7 per cent. The percentage of female staff in senior management saw similar improvements this quarter – rising 0.2 per cent to 20.2 per cent, though also short of the target of 21.1 per cent. For the full year the percentage of female staff in TfL increased by 1 per cent year on year, largely driven by a strong increase in London Underground following a focus on this area during the Customer Services Assistant recruitment drive.

8.9 There are a number of initiatives in place to improve these results going forward. Most significantly, in the last quarter of 2006/07 TfL’s gender equality scheme, which outlines TfL’s action plan to increase gender equality in both service delivery and employment, was launched. The plan identifies the following issues as crucial to improving performance:

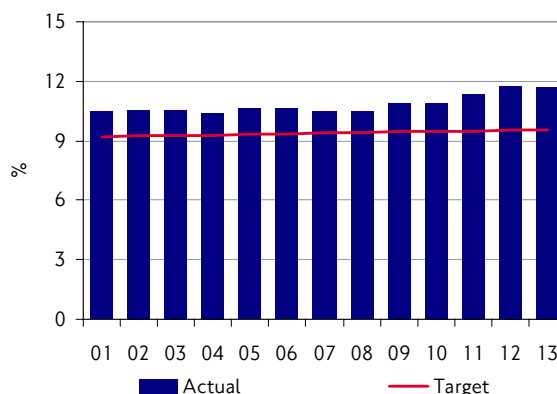
- Recruitment – particularly in operational and technical roles.
- Retention – making TfL an employer of choice, where women want to stay and have access to career development and access to roles in senior management.
- Flexible working – making sure that flexible working is part of TfL’s culture helping women and men achieve a work-life balance.
- Equal Pay – removing the pay gap between women and men.
- Workplace culture – making TfL a workplace that is free from discrimination.

8.10 Activities in these areas include a focused attraction strategy to increase the proportion of women applying for roles within the transport sector and TfL, workforce targets and supporting action plans to increase the representation of women in the workforce, targeted recruitment campaigns that include open days for operational roles and promote job share posts, independent exit interviews carried out for women leavers across the organisation, flexible rostering plans where applicable across TfL, and an update of the Equal Pay action plan.

Black, Asian and Minority Ethnic Group Staff

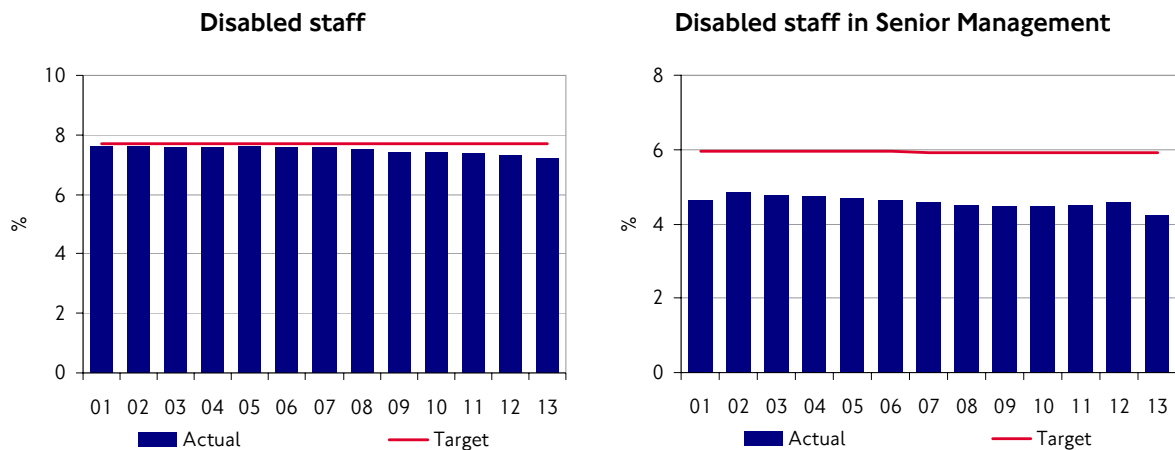


Black, Asian and Minority Ethnic Group Staff in Senior Management



8.11 The percentage of Black, Asian and Minority Ethnic Group (BAME) staff employed at TfL at year end was 33.6 per cent, an increase of 0.7 per cent on quarter three and still well above the target of 26.7 per cent. BAME staff in senior management accounted for 11.7 per cent of all staff, an increase of 0.8 per cent on quarter three and 2.1 per cent above the target of 9.6 per cent.

8.12 TfL is now looking to actions that will improve the balance of BAME representation at different levels of the organisation. The TfL mentoring scheme, which had 48 per cent BAME participation in the first round, is now being further rolled out with phase two beginning in the last quarter of 2006/07. The evaluation of London Underground’s Managing Diversity Competence Programme has begun, and the training of the staff to deliver this programme in house is ongoing with 13 specialist trainers already identified. A similar programme has begun in Surface Transport - the Diversity Competence Programme for managers in Road Network Performance where it is being trialled before being extended to other parts of Surface Transport.



- 8.13 The percentage of disabled staff employed at TfL at year end was 7.2 per cent, a decrease of 0.2 per cent on the last quarter and 0.5 percent below target. Representation of disabled staff in senior management also decreased in the final quarter by 0.2 per cent to be 4.3 per cent at year end, 1.7 per cent below target.
- 8.14 The decline in the percentage of disabled staff from the third to the fourth quarter of 2006/07 was largely caused by an increase in the number of people who have declared their status as non-disabled. In line with Best Value indicator calculation guidelines, staff who do not declare their status as disabled or non-disabled are not included in the calculation.
- 8.15 To ensure continuous improvement in this area, TfL is reviewing policies and procedures associated with recruiting and improving retention of disabled people. In the operational modes, London Underground has started the second phase of the work experience project for disabled people in operational environment working with MENCAP as discussed in the third quarter operational and financial performance report. Alongside the pilot of the Managing Diversity Competence Programme in Surface Transport Streets (Road Network Performance), there is another initiative being trialled to support the recruitment of people with learning disabilities.

Efficiencies

- 9.1 The efficiencies programme full year target was £170m. This included £132m of savings sustained from previous years with £38m to be delivered within the 2006/07 financial year.
- 9.2 At the end of 2006/07, the full year actual is £193m, £23m above target, which is slightly higher than the third quarter forecast of £192m. The year-end efficiencies figure of £193m has been achieved through greater than expected in-year efficiencies that have more than offset the loss of some recurring efficiencies from previous years.

Efficiency Initiatives £ m	Full Year (Sustained)		Full Year (In Year)		Total	
	Actual	Var to Budget	Actual	Var to Budget	Actual	Var to Budget
Procurement	46	(7)	31	25	77	18
Staff & BIP	22	(3)	2	1	24	(2)
Marketing	1	(11)	3	3	4	(8)
Other	6	(2)	13	8	19	6
Total Back Office	75	(23)	49	37	124	14
Rail	-	-	1	-	1	-
Bus Network	34	4	10	6	44	10
Tube Lines refinancing	-	-	2	-	2	-
LUL Operational Efficiencies	4	-	11	(1)	15	(1)
LUL Communication Infrastructure	-	-	7	-	7	-
Total Operations	38	4	31	5	69	9
Total Cashable (lower than budget)	113	(19)	80	42	193	23

Table may be subject to rounding errors

- 9.3 Following review, the efficiencies sustained from previous years have been reduced by £19m to £113m:
- Procurement has removed £7m from the reporting system where contracts delivering efficiencies have ended.
 - Marketing sustained efficiencies have been reduced by £11m. This is due to higher overall marketing expenditure on public information and awareness campaigns including road safety and ticketing.
 - The above reductions are offset by an increase of £4m in bus network contract savings.
- 9.4 Full year savings for 2006/07 were £80m, £42m over target. This was mainly due to:
- An increase of £25m in procurement efficiencies as a result of in-year stretch targets being set which have been incorporated into future plan years.
 - New marketing efficiencies of £3m due to a refocusing of TfL's marketing strategy which is now based on customer needs rather than operational expectations, and a review of TfL's media buying.
 - A one-off 'other' saving of £2m in respect of reduced insurance costs following annual review.

- Increased savings through the contracting arrangements relating to the bus network, and additional operational efficiencies as a result of reducing cash on buses.
- Project efficiencies of £4.3m in respect of the White City development.

9.5 In addition to the procurement efficiency savings included in the table above, there is a further £21.8m through increased advertising revenue income following re-procurement of contracts: £13.8m in London Underground and £8m in Surface Transport. The effect of both initiatives will deliver £46.3m of additional advertising revenue per annum by 2009/10.

Financial performance

Group Highlights

- 10.1 Transport for London's net service expenditure for 2006/07, at £2,780m, was £282m lower than the budget of £3,062m. This result was driven by operating and interest income that were both better than budgeted, operating expenditure that was lower than budget, offset by total capital expenditure that was higher than budget after taking into account receipts and reimbursements.
- 10.2 When compared to the quarter three forecast, the full year result was £83m lower than forecast mainly due to lower than expected risk expenditure in London Underground
- 10.1 Further detail regarding investment activity is available in the Third Quarter Investment Programme Report.

Net Service Expenditure £m	Full Year			Full Year	
	Actual	Budget	Variance	Quarter 3 Forecast	Variance
Operating Budget					
Income	(2,956)	(2,939)	(17)	(2,976)	20
Operating Expenditure	5,172	5,402	(230)	5,283	(111)
Net Operating Expenditure	2,216	2,463	(248)	2,306	(91)
Capital Budget					
Capital Expenditure	740	840	(99)	733	7
Overprogramming (Group only)	-	(70)	70	-	-
Capital Expenditure after overprogramming	740	770	(29)	733	7
Receipts, Reimbursements and Property Sales	(167)	(229)	61	(195)	28
Net Capital Expenditure	573	541	32	538	35
Interest Income	(69)	(53)	(17)	(65)	(4)
Debt Servicing Costs	61	85	(24)	58	3
Net Interest Income	(8)	32	(41)	(7)	(1)
Contingency	-	26	(26)	26	(26)
Net Service Expenditure	2,780	3,062	(282)	2,864	(83)

Table may be subject to rounding errors

Full year contingency expenditure is shown as zero as the expenditure is recorded under the appropriate lines in the table above. For a breakdown of contingency expenditure see the table following paragraph 10.13.

- 10.2 A modal summary of financial performance is provided in Annex Two.

Operating Income

- 10.3 Total operating income for TfL in 2006/07 was £2,956m – a result representing forecast accuracy at quarter three in excess of 99.3 per cent. The outturn was £20m lower than forecast as a result of a revision to fare apportionment models based on the Travelcard diary survey, and lower congestion charging income than forecast at quarter three.

2005/06 Actual	Income £m	Full Year			Full Year	
		Actual	Budget	Variance	Quarter 3 Forecast	Variance
(1,307)	Underground Fare Income	(1,415)	(1,372)	(43)	(1,423)	8
(939)	Bus Network Fare Income	(1,003)	(1,004)	1	(1,004)	1
	DLR Fare Income	(54)	(57)	3	(54)	0
	Fares Income	(2,471)	(2,433)	(38)	(2,481)	10
(254)	Congestion Charging Income	(252)	(260)	7	(258)	5
(352)	Other Income	(232)	(246)	13	(237)	5
(2,852)	Total Income	(2,956)	(2,939)	(17)	(2,976)	20

Table may be subject to rounding errors

- 10.4 As discussed above, fare income on the Underground is lower than the quarter three forecast as an estimated fare reallocation of £22m from London Underground to London Buses and the Train Operating Companies was not included in the third quarter forecast. The full year outturn for London Buses is in line with budget and forecast as both budget and forecast included assumptions about fare reallocation discussed above.
- 10.5 Congestion charging income was lower than budget mainly due to 2m fewer standard charges than expected following the western extension of the Congestion Charging Zone, partly offset by an increase in pay next day charges.
- 10.6 Other income was lower than budget and forecast mainly due to penalty charge notice (PCN) cancellations as a result of the Barnet v Moses ruling which requires PCNs to have the date of offence as well as date of issue printed, an overall reduction in PCNs due to increased compliance with bus lane regulations, and a reduction in advertising income associated with the delayed start of a major advertising contract on the Underground.

Operating Expenditure

- 10.7 Total operating expenditure for 2006/07, at £5,172m, was £230m below budget and £111m lower than forecast at quarter three.

2005/06 Actual	Operating Expenditure £m	Full Year			Full Year	
		Actual	Budget	Variance	Quarter 3 Forecast	Variance
2,362	London Underground	2,470	2,655	(184)	2,553	(83)
2,234	Surface Transport	2,345	2,388	(43)	2,347	(2)
129	London Rail	128	126	2	130	(1)
250	Group Directorates	227	233	(5)	253	(26)
4,975	Total Operating Expenditure	5,172	5,402	(230)	5,283	(111)

Table may be subject to rounding errors

- 10.8 Expenditure on the Underground, at £2,470m for the year, was £184m lower than budget and £83m lower than forecast at the end of the third quarter. This outturn reflected lower performance and other payments to the Infracos, as well as lower than budgeted risk events. The variance of £83m compared to the third quarter forecast was largely due to lower than expected expenditure from the risk budget.
- 10.9 Full year operating expenditure in Surface Transport was £43m lower than the budget of £2,388m for 2006/07. The shortfall against budget was principally caused by lower than expected contract price increases from re-tendering or revisions as well as reduced ticket selling commissions as more passengers switch to using Oyster.
- 10.10 London Rail was £2m over its budget of £126m for 2006/07 mainly due to the acceleration of the development of the Stratford International station project.
- 10.11 Group Directorate expenditure of £227m for 2006/07 was £5m lower than budget and £26m lower than forecast at quarter three. Expenditure was £26m lower than forecast at quarter three mainly due to lower than expected expenditure on Borough spending projects and savings in central insurance costs for all of TfL.

Contingency

- 10.12 TfL acknowledges that in a business of its size and complexity not all necessary expenditure items will be known at the time the budget is finalised. TfL therefore set aside a general contingency budget of £26m in 2006/07 to fund unplanned projects and other necessary increases in expenditure that arose during the course of the year and were not already covered by identified budgets in any one business area.
- 10.13 In 2006/07 the contingency was allocated to the following areas:

Transport for London 2006/07 contingency Item	Amount (£m)
Mass Participation Bike Ride	0.1
Victoria Transport Interchange	0.5
East London Line Property Safeguarding	1.5
Beckton Property Safeguarding	4.0
Additional investment due to Information Management Restructuring	13.9
Total items funded from contingency	20

Capital Expenditure

- 10.14 Capital expenditure, after receipts, reimbursements and property sales, was £32m higher than the budget of £541m for 2006/07. This result was driven by a delayed contractual payment that is expected to be received in early 2007/08.

2005/06 Actual	Capital Expenditure £m	Full Year			Full Year	
		Actual	Budget	Variance	Quarter 3 Forecast	Variance
318	London Underground *	322	383	(61)	305	17
267	Surface Transport *	212	246	(34)	227	(15)
83	London Rail	180	182	(2)	172	8
12	Group Directorates	27	28	(1)	30	(3)
-	Overprogramming (Group only)	-	(70)	70	-	-
680	Capital Expenditure after overprogramming	740	770	(29)	733	7
(147)	Capital Receipts & Reimbursements	(154)	(196)	42	(150)	(3)
(15)	Property Sales	(14)	(33)	19	(45)	31
519	Net Capital Expenditure	573	541	32	538	35

* Shown after delegated overprogramming

Table may be subject to rounding errors

- 10.15 Capital expenditure after overprogramming on the Underground came to £322m or £61m lower than the budget of £383m principally due to lower than budgeted expenditure on the Channel Tunnel Rail Link project at Kings Cross due to delays to the start of phase 2 (offset by lower capital receipts), rephasing of LU managed accessibility and congestion relief station improvement works, and savings on the main works contract at Shepherds Bush. Expenditure was higher than the quarter three forecast due to better expected progress on LU managed signal, power, and congestion relief works than forecast at quarter three.
- 10.16 Surface Transport's capital expenditure for 2006/07 was £34m lower than budget and £15m lower than forecast at the end of the third quarter. The variance to budget was mainly due to lower than budgeted expenditure on improvement works on the Transport for London Road Network (TLRN) due to tendering and design delays, while the variance to forecast was due to rephasing of expenditure on TLRN maintenance and renewal works, and Low Emission Zone development.
- 10.17 Capital expenditure in London Rail was lower than budget for 2006/07 mainly due to project rephasing partially offset by additional land purchases at Beckton and for potential future East London Line enhancements. Expenditure was higher than forecast at the third quarter due to land purchases funded from the central contingency as set out at paragraph 10.13 above.
- 10.18 As outlined in paragraph 10.14 above, property sales were £31m lower than budget mainly due to a delayed contractual payment associated with the White City Development that will now be received in early 2007/08. As discussed in relation to London Underground capital expenditure, capital receipts were lower than budget for 2006/07 mainly due to the delayed start of phase 2 works at Kings Cross.

Balance sheet

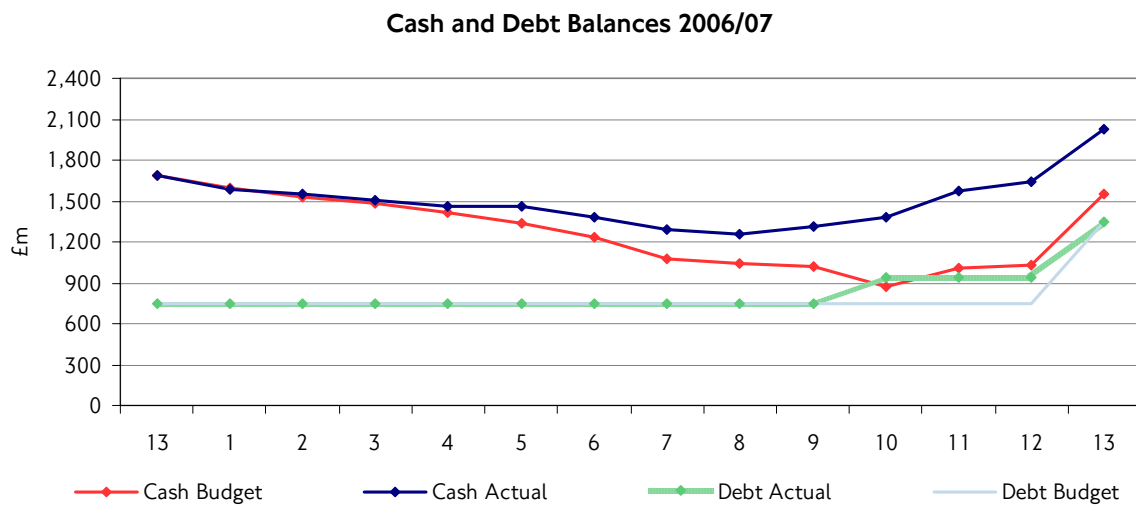
Balance Sheet at end of Period 13 £m	Full Year			Full Year	
	Actual	Budget	Variance	Quarter 3 Forecast	Variance
Fixed Assets	15,377	15,264	113	15,461	(84)
Stock, Debtors and Payments in Advance	365	386	(21)	365	-
Cash at bank and in hand	2,028	1,553	475	1,928	100
Creditors	(5,227)	(5,016)	(211)	(5,403)	176
Capital Grants	(6,673)	(6,945)	272	(6,648)	(25)
Provisions	(1,061)	(995)	(66)	(1,078)	17
Total Net Assets	4,809	4,247	562	4,625	184

- 11.1 Fixed asset values at the end of 2006/07 were £113m above budget largely due to revaluations across the group amounting to approximately £100m reflecting the buoyant property market in the capital. In addition, disposals at Street Management were lower than budget (£73m), PPP asset additions were higher than budget (£37m), offset by the lower than budgeted gross capital expenditure discussed in paragraphs 10.15 to 10.17 above.
- 11.2 Fixed assets were £84m lower than forecast at quarter three mainly due to lower than forecast PPP asset additions, offset by lower disposals and property revaluations discussed above.
- 11.3 Stock, debtors and payments in advance were £21m below budget at year end, largely because of the ongoing negotiations with Metronet over the settlement due to the Underground in respect of the working capital adjustment under the share purchase scheme.
- 11.4 The year end creditor position was higher than budget, with the largest element of the variance due to higher creditor balances on the Underground related to the PPP lease creditor (£99m) mainly due to a re-profiling of payments. In addition, the on-going negotiations in respect of Central Line rolling stock and the Connect PFI delay and disruption claim, both of which the budget assumed would be settled by period 9, have resulted in higher creditor balances. Lower than budgeted creditors in Surface Transport due to a £48m reduction in bus contract payments were partly offset by higher deferred income balances of £17m mainly relating to increased Congestion Charge receipts in advance. Finally, the Corporate Centre's creditor balance was above budget due to higher Oyster pay as you go receipts and Oystercard deposits (£20m). The remainder of the variance is due to higher than budgeted spend in the last period of the year.
- 11.5 Creditors at year end were lower than forecast at quarter three due to a reduction to the PPP lease creditor corresponding with the asset reduction above. This was partially offset by an increase in trade and capital creditors and accruals caused by expenditure slipping into the last period of the year.
- 11.6 The period 13 results include a review of required year end provisions that led to a £66m variance above budget.

Cash summary

Cash Balances and Debt

- 12.1 Net cash at 31 March 2007 amounted to £678m comprising £2,028m cash balances less outstanding debt of £1,350m. This is a reduction of £263m compared to last year end.
- 12.2 Year-end cash at £2,028m compares to a quarter three forecast of £1,928m (budget £1,553m). Debt was drawn down in line with forecast and budget, resulting in £1,350m outstanding.
- 12.3 The graph below shows the actual cash balances and debt compared to budget at each period end throughout the year.



- 12.4 A summary of approved investments and cash balances over the quarter is provided in Annex Five.

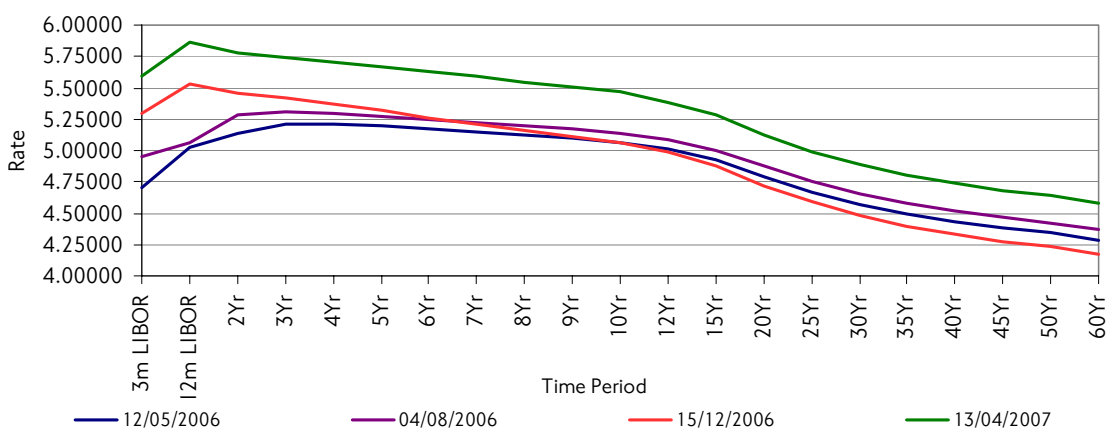
Performance

- 12.5 Performance against the earnings benchmark (the average of 3 month’s London Interbank Offered Rate (LIBOR) minus 15 basis points) is tabled below. TfL’s returns dropped below this benchmark for two periods (within 2 and 5 basis points respectively), matched benchmark in one period and exceeded benchmark by 3 basis points in Period 13. This performance is an improvement over the previous quarter (where the range was between 2 -10 basis points below benchmark). TfL’s returns are meeting benchmark in Period 1. The future benchmark has been tightened to LIBOR minus twelve point five basis points and future reports will be measured against this.
- 12.6 Results for the last four periods are noted in the table below:

Treasury Management Yield	Period 10	Period 11	Period 12	Period 13	Full Year	Full Year
Period End:	6 January	3 February	3 March	31 March	Actual	Budget
Benchmark	5.05	5.14	5.26	5.34	4.82	
Average Rate of Return	5.00	5.14	5.24	5.37	4.84	4.59
Variance to Benchmark (lower) / higher	(0.05)	-	(0.02)	0.03	0.02	
Interest Earned, Period	£5.3m	£5.8m	£6.1m	£7.1m		
Interest Earned, Year to Date	£50.4m	£56.2m	£62.3m	£69.4m	£69.4m	£52.7m

- 12.7 Interest earned this year has exceeded budget for three reasons: Due to lower than budget expenditure there have been increased balances available for investment; £200m of borrowing occurred in December, earlier than the budget assumption of the end of the financial year; and interest rates have been rising progressively allowing TfL to increase its average earnings by 25 basis points above the budgeted average 4.59 per cent to 4.84 per cent.
- 12.8 The latest yield curve summary is shown below. It reflects the general view that short-term rates will rise further this year. Long-term rates are now being cautiously marked upwards with a full 50 basis points increase in the 60 year swap rate since December to 4.58 per cent (week ending 13 April).

Yield Curve: Week ending 12 May 2006 to 13 April 2007



Annex One: Performance summary

2006/07		Quarter 4				Full Year			
Key Performance Indicator	Unit	Actual	Target	Var	PY	Actual	Target	Var	PY
Service Demand									
Passenger Journeys - TfL Group	m	918.0	880.3	37.7	871.3	2,984.7	2,945.4	39.3	2,865.5
Passenger Journeys - LU	m	314.5	278.8	35.7	295.2	1,014.3	980.0	34.3	971.1
Passenger Journeys - Buses	m	576.0	573.9	2.1	551.7	1,880.3	1,876.0	4.3	1,815.7
Passenger Journeys - DLR	m	18.7	20.1	(1.4)	17.1	61.3	64.2	(2.9)	53.9
Passenger Journeys - Trams	m	7.9	No Target	-	6.6	24.8	No Target	-	21.1
Coach Departures - Victoria Coach Station	'000s	55.4	59.3	(3.9)	56.9	187.2	195.0	(7.8)	198.6
Passenger Journeys (excl multi stop) - River Services	'000s	335.0	280.0	55.0	268.4	2,085.1	1,900.0	185.1	1,848.7
Passenger Journeys (multi stop) - River Services	'000s	178.5	136.0	42.5	141.4	661.6	500.0	161.6	523.8
Total Trips - Dial a Ride	'000s	342.9	466.1	(123.2)	355.7	1,173.2	1,519.0	(345.8)	1,234.4
Cycle usage on TLRN (Index Mar 2000 = 100)	Index	158.1	169.0	(10.9)	145.7	182.6	185.0	(2.4)	172.0
Service Provision (Supply)									
% Scheduled Services Operated - LU	%	94.9	95.2	(0.2)	94.8	94.5	95.2	(0.7)	93.6
% Trains Operated in Peak Hours - LU	%	97.0	96.7	0.3	96.8	96.9	96.7	0.2	95.2
Train Kilometres Operated - LU	m	21.6	21.9	(0.3)	20.9	69.8	70.9	(1.1)	68.8
% Scheduled Services Operated - Buses	%	97.8	98.0	(0.2)	98.1	97.5	97.8	(0.3)	97.7
Bus Kilometres Operated - Buses	m	142.0	144.5	(2.6)	138.6	457.9	465.6	(7.7)	454.1
% Scheduled Services Operated - DLR	%	99.0	98.0	1.0	98.5	99.1	98.0	1.1	98.7
Train Kilometres Operated - DLR	'000s	1,366.0	1,319.1	46.9	1,295.0	4,383.0	4,350.1	32.9	3,628.5
% Scheduled Services Operated - Trams	%	99.1	98.0	1.1	98.8	99.3	98.0	1.3	97.4
% Scheduled Services Operated - River Services	%	99.2	98.5	0.7	99.5	98.5	98.5	0.0	98.2
No. of Taxi Drivers Licensed - PCO	'000s	24.6	24.7	(0.1)	24.7	24.6	24.7	(0.1)	24.7
No. of Private Hire Drivers Licensed - PCO	'000s	38.0	36.0	2.0	28.8	38.0	36.0	2.0	28.8
Reliability									
Overall Delay (Index = 100) - TfL Group	#	90.1	77.8	12.3	79.6	91.0	81.1	9.9	83.1
Excess Journey Time (Weighted) - LU	Mins	7.9	6.9	1.0	7.2	8.1	6.9	1.1	7.5
Peak Train Cancellations, Due to ONAs - LU	%	0.1	0.6	(0.5)	0.2	0.1	0.6	(0.5)	0.2
PPP Availability, Lost Customer Hours - LU	m	3.9	4.9	(1.0)	3.4	14.6	15.8	(1.2)	13.8
Excess Wait Time, High Freq Routes - Buses	Mins	1.0	1.2	(0.1)	1.1	1.1	1.2	(0.1)	1.1
On Time Performance, Low Freq Routes - Buses	%	79.4	77.1	2.3	78.0	78.1	76.9	1.2	77.2
On Time Performance, Night buses - Buses	%	86.4	82.3	4.2	84.4	85.2	81.9	3.3	83.6
On Time Performance - DLR	%	97.7	96.0	1.7	96.6	97.8	96.0	1.8	97.3
Road Traffic Signals Operating Effectively	%	99.4	98.5	0.9	98.6	99.1	98.4	0.7	98.6
Safety									
Major Injuries & Fatalities - London Underground	#	55.0	No Target	-	39.0	168.0	No Target	-	129.0
Major Injuries & Fatalities - Buses	#	444.0	No Target	-	567.0	1,806.0	No Target	-	1,927.0
Major Injuries & Fatalities - DLR	#	1.0	No Target	-	7.0	9.0	No Target	-	16.0
KSI, Total Londonwide - Road Network ++	#	1,369.0	1,181.1	187.9	1,371.0	3,933.0	3,588.4	344.6	3,650.0
KSI, Total TLRN - Road Network ++	#	370.0	328.4	41.6	377.0	1,124.0	995.8	128.2	1,024.0
KSI, Powered 2-Wheel Riders - Road Network ++	#	297.0	262.8	34.2	282.0	846.0	787.9	58.1	845.0
KSI, Children - Road Network ++	#	130.0	105.0	25.0	124.0	390.0	358.8	31.2	363.0

GREEN: better than or equal to target; **AMBER:** within 5% of target; **RED:** 5% or more below target. ++ Due to the reporting process and nature of road traffic accident data, it will always be reported 4 to 5 months in arrears. Results for the second quarter are the sum of September, October, November and December 2006, with December being the most recently reported data available.

NB: Traffic into Central London: A new data series is planned to account for the introduction of WEZ. This will be backdated to Period 11 2005/06 and re-baselined to Period 13 2006/07. The old data series ended in Period 11 2006/07.

Annex One: Performance summary (continued)

2006/07		Quarter 4				Full Year			
Key Performance Indicator	Unit	Actual	Target	Var	PY	Actual	Target	Var	PY
Customer Satisfaction									
Overall Customer Satisfaction - TfL Group	Score	78.7	78.3	0.4	77.7	77.6	78.3	(0.7)	77.7
Customer Satisfaction - LU									
Overall	Score	77.0	78.0	(1.0)	78.0	76.0	78.0	(2.0)	78.3
Crowding	Score	71.0	68.0	3.0	72.0	71.0	68.0	3.0	73.8
Safety & Security	Score	80.0	80.0	-	80.0	80.0	80.0	-	80.8
Information	Score	79.0	78.0	1.0	79.0	79.0	78.0	1.0	79.0
Customer Satisfaction - Buses									
Overall	Score	79.0	78.0	1.0	77.0	77.5	78.0	(0.5)	77.5
Crowding	Score	78.0	78.0	-	77.0	77.3	78.0	(0.8)	77.8
Safety & Security	Score	81.0	82.0	(1.0)	81.0	80.8	82.0	(1.3)	81.0
Information	Score	74.0	75.0	(1.0)	73.0	73.5	75.0	(1.5)	74.0
Reliability Journey Waiting Time	Score	79.0	80.0	(1.0)	79.0	78.8	80.0	(1.3)	80.5
Customer Satisfaction - DLR									
Overall	Score	96.6	90.0	6.6	96.4	96.8	90.0	6.8	95.4
Information	Score	98.0	90.0	8.0	95.9	96.5	90.0	6.5	95.9
Safety & Security	Score	97.6	90.0	7.6	94.9	95.6	90.0	5.6	90.6
Overall Customer Satisfaction - Trams	Score	85.0	86.0	(1.0)	80.0	83.5	86.0	(2.5)	84.8
Overall Customer Satisfaction - Dial-A-Ride	Score	92.0	93.0	(1.0)	92.0	92.0	93.0	(1.0)	89.3
Overall Customer Satisfaction - VCS	Score	74.0	76.0	(2.0)	77.0	77.0	76.0	1.0	79.0
Financial Efficiency									
Cost per passenger Kilometre - LU	p/km	25.4	31.9	(6.5)	26.8	26.7	29.1	(2.3)	26.2
Income per passenger Kilometre - LU	p/km	(19.8)	(23.2)	3.4	(19.0)	(20.4)	(20.8)	0.4	(18.9)
Cost per passenger Kilometre - Buses	p/km	24.1	25.4	(1.3)	24.8	23.1	24.4	(1.3)	24.9
Income per passenger Kilometre - Buses	p/km	(15.0)	(16.0)	1.0	(14.5)	(14.3)	(15.1)	0.8	(14.0)
Cost per Trip - Dial-A-Ride	£	26.6	16.8	9.8	21.1	23.8	16.7	7.1	19.1
People									
Number of Staff - TfL Group	FTE	20,778.0	20,489.5	288.5	20,069.4	20,778.0	20,489.5	288.5	20,069.4
Sickness Absence per Employee									
TfL Group	Days	3.5	3.6	(0.1)	3.7	11.7	11.6	0.1	12.6
LU	Days	3.8	3.8	0.0	4.1	12.8	12.4	0.4	13.7
Surface Transport	Days	3.1	3.2	(0.1)	2.7	10.0	10.3	(0.3)	11.0
London Rail	Days	1.1	2.3	(1.2)	0.4	4.5	7.5	(3.0)	2.4
Group Directorates	Days	2.4	2.3	0.1	2.5	8.2	7.6	0.6	9.1
Women Staff - TfL Group	%	23.27	23.72	(0.45)	22.30	23.27	23.72	(0.45)	22.30
BAME Staff - TfL Group	%	33.60	26.69	6.91	n/a	33.60	26.69	6.91	n/a
Disabled Staff - TfL Group	%	7.21	7.72	(0.51)	n/a	7.21	7.72	(0.51)	n/a
Women Staff in Senior Mgt - TfL Group	%	20.16	21.07	(0.91)	20.40	20.16	21.07	(0.91)	20.40
BAME Staff in Senior Mgt - TfL Group	%	11.73	9.56	2.17	8.90	11.73	9.56	2.17	8.90
Disabled Staff in Senior Mgt - TfL Group	%	4.26	5.93	(1.67)	n/a	4.26	5.93	(1.67)	n/a

GREEN: better than or equal to target; **AMBER:** within 5% of target; **RED:** 5% or more below target.

Table may be subject to rounding errors.

Annex Two: Modal summary of financial performance

Net Service Expenditure £m	Full Year			Full Year	
	Actual	Budget	Variance	Quarter 3 Forecast	Variance
Income					
London Underground	(1,517)	(1,477)	(40)	(1,527)	10
Surface Transport	(1,367)	(1,386)	18	(1,372)	5
London Rail	(56)	(58)	3	(56)	(0)
Group Directorates	(16)	(17)	2	(22)	6
	(2,956)	(2,939)	(17)	(2,976)	20
Operating Expenditure					
London Underground	2,470	2,655	(184)	2,553	(83)
Surface Transport	2,345	2,388	(43)	2,347	(2)
London Rail	128	126	2	130	(1)
Group Directorates	227	233	(5)	253	(26)
	5,172	5,402	(230)	5,283	(111)
Net Operating Expenditure	2,216	2,463	(248)	2,306	(91)
Capital Expenditure					
London Underground	322	383	(61)	305	17
Surface Transport	212	246	(34)	227	(15)
London Rail	180	182	(2)	172	8
Group Directorates	27	28	(1)	30	(3)
	740	840	(99)	733	7
Capital Receipts & Reimbursements					
London Underground	(146)	(209)	63	(178)	32
Surface Transport	(9)	(6)	(3)	(7)	(2)
London Rail	(6)	(3)	(3)	(4)	(3)
Group Directorates	(6)	(11)	5	(6)	1
	(167)	(229)	61	(195)	28
Overprogramming	-	(70)	70	-	-
Net Capital Expenditure	573	541	32	538	35
Group Items					
Interest Income	(69)	(53)	(17)	(65)	(4)
Debt Servicing Costs	61	85	(24)	58	3
Contingency	-	26	(26)	26	(26)
Net Service Expenditure	2,780	3,062	(282)	2,864	(83)

() Variance is an above budget for income and below budget for expenditure.
Table may be subject to rounding errors

Annex Three: Balance sheet

Balance Sheet £m	Full Year			Full Year	
	Actual	Budget	Variance	Quarter 3 Forecast	Variance
Fixed Assets					
Tangible Assets	15,377	15,264	113	15,461	(84)
Current Assets					
Stocks	4	5	(1)	5	(1)
Debtors	241	268	(27)	234	7
Payments in Advance	120	113	7	126	(6)
Cash at Bank and in Hand	2,028	1,553	475	1,928	100
Current Liabilities					
Revenue	(907)	(830)	(77)	(895)	(12)
Receipts in Advance	(200)	(182)	(18)	(206)	6
Capital	(177)	(157)	(20)	(137)	(40)
Long Term Liabilities					
Balances with Infracos	(2,213)	(2,114)	(99)	(2,433)	220
Prudential Loans	(1,350)	(1,350)	-	(1,350)	-
Creditors Due after One Year	(380)	(383)	3	(382)	2
Capital Grants	(6,673)	(6,945)	272	(6,648)	(25)
Pension Provision	(770)	(770)	-	(770)	-
Other Provisions	(291)	(225)	(66)	(308)	17
Total Net Assets	4,809	4,247	562	4,625	184
Capital and Reserves					
Earmarked Reserves	1,469	1,069	400	1,379	90
Pension Reserves	(770)	(770)	-	(770)	-
General Fund	150	150	-	150	-
Other Reserves	3,960	3,798	162	3,866	94
Total Capital Employed	4,809	4,247	562	4,625	184

Annex Four: Cash summary

Cash Summary £m	Full Year			Full Year	
	Actual	Budget	Variance	Quarter 3 Forecast	Variance
Net Revenue Expenditure	(2,118)	(2,521)	(403)	(2,299)	(181)
Working Capital Movements	62	(17)	(79)	178	116
Cash Spend on Operating Activities	(2,056)	(2,538)	(483)	(2,121)	(65)
Net Capital Expenditure	(740)	(770)	(30)	(759)	(19)
Working Capital Movements	(49)	(69)	(20)	(89)	(40)
Cash Spend on Capital Activities	(789)	(839)	(50)	(848)	(59)
Funded by:					
Transport Grant	2,403	2398	(5)	2399	(4)
Precept Funding	12	12	-	12	-
Prudential Borrowing	604	604	-	604	-
Third Party Contributions	167	229	62	195	28
Total Funding	3,186	3,243	57	3,210	24
Net Movement in Cash	341	(134)	(475)	241	(100)

Annex Five: Cash balances

Approved Investments and Cash £m Period End	Period 10 10 Dec – 6 Jan	Period 11 7 Jan – 3 Feb	Period 12 4 Feb – 3 Mar	Period 13 4 Mar – 31 Mar
Approved Investments and Cash				
Budget	877	1,005	1,032	1,553
Net Cash Balances	1,382	1,579	1,645	2,028
Increase/(Decrease)	505	574	613	475
Net Cash Balances comprise				
Investments	1,326	1,518	1,585	1,971
Investments – Guernsey	34	34	34	34
Cash & Credits in Transit	22	27	26	23
Investment Profile				
Up to 1 month	148	197	202	375
1-2 months	25	99	128	248
2-3 months	100	147	288	394
3-4 months	129	254	351	354
4-5 months	-	-	-	7
5-6 months	144	154	172	153
6-7 months	162	82	-	58
7-8 months	61	61	61	26
8-9 months	25	25	25	35
9-10 months	-	-	-	-
10-11 months	14	14	-	-
11-12 months	518	485	358	321

Table may be subject to rounding errors

Filename: Q4 Operational and Financial Report_final.doc

¹ GLA Economics (2007), *London's Economy Today*. March. London: GLA Economics, p 2.

Appendix Two:

Transport for London
Investment Programme Report
Fourth quarter, 2006/07

Investment Programme Report

Fourth quarter, 2006/07



Cover Image: Sub-surface concourse at King's Cross following major works as part of Phase 1. The picture below shows what it looked like prior to the works.



Transport for London

Investment Programme Report

Fourth quarter, 2006/07 (10 December 2006 –31 March 2007)

1 Programme Highlights

- 1.1 There have been a number of major achievements during the year which included the following:
- Wembley Park station modernisation project was completed in May 2006 ahead of the opening of the new stadium.
 - The Channel Tunnel Rail Link (CTRL) Western Ticket Hall at King's Cross and St. Pancras Station was opened in May 2006, followed by completion of Phase 1 of the project in December 2006.
 - Piccadilly Line services to Heathrow Terminal 4 resumed in September 2006 following a 20-month closure as part of the Terminal 5 extension project.
 - Waterloo and City Line upgrade was reopened in September 2006 following closure for refurbishment in April 2006.
 - The East London Line main works contract was awarded to a Balfour Beatty and Carillion joint venture in October 2006. Works have now commenced following the completion of the Enabling Works.
 - Transport Works Act (TWA) order was received for the Stratford International Dockland Light Rail (DLR) station project in October 2006.
 - The Central London Congestion Zone was successfully extended westwards to cover most of the boroughs of Kensington & Chelsea and Westminster on 19 February 2007 (Fourth Quarter).
 - The 1.7km Coulsdon Relief Road, creating a bypass on the A23 London to Brighton which will remove 80 per cent of traffic from Coulsdon Town Centre opened on 18 December 2006 (Fourth Quarter).
- 1.2 The key highlights from the fourth quarter of 2006/07 were:
- On 10 December 2006, the stretch of railway between Stratford and North Woolwich transferred from Silverlink Metro to DLR to be converted to DLR operation as part of the Stratford International Extension.
 - A Skanska Grant Rail joint venture was awarded the contract for Package 8 (Stratford International Station) for the Stratford International Extension scheme on 10 January 2007.
 - The newly improved Finsbury Park Transport Interchange was officially opened on 15 December 2006 following £11m investment.
 - The Woolwich Arsenal Extension up-tunnel broke through on 19 December 2006. Boring on the second tunnel started on 14 March 2007 and is progressing well.
 - £160m of funding for London boroughs to spend on local transport improvements was announced on 20 December 2006.

- Two £100 million bonds were signed by Transport for London (TfL) as part of the financing for its five-year Investment Programme on 22 December 2006.
- DLR launched the first phase of consultation for its proposed extension to Dagenham Dock with 60,000 leaflets distributed to local residents and organisations on 29 January 2007.
- London Rail distributed 300,000 leaflets along the route of the East London line extension to introduce businesses and residents to London Overground in February 2007.
- Following the Mayor's offer to provide £20m to help fund provision and installation of smartcard readers, station equipment and back office support systems, an outline agreement by all the Capital's Train Operating Companies to implement Oyster PAYG across their networks in Greater London was announced on 31 January 2007 by the Association of Train Operating Companies. It is planned to offer PAYG with three TOCs from January 2008 with the remainder to follow by January 2009.
- A £115m contract for the Airwave radio network used by police and the emergency services to piggy back on London Underground's (LU) new Connect digital radio system was signed on 20 January 2007.
- Works were completed on creating Wembley's Olympic Square and improving the interchange area for buses and taxis at Wembley Park station on 20 February 2007.
- Utility diversion works, in preparation for the major upgrade of Tottenham Court Road station, started on 12 March 2007.
- The Funding Agreement between the Olympic Delivery Authority (ODA) and TfL was signed on 26 March 2007 for funding for Games related schemes.
- By the end of the financial year, nearly 600 project managers had benefited from TfL's Project PYRAMID, a development programme to invest in TfL's project management community (See section 6 for more details).

1.3 Post quarter events include:

- On 25 April 2007, LU appointed Mott MacDonald to be lead consultant for the detailed design through to construction of the £509m Victoria Station upgrade.
- Taylor Woodrow was appointed as contractor on 3 May 2007 for the DLR infrastructure works to enhance capacity on the DLR network from two to three cars.




2 Projects (over £100m)

- 2.1 TfL's Investment Programme contains a range of programmes and projects over £100m in addition to a range of smaller activities which are delivered by TfL directly, through our partners in the London Boroughs or through long-term partnerships with the private sector such as the PPP on London Underground and Private Finance Initiatives (PFI).

TfL has established an 'Oversight' function, the purpose for which is to provide assurance for the Commissioner on the delivery of the Investment Programme. Oversight has determined a risk based list of 'top 10' and 'top 60' projects which forms the basis of programmes and projects within the Investment Programme Report. These are reviewed every six months.



This section reports on discrete projects with a total cost greater than £100m. Projects identified from the latest 'Oversight' risk categorisation process as being included in the top 10 are identified by an asterisk (*).

For each project, key milestones are given with a forecast date against the current planned date for the current year, and if appropriate, additional milestones from the 2007/08 Budget Deliverables document. The Red Amber or Green (RAG) status signifies the following:

	Delivery on schedule
	Delivery < 3 months behind schedule
	Delivery > 3 months behind schedule

London Underground

- 2.2 Channel Tunnel Rail Link (CTRL) at King's Cross (*)

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Phase 1 final completion	31-12-2006	10-12-2006	Completed
Commencement of Bomb Gap Civils	31-08-2007	31-08-2007	
Phase 2 completion	31-12-2010	31-12-2010	

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

Phase 1, including refurbishment of the Metropolitan and Circle line platforms was completed on 10 December 2006 and all public areas are now in use with only snagging and assurance closeout ongoing.

Phase 2, including the Northern Ticket Hall, is continuing on site including tunnelling works and the steelwork for the Northern Ticket Hall. Further surveys are underway in the area known as the 'Bomb Gap' and a programme has been agreed for initial enabling works. The project remains on target for completion in December 2010.

Once the new Channel Tunnel Rail Link is opened, King's Cross St Pancras Station is forecast to be one of the busiest on the Underground network, serving 92,000 passengers in the morning peak by 2011.

2.3 Victoria Station Upgrade (*)

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Transport Works Act (TWA) Submission	28-02-2007	30-11-2007	■

With 80 million people passing through it each year, Victoria is one of the most congested stations on the Underground network. Temporary station closures are regularly used to manage access to, and congestion within, the station, particularly during the morning peak. This project will provide a significant increase in passenger circulation space in key congested areas of the station and step-free access from street to platform for the Victoria Line.

Progress this quarter has included completion of the asbestos surveys, with removal works to commence in the first quarter of 2007/08. Mott Macdonald, appointed as multi-disciplinary consultant, has begun design work and the LU project team has developed a detailed plan for the TWA submission in November 2007, which remains on the revised target. The major works are planned to start on site in October 2009.

The interface with the Land Securities development, Victoria Transport Interchange (VTI) continues to be monitored. The schemes are to remain de-coupled to ensure that a delay to one does not affect the other.

The project completion date is now confirmed at Quarter 4 2014, from the original forecast of Quarter 3 2013 due to the VTI issues.

2.4 Tottenham Court Road Congestion Relief (*)

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Design tenders returned	15-01-2007	05-02-2007	Completed
Completion of Stage E design	28-02-2008	17-04-2008	▲

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

Progress this quarter includes the procurement of the next design stages. Final tenders were received on 5 February 2007 with contract award expected in period 2 of 2007/08. Vital diversions of sewers, telecommunications, gas, electric and water pipes have begun. The work will take 18 months and will be phased to reduce potential impact, so not all areas will be affected at the same time.

The Powers for the new ticket hall are included within the provisions for the Crossrail Hybrid Bill. The Bill will be delayed by three months in order to incorporate added scope at Woolwich station. If so, this could result in a three month delay to the start of the main contract works and start on-site date.

2.5 Tunnel Cooling(*)

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Victoria ground water cooling trials complete	31-07-2007	31-03-2008	■
Portable Fans Trial at Piccadilly Completed	31-05-2007	31-05-2007	●
Victoria Line RIBA C Design Packages 1-4 (excl. King's Cross, Oxford Circus & Victoria) Completed	30-06-2007	30-06-2007	●
Victoria Line Tunnel Model Stage 5 Completion	31-10-2007	31-10-2007	●
Air Handling Unit Factory Test and Commission Completed	31-01-2008	31-01-2008	●

This is a long term programme to reduce ambient temperatures in a number of ways including increased ventilation, improved energy efficiency, and train-based measures. An accelerated design programme has commenced to provide solutions in time for the line upgrade programmes. The designs for the Victoria and Northern Lines are progressing to plan with the successful completion of optioneering design workshops and the first design submissions received in March 2007. The Victoria ground water trial is on-going following the extension to the trial as reported last quarter. The programme team is now developing an optimisation and prioritisation strategy to facilitate long term funding discussions with the DfT.

2.6 LU Line Upgrade – PPP BCV

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Waterloo & City line upgrade complete	March 2007	May 2007	▲
Victoria Line – 1 train accepted to run in LU traffic hours	January 2009	January 2009	●
Victoria Line – Commence rolling stock full production	May 2010	May 2010	●

The Waterloo and City line was reopened on 11 September 2006 and the upgrade is due for completion in May 2007. Further work is required on the service control facility and system, and staff training in order to achieve the full 5-train service.

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

Train cars are now in production and testing. "Train 1" now has consent to test in London and is forecast to be ready for delivery in May, three months later than baselined. Production of Train 2 is also slipping, with delivery now forecast for December 2007 (from September 2007).

Signalling equipment works have accelerated but are still behind schedule with a potential 3-month delay to the programme.

The System Control Centre building has been handed over for the installation of the signalling equipment. Tenders for the service control line management have been issued.

The productivity in the track programme is expected to improve with the approval of lengthened engineering hours to 23:00 Monday to Thursday, from August to November 2007. The track programme has been accelerated to finish in summer 2009.

The revised completion date of February 2012 for the Journey Time Capability (JTC) improvement is still targeted by Metronet but the above train delivery and signalling issues are placing extra pressure on this schedule. The contractual date remains August 2013.

2.7 LU Line Upgrade – PPP JNP

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Jubilee Line – Delivery of last train	April 2008	August 2008	■
Jubilee Line – LU acceptance of first section	June 2008	June 2008	●
Jubilee Line – LU acceptance of entire line	November 2009	November 2009	●

Work is underway on both the Jubilee and Northern Line Upgrades. They provide for signal and train control replacement to improve the capability of the lines. Completion is due in 2009 for the Jubilee Line, with the Northern Line to follow in 2011.

On the Jubilee Line programme, the Transmission Based Train Control (TBTC) and Rolling Stock elements are now up to 5 months behind the accelerated 'early finish' programme. Despite multi-train working, the rolling stock progress is still a concern with the full conversion of the Jubilee Line fleet planned for August 2008 now looking at risk. Overall completion of the Jubilee Line is still planned for August 2009.

On the Northern Line, Train 1 conversion is completed and waiting to go into test.

2.8 LU Line Upgrade – PPP Sub-Surface Line (SSL)

Milestones	Current Plan Date	Actual / F'cast Date	RAG
New rolling stock – Preliminary vehicle design complete	28-02-2007	28-02-2007	Completed
Vehicle design complete	31-07-2007	31-12-2007	■
D78 Stock – 66% of rolling stock refurbished and in service	31-08-2007	31-08-2007	●
Signalling system – preliminary design freeze	31-12-2008	31-12-2008	●

The SSL network (consisting of the Circle, District, Hammersmith & City and Metropolitan lines) upgrades will provide new and refurbished rolling stock, new signalling and a new control centre.

42 D-Stock trains were available for service on 31 March 2007, 56 per cent complete and ahead of target. S-Stock preliminary design was completed in period 12 and detailed design has commenced.

The interfaces and interoperability of the signalling systems between the SSL network and Network Rail is an emerging issue. The Infracos are developing technical solutions for consideration later in the year.

The migration from 630V traction power to 750V has now been agreed between all parties. The design solution was issued this quarter.

The SSL Upgrade Programme has been re-profiled this quarter with all dates remaining ahead of the PPP contract requirements. The programme is on track to complete by 2018.

2.9 7-Car Circle Line

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Surveys/design for platform extensions begin	31-03-2007	31-03-2007	Completed
7 Car C Stock Specified Right – Major Stations RIBA D Design Submitted	30-11-2007	30-11-2007	●
Platform extension work starts on site	31-03-2008	31-03-2008	●

This project provides for all the work associated with enabling 7-car operation at the minority of stations (16 in total) where trains are currently restricted to 6-car running. The project also provides an additional new S-stock car to that already being supplied under the SSL Upgrade Programme.

The feasibility study for platform extensions at four stations has identified affordability issues, which are being addressed by the design contractors. Prices for the works have been submitted by the Infracore which are currently being re-assessed in parallel with the design proceeding to RIBA Stage D (up to Powers). The re-assessment will be completed by September 2007. Intrusive surveys have begun at the four major stations.

London Rail

2.10 East London Line Extension (*)

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Award Main Works Contract	31-05-2007	20-10-2006	Completed
Close Existing East London Line	31-12-2007	31-12-2007	●
Commence Bridge GE19 Demolition	31-12-2007	31-12-2007	●
Main Contractor Takes Occupancy of ELL Trackway & Stations	31-03-2008	31-03-2008	●
Test Running	31-01-2010	14-05-2009	●
Completion	29-06-2010	19-10-2009	●

The upgraded and extended East London Line (ELL) is planned to open in 2010 with TfL as the passenger service operator through a joint ELL/North London Rail concession, termed 'London Overground'. The Overground concession contract remains on course to be awarded in June 2007, ready for the transfer of operation of the North London Line to TfL in November 2007. LU will be the infrastructure controller and network operator for the East London Line north of New Cross Gate, with Network Rail the infrastructure controller for the remainder.

The East London Line second stage enabling works have now been completed, with the exception of minor snagging and some documentation. Metronet and Powerlink are undertaking the detailed design for the closure of the East London Line in December 2007. The baseline programme for the main works contract with Balfour Beatty/Carillion has now been agreed and the contractor is now being monitored against this.

The project remains on track for the ELL to re-open by the scheduled date of June 2010.

2.11 London Rail Concession Rolling Stock

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Award Contract	31-08-2006	31-08-2006	Completed
First Car Delivered	05-06-2008	05-06-2008	●
Trains in Service - NLR	31-12-2008	31-12-2008	●
Trains in Service - ELL	30-06-2010	30-06-2010	●

Originally reported as part of the East London Line Project, the London Rail Concession Rolling Stock project will provide 256 new vehicles in three-car and four-car formation to be utilised on the North London Railway and the East London Line. The first of the new London Overground branded trains is expected to be in operation by the end of 2008.

The project is currently in design stage and is progressing broadly according to programme with the cab and saloon mockups completed in April 2007. Manufacture is due to start in late 2007 to provide the first vehicles for test running in mid 2008.

2.12 DLR Bank-Lewisham 3 Car Infrastructure

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Beckton Depot completion	20-10-2006	01-06-2007	■
Tender documents to be returned	30-11-2006	21-12-2006	Completed
Construction work starts	30-04-2007	31-05-2007	▲
Construction/trackwork/signalling complete	30-09-2009	30-09-2009	●
Service operational	31-10-2009	31-10-2009	●

This project will deliver the structural works necessary for 3 car operation on the DLR from Bank and Tower Gateway to Lewisham.

Tenders for the main works package were received in December 2006 and negotiations undertaken to carefully review the scope to obtain value for money. The contract was let on 03 May 2007 to Taylor Woodrow, slightly delaying the planned start on site. The final works on the Beckton Depot expansion have been delayed, but do not impact on operations or the rest of the project. Due to the poor performance of the contractor, the second stage of the depot expansion for the new Olympic Railcars will be awarded to another contractor. This will commence on completion of the first stage.

2.13 DLR Woolwich Arsenal Extension

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Complete up-tunnel	06-09-2006	19-12-2006	Completed
Completion of Thames Intervention Shaft	31-07-2007	31-07-2007	●
Completion of tunnelling	31-08-2007	31-08-2007	●
Completion of trackwork	31-03-2008	31-03-2008	●
Project completion	31-01-2009	31-01-2009	●

This project delivers the extension of the DLR from King George V station to Woolwich Arsenal through a PFI contract.

Although there was some delay in constructing the up-tunnel under the Thames due to the ingress of water and maintenance on the tunnel boring machine, the tunnel was completed in December 2006. Boring on the second tunnel started on 14 March 2007, and from the lessons learnt on the first tunnel, is expected to be completed in a shorter time. By the end of the financial year, the tunnel boring machine had driven 91.5m with good productivity being reported. Good progress is also being made on the civil works at Woolwich Arsenal. Six-day working has now been put in place until the end of the project and the lost time is expected to be recovered to allow for the completion of the project on schedule.

2.14 DLR Stratford International Station

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Contract Package 8 award	01-12-2006	10-01-2007	Completed
TWA powers granted	31-12-2006	25-10-2006	Completed
Contract Package 7 award	29-01-2007	03-05-2007	Completed
Contract Package 6 award	28-05-2007	24-06-2007	▲
Commence Works – Package 7	31-05-2007	31-05-2007	●
Commence Works – Package 6	30-06-2007	30-06-2007	●
Complete Works	30-06-2010	30-06-2010	●

This project covers the extension of the DLR from Canning Town to Stratford International, using existing North London Line alignment as far as Stratford Regional Station.

Transport Works Act powers were granted on 25 October 2006 and Silverlink operation on the North London Line south of Stratford Regional ceased on 11 December 2006 and the track handed over to the DLR for work to start on the conversion of the railway for DLR operation. The contract for Package 8 (Network Rail Interface for the Stratford International works) was awarded on 10 January 2007, and the contractor has now mobilised. Package 7 (Canning Town Flyover) tenders were returned on 21 December as part of the DLR 3 Car Infrastructure contract and let accordingly.

2.15 North London Railway Infrastructure Project(*)

Milestones	Current Plan Date	Actual / F'cast Date	RAG
All design completed to GRIP 2	18-05-2007	18-05-2007	●
All design completed to GRIP 3	24-08-2007	24-08-2007	●

The North London Railway Infrastructure Project (NLRIP) covers a programme of improvements to stations, permanent way, signalling and civil infrastructure enhancements to facilitate the operation of 'Service Level Commitment 2' which is to be introduced in January 2011.

Currently the project team is working closely with Network Rail to develop GRIP 2 design (pre-feasibility) options with a view to completing design to GRIP 3 stage (option selection) by August 2007. Network Rail report that although some of the GRIP2 dates have slipped, the overall GRIP 2 and GRIP 3 dates are unchanged. The basis on which the ODA will part fund this project has been agreed following the signing of the Funding Agreement between the ODA and TfL which includes resolving the funding for passenger and freight utilisation of the Angel Lane Loop.

Finance & Planning

2.16 Cross River Tram(*)

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Complete Stakeholder consultation on route options	15-11-2006	30-10-2006	Completed
Complete review of options post consultation	28-02-2007	28-02-2007	Completed
Complete public consultation on route options	30-03-2007	30-01-2007	Completed
Complete proposal for local consultation on depots	30-06-2007	30-06-2007	●
Issue of preferred route recommendation report	30-09-2007	30-09-2007	●
Approval of Option Refinement (achieve Design Freeze 2)	30-11-2007	30-11-2007	●

The public consultation on the route options closed at the end of January 2007 with a great deal of positive support being shown. The preferred single option will be identified in May 2007 and the preferred option will be submitted for Panel endorsement in October 2007. A review of all the depot options is currently underway.

2.17 Croydon Tramlink Crystal Palace Extension

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Commence public consultation	31-10-2006	19-10-2006	Completed
Commence investigation of options	31-10-2006	31-10-2006	Completed
Agree governance and handover strategy with London Trams and Surface Transport	01-10-2006	28-02-2007	Completed
Issue report on 1 st route option public consultation	31-05-2007	31-05-2007	●
Appoint designers for development of single option to acquisition of Powers	31-07-2007	31-07-2007	●
Preferred Single Option approved by SRO	31-10-2007	31-10-2007	●
Agree transition arrangements with Surface Transport (London Trams)	30-11-2007	30-11-2007	●

The project is to undertake option development and technical feasibility of extending the Croydon Tramlink to Crystal Palace and submit a Transport and Works Order application to obtain powers for the scheme.

The public consultation on the route options closed in December 2006 with over 1,200 responses being received with a strong preference shown for the off-road option. The tram terminus requirements at Crystal Palace have now been determined and presented to the LDA, who is reviewing these for compatibility with their design proposal for Crystal Palace Park. The intention is that the project will seek endorsement for the single preferred route option in October 2007.

A Network Rail study has been commissioned into the feasibility of diverting the current Beckenham Junction rail service to Norwood Junction, enabling use by the tram of rail infrastructure to cross roads and railway lines.

2.18 Thames Gateway Bridge (*)

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Obtain HM Treasury and PRG approval of outline Business Case	31-12-2006	21-11-2006	Completed
Issue of OJEU Notice and Pre-Qualification Questionnaire for Concession Contract	31-12-2006	08-05-2007	Completed
Approval by Secretary of State	30-03-2007	30-05-2007	▲
Release ITT and commence procurement	31-08-2007 (based on 3 months after SoS approval)	31-08-2007 (based on 3 months after SoS approval)	▲
TGB handed over to Surface Transport	30-11-2007 (based on 6 months after SoS approval)	30-11-2007 (based on 6 months after SoS approval)	▲

This project is part of the Mayor of London's transport strategy for a new fixed link between Beckton in the borough of Newham and Thamesmead in the borough of Greenwich to stimulate the regeneration of the Thames Gateway area.

Following the Government's decision to move to International Financial Reporting Standards for financial reporting in the public sector, TfL is reviewing the implications on the accounting treatment for PFI funded projects and in particular the potential budgetary impact if PFI credits are withdrawn for the project. The OJEU notice was issued following the review, taking into account any required changes to the structure of the project.

The expected date for a decision on the public inquiry by the Secretary of State has now been revised until May 2007. The Mayor's design panel for TGB met in March and advised the project on the tender requirements to promote design quality.

2.19 West London Tram(*)

Milestones	Current Plan Date	Actual / F'cast Date	RAG
TfL Board submission for approval to deposit (TWO) Application	30-11-2006	23-10-2007	■
Deposit (TWO) Application	31-03-2007	31-12-2007	■
End of objection period	18-05-2007	31-03-2008	■

The project is to undertake feasibility work, and prepare and submit a Transport & Works Act Order application to obtain powers for the tram scheme linking Uxbridge with Shepherd's Bush.

Following a review with the Commissioner of the draft reference business case in March 2007, it was agreed to postpone the TWA Order submission until the end of the year in order to do analyse in more detail the alternative bus option for comparison purposes, further review highway impact scenarios and the resultant impact on the overall business case.

2.20 Stratford Regional Station Upgrade

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Obtain Planning Consent and Powers	31-08-2006	14-11-2006	Completed
Complete Scheme definition and programme	30-03-2007	30-03-2007	Completed

This project is to undertake the scheme definition for the Stratford Regional Station upgrade. Stratford Station is an Olympic Critical Interchange Station which is surrounded by a major property development, the Stratford City Development. Overall completion to meet the Olympics programme is Quarter 4 2010.

Following the ODA securing £104m funding for the project, it was agreed that responsibility for managing the implementation of the station upgrade would transfer to the ODA. Transition from TfL to the ODA programme management is underway with a forecast completion date of the end of June 2007.

3. Other projects

- 3.1 This section reports on the remainder of the top 10 projects identified from the latest Oversight risk categorisation process which have a value below £100m and are therefore not included in the section 2. It also includes other noteworthy projects in the quarter as identified through the Investment Management Review (IMR) process.

London Underground

3.2 Olympic Works (station accessibility)

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Southfields Design Complete	September 2007	September 2008	■
Green Park Design Complete	June 2008	March 2009	■
Baker Street Design Complete	June 2009	June 2009	●

This programme provides step-free access at three Games-critical stations; Southfields, Green Park and Baker Street (SSL only).

Following operational input, the scope of Southfields has been increased to incorporate the ticket hall reconfiguration. An integrated step-free access and station refurbishment Concept Design (Phase 2) commenced in April 2007.

Baker Street is in Concept Design (Phase 2) stage as an integrated scheme with the PPP Modernisation. The programme is currently on target to meet the Olympic delivery date.

Green Park funding for Concept Design (Phase 2) has been approved and work will start in May 2007.

3.3 Connect Airwave

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Contract award	30-06-2006	20-01-2007	Completed
Commissioning of 5 lines complete	31-10-2007	31-10-2007	●

This project enhances the emergency services' communication system on the Underground by expanding coverage and capacity. The contract was awarded in January 2007 and all work is now progressing as planned with a total of 78 Enhanced Base Transceiver Systems swapped out. The Thales works, resourcing the installations/swap-outs on the East London Line (ELL), are complete and O2 Airwave has encrypted the Base Radios with the appropriate security codes in preparation for testing.

Surface Transport

3.4 iBus

Milestones	Current Plan Date	Actual / F'cast Date	RAG
System Acceptance	08-12-2006	19-01-2007	Completed
First Garage Application	04-05-2007	22-06-2007	▲
Final Acceptance	21-01-2009	21-01-2009	●

The iBus project is to procure and implement a radio communication and Automatic Vehicle Location (AVL) solution. This will improve quality of information to customers, including on-bus and at bus stops, and reduce the current risk of a system failure.

Siemens has completed System Acceptance testing milestone on 19 January 2007 in line with the rebaselined projections. This stage has proven the core system functionality enabling the project to proceed to the next phase, the First Garage Application, which tests the system in a live environment. Final Acceptance is still forecast to be completed by January 2009.

3.5 A406 Bounds Green

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Submit Planning Application	30-11-2006	30-11-2006	Completed
Compulsory Purchase and Side Road Orders	31-05-2007	31-05-2007	●
Public Inquiry	21-04-2008	21-04-2008	●
Commence Construction	30-06-2009	30-06-2009	●
Complete Construction	30-04-2011	30-04-2011	●

The project will make a number of safety and environmental improvements along Telford Rd, Bowes Rd and the North Circular Rd between the A109 Bounds Green Rd/Station Rd and Chequers Way. The Compulsory Purchase and Side Roads Orders were submitted in draft to the Government Office for the North East. A Public Inquiry, if required, is currently planned to be completed by April 2008, with construction forecast to commence by the end of June 2009. The scheme continues to forecast completion in April 2011.

3.6 Bus Priority – TLRN Schemes

Milestones	Current Plan Date	Actual / F'cast Date	RAG
8 Bus Lane Schemes Completed	31-03-2007	31-03-2007	Completed

This investment programme covers the preliminary and detailed design, consultation and implementation of physical bus priority measures on the TLRN. The small number of schemes which were carried over from 2005/06 into this financial year have now been completed. Also, all eight bus lane schemes scheduled for completion in 2006/07 were completed by the end of Quarter 4.

3.7 Dial-a-Ride Scheduling System

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Complete migration of depots to new system	30-04-06	30-11-07	■
Introduce Mobile Data Terminals in all vehicles to transmit trip information	30-09-06	30-09-07	■

The implementation of a scheduling and booking system will make more efficient use of vehicles and drivers. This will lead to a reduction in refusal rates, better scheduling leading to increased travel opportunities, improved call answering and same day booking.

Since dual system running commenced in October, depot 3 (Paddington) has successfully migrated to the Management Control Centre. Planned migration of the Palmers Green depot is progressing for completion to a revised target of May 2007.

3.8 Low Emission Zone (LEZ) (*)

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Mayoral decision on Scheme Order	04-05-2007	04-05-2007	●
Go-Live for Vehicle Registration	30-07-2007	30-07-2007	●
Go-Live for Payments	29-10-2007	29-10-2007	●
Scheme Go-Live for HGVs (Euro III std for PM10)	31-01-2008	04-02-2008	▲

The LEZ is being introduced to cut harmful emissions from lorries, coaches and buses to improve air quality across the Capital by quickly reducing pollutants that are harmful to human health.

The Scheme Order Consultation was completed in February 2007. The report to the Mayor on the consultation for the scheme order was submitted on 20 April 2007.

3.9 East London Transit (Phase 1a)

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Public Consultation Report complete	01-04-2006	31-05-2007	■
Detailed design complete	01-07-2006	31-05-2007	■
Invitation to Tender	23-03-2007	05-07-2007	■
Service starts	31-12-2007	01-10-2009	■

The East London Transit (Phase 1a) project is to establish a 9km route between Ilford, Barking and Dagenham Dock with new dedicated access through Barking Town Centre and a package of highway measures including signal-based bus priority and enhanced enforcement due to be completed in 2009.

After long delays in making a decision, the London Borough of Barking and Dagenham approved the route through the town centre on 10 April 2007 with several conditions, some of which are outside TfL's control. These include funding for market stallholders by London Thames Gateway Development Corporation and others and identification of funding for the works to Barking Station bridge. Due to the delay in the approvals and additional requirements, procurement activity has started later than originally planned which has also impacted the expected start date for the service.

3.10 Greenwich Waterfront Transit (Phase 1)

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Public Consultation (start)	21-09-2007	21-09-2007	●
Detailed Design	09-06-2008	09-06-2008	●
Complete construction	25-06-2010	25-06-2010	●
Services commence	31-08-2010	18-05-2011	■

This project will establish a 13km bus transit route from Abbey Wood to North Greenwich via Woolwich, part of which will be a segregated busway, to be completed by 2011.

The preferred route option has now been identified through studies commissioned by TfL. Initial design work has been commissioned. Presentations and road shows to key local stakeholders, including Bexley Council have received positive feedback. The delay to service commencement reflects additional time that has been included in the programme arising from the complexity of the implementation which became apparent through detailed planning.

3.11 DLR Dagenham Dock Extension

Milestones	Current Plan Date	Actual / F'cast Date	RAG
Submit TWA Order Application	31-01-2008	31-01-2008	●
TWA Powers Granted	31-01-2009	31-01-2009	●

This project covers the future extension of the DLR from Gallions Reach through the Barking Riverside development area involving 4.5km of new railway and up to 5 new stations. Currently funding covers only ongoing feasibility and development work to TWA application and milestones are dependent on further funding approval.

Following the public consultation exercise started in January 2007 in which 65,000 leaflets were distributed, the project received 1,200 responses. A shortlist of route options has been identified and a team mobilised to undertake a detailed appraisal of these options.

4. PPP/PFI Investment

This section reports on performance and contractual issues relating to Indirectly Managed expenditure.

4.1 London Underground

The PPP requires Metronet and Tube Lines to provide a high level of renewal and upgrade of track, signals and stations in the first half of the 30 year contract. Set out below is the performance for each Infraco.

Tube Lines

- Track – completed 14.9km against the 10.9km planned in the 2006/07 Annual Asset Management Plan (AAMP) to Quarter 4.
- Lifts and escalators – 12 escalators have been refurbished to Quarter 4 out of 16 escalators and 4 lifts in the 2006/07 AAMP.
- Stations – 11 stations have been modernised or refurbished according to plan this year.

Metronet SSL

- Track – completed 12.5km of the 13.1km planned to Quarter 4.
- Lifts and escalators – to Quarter 4, one escalator has been replaced and three escalators have been refurbished as planned at the start of the year.
- Stations – two stations have been modernised and thirteen have been refurbished since transfer (and a further 2 declared) but none of the stations due this year have been delivered. (One of the stations declared this year was due this year).

Metronet BCV

- Track – 13.4km of the 14.7km planned to Quarter 4 have been completed.
- Lifts and escalators – two lifts have been replaced, one escalator has been installed and four escalators have been refurbished compared to 2 lifts and 6 escalators planned at the start of the year.
- Stations – three stations have been modernised this year, the only ones since transfer and ten stations have been refurbished since transfer (and one declared). These were originally due from previous years.

Metronet's station programme is severely delayed with all 16 SSL and 9 BCV stations not completed on schedule to date, with some more than 13 periods late.

4.2 Connect Works (*)

Milestones	Current Plan Date	Actual / F'cast Date	RAG
District Line go live	23-10-2006	11-10-2006	Completed
Circle, Hammersmith & City line go live	31-12-2006	08-11-2006	Completed
Metropolitan Line go live	31-12-2006	11-12-2006	Completed
Connect – 4 Lines Radio Systems Go-Live	29-02-2008	29-02-2008	●

Connect is a 20-year PFI contract to upgrade and maintain the radio and transmission system used through the network.

In this quarter the Victoria and Metropolitan Lines went live. The next quarter see the handover of the Bakerloo Line and the Piccadilly Line (interim solution) by the end of June 2007.

4.3 Power Works

Milestones	Current Plan Date	Actual / F'cast Date	RAG
VLU Power Upgrade – award construction contract	30-06-2006	20-03-2007	Completed
SSL – Issue first S&D Package include LU Approval	30-11-2007	30-11-2007	●
VLU – Manor House DC protection Upgrade Complete	31-03-2008	31-03-2008	●
VLU Power Upgrade – Bulk supply points delivered into service	09-03-2009	09-03-2009	●

The negotiation of the terms of the variation for the Victoria Line Power Upgrade with EDF Energy Powerlink was concluded in Quarter 3. The Full Authority Notice was awarded on 20 March 2007, behind programme. This delay was offset to some extent by the commencement of advance works and the project is expected to complete on time. The completion of the project is planned for December 2009, later than the PPP obligation date of 16 June 2009. The actual 'power on' date will still be in line with the PPP obligations on LU.

For the power upgrades on the SSL lines, the procurement strategy is planned for approval in the next quarter.

For the Central Line Power Upgrade, the conceptual design was completed this Quarter, with scoping and development now under way.

For the Northern and Jubilee Line Power Upgrades, the conceptual design work is now complete. Work is underway on scoping and development.

5. Olympics

The Funding Agreement between ODA and TfL was signed on 26 March 2007 outlining the projects to be funded by the ODA as well as the process for obtaining authority for funds. Progress on TfL's contribution to the London 2012 Olympic Games is reported each period to the Olympic Delivery Authority (ODA). The latest report is attached in **Annex 1**.

6. Investment Programme - Resources

- 6.1 TfL has developed Project PYRAMID to mitigate two strategic risks. These are:
- Insufficient Project and Programme Management (PPM) capability or capacity to deliver its publicised programme of capital projects and
 - Failure to maximise the development of internal PPM staff to deliver the 5-year Investment Programme (5IP) and other major projects.
- 6.2 PYRAMID's overall vision is **“to enhance the capability of TfL's Project and Programme Management (PPM) community to deliver world-class programmes and projects for London”**.
- 6.3 To date the project has delivered a competency framework, an on-line development needs assessment tool and a portfolio of development opportunities (almost 600 places offered up to 31 March 2007). The PYRAMID Development Tool enables members at all levels of TfL's PPM community to assess their project management knowledge and skills against a recognised competency framework (aligned to the APM Body of Knowledge). Users are given feedback on their capability strengths and weaknesses and presented with possible development opportunities to address identified 'gaps'.
- 6.4 The project has identified and created a PPM community and there are currently over 1,200 permanent individuals across TfL who have registered to be part of this community. The PYRAMID team are now focussing on developing opportunities for the Senior Project and Programme Managers (Levels 4 and 5) across TfL. This includes a Sponsorship, Advanced Project Management and Advanced Programme Management interventions and the team are currently undertaking a needs analysis process with input from a wide variety of stakeholders from across the business.
- 6.5 As the mid-point of the 5 year Investment Plan (5IP) approaches, a PPM event titled 'The Half-time Team Talk' has been organised for 15 May 2007. The event will be held at the new Arsenal Emirates Football Stadium (an excellent example of project delivered to time and budget) where networking and knowledge sharing between the different modes of TfL will be facilitated. This event will include contributions from a range of TfL's senior project managers, as well as the Commissioner, Peter Hendy, and the Chief Executive of the Olympic Delivery Authority; David Higgins. Around 400 people from 1,200 strong PPM community have been invited to the event.

7. Investment Programme – Financial Progress

Total Investment Programme Expenditure £ millions	Full Year		
	Actual	Budget	Variance to Budget
Capital Expenditure			
LUL (after overprogramming) ¹	322	383	(61)
Surface (after overprogramming)	212	246	(34)
London Rail	180	182	(2)
Group Directorates	27	28	(1)
Overprogramming (group level only)		(70)	70
<i>Total Capital Expenditure (after overprogramming)</i>	740	770	(29)
Development & Borough Expenditure	208	210	(2)
<i>Directly Managed Expenditure</i>	949	980	(31)
<i>Indirectly Managed Expenditure</i>	1,377	1,400	(23)
Total Gross Investment Expenditure	2,326	2,380	(54)

Tables may be subject to rounding errors

Total Investment Expenditure²

Total Gross Investment Expenditure for the year after overprogramming totalled £2,326m, £54m below budget and as forecast at Quarter 3 (£2,325m).

Directly Managed (Including Capital Expenditure)

Net Value of Works Done (VOWD) on projects directly managed by TfL (including Development and Borough expenditure) at the end of the year was £31m under budget after overprogramming.

London Underground's capital expenditure after overprogramming was £61m below budget for the full year. This is mainly due to £45m lower spend on CTRL Works at King's Cross after delays in Phase 2 (offset by lower capital receipts), £28m lower spend on station accessibility works following rephasing of accessibility and congestion relief projects and savings on the main works contract at Shepherds Bush.

¹ In a programme as complex as the Investment Programme, TfL recognises that there will be circumstances largely outside of its control which will lead to unforeseen delays and other changes. Overprogramming recognises this fact and enables TfL to mitigate this risk.

² Investment expenditure includes expenditure of a capital nature but which is delivered through PPP, PFI, through the London Boroughs or other contractual arrangements and therefore is treated as operating expenditure in TfL's Statutory Accounts and development work up to Transport Works Act Order.

Full year capital expenditure for Surface was £34m lower than budget due to lower than budgeted expenditure on improvement works on the TLRN due to tendering and design delays.

London Rail was £2m below budget by the end of the year as under spend in East London Line due to the late award of the Main Works contract was offset by unbudgeted expenditure for Beckton land, acceleration of the purchase for DLR Olympic rail cars and advance procurement for DLR infrastructure maintenance.

Indirectly Managed

Expenditure on indirectly managed projects at the end of the financial year was £1,377m, £23m less than budget. Section 4 provides further detail.

Appendix Three:

Transport for London
Olympic Transport Portfolio Executive Report
Fourth quarter, 2006/07

Transport for London



TfL's Transport Portfolio Executive Report for the London 2012 Olympic Games and Paralympic Games

Quarter 4 2006/07



Report Details: Period Covered: 4 March 2007 to 31 March 2007

Owner: Steve Allen

Introduction:

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

The projects are divided into two categories:

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

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

Key Highlights:

- Package 6 (DLR main works) tenders for Stratford International DLR Extension were received on 12 March 2007.
- Work on the Woolwich Arsenal up tunnel commenced on 14 March 2007 and is progressing well.
- An ORN dependency workshop was held on 23 March 2007.
- The Funding Agreement between ODA and TfL was signed on 26 March 2007.
- The final (94th) DLR vehicle to be refurbished was brought back into service on 30 March 2007.
- The basis of the ODA funding for North London Railway Infrastructure Project was agreed with TfL in the period.

Post Period End:

- The London Borough of Barking and Dagenham reached agreement at their Cabinet Meeting on 10 April 2007 which will now enable the East London Transit scheme to proceed.
- Contracts for the ORN stage 3 (outline design and costing) were let and started on programme on 2 April 2007.
- Taylor Woodrow was appointed contractor for the DLR 3 Car infrastructure works on 03 May 2007.

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

London Rail

East London Line Extension *

During the period, the Main Contractor provided a programme with key implementation milestones established. All significant major sub-contracts have now been awarded. A price for the rolling stock maintenance facility has been received which is currently being analysed. An Invitation to Tender has been issued for GRIP 5 and GRIP 6 Bridge GE19 (over Great Eastern Railway) demolition works as well as for GRIP 5 Design for the Network Rail Works. A decision on the Access Option from the Office for Rail Regulator (ORR) has been elevated to its Board and is awaited.

North London Railway (NLR) - Stations Improvement Programme **

The Best and Final Offer (BAFO) bidders station plans are being evaluation in support of the concession award process and interviews with the bidders have been conducted to clarify outstanding points. The BAFO bids will inform on the quantum of remodelling that can be accommodated in the current business plan period. Work is ongoing on the power and data communications infrastructure required for the start of the concession. Engagement with stakeholders on London Rail's generic station enhancement plans is continuing and will continue throughout the summer. The transfer of the stations south of New Cross Gate from DfT to the LRC has been agreed in principal for 31 May 09. Work on producing proposals for remodelling selected southern stations is ongoing and is due to be completed in the next period.

DLR Woolwich Arsenal/3 Car Railcars *

The first vehicle is now expected by October 2007 to facilitate a design change. The design phase is nearing completion and although there have been some delays, it is expected that these will be progressively caught up as the vehicles are delivered.

DLR 3 Car North Route **

The Public Inquiry closed on 7 March 2007 and the Inspector's report is expected by the end of the summer, with a decision by the Secretary of State for Transport expected by October 2007.

DLR 3 Car Bank-Lewisham *

The evaluation of the tenders, originally returned on 21 December 2006 for Package 1 and 2 from Costain and Taylor Woodrow, continued in the period and various meetings have been held to progress the re-pricing with the bidders. The TfL Board approved the award of the contract to either bidder subject to the Commissioner's sign off. The successful contractor was announced as Taylor Woodrow on 03 May 2007. Work continued on the commissioning of the first stage of the Beckton Depot expansion, which is due to complete in June 2007 with the second stage to follow its completion.

Stratford Regional DLR Station *

The opening of the south platform has now been reprogrammed for the end of June 2007. This is due to the long lead items required for the command and control centre taking longer to be procured than expected, despite assurances from the contractor, Hochtief. The overall completion is now expected to be October 2007.

London City Airport DLR Extension *

The project has been completed.

Woolwich Arsenal DLR Extension *

Work on refurbishing the tunnel boring machine has progressed well with the second drive commencing on 14 March 2007. By the end of the period, the tunnel boring machine had driven 91.5m. Civil works continued during the period at Woolwich Arsenal and are progressing well.

Stratford International DLR Extension **

Following contract award for Package 8 (Network Rail Interface), Skanska / Grant Rail have now completed site mobilisation, along with preparing method statements for Network Rail possessions and cable alignment. The descopeing exercise for Package 6 (North London Line Works) tender process was completed and issued to the three bidders. The re-pricing documents were returned on 23 April 2007. Package 7 was awarded as part of the DLR 3 Car works on 03 May 2007.

DLR Railcar Refurbishment **

The final (94th) vehicle re-entered service on 30 March 2007. The project is now complete.

London Underground

LU Line Upgrades PPP BCV (Victoria Element) **

Train 1 was not delivered to London as planned on 6 April 2007 due to outstanding issues on the gapping, brake software, propulsion and train management system. It is now expected to be delivered in May.

The VLU programme has a contractual delivery date of 17 August 2013. The VLU is not a Games deliverable. Metronet has adopted an aggressive 2-year early delivery date. This accelerated target delivery date is slipping primarily due to delays in the signal component. The most current programme information indicates that barring future delays, the journey time capability will be available by February 2012. However, the only delivery date that can be enforced through the contract remains the contract commitment date. LU recognises its obligation to maintain the service level of the Victoria Line consistent with its Games related commitments.

LU Line Upgrades – PPP JNP (Jubilee Elements) *

The current key project deliverables in this portfolio are signalling upgrades to the Jubilee Line. Trains are running 3 months behind the advance schedule, but the slippage will not impact the contractual delivery dates for the upgrades as the projects are benchmarked against a 9 month early finish programme. Conversion for the new rolling stock is behind schedule due to longer than expected modifications of the first train. The fourth train has now entered service. However, an incident with the fifth train will delay the programme by a possible two months.

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

Metronet BCV has a contractual obligation to modernise and refurbish 55 stations during the first 7.5 year review period. To date, BCV has delivered into service 13 stations with 42 remaining. Metronet has declared one station as Delivered into Service in the period which is currently being reviewed.

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

Tube Lines has a contractual obligation to modernise and refurbish 97 stations during the first 7.5 year review period. To date, Tube Lines has Delivered into Service 31 stations with 66 remaining.

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

Metronet SSL has a contractual obligation to modernise and refurbish 77 stations during the first 7.5 year review period. To date, Metronet has delivered into service 15 stations with 62 remaining. Metronet has declared a further 2 stations Delivered into Service in the period which are currently being reviewed.

CTRL at King's Cross (Northern Ticket Hall) **

Completion of Phase 1, including refurbishment of the Metropolitan and Circle Line platforms was achieved on 10 December 2006. For Phase 2, the tunnelling works and excavation of the Northern ticket hall have been slow due to poor productivity. Levels of supervision and resources have been increased to improve the productivity and recover the situation. The overall project remains on target to deliver the Northern Ticket Hall roof slab to Network Rail for September 2008 with the overall completion date remaining unchanged at December 2010.

LU Extensions – Piccadilly Line Extensions to Heathrow T5*

Progress is on plan to deliver the Piccadilly Line Extension to Heathrow Terminal 5 Project (PiccEx) in March 2008. The T4 Loop reopened successfully in September 2006 as planned. The next deliverable is the commencement of Trial Operations, which was due to take place in March 2007. However, Heathrow Airport Ltd is currently reviewing the date for handover to London Underground which will allow the commencement of Trial Operations. Due to delays in the developer's programme for the station, it is now expected the handover will be July 2007.

Wembley Park**

This project was completed on 15 May 2006.

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

Green Park: Funding for Concept Design (Phase 2) has been approved and work will start in May 2007.

Baker Street: Currently at Concept Design (Phase 2) stage as an integrated scheme with the PPP Modernisation programme. The programme is currently on target to meet the delivery date for the Games.

Southfields: Following the operational input, the scope of Southfields has been increased to incorporate the ticket hall reconfiguration. An integrated step-free access and station refurbishment Concept Design (Phase 2) commenced on April 2007.

North Greenwich Congestion Relief**

This project is to provide additional access and egress to this station in anticipation of the current development including the construction of a stadium. Substantial completion was achieved by the end of January 2007. Currently some minor snagging is underway with closeout of the project due in June 2007.

Surface Transport

East London Transit *

As noted last period, The London Borough of Barking and Dagenham reached agreement at their Cabinet Meeting on 10 April which will now enable the scheme to proceed. The borough needs to relocate part of the market in Barking town centre, and plan to achieve this by January 2009, which will then give TfL access to undertake the ELT works on this key section of route. A revised project programme is being developed.

Greenwich Waterfront Transit Phase 1**

Optioneering and design works continued in this project this period to meet the revised introduction date of autumn 2011. Initial site visits were also undertaken together with a well received presentation to the Bexley Council Borough Liaison meeting on 12 March 2007. The project team also attended a stakeholder road-show on 23 March 2007 in Woolwich Town Centre and met with local MP Nick Raynsford to explain the project.

* Denotes: Projects in the guarantee from TfL

** Denotes: Other infrastructure projects that may support the Games

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

London Rail

North London Railway Infrastructure Project

The basis of the ODA funding was agreed between ODA and TfL. The GRIP 2 design development work suffered minor slippage although Network Rail maintain that the overall completion of both GRIP2 and GRIP 3 remain on target with GRIP 2 expected to be achieved by end of May 2007 and GRIP 3 by end August 2007. Work is underway to place a signalling contract and a Prime Contract in June 2007.

DLR Olympics Additional Railcars

The design of these railcars is ongoing and is being carried out in conjunction with the Woolwich Arsenal / 3 Car railcars. It is envisaged that the delivery will follow that of the Woolwich Arsenal / 3 Car railcars, which are scheduled for delivery in 2007/08.

DLR 3 Car Poplar – Woolwich Arsenal

The tender returns for package 4 (Poplar to Woolwich Arsenal/Poplar Canning Town) were received on 21 December 2006 and are currently being evaluated along with the main 3 Car Works project.

DLR Olympics Station Capacity Improvements

This is being progressed as part of the 3 Car North Route and 3 Car Poplar-Woolwich Arsenal projects. Development work is currently being funded out of the main 3 Car budget.

DLR West Route Signalling Improvements

A fixed price for the works has been received from Alcatel which is being discussed with the supplier. A contract is scheduled to be awarded in May 2007 subject to clarification of a number of issues.

DLR West Route Resilience

This project is being procured as part of the 3 Car Bank-Lewisham project. For detailed project updates please refer to the 3 Car Bank-Lewisham report. Commercial negotiations are ongoing with a number of issues to be clarified before agreement can be reached.

London Underground

LU West Ham (Station)

Tube Lines are currently working on the feasibility study which is on plan to be completed by May 2007 and the scheme design report which is expected in September 2007. The largest risk is from third party development activities around West Ham station which may impact on the Design Option. A stakeholder workshop was held to agree the option going forward. A review of the option is to be held next period.

Surface Transport

Cycle Route Enhancements and Walking Routes

Further to the identification of a core network of walking and cycling routes for the Olympic Park and River Zone venues, a series of planning meetings with borough officers took place in March to discuss route development in more detail. A programme of infrastructure proposals is in the process of being put together to be submitted through TfL's business planning process. Regular meetings take place with the ORN team, to identify and tackle likely interfaces between walking and cycling initiatives and the Olympic Road Network.

The Active Spectator Programme (ASP) and specific initiatives within that to promote active travel in the context of London 2012, is being taken forward. The ASP is being developed in partnership with the ODA, TfL Travel Demand Management and stakeholder groups.

Olympic Route Network (ORN) Carriageways & Junction Improvements

Following the ITT for Stage 3 (outline design and cost estimates), three consultants were appointed as follows. Faber Maunsell (covering East and South Core Areas (including Olympic Park and River Zone)), Mouchel Parkman (covering Outer Area) and Atkins (covering West Core (including Central Zone)).

TfL's Network Assurance Team is preparing a draft procedure for assessment of notifications of utilities or street works schemes affecting the ORN.

An ORN dependency workshop was held on 23 March 2007. Representatives from TfL's Transport Policing & Enforcement Directorate participated in the inaugural meeting to discuss and develop the scope of functionality for the OTOC.

Meetings were held between stakeholders to consider the options for Olympic Family Selective Vehicle Detection Technology.

There was a good response to the ORN-utilities awareness stand at London Highways Authorities & Utilities Committee Expo held on 27 March 2007 which attracted a lot of interest. Nearly 200 people visited and took away information packs from the packs. The next step is to meet with senior representatives of the main utilities.

Enhancements to TfL Local Bus Services for Spectators

A scoping plan for the bus services and driver procurement was prepared in the period and was subsequently sent to the ODA in early April. This is currently under discussion.

LTCC (London Traffic Control Centre) Development

A business case for the initial stage of the project (Feasibility, Requirements, Analysis and Design), incorporating a high level schedule has been completed and submitted for internal approvals.

Finance and Planning

Stratford Regional Station Upgrade

The transition from TfL to ODA programme management is progressing towards a projected completion date at the end of June 2007, with resources being released on a gradual basis. Working relationships with the ODA remain positive. The ODA has agreed in principle to fund all the detailed design works undertaken by the TfL programme management team from the previously approved budget.

Key Programme Risks

Stratford Regional Station Upgrade

Whilst the funding gap has been resolved through discussion with ODA, risks to the programme exist if critical railway possessions booked for summer 2007 are missed. The situation continues to be monitored although the project is now managed by the ODA.

Issues / Decisions

Relocation of bus garages from Waterden Road

Reports on the planning applications for West Ham and Wyke Road bus garages are being prepared for the London Thames Gateway Development Corporation (LTGDC). While the reports are not yet available, the one in respect of Wyke Road by LB Tower Hamlets is expected to be favourable while that by LB Newham about West Ham is not. The LTGDC decision is now expected in June. LB Newham continue to oppose use of the West Ham site as a bus garage and consultants working on their behalf have submitted an outline planning application for a site at Beckton. TfL has rejected this as an inappropriate location for garages relocating from Waterden Road, although the site might be appropriate for a bus garage to cater for bus network expansion in the future. TfL, LDA and ODA all consider that the West Ham site is the most appropriate

LDA is arranging for asbestos removal and demolition at West Ham, and while there was no progress during period 13, it began on 23 April 2007. The delay will have an impact on completion of the new garage.

Discussions continue with both bus companies regarding the relocation of staff car parking at Waterden Road after the Hackney Stadium site was no longer available, and also for access to the garages once an access barrier is erected at the northern end and the southern end is blocked off.

Interim arrangements are being discussed with LDA and the bus operators so that all the Waterden Road sites are vacated by the end of December 2007.

Independent Engineer Status Report	
Previous reviews Nothing to report this period	
Recent Reviews 3 Car North Route 3 Car Bank – Lewisham DLR 3 Car Poplar – Woolwich Arsenal Greenwich Waterfront Transit Stratford Regional Station Stratford International DLR Extension East London Transit Phase 1a East London Line	Date Completed* - Previously reported Completed* - Previously reported Completed* - Previously reported Completed - Previously reported Completed - Previously reported Completed - Previously reported Completed - Previously reported Completed - Previously reported Completed - Previously reported * Completed as part of one review
The following is an indicative programme of Games related Independent Engineer reviews for 2007/8	
Woolwich Arsenal DLR Extension 3 Car Railcars & Olympic Railcars Olympic Bus Route Network Improvements Programme Olympic Route Network London Traffic Control Centre King's Cross CTRL West Ham Olympics Works Olympics Accessibility (Southfields, Green Park, Baker St) East London Line Extension North London Railway Stations	Quarter 1 2007/8 Quarter 2 2007/8 Quarter 2 2007/8 (Timing to be confirmed) Quarter 3 2007/8 (Timing to be confirmed) Quarter 3 2007/8 (Timing to be confirmed) Quarter 3 2007/8 Quarter 3 2007/8 Quarter 4 2007/8 Quarter 4 2007/8 Quarter 4 2007/8

Milestones

●	Project on schedule
▲	Project behind schedule
■	Project behind schedule impacting Games delivery

TfL Funded

East London Line Extension (LR – PJ01)

	Original Plan	Actual/forecast date	RAG status
Rolling Stock award contract	12/07/2006	31/08/2006	Completed
Second Stage Enabling Works Complete	07/12/2006	22/01/2007	Completed
Main works commence on site	08/02/2007	08/02/2007	Completed
Test running commences	31/01/2010	14/05/2009	●
Completion	29/06/2010	19/10/2009	●

North London Railway – Station Improvement Programme (LR – PJ33)

	Original Plan	Actual/forecast date	RAG status
Completion of Station Design proposals	30/10/2006	30/10/2006	Completed
Commence procurement and enabling works required for start of concession	01/11/2006	01/11/2006	Completed
Completion of initial station repairs	15/05/2008	15/05/2008	●

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

	Original Plan	Actual/forecast date	RAG status
First painted car body	30/09/2006	02/02/2007	Completed
First train delivered	31/08/2007	05/11/2007	▲
18 th Car in Service	30/04/2008	21/05/2008	▲
Last train delivered	31/12/2008	29/09/2008	●
All cars in service	28/02/2009	28/02/2009	●

DLR 3 Car North Route (LR – PJ05)

	Original Plan	Actual/forecast date	RAG status
Powers / consents granted	31/03/2007	31/10/2007	▲
Contract award	01/09/2007	01/09/2007	●
Construction work complete	31/12/2009	31/03/2010	▲
Operational date	31/03/2010	30/06/2010	▲

DLR 3 Car Bank – Lewisham (LR – PJ06)

	Original Plan	Actual/forecast date	RAG status
Beckton Depot completion	20/10/2006	10/06/2007	▲
Tender documents returned	30/11/2006	21/12/2006	Completed
Contract award	29/01/2007	27/04/2007	▲
Construction work starts	30/04/2007	01/05/2007	▲
Construction/Trackwork/Signalling complete	30/09/2009	30/09/2009	●
Service operational	31/10/2009	31/10/2009	●

Stratford Regional DLR Station (LR – PJ07)

	Original Plan	Actual/forecast date	RAG status
Start works	31/08/2005	01/08/2005	Completed
Completion of phase 1 (South Platform)	31/12/2006	18/06/2007	▲
Canopy complete	27/02/2007	31/03/2007	Completed
Completion	31/03/2007	08/10/2007	▲

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

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

Woolwich Arsenal DLR Extension (LR - PJ09/503)

	Original Plan	Actual/forecast date	RAG status
Appoint Concessionaire	31/05/2005	31/05/2005	Completed
Commence construction	31/03/2006	27/06/2005	Completed
Complete up tunnel	06/09/2006	19/12/2006	Completed
Complete down tunnel	31/07/2007	31/08/2007	▲
Project completion	31/12/2008	31/01/2009	▲

Stratford International DLR Extension (LR – PJ10)

	Original Plan	Actual/forecast date	RAG status
Submission of TWA application	30/09/2005	31/08/2005	Completed
Contract award package 8	01/12/2006	10/01/2007	Completed
TWA order powers granted	31/12/2006	25/10/2006	Completed
Contract award package 7	29/01/2007	03/05/2007	Completed
Contract award package 6	28/05/2007	11/05/2007	●
Commence Works	31/10/2007	09/03/2007	Completed
Complete Works	30/06/2010	30/06/2010	●

DLR Railcar Refurbishment (LR – PJ15)

	Original Plan	Actual/forecast date	RAG status
Completion of 94 th vehicle	30/11/2006	30/03/2007	Completed

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

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

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

	Original Plan	Actual/forecast date	RAG status
LUL acceptance of first section	June 2008	June 2008	●
Delivery last train	April 2008	April 2008	●
LUL acceptance of entire line	14/11/2009	14/11/2009	●

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

	Modernisations	Enhanced Refurbishments	Refurbishments	RAG
2004/05	1	0	4	Completed
2005/06	2	4	7	▲
2006/07	1	4	11	▲
2007/08	2	3	8	●
2008/09	6	6	7	●
2009/10	2	2	7	●

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

	Modernisations	Enhanced Refurbishments	Refurbishments	RAG
2004/05	0	0	3	Completed
2005/06	2	2	10	▲
2006/07	7	3	3	▲
2007/08	4	2	7	●
2008/09	1	1	1	●
2009/10	3	3	3	●

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

	Modernisations	Enhanced Refurbishments	Refurbishments	RAG
2004/05	4	6	0	Completed
2005/06	3	8	0	Completed
2006/07	7	4	0	Completed
2007/08	4	11	3	●
2008/09	5	3	1	●
2009/10	4	5	1	●
2010/11	3	6	18	●

CTRL at King's Cross (Northern Ticket Hall) (LU – PF41)

	Original Plan	Actual/forecast date	RAG status
Phase 1 Final completion	31/12/2006	10/12/2006	Completed
Phase 2 Final completion	31/12/2010	31/12/2010	●

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

	Original Plan	Actual/forecast date	RAG status
Re-opening of the T4 Loop	30/09/2006	17/09/2006	Completed
Opening of service to the new T5 at Heathrow	March 2008	March 2008	●

Wembley Park Station (LU – PJ 34)

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

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

	Original Plan	Actual/forecast date	RAG status
Completion of design for Green Park	June 2008	March 2009	▲
Completion of construction of Green Park	March 2011	September 2011	▲
Completion of design for Baker Street	June 2009	June 2009	●
Completion of construction for Baker Street*	March 2011	September 2011	▲
Completion of design for Southfields	September 2007	September 2008	▲
Completion of construction for Southfields*	March 2009	March 2010	▲

North Greenwich Congestion Relief (LU – PJ30)

	Original Plan	Actual/forecast date	RAG status
Substantial completion of station congestion relief	31/12/2006	31/01/2007	Completed

East London Transit Phase 1a (ST – PJ24)

	Original Plan	Actual/forecast date	RAG status
Infrastructure works complete	22/01/2008	TBC	▲
Service starts	16/02/2008	TBC	▲

Greenwich Waterfront Transit (ST – PJ25)

	Original Plan	Actual/forecast date	RAG status
Phase 1 Engineering feasibility complete	31/05/2005	25/02/2006	Completed
Handover of phase 1 to Surface Transport	01/06/2006	01/06/2006	Completed
Complete construction	25/06/2010	26/08/2011	▲
Service starts	31/08/2010	31/10/2011	▲

* Original Plan was amended to reflect correct dates.

PSFP Funded

DLR Olympic Additional Railcars (LR – PJ20)

	Original Plan	Actual/forecast date	RAG status
Final railcar delivered	31/12/2009	08/09/2009	●
Complete testing and commissioning	31/03/2010	31/03/2010	●
All cars in service	30/06/2010	30/06/2010	●

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

	Original Plan	Actual/forecast date	RAG status
Submit planning application	31/08/2006	02/08/2006	Completed
Award design and construction contract	31/12/2007	01/09/2007	▲
Service operational	31/03/2011	31/01/2010	●

DLR Olympic Stations Capacity Improvements (LR – PJ25)

	Original Plan	Actual/forecast date	RAG status
Submit planning application	31/12/2006	02/08/2006	Completed
Award construction contract	31/12/2008	31/12/2008	●
Works complete	31/03/2011	31/03/2011	●

DLR West Route Signalling Improvements (LR – PJ23)

	Original Plan	Actual/forecast date	RAG status
Contract award	31/05/2007	31/05/2007	●
Signal loop operational	31/03/2008	31/03/2008	●

LU West Ham Station

	Original Plan	Actual/forecast date	RAG status
Complete Stages C/D (including Approval In Principle)	December 2007	December 2007	●
Complete Stages E-G (including Compliance Submission)	August 2008	August 2008	●
Commence works on site	January 2009	January 2009	●
Project completion	February 2011	February 2011	●

Stratford Regional Station Upgrade (FP – PJ26)

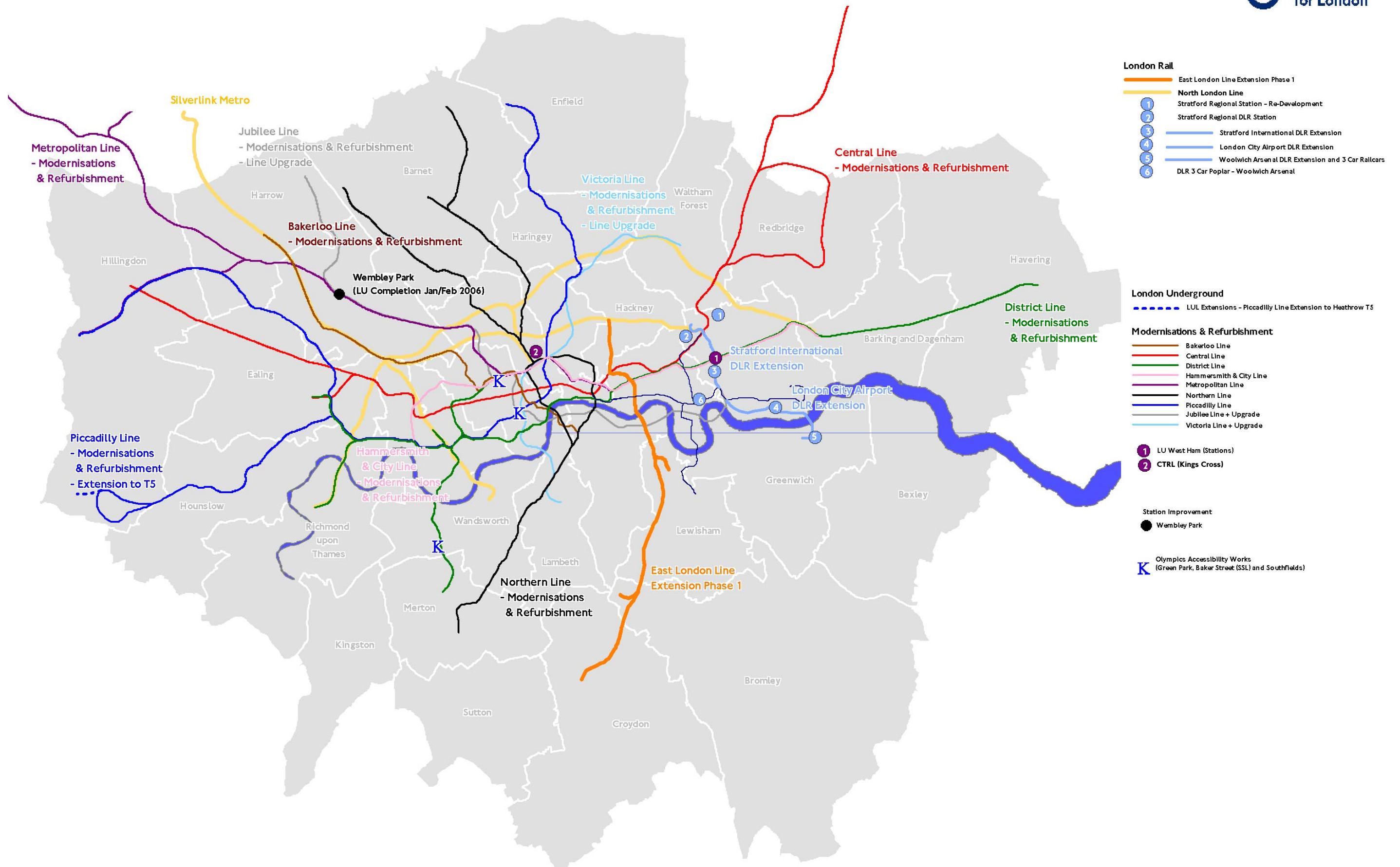
	Original Plan	Actual/forecast date	RAG status
Submit Updated Schemes Cost and Funding Proposals to Project Board	25/05/2006	25/05/2006	Completed
Commence Detail Design	24/05/2006	26/06/2006	Completed
Obtain Planning Consent and Powers	31/08/2006	30/11/2006	Completed
Complete Scheme Definition and Programme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

Programme/Project	Directly Managed?	Schedule Dates		Schedule (Calendar Years)																				Independent Engineer Schedule			
		Type	Finish	2006				2007				2008				2009				2010					2011	2012	
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
London Rail																											
LR-PJ01C East London Line Extension The East London Line Extension will extend and upgrade the existing East London Line and deliver interchange works around stations, particularly Dalston and Shoreditch High Street.	Y	BL (PIP) BL (CA) A/F	29/06/2010 29/06/2010 19/10/2009	◆	◆																						Q1 2006 Q3 2006 Q4 2007 Q4 2008
LR-PJ33C North London Railway - Stations Improvement Programme Improve service levels in the off-peak and weekends together with more attractive and secure stations.	Y	BL (PIP) BL (CA) A/F	31/03/2008 31/03/2008 31/03/2008					◆																			Q2 2007
LR-PJ04C Woolwich Arsenal/3 Car Railcars Procurement of 18 new railcars for 3 Car upgrade, this will increase the AM Peak Capacity from 17 tph (2 Car) to 15 tph(3 Car). In addition, procurement of 6 vehicles required to operate the planned service to and from Woolwich Arsenal.	Y	BL (PIP) BL (CA) A/F	28/02/2009 28/02/2009 28/02/2009					◆																			Q1 2007
LR-PJ05C 3 Car North Route This project will increase the capacity on the north route to Stratford by converting it to a double track route (it is currently partly a single track route).	Y	BL (PIP) BL (CA) A/F	31/08/2009 31/03/2010 30/06/2010					◆			◆																Q2 2006 Q1 2008 Q2 2009
LR-PJ06C 3 Car Bank-Lewisham This project covers the structural works (platform extensions, track realignment, viaduct strengthening) necessary for 3 car operations between Bank/Tower Gateway and Lewisham.	Y	BL (PIP) BL (CA) A/F	31/10/2009 31/10/2009 31/10/2009					◆			◆																Q2 2006 Q1 2008 Q2 2009
LR-PJ07C Stratford Regional DLR Station Provision of double track DLR platforms at Stratford Regional Station to replace existing single narrow platform.	Y	BL (PIP) BL (CA) A/F	31/03/2007 30/03/2007 30/04/2007																								
LR-PJ08C London City Airport DLR Extension This project covers the extension of DLR to London City Airport including intermediate stations at West Silvertown, Pontoon Dock and King George V with passive provision for two other stations to be opened in line with development.	Y	BL (PIP) BL (CA) A/F	31/12/2005 15/12/2005 02/12/2005																								
LR-PJ09C Woolwich Arsenal DLR Extension This project comprises an extension of the railway under the Thames from King George V to Woolwich Arsenal with new combined station at Woolwich Arsenal linking with town centre, buses, Connex rail services and Waterfront Transit.	Y	BL (PIP) BL (CA) A/F	31/12/2008 05/01/2009 31/01/2009					◆																			Q2 2007
LR-PJ10C Stratford International DLR Extension Extension of DLR from Canning Town using the existing North London Line alignment to Stratford Regional station with 3 new intermediate stations and new construction onwards to Stratford International Station.	Y	BL (PIP) BL (CA) A/F	31/12/2009 30/06/2010 30/06/2010			◆					◆																Q3 2006 Q2 2008
LR-PJ15C DLR Railcar Refurbishment This activity covers the management of the contract with Alstom to refurbish the existing fleet of 94 vehicles to improve reliability maintenance and enhancements that contribute to DLRs duties under the Disability Discrimination Act. Examples include: full audio & visual announcements, colour contrasting fittings for visually impaired, compliant wheel chair bay with call-for aid and exterior livery contrasts for visually impaired.	Y	BL (PIP) BL (CA) A/F	30/03/2006 30/11/2006 30/03/2007																								
London Underground																											
LU-PF20 LU Line Upgrades - PPP BCV (Victoria Element [Data shown is for Interim Upgrade - 5% capacity Increase capacity on an existing line. Infracos required to provide the capability for reduced journey times, to enable this. Achieved by co-ordinated renewal/replacement of assets, typically signals and rolling stock.	N	BL (PIP) BL (CA) A/F	31/12/2006 31/12/2006 31/12/2006																								
LU-PF21 LU Line Upgrades - PPP JNP (Jubilee Line Elements - 22% capability improvement eqv to capacity Increase capacity on an existing line. Infracos required to provide the capability for reduced journey times, to enable this. Achieved by co-ordinated renewal/replacement of assets, typically signals and rolling stock.	N	BL (PIP) BL (CA) A/F	14/11/2009 14/11/2009 14/11/2009					◆																			Q2 2007 Q4 2008
LU-PF32 LU Modernisations and Refurb - PPP BCV Stations are subject to three types of work: 1) Station modernisation – a major upgrade to stations; 2) Station refurbishment – a package of works to ensure there is no insidious decline in condition of station; and 3) Enhanced Station Refurbishment – a package of works to enhance ambience, reduce future maintenance requirements and to ensure there is no insidious decline in condition of station.	N	BL (PIP) BL (CA) A/F	31/03/2010 31/03/2010 31/03/2010					◆																			Q3 2007 Q1 2009 Q3 2010
LU-PF33 LU Modernisations and Refurb - PPP JNP Stations are subject to three types of work: 1) Station modernisation – a major upgrade to stations; 2) Station refurbishment – a package of works to ensure there is no insidious decline in condition of station; and 3) Enhanced Station Refurbishment – a package of works to enhance ambience, reduce future maintenance requirements and to ensure there is no insidious decline in condition of station.	N	BL (PIP) BL (CA) A/F	31/03/2010 31/03/2010 31/03/2010								◆																Q1 2012
LU-PF34 LU Modernisations and Refurb - PPP SSL Stations are subject to three types of work: 1) Station modernisation – a major upgrade to stations; 2) Station refurbishment – a package of works to ensure there is no insidious decline in condition of station; and 3) Enhanced Station Refurbishment – a package of works to enhance ambience, reduce future maintenance requirements and to ensure there is no insidious decline in condition of station.	N	BL (PIP) BL (CA) A/F	31/03/2010 31/03/2010 31/03/2010																								Q1 2008 Q3 2009 Q1 2011
LU-PF41 CTRL at Kings Cross (Northern Ticket Hall) Increased capacity at King's Cross St. Pancras station (LU) in the form of an expanded Tube Ticket hall, new Western ticket hall, and Northern ticket hall integrated with the Network rail Western Concourse.	Y	BL (PIP) BL (CA) A/F	31/12/2009 31/12/2010 31/12/2010	◆						◆																	Q3 2012
LU-PF45 LU Extensions - Piccadilly Line Extension to Heathrow T5 Extension to Piccadilly line west of the existing Heathrow airport Terminal 4 loop, via twin bored tunnels to serve a new station at Heathrow Terminal 5. The work is funded by BAA with LU contributing to the cost through a 30 year revenue sharing agreeme	Y	BL (PIP) BL (CA) A/F	31/12/2010 31/12/2010 30/03/2008					◆																			Q2 2006 Q1 2007 Q3 2008
LU-PJ34C Wembley Park The scheme includes: • an enlarged ticket hall concourse; • widening of the existing staircase from Olympic Way to the 'events' ticket hall, plus provision of a step-free access lift; • a new overbridge to the rear of the commuter ticket hall, with re-loc	Y	BL (PIP) BL (CA) A/F	31/05/2006 31/05/2006 31/05/2006																								2012 Olympics/Paralympics
<p>Note: All IE review dates are indicative</p> <p>End 5 Year TfL Investment Programme</p> <p>These indicative dates for the LU Line upgrades and Modernisation/Refurb programmes are based on the assumption of ongoing programme of works for the forward 5 yr IP.</p>																											

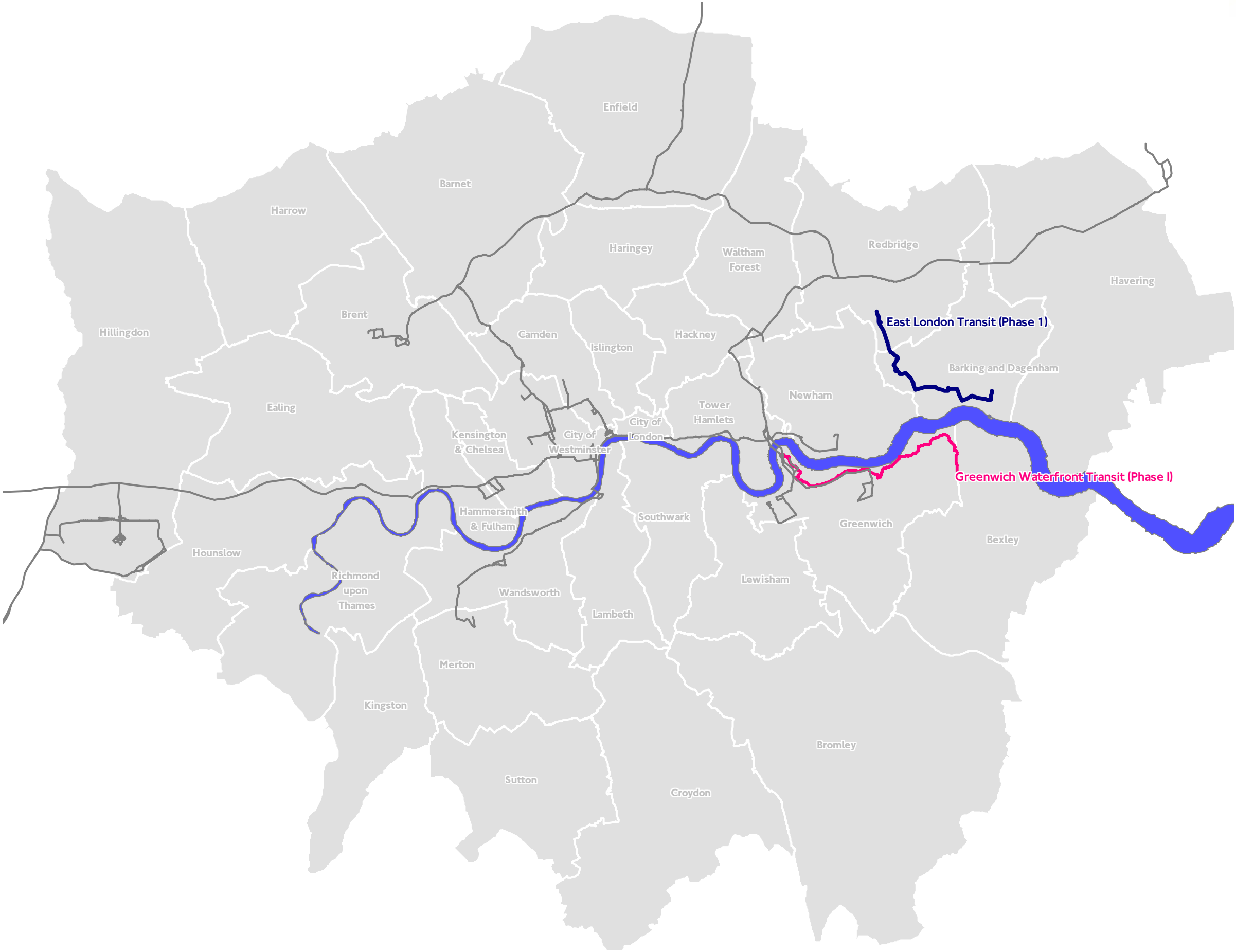
Programme/Project	Directly Managed?	Schedule Dates		Schedule (Calendar Years)																												Independent Engineer Schedule
		Type	Finish	2006				2007				2008				2009				2010				2011	2012	Indicative review dates						
		BL (PIP)	30/09/2011	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4									
Olympics Accessibility Works (Green Park, Baker Street (SSL) and Southfields) Subject to feasibility studies, installation of lifts at Green Park, Baker Street (sub-surface platforms), Southfields and High Street Kensington stations to provide step-free access from street to platform.	Y	BL (PIP)	30/09/2011																											Q2 2008 Q4 2008 Q1 2009		
North Greenwich Congestion Relief A significant increase in passenger vertical circulation capacity in key congested areas of the station.	Y	BL (PIP)	31/12/2006																													
Surface Transport																																
East London Transit Phase 1a 9km route between Ilford, Barking and Dagenham Dock with new dedicated access through Barking Town Centre and a package of highway measures including signal-based bus priority and enhanced enforcement due to be completed by February 2008	Y	BL (PIP)	16/02/2008																											Q3 2006		
Greenwich Waterfront Transit Phase 1 Project upgrades Abbey Wood – Thamesmead – Woolwich – North Greenwich corridor with high levels of bus priority, new sections of busway and improved access to Woolwich town centre.	Y	BL (PIP)	31/03/2010																											Q2 2006 Q4 2008		
London Rail																																
Network Rail North London Line 6 Car 8 tph (Olympic Infrastructure)	Y	BL (PIP)																												Q4 2008		
DLR Olympics Additional Railcars Procurement and delivery of 22 additional rail cars to provide for additional services required during the Olympics to meet spectator demand.	Y	BL (PIP)	30/06/2010																											Q2 2007 Q1 2009		
DLR 3 Car Poplar-Woolwich Arsenal Infrastructure upgrade at Blackwall and East India stations and signalling, communication and power modifications between Poplar and Woolwich stations to allow three car operations to and from Woolwich Arsenal during the Olympics	Y	BL (PIP)	31/03/2011																											Q2 2006 Q1 2008		
DLR Olympics Stations Capacity Improvements Increases to station capacity at Prince Regent (second exit to serve ExCel) and other network stations.	Y	BL (PIP)	31/03/2011																											Q3 2008 Q3 2010		
DLR West Route Signalling Improvements (Signal Loop & New Siding) Provision of a new signal loop between Westferry and Royal Mint Street junction to improve perturbation recovery time.	Y	BL (PIP)	31/03/2008																													
West Route Resilience Provision of additional resilience at Royal Mint Street to improve system recovery time.	Y	BL (PIP)	31/03/2010																											Q4 2008		
London Underground																																
LU West Ham (Stations) Improved access to West Ham station from the Olympic Park.	Y	BL (PIP)	28/08/2011																											Q3 2007 Q3 2009 Q1 2011		
Central Line Operational Enhancement Project (LU Resilience) This project improves operational resilience and reliability on the Central line by providing: • Additional reversing points; • Improved power supply to sustain higher service volumes. - SUBJECT TO CHANGE CONTROL FOR REMOVAL	Y	BL (PIP)	Cancelled																													
Surface Transport																																
Cycle Route Enhancements and Walking Routes Providing cycling and walking facilities to and from Olympic venues and at creating a sustainable legacy of the Games. Planned cycling measures include the implementation of new cycle routes, cycle parking facilities at stations and venues and promotional activities. Planned walking measures include the implementation of new walking routes, signage and promotional activities.	Y	BL (PIP)																												Q1 2009		
Olympic Route Network Carriageways The Olympic Route Network (ORN) is a pre-defined network of roads connecting all the Olympic competition and accommodation venues. Special traffic management measures and highway improvements will be implemented in order to give safe and secure priority movement to the cars and coaches that will transport the 'Olympic Family' during the Olympic and Paralympic Games. TfL are responsible for the delivery of the ORN requirements on the 257km network of non motorway roads within London.	Y	BL (PIP)																												Q3 2008		
Bus Route Network	Y	BL (PIP)																												Q1 2008		
LTCC Development Provision of Olympic Traffic Control Centre with Olympic Delivery Authority.	Y	BL (PIP)																												Q3 2008		
Finance and Planning																																
Stratford Regional Station Re-Development (Dates for submission of revised scheme cost and funding details to TfL) Completing feasibility study in collaboration with DfT and NR for the Stratford Regional Station Capacity Upgrade.	Y	BL (PIP)	24/05/2006																											Q3 2006		

Baseline (Published IP)
Baseline (Current Authorised)
Actual/Forecast
◆ Indicative IE review dates
 Public Sector Funding Package

TfL Olympic Transport Portfolio report - TfL Rail Schemes



TfL Olympic Transport Portfolio report - TfL Surface Schemes

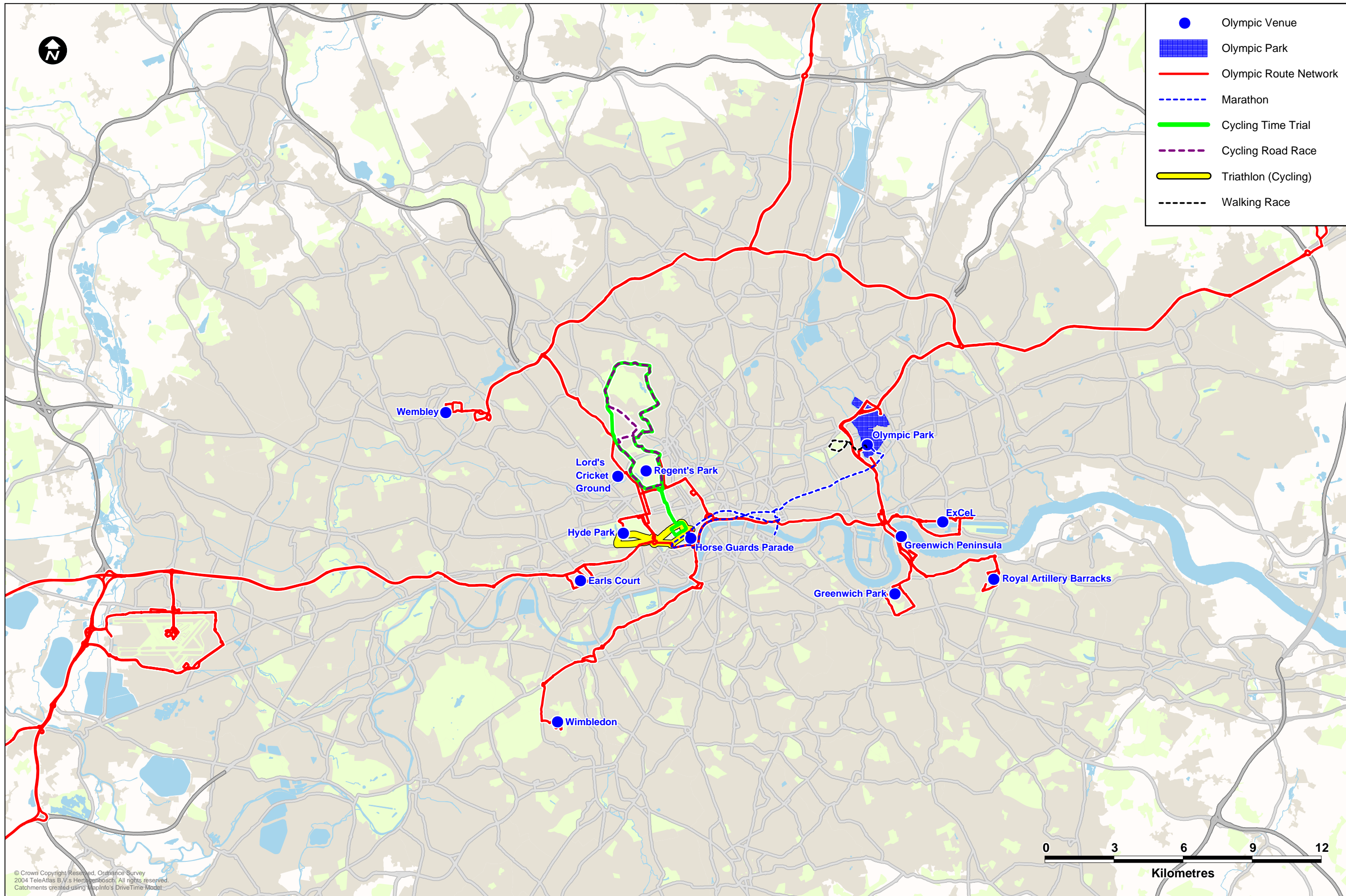


Surface Transport

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

To be Identified

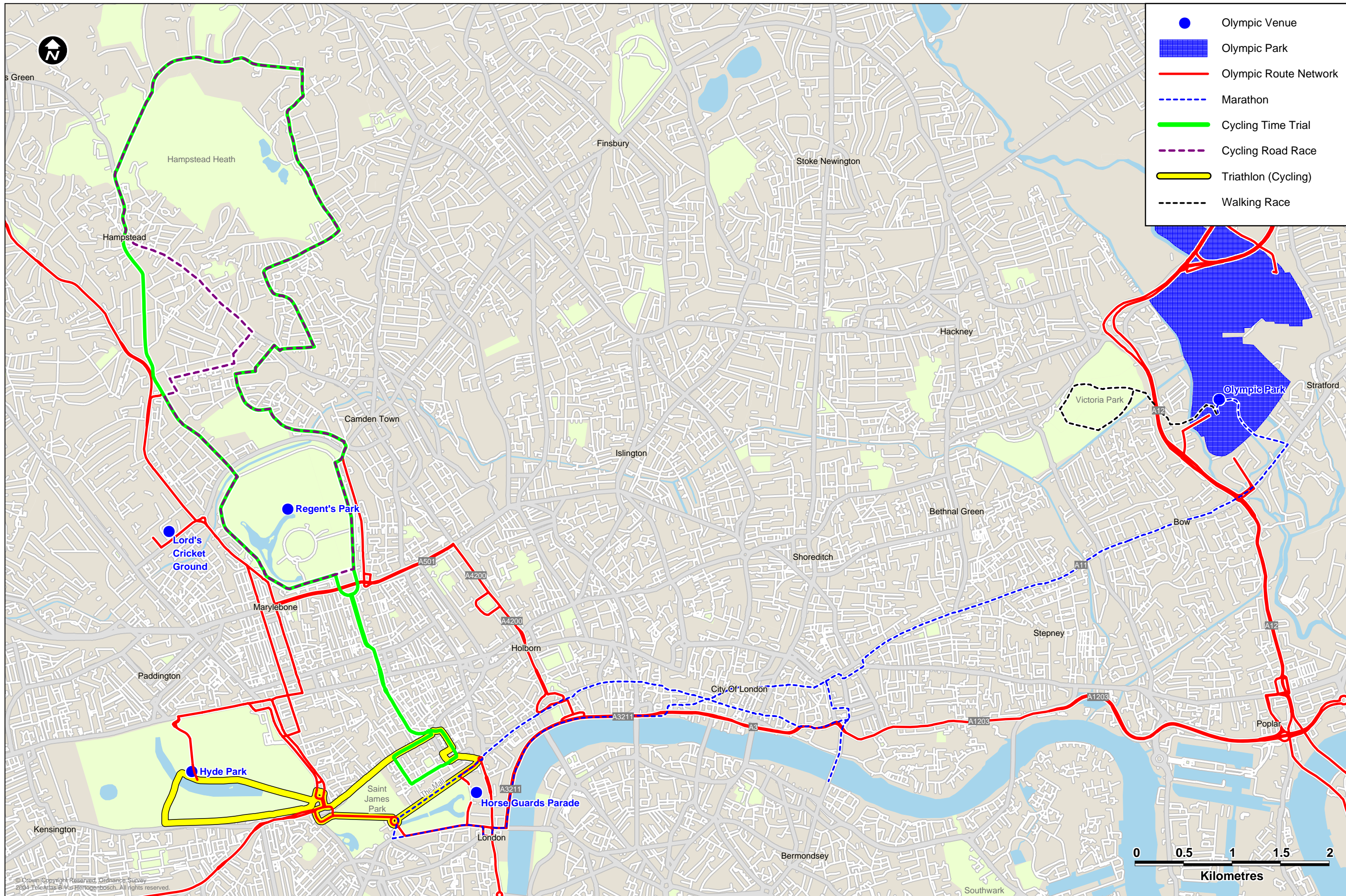
- (1) Cycle Route Enhancements & Walking Routes
- (2) Bus Route Network



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 Catchments created using MapInfo's DriveTime Model.

London 2012 Olympics

Figure 2: Olympic Route Network and On-Road Race Routes - London-wide



London 2012 Olympics

Figure 1: Olympic Route Network and On-Road Race Routes - Central London

TRANSPORT FOR LONDON

BOARD

SUBJECT: UPDATE ON SUSTAINABLE PROCUREMENT

MEETING DATE: 30 May 2007

1 Purpose

- 1.1 As presented to the Corporate and Equalities Advisory Panel on 18 May 2007 (agenda item 10), this paper is designed to give the Board an update on implementation progress of the GLA Group Sustainable Procurement Policy.

2 Background

- 2.1 The Mayor is "*seeking to develop London as an exemplary sustainable world city*". To meet this challenge, in March 2006 the members of the Greater London Authority (GLA) Group agreed a GLA Group Sustainable Procurement Policy outlining their approach to sustainable procurement.
- 2.2 The seven key themes of the GLA Group Sustainable Procurement Policy are:
- Encouraging a diverse base of suppliers
 - Promoting greater environmental sustainability
 - Promoting fair employment practices
 - Promoting workforce welfare
 - Meeting strategic labour needs and enabling training opportunities
 - Promoting community benefits
 - Encouraging ethical sourcing practices
- 2.3 On 31 March 2006 the Mayor issued a Direction and Delegation to TfL to adopt and implement the GLA Group Sustainable Procurement Policy. Under the GLA Act, TfL must comply with Directions of the Mayor when exercising its functions.

3 Sustainable Procurement Implementation Overview

- 3.1 Good progress has been made by TfL Group Procurement within a number of the themes listed in 2.2 above: the Supplier Diversity programme; promoting Environmental Sustainability; Promoting Fair Employment practices (through The London Living Wage programme); and Encouraging Ethical Sourcing Practices.

- 3.2 Both the Policy for The Mayor's Green Procurement Code and a Supplier Diversity Policy have been published. A number of procurement toolkits, consisting of guidance, processes and standard templates, have been developed to enable procurement professionals to incorporate both supplier diversity and "green" procurement requirements (including sustainable timber) into each step of the process, from specification to contract.
- 3.3 The TfL procurement procedures have been updated to include instructions and guidance on considerations to implement supplier diversity and "green" procurement requirements into the procurement process from the start. A draft TfL Ethical Sourcing Policy is currently being circulated for comment.
- 3.4 Incorporation of Sustainable Procurement requirements must be undertaken in compliance with relevant EU and UK law. Under UK Procurement Law, there must be no discrimination against other member states and requirements must relate to subject matter of contract. There must also be no positive discrimination that contravenes UK Employment Law. TfL must comply with its Best Value obligations by demonstrating value for money at all times.
- 3.5 Sustainable Procurement is being implemented in new contracts on a case-by-case basis and is being addressed as the procurement strategy is developed, rather than as an afterthought once contract terms and conditions have been agreed. Responsibility for monitoring Sustainable Procurement contract clauses is expected to sit with the TfL Project manager, unless otherwise agreed.
- 3.6 A Sustainable Procurement Working Group has been established, consisting of members from all procurement teams within TfL, which ensures implementation is optimised across the organisation. This working group complements the steering group chaired by the GLA, consisting of representatives from all Functional Bodies.
- 3.7 To ensure Sustainable Procurement and Supplier Diversity issues are addressed in every contract over £125,000, a section on Sustainable Procurement has been included within Modal and Group Procurement Strategy documents. The procurement agent is required to state which of the GLA Sustainable Procurement themes are included within the project, and justify why the remaining themes are not. The document is then signed by the agent, Procurement Manager and internal customer before the procurement commences.
- 3.8 Briefing sessions have taken place with each procurement team to introduce TfL's aims and aspirations for Sustainable Procurement to TfL Procurement agents and give an in depth understanding of Supplier Diversity and how to apply it. Briefing sessions are planned for each of the other GLA Sustainable Procurement themes.
- 3.9 Procurement teams have been given presentations explaining TfL's aims for Sustainable Procurement, specifically Supplier Diversity, to

use in discussions with key suppliers. TfL's Sustainable Procurement policies as well as the GLA Sustainable Procurement Policy are also available on the TfL web page. To improve visibility for suppliers, improvements to the TfL web page are currently underway.

4 Supplier Diversity

4.1 TfL is inserting Supplier Diversity requirements into OJEU, PQQs, ITTs and contract conditions, where relevant, including:

- Equality Policy
- Diversity Training Plan
- Supplier Diversity Plan
- Communications Plan

A matrix has also been developed to enable procurement agents to identify which of the four requirements should be included in particular procurement transactions depending on the nature of the contract.

4.2 As of May 2007, Supplier Diversity requirements have been included in a number of major and other procurement projects, including:

Project	Award Date
East London Line: Rolling Stock Manufacture & Maintenance	September 06
East London Line: Main Works	October 06
London Overground Operating Concession	April 07
East London Transit Main Works	June 07
Thames Gateway Bridge Main Works	Proposed 2013
DLR Concession Re-let	June 06
SAP Frameworks (various lots)	September 06
Highway Maintenance Contracts	December 06
IM Bespoke eLearning Framework	March 07
London Overground Ticket Vending Machines	May 07
Palestra Main Works	June 07
Traffic Control System Maintenance	October 07
London Road User Charging Contract	October 07

4.3 TfL Procurement is also undertaking a pilot scheme with existing suppliers on the Project Management & Engineering Framework, working with each to develop an action plan to achieve TfL's four Supplier Diversity requirements as set out in section 4.1 above.

4.4 The total value of purchase orders raised with diverse suppliers during 2006/7 was £152.6m, 9.5% of total spend. This can be broken down into:

- £149.4m (9.3%) with SMEs (Small and Medium Enterprises)
- £11.4m (0.71%) with self-classified BAMEs

- £9.6m (0.6%) with self-classified Female Owned companies

4.5 Meet the Buyer events are being hosted to help SME and BAME businesses build relationships between themselves, with TfL's major suppliers, and TfL itself.

4.6 TfL facilitated a Meet the Buyer event on 18 October 2006. A report was published highlighting the successes from the event:

- 603 suppliers attended to meet the 49 buying firms
- 2,737 supplier / buyer meetings took place against a pre-event forecast of 1,152
- 97% of clients surveyed on leaving the venue said they would attend again. They also said that 86% of the suppliers they met would definitely or probably win business in the future
- 97% of suppliers surveyed on leaving the venue said they would attend again
- 84% also said that they felt confident that they would win business in the future as a result of the event
- 22% of the firms attending confirmed that they were BAMEs which exceeded the pre-event target of 20% and up from 7% in 2003
- 16% of the firms attending were women majority owned. This is higher than in 2003 where the figure was 14%
- 81% of seminar attendees rated the seminars as meeting or exceeding expectations

5 Environmental Sustainability

5.1 Initial work to deliver greater environmental sustainability through procurement followed engagement with London Remade, the organisation responsible for delivering the Mayor's Green Procurement Code.

5.2 TfL progressed to the highest level of the Mayor's Green Procurement Code (level B2) in 2006 following the implementation of a pan-TfL green procurement programme. By agreeing to level B2, TfL must, with London Remade's assistance, set realistic targets and measure progress towards those targets. Progress is monitored both through the London Remade annual Purchase Report and dedicated green reporting requirements within TfL's terms and conditions of contract.

5.3 As of May 2007, Green Procurement requirements have been included in a number of major projects and other procurements, including:

Project	Award Date
London Underground Advertising Concession	July 06
Cleaning of Bus Station & Stands and On-Bus Cleaning	August 06

Project	Award Date
Bus Shelter Cleaning	August 06
Highway Maintenance Contracts	December 06
Group Furniture Contract	April 07
Traffic Control System Maintenance	April 07
London Overground Ticket Vending Machines	May 07
Palestra Main Works	June 07
London Road User Charging Contract	October 07

- 5.4 There have also been a number of “quick win” projects launched to support the Environmental Sustainability programme, including replacing bottled water coolers with plumbed-in units in head offices, replacing standard virgin A4 printer paper with 80% recycled paper (EP4) without a change in look or feel and giving greater visibility of “green” stationery products available for purchase on SAP.

6 Sustainable Timber

- 6.1 In February 2007, the GLA published the “Sustainable Timber Policy”. TfL has adopted the policy and developed contract terms, conditions and performance indicators that implement the policy.
- 6.2 The accepted certified schemes for sustainable timber are:
- Forest Stewardship Council (FSC)
 - Canadian Standards Association (CSA)
 - Programme for the Endorsement of Forest Certification (PEFC)
 - Sustainable Forestry Initiative (SFI)
- 6.3 Implementation is being led by the Group Furniture Contract (April 2007; initial value £12m).
- 6.4 Sustainable timber guidance notes and standard texts for new TfL contracts are now available for all TfL procurement personnel to use, where relevant.

7 Promoting Fair Employment through the London Living Wage (LLW)

- 7.1 The LLW rate for 2007/08 is £7.20 as of 2 April 2007 (the National Minimum Wage is £5.35). No direct TfL employees are paid below this rate.
- 7.2 In view of the new Age Regulations which came into force on 1 October 2006, the GLA has dropped the Youth Living Wage proposal and recognises that a lower rate may be paid to those in training posts.

7.3 A requirement to pay the London Living Wage has so far been included in four contracts:

Project	Award Date
Cleaning of Bus Station & Stands and On-Bus Cleaning	August 06
Victoria Coach Station Cleaning & Toilet Attendants	December 06
Highway Maintenance Contracts	December 06
Traffic Control System Maintenance	October 07

7.4 The benefits of implementing the LLW are difficult to quantify financially. However, the initial impact on the Cleaning of Bus Stations & on Bus Cleaning contract has been positive, with the contractor reporting:

- Easier recruitment
- Higher quality staff
- Lower turnover
- Better attendance
- Better productivity, motivation and loyalty

7.5 Detailed feedback is not yet available for the Victoria Coach Station Cleaning & Toilet Attendants contract, but initial reaction of staff appears to be good and similar effects as on the Bus Stations contract appear likely.

8 Encouraging Ethical Sourcing Practices

8.1 In December 2006, London Underground (LUL) became the first public sector body to join the Ethical Trading Initiative, a UK-based alliance of companies, NGOs and trade union organisations working to promote and improve the implementation of corporate codes of practice which cover supply chain working conditions.

8.2 As part of ETI membership, LUL has to submit an annual plan detailing how it will meet its membership obligations and an annual report detailing its findings from monitoring the supply chain in the previous year. It is also committed to joining any relevant ETI initiatives or activities.

8.3 The ETI Base Code will now be adopted and included in all future tenders and contracts for LUL uniform garments. The first contract was for the Supply of Uniform Footwear, awarded in January 2007; the contract commences in June 2007.

8.4 A draft pan-TfL Ethical Sourcing Policy has been produced and is being circulated internally for comment.

9 The Pan-GLA Sustainable Procurement Team

- 9.1 The Pan-GLA Team will work across the GLA functional bodies and be hosted by TfL. The team is needed to help the functional bodies, who are all grappling with the same issues. Accountability for implementation will remain with the functional bodies.
- 9.2 The team will:
- Champion sustainable procurement and provide training for each functional body
 - Act as a focus for best practice, practicable solutions, compliance and data collation
 - Develop detailed advice on procurement procedures and contract terms
 - Lead on jointly sponsored work
 - Advise on making functional bodies procurement processes more accessible
 - Monitor delivery against project plans and provide a verification function
- 9.3 All Functional Bodies have agreed in principle and have either approved or are obtaining approval to jointly fund the team, which is planned to be in place by the summer 2007. It is proposed that the team will be made up of approximately four procurement professionals.

10 Legal and Best Value Obligations

- 10.1 TfL understands that to include Sustainable Procurement requirements retrospectively into existing contracts could potentially be expensive. Implementation therefore focuses on relevant new contracts. The objective remains to achieve the requirements of the GLA Group Sustainable Procurement Policy within the existing financial constraints of the TfL Business Plan.
- 10.2 TfL is a "best value authority" under the Local Government Act 1999. Under the Act, TfL is required to carry out Best Value reviews. Elements of this are:
- challenge current service provision
 - compare itself to other best value authorities
 - consult with users
 - assess the competitiveness of the services provided.
- 10.3 Clearly, therefore, good, competitive procurement can play a key role, not only in delivery of these requirements but in being able to demonstrate that it has done so. The original requirement to review all services over a five year rolling programme has in recent years been relaxed so that TfL can focus its efforts in reviewing those services it feels need attention.

- 10.4 As well as TfL's Best Value obligations and general fiduciary duty, careful attention continues to legal and best practice requirements of public procurement law and employment law operating within the powers delegated by the Mayor.
- 10.5 The issues raised in each of these areas must be satisfactorily addressed in each procurement where Sustainable Procurement requirements are proposed to be implemented. Sustainable Procurement must, therefore, be implemented on a case by case basis and a blanket policy applying to all contracts would not be lawful.
- 10.6 Close evaluation of the GLA Group Sustainable Procurement Policy has led to the conclusion that a generic specification of this in contracts will dilute the implementation and scope. As not all the themes in section 2.2 may be relevant to the contract or may not apply equally or proportionately, the agreed approach is to judge which of the theme(s) is / are most relevant before converting this to a specification.
- 10.7 An example is the Thames Gateway Bridge, which includes several of the above mentioned relevant themes, namely supplier diversity, environmental considerations and the London Living Wage.

11 Recommendations

- 11.1 Board members are asked to **NOTE** the contents of this report.

Meeting	TfL Board
Date	30 May 2007
Title	TfL's Community Safety Plan 2007/08

Author	Jeroen Weimar	
Sponsor	David Brown	
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TRANSPORT FOR LONDON

BOARD

SUBJECT: TFL'S COMMUNITY SAFETY PLAN 2007/08

MEETING DATE: 30 May 2007

1. PURPOSE

- 1.1 The purpose of this report is to seek the Board's approval for the publication and implementation of TfL's 2007/08 Community Safety Plan.

2. BACKGROUND AND OBJECTIVES

- 2.1 The Community Safety Plan sets out what TfL is doing to further improve the safety and security of our transport services. It sets out clear priorities which underpin our work with the Metropolitan Police Service, British Transport Police, local authorities and other agencies across London. Above all we focus not just on reducing crime and disorder but also tackling concerns and anxieties that our passengers, staff and users have on and around London's transport system. This is an integral element of the Mayor's and TfL's vision of a world class transport system that delivers safe, reliable and efficient movement of people and goods that enhances London's economy, environment and social inclusion.
- 2.2 The Community Safety Plan is also a statement of TfL's commitment to the adoption of Section 17 of the Crime and Disorder Act 1998. This means that in exercising its various functions, TfL is obliged to consider the effects of all decisions and activities on crime and disorder, and take reasonable steps to prevent crime and disorder taking place.
- 2.3 The TfL Board voluntarily adopted the provision of Section 17 on 24 May 2006. The Home Office has recently undertaken a review of the Crime and Disorder Act 1998 and as a result TfL will be designated a responsible authority under the Crime and Disorder Act in Autumn 2007. This will place a statutory obligation on TfL to demonstrate compliance with section 17 and 'mainstream' the prevention of crime and disorder across all activities. The Police and Justice Act 2006 also broadened the scope of section 17 to include alongside the prevention of crime and disorder, the prevention of substance misuse and anti-social behaviour. A progress report on the implementation of section 17 by TfL will be presented to the Board later in 2007.

- 2.4 Safety and security is a significant influence over people's choice about how and when they travel in London. Crime and the fear of crime is a barrier to people's use of public transport and to walking and cycling.
- 2.5 The transport system in London is very safe and the risk of being a victim of crime is low. However thirty four per cent of Londoners in the 2006 MORI Annual Londoners Survey stated that improved personal safety was their top priority for London's transport system. Fear of being a victim of crime is disproportionately experienced by children, women, older people, people from minority ethnic groups and people with a disability. Negative media coverage of crime rates on public transport can further compound people's fear of using public transport, and of walking and cycling.
- 2.6 The perception of safety is strongly influenced by the visibility of policing and uniformed staff, security measures such as CCTV and help points, and physical appearance such as levels of cleanliness, graffiti and etching. Anti-social behaviour, such as passengers shouting, swearing, spitting or acting in a threatening or alarming manner can create a sense of vulnerability amongst the travelling public.
- 2.7 TfL's Community Safety Plan (attached) sets four clear strategic priorities to address safety and security on the transport system:
- Improving the perception of safety and security on the transport system.
 - Reducing anti-social behaviour on the transport system.
 - Reducing the level of crime on the transport system focusing on violence against the person, robbery, sexual offences, hate crime, criminal damage, fare evasion and theft.
 - Reducing the number of casualties on London's roads caused by criminal or anti-social behaviour.
- 2.8 The Plan also describes the principles of partnership, prevention and problem solving underpinning TfL's approach to community safety. It discusses the challenges of monitoring and measuring patterns and trends in crime and anti-social behaviour and assessing the impact of community safety interventions. The Plan highlights the significant new initiatives underway in 2007/08, including:
- Introduction of safer transport teams into twenty one outer London boroughs to provide public reassurance and work with partners to tackle anti-social behaviour on the transport system.
 - Delivering a major public awareness and media campaign to tackle unwanted behaviour on the transport system.
 - Strengthening the adoption of section 17 Principles across all TfL's businesses and activities.

- Improving safety and security on London overground lines working in partnership with the British Transport Police and Metropolitan Police Service.
- 2.9 The Plan also demonstrates the importance of partnership working – with the British Transport Police, Metropolitan Police Service, London boroughs, Greater London Authority, Government Office for London, local Crime and Disorder Reduction Partnerships, Network Rail, train and bus operating companies, transport organisations and community groups – to making a sustained impact on crime, anti-social behaviour and the fear of crime on the transport system. The Community Safety Plan suggests that the London Transport Crime and Disorder Group will oversee delivery. The Plan also suggests that new partnerships are created with London Travel Watch, London’s older people strategy group and the Young Londoners peer outreach project to strengthen the engagement of key groups in this area.
- 2.10 The Community Safety Plan is the outcome of the consultation on TfL’s draft crime and disorder strategy. The crime and disorder strategy was published for consultation in January 2007. This was the first time that TfL engaged in public and stakeholder consultation on its vision, priorities and activities to meet the Mayor’s and TfL’s objective of improving safety and security on the transport system. The draft strategy was circulated to a wide range of stakeholders; a number of presentations were also made, for example to London Travel Watch, the London Crime and Disorder Reduction Partnerships and London Councils’ Crime Forum. Consultation closed at the end of February and over forty responses were received.
- 2.11 As a result of the consultation the draft crime and disorder strategy was revised and updated. The main revisions include:
- Incorporating a new priority reflecting TfL's and partners' current activity on road safety. The new strategic priority is to reduce the number of casualties on London’s roads caused by criminal and anti-social behaviour.
 - Changing the name from TfL’s Crime and Disorder Strategy to TfL’s Community Safety Plan, to reflect the recommendations from the Home Office and the new guidance anticipated following the review of the Crime and Disorder Act 1998, recommending that local Crime and Disorder Reduction Partnerships produce and update rolling community safety plans.
 - Reducing the document length by editing and removing duplication.
- 2.12 TfL’s Community Safety Plan will be reviewed and updated on an annual basis. The 2008/09 Plan will be supported by the publication of a strategic assessment of crime, anti-social behaviour and perception on the transport system.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial implications for TfL in approving this Plan. However progress against the strategic priorities set out in this Plan will require on-going investment in policing services and community safety activity.

4. CRIME AND DISORDER IMPLICATIONS

- 4.1 This Plan provides TfL a framework for action on crime and disorder reduction. One of the significant new initiatives included in the action Plan for 2007/08 is enhancing the roll-out of section 17 of the Crime and Disorder Act awareness across all TfL's businesses and activities.

5. EQUALITIES AND INCLUSION

- 5.1 TfL's Community Safety Plan demonstrates how crime, antisocial behaviour and the fear of crime disproportionately impacts on disadvantaged groups. The Plan states that social inclusion is one of the core principles underpinning TfL's policies and activities in this area, and that success will be measured by the impact of activities on the poorest communities, and on those people unwilling to use public transport because of fear of victimisation.

6. SUSTAINABILITY

- 6.1 TfL's Community Safety Plan explains how crime, fear of crime and anti-social behaviour can act as a barrier to people using public transport, walking and cycling. Action by TfL to improve community safety will help achieve modal shift and contribute to the targets set in the Mayor's Climate Change Action Plan. Action in this area also enhances the public realm and contributes to the sustainability of local communities.

7. RECOMMENDATION

- 7.1 That the Board **approves** the publication and implementation of TfL's Community Safety Plan 2007/08 and receives a report on progress in implementing the Plan in May 2008.

Transport for London Community Safety Plan 2007/08

Foreword

Transport for London's vision is to create a world class transport system that delivers safe, reliable and efficient movement of people and goods, enhancing London's economy, environment and social inclusion. (Transport 2025: Transport vision for a growing world city TfL 2006). Fundamental to this vision is the provision of a safe and secure environment where people can travel, work and operate without fear of crime or having to tolerate unwanted behaviour.

TfL and the Mayor of London are wholly committed to improving safety and security on the transport system and tackling the issues that matter most to passengers and staff. This plan sets out TfL's approach to delivering, with partners, significant improvements in the public experience of travelling and working on London's transport system. Tackling crime and anti-social behaviour is a top priority for TfL and integral to the Mayor's vision for London. It is a priority shared with our partners in the British Transport Police, Metropolitan Police Service, City of London Police, London's Community Safety Partnership¹, London's local Crime and Disorder Reduction Partnerships (CDRPs), Network Rail, train and bus operating companies, transport organisations and community groups. Only through effective partnership action with these organisations and groups will TfL deliver its vision of a safe, reliable, inclusive and efficient transport system.

This document is TfL's first published community safety plan. It has been developed following extensive consultation with a wide range of organisations interested in community safety and in public transport, road safety, cycling and walking in London. The consultation was based on TfL's draft crime and disorder reduction strategy published in January 2007.

In line with the new arrangements introduced by the Police and Justice Act 2006, the publication of this plan indicates the start of the process for TfL of reviewing policies and practice in this area and updating and publishing an annual plan detailing objectives and activities to reduce crime, fear of crime and anti-social behaviour. The content of future plans will be shaped by the publication of a strategic assessment.

TfL hopes that this plan will serve to inform and reassure passengers and road users, staff, partners and the wider community that we are committed to working in partnership to provide the safe, world class transport system that London deserves. Equally important, TfL intends that this plan stimulates and engages others to work with us to improve transport safety and security.

¹ Members of the LCSP include the Greater London Authority, Metropolitan Police Authority, Metropolitan Police Service, Government Office for London, London Councils, LFEPA, London Youth Justice Board, London Probation, Prison Service, National Treatment Agency, Home Office, Transport for London, NHS, representatives of the London local authorities Chief Executives,

Introduction

About TfL

Transport for London (TfL) is responsible for the capital's transport system. TfL's role is to implement the Mayor's transport strategy for London and manage the transport services for which the Mayor has responsibility. TfL is accountable for both the delivery and planning of transport services which enables it to take an integrated approach to how people, goods and services move around London.

TfL manages London's buses, the Underground, the Docklands Light Railway (DLR), trams, 580 km of main roads (commonly called the Transport for London Road Network TLRN or red routes), all of London's 4,600 traffic lights and regulated taxis and the licensed private hire trade. It works with London boroughs to apply the Traffic Management Act 2004 on the 510km of Strategic Road Network. It runs Victoria Coach Station, London Transport Museum, London's congestion charge scheme. It exercises a degree of control over London's river boat services by licensing the use of TfL owned piers. From November 2007 TfL will take responsibility for the current Silverlink Metro overground railway network – the Watford DC line from Euston to Watford junction, the North London line from Richmond to Stratford and the Gospel Oak to Barking line. This will be known as London Overground and will expand to include the East London line from 2010 following major redevelopment of this line. For more information on TfL services go to www.tfl.gov.uk

Safety and security on the transport system is of paramount importance to TfL. TfL wants passengers, staff and the communities it serves to be safe and feel safe on and around London's transport system. In support of this, TfL has voluntarily adopted section 17 of the Crime and Disorder Act 1998. This means that in exercising all its functions TfL will consider the likely effect on crime, disorder and community safety, and do all that it reasonably can to prevent crime and disorder, substance misuse, anti-social behaviour and behaviour that adversely affects the environment. Over the next year TfL will further expand the adoption of section 17 across all areas of the organisation and will be asking partners, in particular the GLA group and local CDRPs to help assess its impact and success.

Policing the transport system in London

The policing picture for London's transport system is complex.

The British Transport Police (BTP) is responsible for policing London Underground, the Docklands Light Railway, Croydon Tramlink and overground rail and stations in London. London is served by three BTP areas – London Underground area covers the tube and DLR; London North covers overground rail and stations in north London and beyond north and east as far as East Anglia; London South covers overground stations and rail in south London, Croydon Tramlink and the south east of England. An Assistant Chief Constable position has recently been created and an appoint made by BTP with responsibility for the Olympics and improving integration between the BTP areas in London.

The Metropolitan Police Service (MPS) is responsible for policing London's roads and wider environment. TfL fully funds a dedicated police operational command unit within the MPS – the Transport OCU (TOCU) – to provide additional police support to London's buses, licensed taxis and mini-cabs and to help reduce congestion, bus flow and enforce red route parking restrictions. MPS Traffic OCU is a specialist unit committed to reducing the number of traffic related deaths, injuries and crimes on London's roads. Traffic OCU also plays a major role in traffic management and reducing congestion, in line with the Traffic Management Act 2004. Both the specialist units – Traffic OCU and Transport OCU are part of central operations within the MPS.

Territorial policing is a separate division within the MPS often referred to as London's local police service. The thirty two borough operational command units within territorial policing all play some role in policing roads and the transport system. TfL and the MPS territorial policing division have recently entered into a new partnership to further fund additional police support to the transport system in outer London, through the safer transport initiative. This creates dedicated police teams, called Safer Transport Teams, similar to the safer neighbourhood teams, to provide public reassurance, address anti-social behaviour and the fear of crime, amongst the staff and users of the local transport system.

TfL's Transport policing and enforcement directorate

Crime and disorder reduction policy and activities are led within TfL by the transport policing and enforcement directorate (TPED). TPED aims to:

- Prevent unwanted behaviour affecting TfL's transport system and the communities we serve.
- Improve public confidence in transport policing and enforcement services and through this, London's transport system.
- Enable our staff and our partners to deliver excellence.

Unwanted behaviour encompasses all types of behaviour that have a detrimental effect on the safety, perception of safety, efficiency and effectiveness of the transport system. This includes illegal parking, road contraventions and fare evasion as well as behaviours such as aggression, pushing, playing loud music, spitting, criminal damage, theft and robbery. Crime and anti-social behaviour are an important sub-set of unwanted behaviour, but much of the behaviour TPED is responding to is not criminal. Many perpetrators of crime and anti-social behaviour are also responsible for other types of unwanted behaviour on the transport system and in the wider community. Unwanted behaviour on the transport system can also generate more serious crime and anti-social behaviour.

TPED strives to secure a safe transport system for London that displays a number of features:

- visible control – uniformed staff providing a reassuring presence signalling control over the environment, who are empowered, knowledgeable and responsive to users of London’s transport system;
- passengers paying the proper fare in the knowledge that others who should pay do so;
- users of the transport system respecting each other, staff who work on the system and its infrastructure;
- Taxi and private hire vehicles driven by people who are licensed and quality assured, serving passengers who know they are in safe hands during their trip;
- Bus lanes and a road network free of obstructions and unauthorised users so that traffic flows freely. Works on the network completed in a timely fashion with minimum inconvenience to other road users and residents;
- Streets safe for all users, with road users travelling at the correct speeds, respectful and mindful of cyclists and pedestrians.

TfL’s funding profile

TfL has a budget of around £140 million per year for transport policing. Direct funding in policing is only a fraction of the overall investment by TfL in community safety. TfL’s resources are invested under contract in policing services – fully funding British Transport Police on the London Underground and DLR; the dedicated Transport OCU within the Metropolitan Police Service and part funding the Safer Transport Teams. In addition, TfL also deploys over three hundred revenue protection officers working on the bus network, 200 revenue control officers on the Underground system and over 200 traffic enforcement staff.

In 2007/08 TfL’s investment in policing services will fund:

- Over 1,200 uniformed officers in the MPS transport operational command unit (TOCU) with responsibility for policing the bus, taxi and road network;
- 236 out of 441 additional uniformed officers in MPS safer transport teams to provide visible policing and reassurance on the transport system in outer London;
- 40+ officers in MPS Traffic OCU;

- Over 700 uniformed British Transport Police officers on the Underground and Docklands Light Railway and
- 100 uniformed officers in the British Transport Police on the overground rail in London, providing reassurance and rapid deployment to crime hotspots.

TfL's Achievements

This section highlights some of TfL's recent achievements in reducing crime, disorder and anti-social behaviour.

TOCU

The MPS transport operational command unit was set up in 2002 and now comprises over 1,200 uniformed officers including police, PCSOs and traffic wardens providing dedicated policing to tackle crime and disorder on the bus network; help improve the flow of buses and traffic on red routes, work to reduce traffic congestion and take enforcement action against unlicensed taxi and minicabs and touting. TOCU has made over 25,000 arrests in the last five years.

CCTV

All London's 8000 buses are equipped with CCTV cameras as are all London Underground stations. CCTV is also being progressively rolled out to London Underground trains and overground rail stations. CCTV reassures the public and acts as a major deterrent to criminals. It is a valuable tool in apprehending perpetrators of crime on the network and providing evidence to secure convictions. CCTV was vital in the police investigation of the terrorist atrocities in July 2005.

BusTag

Operation BusTag is a joint TfL/TOCU initiative set up in 2005 to combat criminal damage and anti-social behaviour on buses. Operation BusTag has tripled the arrest rate for offences such as graffiti, window etching, seat and window damage and arson, and now has a conviction rate of more than 90%. CCTV investigation is a vital component in its success. Operation BusTag won the Safer London Foundation problem solving award 2007.

Safer travel at night (STAN)

A Mayoral priority, the Safer Travel at Night (STAN) campaign is a partnership between the GLA, MPS and TfL. STAN combines awareness-raising and enforcement to reduce the risks associated with travelling at night. Sexual assaults in unlicensed cabs have fallen each year since the STAN initiative began and female usage of illegal cabs has reduced by 89%. In 2006 STAN won the 14th annual Goldstein Award for Problem Orientated Policing, a prestigious international award.

CompStat

TfL in partnership with the BTP has successfully introduced a US style performance management process, Compstat, into the British Transport Police to drive improvements in performance. Compstat uses timely and accurate intelligence to provide a rapid policing response using effective tactics, with relentless follow-up from senior managers in TfL and BTP.

DNA Spit Kits

TfL introduced DNA saliva kits to all London Underground stations in an effort to further tackle workplace violence and bring perpetrators to justice. Seventy per cent of samples sent for testing come back with a match. This initiative is contributing to making London Underground a safer place to work. Best practice is being extended to other modes.

Workplace Violence Unit

A joint London Underground/BTP Workplace Violence Unit has been established which is working towards establishing a centre of excellence on all workplace violence matters. The aims of the Unit are to:

1. To improve both the level and the standard of staff assault investigation
2. To provide enhanced care to victims through the criminal justice process
3. To ensure more cases are successfully prosecuted

A small number of London Underground staff focus on statement taking, CCTV collection, victim care and supporting individuals through the court process. Police officers are free to concentrate on detection of the crime and assembling evidence for prosecution. This has resulted in cases moving more quickly through the criminal justice system. More importantly, detection levels for staff assaults are now at an all-time high of almost fifty per cent.

Challenges

Terrorism - the terrorist attacks on London's transport system in July 2005 highlight the importance of efforts to improve safety and security on London's transport system. London faces a real, wide-ranging and ever present threat of terrorism, and minimising this risk is at the forefront of all community safety efforts. Core activities such as visible, responsive policing; problem-solving approaches to crime prevention and community engagement actively support the prevention of terrorism as well as help to reduce crime and the fear of crime.

London's growth and development – The Mayor's London Plan describes population and employment growth in London with over 800,000 extra people and 900,000 extra jobs forecast over the next 20 years. This is projected to increase total travel in London by 4 million additional journeys made per day by 2025. To meet this growth in a sustainable way, overall public transport capacity needs to grow by at least 40 per cent. London's roads mostly operate at maximum capacity and, in some cases, beyond that capacity. The Traffic Management Act 2004 requires TfL and other highway authorities to ensure expeditious movement for all users of their network. Construction work on London's roads is set to increase due to the repair and maintenance required on ageing infrastructure and urban regeneration posing a significant challenge for TfL and the management of the road network.

In November 2006 TfL published Transport 2025 – Transport Vision for a Growing World City (T2025). T2025 sets out the continued investment required and the means to increase public transport capacity. A safe and secure system is an essential component of delivering this vision. Without growth in public transport and effective management of the road network London's economic position will be challenged and the prosperity of the UK will be significantly undermined.

Olympics – London will host the 2012 Olympic and Paralympic Games. TfL, working with partners, will ensure that London is well-equipped to deliver a safe, secure and efficient transport system for the Games, and to build on the legacy benefits both in regeneration of east London and in the capital as a whole.

Climate change – In February 2007 the Mayor of London published his Climate Change Action Plan for London. It sets a target of reducing carbon emissions to 60 per cent below 1990 levels by 2025, limiting the amount of carbon dioxide produced to 600 million tonnes.

The actions required now to achieve this target include changing the way Londoners travel. This means providing attractive alternatives to car travel through continued investment in public transport, walking and cycling. Anti-social behaviour is a major barrier to public transport use². Reducing anti-social behaviour and improving public

² TfL Safety and security study Synovate 2006

confidence in the transport system is fundamental to achieving the modal shift that London's sustainability requires.

Social inclusion – fear of crime and anti-social behaviour acts as a barrier to public transport usage in London. The transport system is very safe and the risk of being a victim of crime is very low. However, fear of crime and anti-social behaviour has a disproportionate impact on some groups of Londoners, such as older people, disabled Londoners, women and people from Black, Asian and ethnic minority communities further exacerbating social exclusion and denying access to employment, services, cultural opportunities and activities.

Framework for the community safety plan

Crime and anti-social behaviour on the transport system

London's transport system remains a safe and low crime environment.

The Underground provides more than three million passengers journeys a day with an average of fewer than two robberies a day. The likelihood of a bus passenger being a victim of crime is reducing, with only one allegation of a crime per 48,000 passenger journeys made. Allegations of violent assaults³ per passenger are at the lowest for three years with just one allegation per 328,000 passenger journeys. A passenger is also less likely to be a victim of theft on the bus network now than over the last three years, with just one allegation of theft per 117,000 journeys. This is an 11% improvement on 2005/06.

However fifty one per cent of Londoners cited 'concern about anti-social behaviour' as a deterrent to using public transport in a recent survey. Fear of crime prevents forty per cent of women and BAME residents surveyed from using public transport more often. The threatening behaviour of other passengers, large groups of youths and drunken passengers were the main reasons given as causing concern when using public transport. Passengers were most likely to be concerned for their personal safety while waiting at a stop or station after dark. Nearly one in three Londoners surveyed had witnessed a crime and one in ten had been a victim of crime in the last two years. Sixty five per cent of Londoners had experienced what they defined as anti-social behaviour while travelling, most frequently on the street and on buses. (Safety and security when travelling around London: Synovate January 2007).

Road safety has improved significantly in London over the past five years. The number of people killed and seriously injured in traffic accidents has reduced by over 40%. However, the proportion of collisions on London's roads due to hit and run has been rising markedly over the last 20 years, from around 6% in 1985 to 15% by 2004. For 2004 'hit and runs' were resulted in 19 deaths and 499 serious injuries. There are significant differences in the proportion of hit and run collisions across London, with the greatest rates in Hackney, Tower Hamlets, Newham and Haringey.

For TfL, addressing the fears and concerns of the travelling public is of paramount importance and is the driving force for future activity. To achieve this means taking a whole journey approach, so people feel safe on every part of their journey, from home to their destination and back again. It also means thinking about the factors that make people feel unsafe at different times of day, at peak-times when the transport system is very busy, exacerbating anti-social behaviour, or at night when usage is low but isolation can make travellers more fearful.

³ includes GBH, ABH, Common Assault and Murder, excludes firearms and offensive weapon offences

Strategic priorities

TfL's strategic priorities for 2007/08 are to:

- Improve the perception of safety and security on the transport system
- Reduce anti-social behaviour on the transport system
- Reduce the level of crime on the transport system focusing on violence against the person, robbery, sexual offences, hate crime, criminal damage, fare evasion and theft
- Reduce the number of casualties on London's roads caused by criminal and/or anti-social behaviour

Framework and principles

TfL's approach to crime and disorder is shaped by evidence from a range of research studies and underpinned by some core principles. As some of the research findings influencing TfL approach are from studies in the USA, the transferability of findings is kept under review. TfL's approach draws on elements from the following theories:

Broken windows theory – George L Kelling and James Q Wilson first developed the theory that 'just as the broken window left unattended is a sign that nobody cares and leads to more broken windows, disorderly behaviour and conditions left unattended are signs that nobody cares, leading to fear of crime, more serious crime and urban decay'.⁴ This theory suggests that tackling minor misdemeanours and low level crimes - such as graffiti - deters further petty crime and anti-social behaviour and prevents more serious crime. Broken windows was the basis of the policing strategy used by Chief William Bratton on the New York transit system in the early 1990s resulting in dramatic improvements in both overall crime rates as well as passenger and staff confidence.

Similar principles apply in London. For example, around one in ten of those stopped for suspected fare evasion are of interest to the police for other criminal offences. Those breaking traffic and parking restrictions are significantly more likely to be of interest to the police than the general motoring public. This demonstrates the importance of tackling what can be perceived as 'low level crime.' Moreover, TfL passenger research highlights that the quality of the environment is a major factor in influencing passenger perception of safety.

Signal crimes theory – Martin Innes and Nigel Fielding work on signal crimes (2002) builds on elements of the Broken Windows theory and provides the basis of the neighbourhood policing programmes. Signal crime theory suggests that certain incidents have a disproportionate impact on people perception of risk and sense of security, and they may alter their behaviour as a result. Innes' research highlights the

⁴ "Broken Windows: The police and neighbourhood safety" Atlantic Monthly 1982

role of the media in exacerbating fear of crime. This is particularly relevant to TfL as the perception of risk and fear of crime acts a barrier for many people in using the transport system.

Tipping point – Malcom Gladwell (2000) first coined the phrase ‘tipping point’ to describe the point when an idea, behaviour or trend becomes widespread. Understanding how to create a positive social epidemic is relevant to TfL as its aims to influence how people behave on public transport and on the roads, and attempts to create new norms of behaviour where everyone shows respect to each other, staff and the environment.

TfL’s core principles underpinning its approach to reducing crime, disorder and anti-social behaviour are:

Strong, effective collaboration for sustainable solutions – partnership working, with the police, transport operators, local authorities, community groups and others, is essential. Only through genuine partnerships - where there is a sharing of resources, responsibility and decision-making, and a commitment to new ideas, challenging historic and institutionalised practices - will efficiency and impact be maximised.

Focus on prevention – over the next ten years, TfL expects to shift investment towards prevention activity and give far greater emphasis to interventions that tackle the root causes of crime, fear of crime and anti-social behaviour on the transport system. Integral to this approach is focusing on victims and reducing the risk of victimisation.

Problem solving approach to crime prevention – criminality, anti-social behaviour and the fear of crime on the transport system are best dealt with by considering a wide range of options to prevent problems in the first place. In partnership with the Police, TfL has adopted the SARA model to address the crime and anti-social behaviour issues affecting the transport system. This model describes the four main stages of the problem solving approach to crime reduction – scanning, analysis, response and assessment.

Social inclusion – TfL will seek to measure success by assessing the impact of activities on the poorest and most disadvantaged communities in London, and on those people unwilling to use public travel because of fear of crime and anti-social behaviour.

These principles reflect the common values shared by the GLA group and set out in the Mayor’s policy statement on community safety.⁵

⁵ The GLA Group policy statement proposes a ten point approach to community safety – mainstreaming community safety; focusing on prevention; joint working; improving the public realm, protecting diversity; supporting victims and witnesses; promoting justice; resettling offenders and engaging communities. As of April 2007 this statement is in the process of being adopted by the group.

Activities planned for 2007/08

The table below sets out the new initiatives and projects that TfL will progress over the next 12 month in pursuit of the four strategic priorities:

- Improve the perception of safety and security on the transport system;
- Reduce anti-social behaviour on the transport system;
- Reduce the level of crime on the transport system focusing on violence against the person, robbery, sexual offences, hate crime, criminal damage, fare evasion and theft; and
- Reduce the number of casualties on London's roads caused by criminal and anti-social behaviour.

All the activities listed overleaf are new and build on the foundation of core, routine activities that TfL undertakes with its partners to maintain the safety and security of the travelling public, for example:

- Conducting intelligence led policing to reduce crime levels on the transport system, such as targeted robbery operations on overground lines;
- Maintaining high levels of police visibility to deter anti-social behaviour and promote public reassurance across the transport system;
- Supporting effective performance monitoring with British Transport Police and MPS Transport Operational Command Unit;
- Undertaking targeted revenue operations against fare evaders on buses, Underground and DLR;
- Incorporating designing out crime measures in the upgrading of stations and improvements in the transport infrastructure;
- Developing further measures to reduce the risk of terrorist attack on the transport system, improving the inter-operability of communication systems, expanding use of CCTV, reviewing deployment plans and supporting training;
- Supporting the London Safety Camera Partnership to take effective enforcement action against vehicles crossing red lights or exceeding the speed limit so reducing road casualties;
- Maximising the efficiency and effectiveness of TfL's investment in policing and enforcement activity.

The table overleaf details new activities planned by TfL for 2007/08 all of which will be undertaken and progressed with our key partners in the Police, GLA, local authorities and operators.

For the 2008/09 community safety plan TfL intends to develop a joint action plan with our main policing partners, TOCU, Traffic OCU and BTP, and with other key organisations.

2007/08 activities

Improve the perception of safety and security on the transport system	Reduce anti-social behaviour on the transport system	Reduce priority crimes	Reduce the number of casualties on London's roads caused by criminal and anti-social behaviour
Roll out twenty-one safer transport teams to outer London boroughs providing public reassurance and working with partners to reduce anti-social behaviour and improve perception of safety on the transport system.			
Deploy additional traffic police on an intelligence-led basis to key London boroughs, building on the lessons learnt from the successful Operation Foist in LB Hackney in order to reduce the number of casualties on London's roads. Continue to support the Share the Road initiative			
Contribute community safety expertise to the Olympic planning efforts and work with the Olympic Delivery Authority and other partners to co-ordinate safety and security issues on the transport system			
Help co-ordinate effort to deliver effective transport policing at major cultural and entertainment events in the capital			
Develop and deliver a community safety plan for London overground with policing partners, including measures such as visible policing and crime prevention			
Review TOCU and funding arrangements for policing services provided to TfL			
Devise a new framework for greater integration between BTP areas and TOCU			
Develop an integrated multi-agency tool to provide a pan-London strategic and spatial analysis of crime, fear of crime and Anti-social Behaviour (ASB) on the transport system.			
Enhance the 'mainstreaming' of section 17 across TfL through a programme of presentations, training, expert advice and quality assurance			
Launch a major public awareness and media campaign to tackle unwanted behaviour, setting out the types of behaviour to be expected by all users of the public transport network and road system			
Complete a project to identify further measures to improve safety at five interchanges (Seven Sisters, Hammersmith, Lewisham, Elephant & Castle, Stratford) and share that learning across London			
Adopt a 'whole journey approach' when planning safety improvements at transport interchanges across London. Assess the impact of service scheduling on perceptions of safety and security. Consider the benefits of expanding help points, passenger information and CCTV where suitable.			
Develop work with CDRPs to improve safety and security across the whole journey, paying particular attention to pedestrian routes that serve transport hubs, cycle safety routes to transport hubs and bicycle security at stations.			

Deliver the safety and citizenship programme in schools, reassuring young people that the transport system is a safe environment and encouraging them to behave in a responsible and respectful manner.
Strengthen links with YOTS, YISPs and other organisations working with young people, particularly preventing and diverting young people at risk of being involved in crime and anti-social behaviour. Contribute to restorative justice pilots.
Support the programme of providing Oyster travel photo cards to 11 - 15 year olds to claim their entitlement to free travel on the bus network. Implement TfL's behaviour code so that all young people validate their card to travel and do not engage in anti-social behaviour such as playing loud music, drinking alcohol, swearing, shouting, behaving in an intimidating manner, harassment or committing crimes.
Put measures in place to take swift and meaningful action against individuals who breach the TfL Behaviour Code.
Undertake a programme of activity to improve the physical environment of the transport system so platforms, stations, shelters and stops, are litter free, graffiti free, well lit, covered by CCTV, have access to help points and safe bike parks.
Strengthen partnership activity with London CDRPs by sharing data, information, strategic assessments and intelligence in order to develop a better understanding of the interplay between the transport system and local community safety plans.
Work with London CDRPs to examine and enhance the contribution made by neighbourhood wardens, safer neighbourhood teams and PCSOs to safety on the transport system.
Work with London CDRPs to implement controlled drinking zones in areas where alcohol has been identified as contributing to anti-social behaviour affecting access to and experience of public transport.
Work with London CDRPs to enhance the management of late-night town centres and ensure that transport services provide for safe and reliable journeys home. Examine the option to expand marshalled taxi ranks.
Work with our police partners to assess the contribution made by alcohol to staff assaults and other violent crimes. Take action against drunk passengers and consider measures to protect vulnerable passengers under the influence of alcohol at risk of victimisation.
Review and enhance the BTP/LU workplace violence unit expanding best practice to other modes.
Raise public awareness of TfL's policy on staff assaults and implement private prosecutions policy.
Implement multi-agency problem solving approach on the transport system to address problems such as anti-social behaviour, trespass, criminal damage and route crime, including where necessary the use of ASBOs
Deliver a pilot project to improve vehicles presentation across all bus operators and reduce the risk of scratching and graffiti building on the success of MPS BusTag operation
Take further measures to improve women's safety and confidence in the transport system through the Safer Travel at Night campaign and focussed operations on the transport system

Monitoring progress

Tfl collects a range of data to monitor progress in this area. Over the next 12 months TfL will continue to collect a variety of data to assess performance and contract compliance, for example:

- Crime allegations and recorded crime per passenger journey for bus, tube, overground
- Service withdrawals and disruptions relating to crime and disorder
- Customer satisfaction scores for buses and Underground
- Passenger perception of anti-social behaviour

Historic and current data collection is not sufficient to underpin a definitive analysis on all aspects of TfL's first Community Safety Plan. The problem of defining outcome measures that use simple, reliable and meaningful data is a problem being grappled with across the community safety field. It is relatively simple to measure activity but not so simple to assess its impact. TfL will invest in improving data collection and will agree with partners the right measures to adopt for future community safety plans.

The headline indicators that will be used to assess the impact of TfL's community safety work are:

- Customer satisfaction scores for safety and security on the buses, at bus stops/shelters, on trains and at stations (TfL will be drilling down below headline findings to better understand the determinants of customer satisfaction)
- Staff perception of safety and security; and
- Crime allegations and recorded crime rates per passenger journey for priority crimes.

Governance and accountability

The London Transport Crime and Disorder Group (LTCDG) will act as the crime and disorder reduction partnership overseeing the delivery of this plan. The LTCDG brings together all the main players in the transport community safety field, including BTP, MPS, Greater London Authority, Government Office for London, Department for Transport, Metropolitan Police Authority and London Councils. It is currently chaired by TfL, but the Chair circulates on an annual basis.

London TCDG will review priorities and activities, support the production of a joint strategic assessment, analysis patterns and trends in crime, anti-social behaviour and public perception of safety on the transport system and update the community safety plan on an annual basis.

Progress on TfL's community safety plan will be reported annually to the TfL Board and more regularly to the Commissioner and Managing Directors through TfL's performance management process.

Accountability to transport system users and potential users will be embedded by creating a reference group for advice, guidance and comment on TfL's community safety work. London Travel Watch are proposing to set up a sub-group focusing on community safety across the transport system in the capital. TfL will also engage with children and young people through the GLA's peer outreach project and with the London Older People's Strategy Group for views and feedback in this area.

In this first Community Safety Plan TfL has sought to set out its programme to further improve the safety and security of London's transport system. We hope that it will provide a means by which we can engage other London agencies to work with us to deliver a transport system which all Londoners can use safely and with confidence.

Annex One Respondees to the consultation

Arriva London
ASLEF
Camden CDRP
Civil Aviation Authority
Cycling Centre of Excellence
Department for Transport mobility and inclusion unit
Enfield CDRP
First Capital East
First Group rail division
Friends of CAPITAL transport campaign
Go ahead London
Government Office for London
Greater Manchester passenger transport executive
LB Hackney Council CCTV and Emergency Planning Dept
Hertfordshire County Council
Hillingdon CDRP
Home Office
Kingston area travellers' association
Kingston CDRP
LB Ealing
LB Tower Hamlets
London Assembly transport committee
London Councils' crime forum
MPS Traffic OCU
London Cycling campaign
London Development Agency
London Older People's Strategy Group – transport sub-group
London TravelWatch
Mayor of London
Metronet
Murad Qureshi AM
Network Rail
Police Foundation
South Eastern railways
Southern railways
Southwark CDRP
Sustrans
T&G London South East and East Anglia

Annex Two – Glossary of key terms and acronyms

ASBO – anti-social behaviour orders

CCTV – Closed Circuit Television

CDRPs – Crime and disorder reduction partnerships are local, borough based partnerships of authorities with a statutory responsibility to work with other local agencies and organisations to develop and implement strategies to tackle crime and disorder including anti-social and other behaviour adversely affecting the local environment as well as the misuse of drugs in their area. Responsible authorities in London include the police, local authorities, London Fire and Emergency Planning Authority and primary care trust. CDRPS also work with Transport for London, the voluntary sector, probation service and others to reduce crime, disorder and anti-social behaviour.

PCSOs – Police Community Support Officers are uniformed police officers with limited powers designated to provide a visible and reassuring presence.

Section 17 – Section 17 of the Crime and Disorder Act 1998 places a duty on designated authorities in exercising their various functions to give due regard to the likely effect on crime and disorder and do all that it reasonably can to prevent crime and disorder. This duty was extended by the Police and Justice Act 2006 to include giving due regard to anti-social and other behaviour adversely affecting the local environment as well as the misuse of drugs in their area.

STAN – safer travel at night is an on-going campaign involving the GLA, Metropolitan Police and TfL which aims to make get people home safely at night by public transport, black cab or licensed minicab.

TOCU – Transport Operational Command Unit in the Metropolitan Police.

Transport system – all means of travelling around London that TfL has some responsibility for, of significant influence over, including the Underground, bus network, London Overground, Docklands Light Railway, Transport for London's road network, the strategic road network, taxis and licensed private hire trade and trams.

YISPs – Youth inclusion and support panels aim to prevent anti-social behaviour and offending by 8 – 13 year olds who are considered at high risk of offending.

YOTS – youth offending teams work with young offenders. There is a youth offending team in every London borough bringing together representatives from the police, probation service, health, education, social services and voluntary sector agencies.

TRANSPORT FOR LONDON

BOARD

SUBJECT: VENEZUELA: ENERGY FUNDING AND CO-OPERATION AGREEMENT

MEETING DATE: 30 MAY 2007

1. INTRODUCTION

- 1.1. This paper summarises the Energy Funding and Co-operation Agreement between the Venezuelan state oil company's European subsidiary (Petroleos de Venezuela) PDV Europa B.V., the Greater London Authority and Transport for London signed on 20 February 2007. A full copy of the agreement is attached to this report (Appendix 1).

2. BACKGROUND

- 2.1 In summary the agreement is for Petroleos de Venezuela (PDV) to support a 20 per cent reduction in the price of fuel for London's bus fleet. The agreement specifies a maximum funding level of 32 million US dollars (around £16m) per year, though the exact sum will be dependent on a calculation of the cost of diesel used in the year previous to the agreement. This saving to TfL will be passed on to Londoners receiving Income Support in the form of 50 per cent fares support on buses and trams. In return TfL will provide technical assistance to Venezuela in the form of transport advice, which will be part of a wider programme of cooperation projects between London and Venezuela (these may include planning, housing, environmental protection, waste management, river and waterway improvement, the promotion of tourism and cultural activities, equalities, women's rights and cultural exchanges).

3. BUS AND TRAM DISCOUNT SCHEME

- 3.1 Under the agreement, discounted bus and tram travel at a rate of 50 per cent on Oyster Pay as You Go and Bus Pass Season tickets will be available to recipients of Income Support resident within Greater London, who are not otherwise eligible for any discounted travel or other travel concession on public transport for which TfL is responsible. A number of recipients of Income Support are already eligible for a disabled person's Freedom Pass, and some lone parents have enrolled on the New Deal for Lone Parents scheme, thereby already qualifying for a 50 per cent discount on travel. Excluding these, it is expected that up to 250,000 recipients of Income Support will be eligible to receive the concession provided for by this agreement.

- 3.2 Based on TfL's experience of other discount schemes, it is estimated that, after an initial build-up period, around 65 per cent, or 160,000 of those eligible, will claim the concession. On the basis of market research which indicates the number of weekly trips for the eligible group, and including an adjustment for the number of extra trips which will be made, TfL estimate the net cost of the concession at £15m for a full year.
- 3.3 It is planned to launch the scheme on 10 August 2007. It will be accompanied by an extensive marketing campaign (press, radio, poster and magazine advertisements) targeting Londoners on Income Support who do not receive other travel concessions. A special photocard will be necessary for those wishing to take up the scheme and these will be administered by the Post Office. The administration costs (including the marketing costs) of the discount support scheme will be paid for by PDV in addition to the funding for the fares support referred to in paragraph 2.1.

4. TECHNICAL ASSISTANCE

- 4.1 A list of possible areas where TfL may offer transport advice to Venezuela is included in the agreement: integration of transport modes, traffic management, bus service management and priority, metro management, public protection and safety on public transport services, regulation and operation of taxis and private hire vehicles, and marketing of transport services. After the Commissioner's visit, which is scheduled for June, TfL will recommend priority areas for advice and will agree these with the Venezuelan local and central government administrations and PDV.

5. LEGAL IMPLICATIONS

- 5.1 TfL took legal advice in the preparation of the agreement and does not envisage any legal implications of the agreement.

6. EQUALITIES IMPACT

- 6.1 The GLA Act 1999 requires the Mayor to have regard to the principle that there should be equality of opportunity. By targeting the scheme at Londoners on Income Support, it is expected to benefit some of the most disadvantaged groups. For example, in terms of child poverty over 80 per cent (or 400,000) of London's children in families of working age claiming benefit are in families where an adult claims Income Support.

7. CRIME AND DISORDER IMPLICATIONS

- 7.1 TfL has agreed to assess its activities for impact crime and disorder under Section 17 of the Crime & Disorder Act 1998. There are considered to be no significant crime and disorder implications of the agreement.

8. SUSTAINABILITY IMPLICATIONS

- 8.1 The agreement has no significant sustainability implications. The agreement will not lead to any additional diesel fuel consumption by buses in London and

all existing and new TfL initiatives to minimise emissions from buses, such as hybrid and hydrogen, will continue.

9. IMPACT ON FUNDING

- 9.1 The 50 per cent fares support will be met by PDV through the energy funding contribution to a maximum of 32 million US dollars (around £16m). The administration costs of the scheme, including set up and marketing costs, will be met separately by PDV. TfL's contribution will be through the provision of technical assistance to Venezuela which will be defined after the Commissioner's visit.

10. RECOMMENDATIONS

- 10.1 The Board is asked to **note** the contents of this report.

The Agreement

Energy Funding Contribution and Co-operation Agreement

between

(Petróleos de Venezuela) PDV Europa B.V.

and

Greater London Authority

and

Transport for London

THIS ENERGY FUNDING CONTRIBUTION AND CO-OPERATION AGREEMENT
is made the twentieth (20th) day of February, 2007

BETWEEN:

- (1) (Petróleos de Venezuela) PDV Europa B.V., a company incorporated under the laws of The Netherlands, having its main office in The Hague, The Netherlands ("**PDVE**");
- (2) The Greater London Authority, a statutory body corporate created under the Greater London Authority Act 1999 whose principal place of business is at City Hall, The Queen's Walk, More London, London SE1 2AA ("**GLA**"); and
- (3) Transport for London, a statutory body corporate created under the Greater London Authority Act 1999 whose principal place of business is Windsor House, 50 Victoria Street, London SW1H 0TL ("**TfL**"),

(together "**the Parties**").

BACKGROUND:

- (A) The Government of the Bolivarian Republic of Venezuela and the Mayor of London have considered a wide-ranging co-operation initiative between the Bolivarian Republic of Venezuela and GLA and, more specifically, a scheme for energy funding by PDVE and technical advice and assistance by TfL.
- (B) It is intended that PDVE will make an energy funding contribution to TfL on the terms of this Energy Funding Contribution and Co-operation Agreement to support the provision of discounted bus and tram travel to defined recipients of income support within Greater London.
- (C) The funding provided by PDVE to TfL described above will be conditional upon TfL and GLA meeting certain conditions set out in this Energy Funding Contribution and Co-operation Agreement.
- (D) GLA has powers to implement this Energy Funding Contribution and Co-operation Agreement by virtue of section 30 of the Greater London Authority Act 1999 and section 1 of the Local Government (Overseas Assistance) Act 1993.
- (E) PDVE has powers to implement this Energy Funding Contribution and Co-operation Agreement under its articles of association. PDVE is an indirect wholly-owned subsidiary of Petróleos de Venezuela S.A. ("**PDVSA**"). PDVSA being a wholly owned company of the Bolivarian Republic of Venezuela has the powers to implement the policies of the Bolivarian Republic of Venezuela.

- (F) TfL has powers to implement this Energy Funding Contribution and Co-operation Agreement by virtue of paragraph 9 of Schedule 11 to the Greater London Authority Act 1999.

THE PARTIES AGREE THAT:

1. Definitions and Interpretation

In this Energy Funding Contribution and Co-operation Agreement (including the Background), unless the context indicates otherwise, the following expressions shall have the following meanings:

“Discount Commencement Date”	the date on which the discount scheme referred to in clause 5.2 commences;
“Discount Benefit Administration Costs”	TfL’s reasonable costs of administering the discount scheme referred to in clause 5.2 as agreed between PDVE and TfL in advance;
“Energy Funding Contribution”	the funding contribution calculated and paid in accordance with clause 3 of this Energy Funding Contribution and Co-operation Agreement;
“First Request”	a request for funding submitted by TfL for 50% of the Energy Funding Contribution as estimated by TfL based on the Realised Fuel Price (as defined below) for the preceding 12 month period or such other period as may be agreed between PDVE and TfL, together with (a) a statement by TfL’s Chief Finance Officer confirming the method of calculation of such estimated amount; and (b) sufficient information on the calculation of such estimated amount as would reasonably satisfy an independent auditor;
“Implementation Group”	the group referred to in clause 6.2;
“LBSL”	London Bus Services Limited, a wholly owned subsidiary of TfL registered in England with company number 3914787 whose registered office is 172 Buckingham Palace Road, London SW1W 9TN;

“London Bus Operators”

those companies engaged by LBSL to provide public bus services within London;

“Realised Fuel Price”

the price calculated by multiplying the volume of diesel used by London Bus Operators in the performance of their contracts with LBSL by the relevant price for diesel published in such reputable publication to reflect the prevailing price of diesel in the United Kingdom as PDVE and TfL shall agree to nominate (net of any fuels excise taxes and any other relevant governmental taxes and rebates) on such reasonable date as TfL may choose not more than 30 days before the date of the First Request or the Second Request (as the case may be);

“Second Request”

a request for funding submitted by TfL for:

- (1) 50% of the Energy Funding Contribution as estimated by TfL based on the Realised Fuel Price (as defined above) for the preceding 12 month period or such other period as may be agreed between PDVE and TfL, together with (a) a statement by TfL’s Chief Finance Officer verifying such estimated amount; and (b) sufficient information on the calculation of such estimated amount as would reasonably satisfy an independent auditor;
- (2) the Discount Benefit Administration Costs in respect of that Year; and
- (3) the Technical Advice Administration Costs in respect of that Year;

“Technical Advice”

advice and assistance of any nature on technical matters that are within the expertise of TfL as the functional body of the GLA with responsibility for transport to, from and within Greater London as set out in clause 5;

“Technical Advice Administration Costs”

TfL’s reasonable third party costs and disbursements for delivering Technical Advice (which for the avoidance of doubt shall exclude the costs of TfL’s time spent in delivering the Technical Advice)

as agreed between PDVE and TfL in advance;

“Year”

during the period of this Energy Funding Contribution and Co-operation Agreement, a period of 12 consecutive months commencing on the Discount Commencement Date or an anniversary of such date.

2. Commencement and Duration

- 2.1 This Energy Funding Contribution and Co-operation Agreement commences on the date set out at its beginning and shall continue until the end of the period of 12 consecutive months commencing on the Discount Commencement Date unless the Parties agree to extend it in accordance with clause 7.1.
- 2.2 The Discount Commencement Date shall be such date within a reasonable period after the date of this Energy Funding Contribution and Co-operation Agreement as the Parties may agree.

3. Energy Funding Contribution

- 3.1 In each Year, PDVE shall pay to TfL an energy funding contribution which, subject to clauses 7.2.2 and 7.3, shall be 20% (twenty percent) of the Realised Fuel Price estimated by TfL for that Year as described in the relevant invoice and such contribution shall be conditional upon the compliance by TfL and GLA with the relevant conditions in this Energy Funding Contribution and Co-operation Agreement (the “Energy Funding Contribution”).
- 3.2 The Energy Funding Contribution and other sums described in the First Request and Second Request shall be paid by PDVE to TfL in US dollars in two instalments within 30 days of receipt of the First Request or the Second Request (as the case may be).
- 3.3 TfL shall submit the First Request to PDVE within 20 days of the Discount Commencement Date.
- 3.4 TfL shall submit the Second Request to PDVE within 20 days of the date falling six months after the Discount Commencement Date.
- 3.5 The Energy Funding Contribution will not exceed 32 million US dollars in each Year unless otherwise agreed by the Parties.

4. GLA Conditions

- 4.1 GLA shall assist in the development of such co-operation projects as it may agree with the Government of the Bolivarian Republic of Venezuela during the term of this Energy Funding Contribution and Co-operation Agreement which may include projects concerning transport, planning, housing, protection of

the environment, waste management, cleaning and enhancing rivers and waterways, the promotion of tourism and cultural activities, equalities, women's rights, cultural exchanges including promotion of the Miranda Museum in London and the marketing of this agreement to those eligible to benefit from it.

- 4.2 Such projects as referred to in clause 4.1 may be undertaken in the Bolivarian Republic of Venezuela or in London and may include (but shall not be limited to) discussion and observation activities in London and/or the Bolivarian Republic of Venezuela.
- 4.3 In undertaking any of the projects referred to in clause 4.1, GLA and PDVE shall procure that they are undertaken with oversight by the Implementation Group, consistent with GLA's statutory duties.
- 4.4 GLA shall maintain an office in Caracas in the Bolivarian Republic of Venezuela for the purposes of facilitating the administration of this Energy Funding Contribution and Co-operation Agreement.

5. **TfL Conditions**

- 5.1 TfL shall assist PDVE and the Bolivarian Republic of Venezuela by providing Technical Advice as it may agree with PDVE and the Bolivarian Republic of Venezuela, to the Bolivarian Republic of Venezuela and other public sector entities including PDVSA consistent with TfL's statutory duties and such advice may include integration of transport modes, traffic management, bus service management and priority, metro management, public protection and safety on public transport services, regulation and operation of taxis and private hire vehicles and marketing of transport services.
- 5.2 The Energy Funding Contribution shall be used by TfL for the provision of discounted bus and tram travel at a rate of 50% from the "Oyster Pay as You Go" and "Bus Pass Season Ticket" prices published by TfL to recipients of Income Support resident within Greater London who are not otherwise eligible for any discounted travel or other travel concession on public passenger transport services for which TfL is responsible.
- 5.3 TfL shall promote the discount scheme referred to in clause 5.2 to encourage usage of that scheme and shall consult with PDVE in planning that promotion.
- 5.4 TfL shall operate the discount scheme referred to in clause 5.2 through its automated electronic "Oyster" ticketing regime, using photographic identification of users and in a way that is capable of providing up to date data on the usage of that discounted travel scheme and shall provide to PDVE such of that data as PDVE or its nominees may reasonably require provided that such request would not require TfL to breach its obligations under the Data Protection Act 1998.
- 5.5 TfL shall manage the discount scheme referred to in clause 5.2 with due consideration to the views of the working group referred to in clause 6.2.2 and in such a way that TfL's costs in administering it are as low as reasonably

practicable and that TfL shall provide to PDVE such information as PDVE or its nominees may reasonably require as evidence of those costs.

6. Energy Funding Contribution and Co-operation Agreement Management

- 6.1 The performance of this Energy Funding Contribution and Co-operation Agreement shall be managed by PDVE, by the Mayor's Office of the GLA on behalf of the GLA and by the office of the Commissioner of Transport for London on behalf of TfL.
- 6.2 The Parties shall procure the establishment of a group comprising members of the GLA, TfL, PDVE and other competent entities of the Bolivarian Republic of Venezuela whose function shall be:
- 6.2.1 the consideration of and advice on the implementation of the projects referred to in clause 4.1; and
- 6.2.2 the establishment of a working group including representatives from PDVE and TfL to consider and provide advice in relation to the administration of the discount scheme referred to in clause 5.2 provided that it shall not be a condition of this Energy Funding Contribution and Co-operation Agreement that TfL shall take such advice in contravention of its powers and statutory duties.
- 6.3 Any dispute or controversy that may arise on the application or interpretation of this Energy Funding Contribution and Co-operation Agreement shall be settled by the Parties through direct negotiations.
- 6.4 For avoidance of doubt, this Energy Funding Contribution and Co-operation Agreement is a funding agreement and provides for funding conditional upon compliance with the conditions set out in it; furthermore this Energy Funding Contribution and Co-operation Agreement shall not and is not intended to be construed as an agreement for services.
- 6.5 Nothing in this Energy Funding Contribution and Co-operation Agreement is intended to create or shall create or be construed as creating any joint venture or partnership between the Parties.
- 6.6 Variations to this Energy Funding Contribution and Co-operation Agreement may be made only in writing, signed by the duly authorised representatives of all the Parties.


7. Expiry and Renewal

- 7.1 The Parties shall, not later than two months before the end of the Year, consider whether to extend this Energy Funding Contribution and Co-operation Agreement and whether any change should be made to the discount scheme referred to in clause 5.2. Such consideration will address (without limitation) the following matters:
- 7.1.1 the way in which the discount scheme referred to in clause 5.2 has operated;

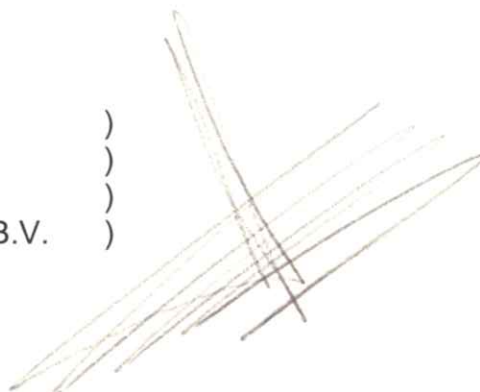
- 7.1.2 diesel prices and any trends in diesel price fluctuations;
 - 7.1.3 the programme for and costs of the Technical Advice.
 - 7.2 Where the Parties agree in the first and any subsequent Year that this Energy Funding Contribution and Co-operation Agreement shall be extended, the following provisions shall apply:
 - 7.2.1 the terms of this Energy Funding Contribution and Co-operation Agreement shall continue to apply mutatis mutandis, save as otherwise set out in this clause 7;
 - 7.2.2 in preparing the First Request, TfL shall calculate the actual Realised Fuel Price for the preceding Year and shall include in the First Request an adjustment, positive or negative, according to whether the amount by which the actual Realised Fuel Price differs from the estimated Realised Fuel Price for that preceding Year; and
 - 7.2.3 where the Parties agree there should be a change to the discount scheme referred to in clause 5.2, clause 5.2 shall be amended accordingly.
 - 7.3 Where the Parties do not agree that this Energy Funding Contribution and Co-operation Agreement should be extended, TfL shall calculate the actual Realised Fuel Price for the Year and:
 - 7.3.1 to the extent that such sum is more than the estimated Realised Fuel Prices used in the First Request and Second Request, PDVE shall reimburse TfL, subject to clause 3.5; or
 - 7.3.2 to the extent such sum is less than the estimated Realised Fuel Prices used in the First Request and the Second Request, such difference shall be applied to the discount scheme referred to in clause 5.2 and in respect of the Discount Benefit Administration costs and the Technical Advice Administration Costs and to the extent that any sums remain unapplied as set out in this clause 7.3.2, they shall be reimbursed to PDVE,
- and the Energy Funding Contribution and Co-operation Agreement will terminate automatically at the end of the Year.

This Energy Funding Contribution and Co-operation Agreement is entered into in two equivalent copies, both in the English language and the Spanish language, on the date set out at its beginning by the following duly authorised signatories:

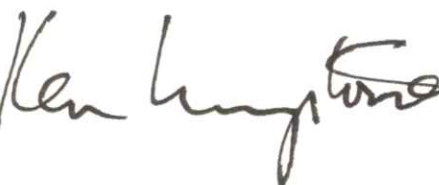
Alejandro Granado,
Chairman, Board of Management
for and on behalf of
(Petróleos de Venezuela) PDV Europa B.V.

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Han Vercooteren
Secretary, Board of Management
for and on behalf of
(Petróleos de Venezuela) PDV Europa B.V.

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Ken Livingstone,
Mayor of London, for and on behalf of
the Greater London Authority

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Peter Hendy,
Commissioner, for and on behalf of
Transport for London

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TRANSPORT FOR LONDON

BOARD

SUBJECT: TRANSPORT TRADING LIMITED – APPOINTMENT

MEETING DATE: 30 MAY 2007

1. PURPOSE

To appoint Steve Allen as an additional director of Transport Trading Limited.

2. BACKGROUND

Transport Trading Limited (“TTL”) is a wholly-owned subsidiary of Transport for London. It in turn holds the shares of TfL’s operating subsidiaries such as London Underground Limited and Victoria Coach Station Limited.

The current directors are Ian Brown, David Brown, Howard Carter, Peter Hendy and Tim O’Toole.

Under TfL’s Standing Order No 2, an appointment to the Board of TTL is a matter reserved to the TfL Board.

3. PROPOSAL

Following Steve Allen’s appointment as the Managing Director, Finance it is proposed to appoint him to TTL.

4. RECOMMENDATION

That the Board approves the appointment of Steve Allen as a Director of Transport Trading Limited.

TRANSPORT for LONDON

TfL BOARD

SUBJECT: FINANCE COMMITTEE REPORT

MEETING DATE: 30 MAY 2007

1. PURPOSE

To report to the Board on matters discussed at the Finance Committee meeting on 16 May 2007.

2. BACKGROUND

The Finance Committee received a report on Operational and Financial performance in the final quarter of 2006/7 and the quarterly report on the progress of TfL's 5-year Investment Programme, which includes the latest monthly Olympic Transport Portfolio Executive Report to the Olympic Delivery Authority. These reports are being considered under a separate agenda item at this Board meeting.

A report was also received on the comparison of the original project appraisal of the Jubilee Line extension in 1991 with the subsequent re-appraisal after opening in 2003 which showed a much stronger business case, despite the increase in capital cost which has attracted a lot of public comment. A series of changes between the two appraisals were identified in the report, of which the single biggest influence is the reduction in the real discount rate from the original 8% to the current 3.5% used by Treasury. It was also noted that the appraisals did not take account of the appreciation of land and property value in the area affected by the extension but that it was difficult to take account of this because of potential double counting with other benefits.

The Finance Committee receives reports on approvals expected to be given in 2007/8 by the Commissioner (or in his absence, the Managing Director, Finance and Planning) for projects budgeted to cost between £25m and £100m (£10m and £25m for unbudgeted projects). One project had been approved since the Committee's last meeting, namely to advance expenditure on gate stanchions to support business needs for immediate and future station upgrades and to enable the installation of wide aisle gates.

The next regular meeting of the Finance Committee will take place on 7 June 2007.

3. RECOMMENDATION

The Board is asked to NOTE the contents of this report.

TRANSPORT FOR LONDON

BOARD

**SUBJECT: Mayoral Direction and Delegation to TfL re Cross-GLA
Group Sustainable Procurement and Supplier Diversity
Implementation Support Team**

MEETING DATE: 30 May 2007

1. Purpose

- 1.1 To inform the Board of a Direction and Delegation from the Mayor to TfL regarding the establishment and operation of the Cross-GLA Sustainable Procurement and Supplier Diversity Implementation Support Team.

2. Background

- 2.1 Under TfL's Standing Order No. 1 paragraph 18, TfL is required to report any Directions from the Mayor to a Board meeting as soon as reasonably practicable.
- 2.2 Following the adoption of the Mayor's Sustainable Procurement Policy across the GLA Group, the Mayor has approved the establishment of a unit within TfL to be known as the Cross-GLA Sustainable Procurement and Supplier Diversity Implementation Support Team.
- 2.3 This proposal recognises that each GLA Group body is dealing with similar issues regarding sustainable procurement and that the Sustainable Procurement Policy can be implemented most effectively by pooling some resources.
- 2.4 The Team will support the delivery of the Mayor's Sustainable Procurement Policy and promote best practice in sustainable procurement across the GLA Group. The key responsibilities of the Team will include sharing best practice, providing advice on practical implementation issues and providing advice on procedures for auditing contractors and for verifying information provided by bidders across the GLA Group.
- 2.5 The Team will be located at TfL and will comprise of 4 or 5 staff members. The Team will be resourced by the following initial annual financial contributions from across the GLA Group:

➤ TfL	£120,000
➤ LDA	£120,000
➤ MPA/MPS *	£120,000
➤ LFEPA	£ 50,000

* Note that although the Metropolitan Police Service is not a Functional Body both it and the Metropolitan Police Authority will contribute to the financing of the Team.

- 2.6 The Team will be set up for an initial term of 3 years. The on-going need for the Team will then be reviewed.

3. Mayoral Direction and Delegation

- 3.1 In order to implement the establishment and operation of the Team, the Mayor has issued a Direction and Delegation to TfL. Specifically, the Mayor has directed TfL to establish the Team, carry out the recruitment process to fill the required posts, secure sufficient accommodation space and collaborate with the Functional Bodies in establishing and running the Team.
- 3.2 The Mayor has also delegated his general and incidental powers under sections 30 and 34 the Greater London Authority Act 1999 to facilitate the establishment and operation of the Team and TfL's discharge of his directions.
- 3.3 A copy of the Direction and Delegation is attached to this paper. Board Members will note that the Direction and Delegation refers to the Mayoral Approval Form. A copy of this Form is available from Company Secretariat.

4. Recommendation

- 4.1 The Board is requested to **NOTE** the receipt of the Direction and Delegation from the Mayor.

Meeting: TfL Board Meeting

Date: 30 May 2007

Title: Mayoral Direction and Delegation: Cross-GLA Sustainable Procurement and Supplier Diversity Implementation Support Scheme

Version: 1

Author	Susan Ivory	
Sponsor	Ellen Howard	
For queries please contact	Susan Ivory	

MAYORAL DELEGATION AND DIRECTION

TO

TRANSPORT FOR LONDON

**IN RELATION TO THE ESTABLISHMENT AND OPERATION OF
CROSS-GLA GROUP SUSTAINABLE PROCUREMENT AND SUPPLIER
DIVERSITY IMPLEMENTATION SUPPORT TEAM**

MAYORAL DIRECTION AND DELEGATION

BACKGROUND

- A. Following the adoption of the Mayor's Sustainable Procurement Strategy across the GLA Group, it is proposed that a Cross-GLA Group Sustainable Procurement and Supplier Diversity Implementation Support Team is established. The implementation programme currently has a steering group and working group structure which are serviced by the GLA. This proposed new cross GLA Group team will implement deliverables included in a programme plan agreed by the steering group.
- B. This proposal recognises that each GLA Group body is grappling with similar issues and that support for implementation can most effectively be provided by pooling some resources. The intention is that each contributor will get more out of the pooled team than it puts in.
- C. The arrangements for the establishment and operation of the Cross-GLA Group Sustainable Procurement and Supplier Diversity Implementation Support Team are set out in full in the attached Mayoral Approval Form ('MAF').
- D. It is now intended to formally record those arrangements by way of a Mayoral direction to the TfL in respect of the establishment and operation of the Cross-GLA Group Sustainable Procurement and Supplier Diversity Implementation Support Team.
- E. Any terms defined within the MAF will be given the same meaning in this Direction and Delegation.
- F. To the extent that the TfL requires a delegation of the GLA's statutory functions to establish and operate the Cross-GLA Group Sustainable Procurement and Supplier Diversity Implementation Support Team, a delegation of the Mayor's general and subsidiary powers under the GLA Act will be provided for that purpose.

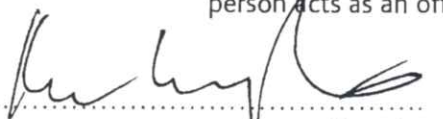
THE DIRECTION

1. In accordance with section 155 of the Greater London Authority Act 1999, I hereby direct TfL to establish and operate the Cross-GLA Group Sustainable Procurement and Supplier Diversity Implementation Support Team as a new unit within TfL in accordance with the arrangements described in the attached MAF. Specifically, I direct TfL to:
 - (a) establish the Cross-GLA Group Sustainable Procurement and Supplier Diversity Implementation Support Team;
 - (b) carry out a recruitment process as soon as reasonably practicable to fill the required posts, as more fully set out in MA3006;
 - (c) secure sufficient accommodation space to ensure that the Cross-GLA Group Sustainable Procurement and Supplier Diversity Implementation Support Team is able to work effectively, and undertake its activities, and adequate meeting and layout space;
 - (d) collaborate with the Functional Bodies in establishing and running the Cross-GLA Group Sustainable Procurement and Supplier Diversity Implementation Support Team.

2. This direction is subject to the following conditions:
- (a) TfL shall give the GLA such information and assistance as the GLA may reasonably require in respect of the establishment and operation of the Cross-GLA Group Sustainable Procurement and Supplier Diversity Implementation Support Team, including information relating to paragraphs 1(a) – (d) above;
 - (b) TfL shall comply with any instructions issued by the Mayor from time to time in relation to this Direction and with any instructions issued by an officer authorised by the Mayor for that purpose (and duly notified to the TfL that such person acts as an officer of the Mayor in that regard);
 - (c) all expenditure incurred by the TfL pursuant to this Direction, including expenditure of any money transferred to TfL by other GLA functional bodies shall be in accordance with the TfL's internal corporate governance arrangements, existing contractual obligations, statutory functions and all relevant legislation and rules of law.

THE DELEGATION

1. In accordance with section 38 of the GLA Act, I hereby delegate to the TfL the function of exercising the Mayor's powers under section 30 and 34 of the GLA Act for the purposes of establishing and operating the Cross-GLA Group Sustainable Procurement and Supplier Diversity Implementation Support Team, including compliance with the specific directions set out in paragraphs 1(a) – (d) above.
2. This delegation is made subject to the following conditions:
- (a) TfL will at all times give the GLA's Head of Law, all reasonable co-operation and access to documents and facilities as he/she may from time to time require in respect of his/her duties;
 - (b) all expenditure incurred pursuant to this Delegation shall be in accordance with TfL's internal corporate governance arrangements, existing contractual obligations, statutory functions and all relevant legislation and rules of law; and
 - (c) in exercising the Mayor's power under sections 30 and 34 of the GLA Act pursuant to this Delegation, the TfL shall comply:
 - (i) with all of the associated statutory obligations contained within the GLA Act that apply to the exercise of those functions;
 - (ii) specifically with the directions set out above; and
 - (iii) generally with any directions issued by the Mayor, and instructions issued by any officer authorised by the Mayor (and duly notified to TfL that such person acts as an officer of the Mayor in relation to this Delegation).


.....
Signature
Ken Livingstone – Mayor of London

18 APR 2007
.....
Date

TRANSPORT FOR LONDON

BOARD

**SUBJECT: Mayoral Direction to TfL re Discounted Bus and Tram Fares
for London Residents who Receive Income Support**

MEETING DATE: 30 May 2007

1. Purpose

- 1.1 To inform the Board of a Direction from the Mayor to TfL regarding the level and structure of fares to be charged for public passenger transport services. This Direction implements discounted bus and tram fares for London residents who receive Income Support.

2. Background

- 2.1 Under TfL's Standing Order No. 1 paragraph 18, TfL is required to report any Directions from the Mayor to a Board meeting as soon as reasonably practicable.
- 2.2 Petr leos de Venezuela Europa BV, the GLA and TfL signed an Energy Funding Contribution and Co-operation Agreement on 20 February 2007. Among other things, the agreement provides for the introduction of discounted bus and tram fares for London residents who receive Income Support. This discount travel scheme will be funded by Petr leos de Venezuela Europa BV.
- 2.3 Under the agreement TfL will provide discounted bus and tram fares, at a rate of 50 per cent of the "Oyster Pay as You Go" and "Bus Pass Season Ticket" prices, to London residents in receipt of Income Support who are not otherwise eligible for any discounted travel on TfL's services.
- 2.4 Approximately 350,000 London residents receive Income Support. TfL expects around 250,000 will be eligible for the discount travel scheme (the others being eligible for travel concessions such as the Freedom Pass). Based on its experience of other discount travel schemes, TfL estimates that, after an initial build-up period, around 160,000 people will claim the concession.
- 2.5 TfL will manage the discount travel scheme through a photocard linked to a standard adult Oyster card loaded with bus and tram discount capability. Photocards, which will be valid for six months, will be issued to applicants who complete an application form and provide appropriate supporting documentation.

3. The Mayor's Direction

- 3.1 In order to implement the discount travel scheme the Mayor has issued a Direction to TfL regarding the level and structure of fares to be charged for public passenger transport services. Specifically, the Direction introduces the following new fares for Londoners who receive Income Support – a 50p fare per Pay As You Go journey on buses and trams; a 150p One Day Oyster Bus Cap and a maximum 700p weekly Oyster Bus Pass. The new fares will be available from 10 August 2007.

4. Recommendation

- 4.1 The Board is requested to **NOTE** the receipt of the Direction from the Mayor.