

**TRANSPORT FOR LONDON  
BOARD MEETING**

**TO BE HELD ON WEDNESDAY 23 MARCH 2005  
IN THE DIAMOND SUITE, THE HATTON CONFERENCE CENTRE (*etc.venues*)  
51-53 HATTON GARDEN, LONDON, EC1N 8HN  
COMMENCING AT 10.00AM**

**AGENDA**

A meeting of the Board will be held to deal with the following business. The public are welcome to attend this meeting, which has disabled access.

**Procedural Business**

- 1.1 Apologies for Absence
- 1.2 Minutes of the Previous Meeting held on 9 February 2005
- 1.3 Matters Arising

**Business Items**

2. Commissioner's Report
3. 2005/6 Budget
4. Treasury Management Strategy and Prudential Indicators
5. A406 Hanger Lane Bridges Replacement Scheme – Compulsory Purchase
6. Formation of an Associate Company to Represent the UK Tram Industry – UKTram Limited

**Procedural Items**

7. Annual Workforce Composition Report – Oral Report
8. Report from Finance Committee
9. Report from Safety, Health and Environment Committee

**Items for Noting**

10. Documents Sealed on Behalf of TfL
11. Any Other Business

## Transport for London

Minutes of a meeting of the Board  
held on Wednesday 9 February, commencing at 11.30am  
in the Chamber, City Hall, the Queen's Walk, London, SE1 2AA

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### Present:

**Board Members:** Ken Livingstone, Chair  
Stephen Glaister  
Meg Hillier  
Susan Kramer  
Sir Gulam Noon  
John Ormerod  
Dave Wetzel

David Begg  
Kirsten Hearn  
Sir Mike Hodgkinson  
Paul Moore  
Patrick O'Keeffe  
Tony West

**Special Advisers:** Lord Toby Harris  
Murziline Parchment

Bryan Heiser  
Lynn Sloman

**Observer:** Nicky Gavron, Deputy Mayor

**TfL Officers:** Maggie Bellis, Managing Director, Corporate Services  
Ian Brown, Managing Director, London Rail  
Stephen Critchley, Chief Finance Officer  
Mary Hardy, Director of Internal Audit  
Peter Hendy, Managing Director, Surface Transport  
Bob Kiley, Commissioner  
Betty Morgan, Head of TfL Legal  
Tim O'Toole, Managing Director, London Underground  
Ben Plowden, Managing Director, Group Communications  
Fiona Smith, General Counsel  
Valerie Todd, Director of Group Equality and Inclusion  
Jay Walder, Managing Director, Finance and Planning  
Michele Dix, Director, Congestion Charging (min. no. 06/02/05)  
Malcolm Murray-Clark, Director, Congestion Charging (min. no. 06/02/05/  
Hugh Sumner, Project Director Olympic Bid Team (min. no. 09/02/05)

**Secretary:** Louisa Sherry

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### ACTION

#### 01/02/05 APOLOGIES FOR ABSENCE

Apologies were received from Honor Chapman.

#### 02/02/05 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 1 December 2004 were AGREED and signed by the Chair as an accurate record.

**03/02/05 MATTERS ARISING**

There were no matters arising.

**04/02/05 COMMISSIONER'S REPORT**

A number of points were raised on the Commissioner's Report:

DfT Rail Review - work needs to progress quickly on fares to avoid unnecessary confusion about where Oyster Cards can be used.

Thames Gateway Bridge - the calling-in of this project by the ODPM will cause a delay to works to enable the Public Inquiry to be held.

West London Tram - the report on the outcomes of the consultation will be published soon.

Bus Fares – free travel for under 16 year olds will be rolled out in the summer. This will be followed by an evaluation and based on the results of that evaluation, rolled out to under 18 year olds thereafter.

Following discussion, the Board NOTED the report.

**05/02/05 3<sup>RD</sup> QUARTER FINANCE & PERFORMANCE REPORT**

The Board considered the 3<sup>rd</sup> quarter finance and performance report.

Members discussed whether there was a link between increased bus patronage, increased journeys on the Underground and the reduction in killed and serious injuries on the road. Peter Hendy advised that the most cost effective means of reducing road accidents is by installing road safety cameras; an issue the Mayor had raised with the Secretary of State for Transport, as the DfT had currently embargoed additional staff for Safety Camera Partnerships..

Jay Walder agreed to review and update figures on modal shift. Peter Hendy agreed to review whether there is a link between increased public transport usage and the reduction in killed and serious injuries on London's roads and report back to the Board.

**Jay Walder  
Peter  
Hendy**

Members also considered the workforce composition figures and agreed that there is a need for a further discussion at the next meeting on progressing diversity with the organisation.

**Valerie  
Todd**

Following discussion, the Board NOTED the report.

06/02/05

## CONGESTION CHARGING – WESTERN EXTENSION

Members discussed the paper which provided an update on the current scheme, the various consultation exercises underway and the procurement of services to set up and operate a westward extension should the Mayor decide to proceed following consultation. The main points raised during the discussion were:

- concern about what impact the Western Extension would have on small retailers;
- what consideration had been given to the White City development; and
- support for the new technology trials.

In response, Michele Dix advised members that in a recent survey about the Western Extension, only 7% of respondents had driven to the shops and the majority of those were residents in the local area. A feasibility study had been carried out to determine the benefits or otherwise of including White City in the zone, but the conclusion had been to omit it.

Following this discussion the Board:

- NOTED the current level of service provision and performance, the public consultations on Variation Orders 4 and 5, the preliminary consultation with key stakeholders on the proposed western extension and current work and possible options for the future of road charging.
- NOTED that the aggregate value of the “package” of contracts which go to make up the contractual framework for the proposed western extension may exceed £100 million.
- APPROVED in principle the entering into of the “package” of contracts required to implement the proposed western extension and authorised the Commissioner, Managing Director, Surface Transport or the Directors of Congestion Charging, to award contracts to whichever bidders offer best overall value for money (where contracts are subject to a competitive tender) and agree the final terms of the contracts (where contracts are subject to negotiation) and enter into such contracts on behalf of TfL. It was further NOTED that a satisfactory conclusion had been reached with Capita and that the details of the Supplemental Agreement for the proposed western extension would be made public in due course.

**07/02/05 TAXI FARES AND TAXI AND PRIVATE HIRE LICENCE FEES**

During discussion of this paper, members touched on the perceived lack of work for taxi drivers in central London and the need for more drivers late at night. Bryan Heiser requested a paper on door-to-door fares for a future meeting.

**Peter  
Hendy/  
Valerie  
Todd**

Following discussion, the Board APPROVED the proposed taxi fares and the making of a London Cab Order, to be signed by the Commissioner to implement the new fares from 2 April 2005 and to make clear that the fares are to be treated as a maximum. The Board also APPROVED licence fee revisions and changes to be implemented from 1 April 2005.

**08/02/05 A406 NORTH CIRCULAR ROAD – BOUNDS GREEN**

Peter Hendy introduced the paper by confirming that the decision to be taken related to the A406 at Bounds Green and reminded members of the history of this project which was first brought to the Board's attention in October 2003. He confirmed that submissions for future funding of the inherited schemes were included in the TfL 2004/5 Business Plan. Although the Government provided an improved settlement and prudential borrowing powers for TfL over the next five years, funding for TfL's full capital programme was not provided and TfL, therefore, had to consider how best to prioritise its resources in light of the outcome of SR2004.

The inherited scheme at Bounds Green had an estimated cost of £266m and a benefit/cost ratio of 0.18. The proposed safety and environmental improvement scheme had an estimated cost of £25.4m and a benefit/cost ratio of 10.17 making it significantly better value for money than the inherited scheme.

Peter Hendy confirmed that the Boroughs had been consulted on the present proposal and drew members' attention to the letters received from the Boroughs detailing their representations and TfL's responses to those representations, all of which were attached to the Board paper.

The Mayor advised the Board that he had held a productive meeting with the Boroughs where it was still apparent that they would prefer a more substantial scheme. However, he was clear that the proposed smaller safety and environmental improvement scheme will provide positive benefits for residents and road users.

The Mayor confirmed that he had given assurances to the Boroughs that TfL will not dispose of land that would prevent TfL pursuing an intermediate scheme at Bounds Green in the future, subject to funding. The Mayor also confirmed that he would ask TfL to review the surplus property related to the Bounds Green scheme to ascertain its suitability for the ODPM's first time buyers' initiative.

The Mayor also undertook to write to the Commissioner setting out what he had agreed with the Boroughs.

**Ken  
Livingstone**

Following discussions, the Board APPROVED:

- that the inherited scheme for the A406 North Circular Road at Bounds Green should not be progressed at this time;
- that a predominantly dual 2-lane safety and environmental improvement scheme with widened at-grade junctions should be progressed at Bounds Green and that this would be similar to that submitted for consultation in June 2002 but to a slightly wider footprint to make better provision for buses, pedestrians and environmental treatment and by enabling greater junction efficiency, to attract rat-running traffic in the corridor back to the main road;
- that the surplus properties at Bounds Green should be disposed of and a request made for safeguarding to be amended to that required for the safety and environmental improvement scheme;
- that additional properties required for the smaller safety and environmental improvement scheme at Bounds Green should be acquired by negotiation but that the Board agrees in principle that TfL should make a Compulsory Purchase Order in case negotiations fail. The final decision to make, amend and implement any Compulsory Purchase Order (including the settling of the detailed boundaries of the land to be acquired) will be taken by the Managing Director, Surface Transport;
- that TfL should engage with the relevant local Councils and community on the design and implementation of the smaller safety and environmental improvement scheme for the A406 at Bounds Green; and
- that further consideration will be given to options for improvement at Regent's Park Road and Golders Green Road.

## **09/02/05 OLYMPICS UPDATE**

Hugh Sumner gave an interesting presentation outlining TfLs support for the bid and the format of the forthcoming International Olympic Committee's Evaluation Commission visit.

The Commissioner expressed his thanks to Hugh Sumner for the excellent way in which he has represented TfL and other transport efforts in their work on the Olympic Bid.

**10/02/05 REPORT FROM FINANCE COMMITTEE**

The Board NOTED the report which set out the matters discussed at the Finance Committee held on 20 January 2005.

**11/02/05 REPORT FROM AUDIT COMMITTEE**

The Board NOTED the report which set out the matters discussed at the Audit Committee held on 25 January 2005.

**12/02/05 DOCUMENTS SEALED ON BEHALF OF TFL**

The Board NOTED the documents sealed on behalf of TfL between 18 November 2004 and 25 January 2005.

**13/02/05 ANY OTHER BUSINESS**

Prudential Indicators

The Board APPROVED the re-worded "Maturity Structure of Borrowing" Prudential Indicator which had been requested by the Finance Committee to improve the clarity of the specific PI.

There being no further business, the meeting closed at 12.20pm.

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CHAIR

**TRANSPORT FOR LONDON**

**STAFF SUMMARY  
TFL BOARD**

**SUBJECT: Commissioner's Report for March 2005**

**DATE: 23 March 2005**

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**1. PURPOSE**

- 1.1 This is the Commissioner's written report for March 2005. This report provides an overview of major issues and developments since the last Board meeting and updates the Board on significant projects and initiatives.

**2. FINANCIAL AND PLANNING ISSUES**

**Business Plan, Investment Programme and Budget**

- 2.1 The Mayor's Budget, of which TfL's was a significant element, was approved by the London Assembly on February 14. There were, however, some changes agreed with the Assembly that required TfL's Budget to be amended as follows:
- Reduction in precept for TfL of £6m to £20m
  - The inclusion of an additional £2m for Safer Routes to School
  - An additional £2m provision for cycle storage and training at schools
  - Further monies on travel awareness and workplace travel plans
  - Agreement to provide £50,000 for local residents to use in making their case to the public enquiry for the Thames Gateway Bridge

**London 2012 Olympic and Paralympic Games**

- 2.2 The IOC Evaluation Commission visited London between the 16<sup>th</sup> and 19<sup>th</sup> February to assess London's bid for the 2012 Olympic and Paralympic Games.
- 2.3 TfL was responsible for moving the Commission during their visit, which occurred without difficulty.
- 2.4 The transport plans was presented by Tony McNulty, Minister of State, Professor Tony Ridley and Wilben Short of London 2012, and Hugh Sumner (TfL). TfL also provided the transport expert for the sessions on Sports, Paralympics, Olympic Village, Media and Immigration themes.



## **Travel Demand Management (TDM)**

- 2.5 The Surface Advisory Panel on 22 February reviewed TfL's progress in developing TfL's travel demand management strategy. TDM is an emerging transport policy measure aimed at directly and indirectly influencing the demand for travel through "softer" measures such as information and marketing. It considered the implications of the DfT's published research 'Making Smarter Choices Work' (as presented to the panel in January 2005), and described what TfL is currently doing and spending in this area and to what effect. It was agreed that the TDM strategy will be developed further to feed into business planning and future COG/Board discussions.

## **Fares**

- 2.6 TfL's fares increased in January 2005 by RPI +10% on buses, RPI +1% on tube. Pre Pay take up is growing strongly.
- 2.7 Oyster daily price capping was launched on 27 February. This means users of Oyster Pre Pay never pay more than the Day Travelcard price for their total travel over the course of the day.
- 2.8 Student Oyster-ID cards were also launched in February. A similar approach is being developed for the Mayor's Under-16s free bus travel initiative, to be launched in Autumn 2005.
- 2.9 Discussions with DfT are underway to agree a framework which would enable the Mayor to set train fares in Greater London with 'clawback' of any revenue raised above a baseline threshold, together with proposals for the zonalisation of train fares and the extension of Pre Pay.

## **3. OPERATIONS**

- 3.1 There are some operational issues to draw to your attention.

## **SURFACE TRANSPORT**

### **London Buses**

- 3.2 Passenger growth on buses remains high, with year to date passenger numbers some 7% higher than last year.

### **Fare Evasion**

- 3.3 TFL is now targeting enforcement on open boarding bus routes to provide a highly visible deterrent to opportunistic fare evasion. As a result, there was a substantial increase in the number of buses and passengers checked during this period, with increased levels of TIRAs and Penalty Fares being issued. Checks were concentrated in areas such as Waterloo, Victoria, Hyde Park Corner, Euston, Holborn, Kings Cross, London Bridge and Aldgate. Over the coming months additional locations will be targeted. A marketing campaign is also being developed to raise customer awareness of revenue protection activities.

### **Proposed CCS Extension**

- 3.4 The deadline for responses to the WEZ Preliminary Consultation was 22 February 2005 and results are currently being analysed. Public consultation on the WEZ is expected to commence in the spring, following a Mayoral decision pending the outcome of the recent consultations on increasing the charge and customer improvements.

### **Road Safety**

- 3.5 Newly released figures for road casualties for the first 9 months of 2004 show continued improvement. Fatal incidents show a 23% year-on-year reduction and overall casualties were roughly 11% lower. Details are being circulated under separate cover to Board members.

## **LONDON UNDERGROUND**

### **Customer Service and Performance**

- 3.6 Start-up of train services has been delayed on several occasions recently due to overrun of weekend or overnight engineering work. The most disruptive incident was at Oxford Circus on the Central line on 25<sup>th</sup> January. This was caused by Balfour Beatty Rail having the incorrect equipment on site during rail replacement works; alternative equipment had to be sourced from Ruislip depot. In response to LU's concerns, Metronet Rail BCV have prohibited Balfour Beatty Rail from performing re-railing work in deep tube sections until a full report is submitted and LU is assured that procedures and controls are in place to prevent similar occurrences in the future. The estimated abatement that Metronet Rail BCV will suffer under the PPP contract as a consequence of this incident is some £250k.
- 3.7 Following the contingency arrangements established during the protracted Northern line radio failure in December, further use was made of station staff and volunteers to provide double manning of trains during a radio failure on the Piccadilly line on 18<sup>th</sup> January. More recently, on 18<sup>th</sup> and 21<sup>st</sup> February, these arrangements were again used on the Northern line. LU is working with Tube Lines to fit a radio system on the Northern line as an interim solution until Connect is installed. This system should be operational in May.
- 3.8 Demand remains healthy; the forecast for passenger journeys in 2004/05 is only some 3 million below the all-time high of 970 million recorded in 2000/01. Train service performance in the most recent period, with 96.3% of scheduled kilometres operated keeps LU on course to achieve its performance targets for 2004/05. A notable feature of recent performance has been improved reliability of the Central line train fleet.

### **King's Cross St Pancras**

- 3.9 The DfT has given the go-ahead to the new Northern ticket hall at King's Cross St Pancras station, thereby lifting the suspension of works previously imposed on Phase 2 of the project. There are, however, a number of issues regarding project governance, funding and risk that are still to be resolved; discussions on these are continuing with DfT. The new Northern ticket hall will

provide extra capacity for a key interchange from the Northern, Piccadilly and Victoria lines to the sub-surface lines, the mainline rail station, as well as to the new Channel Tunnel Rail Link and commuter services at St Pancras. It will also mean that, when complete, King's Cross St Pancras station will be fully accessible, with lifts providing step-free access to all Tube lines.

### **Croxley Rail Link**

- 3.10 London Underground and Hertfordshire County Council (HCC) have been working in close partnership over the last two years to develop a funding package that could deliver the Croxley Rail Link, which would provide Metropolitan line passengers with a direct link to Watford town centre. It forms a fundamental part of the County Council's Local Transport Plan and is part of the TfL five-year £10bn Investment Programme.
- 3.11 HCC has now submitted a proposed joint funding package to the Department for Transport for approval. The proposal includes a substantial financial commitment from TfL of almost £18 million towards the £65 million total cost, together with contributions from HCC and others already committed.

### **Station modernisation and refurbishment**

- 3.12 Seven modernised and refurbished stations have been completed by Tube Lines. These are the first to be completed under the PPP including: Arnos Grove, Borough, Burnt Oak, Kilburn, Northfields, South Harrow and West Hampstead. All have benefited from structural repairs and fresh paintwork, new information indicator boards on platforms and in ticket halls, better lighting, new CCTV security systems, upgraded PA systems and help points and improved seating.

### **Graffiti**

- 3.13 As a further step in tackling the problem of graffiti on the Underground, LU has successfully sued a graffiti vandal for £3,000. This is the first time LU has used civil action to recover the costs of graffiti crimes and the judgement paves the way for LU to recover the costs of graffiti removal from vandals who commit such crimes in the future.

### **Connect**

- 3.14 There has been adjudication on two claims from City Link for the Connect project: One for delay and disruption by LUL to the enabling works and another for the costs of installation of train radios. The two independent adjudications both found in favour of LU, although City Link (claim) are pursuing the next level of dispute resolution (Arbitration) for the delay and disruption and are considering their position on the train radio installation cost claim

## **LONDON RAIL**

### **Docklands Light Railway (DLR) performance**

- 3.15 The DLR continues to deliver performance above target with service reliability at 98.6% (against target of 98.0%) and service quality at 97.2% (against target of 96.0%).

- 3.16 Surveys on newly refurbished vehicles (now entering service) have been very favourable, especially in comfort, accessibility and layouts of seats and grab poles.

#### **4. MAJOR PROJECTS AND INITIATIVES**

##### **Crossrail**

- 4.1 The Hybrid Bill was submitted on 22 February. This represents a considerable achievement not least in terms of process and logistics. The Bill will now proceed through the parliamentary process, with petitioners having the right to make representations to Parliament seeking changes to the proposals. Preparation and negotiations with petitioners will be a major activity over the coming months. Work also continues on agreements with major stakeholders such as Network Rail and BAA.
- 4.2 In addition to working on the Bill, DfL and TfL will need to bring forward proposals for funding of Crossrail. Government consultation on alternative funding mechanisms is expected to begin later this year.

##### **Rail Review**

- 4.3 Formal DfT working groups continue to take place with relevant parties (DfT, TfL, SRA, ATOC, GOL, and Network Rail) to discuss the implementation of the concepts contained in the Government's recent White Paper. As well as the fares integration framework mentioned in section 2.4, the London working group is specifically discussing the Silverlink Metro franchise specification.
- 4.4 Discussions continue with DfT on:
- Implementation of zonal fares across London's rail network
  - Introduction of 'Pre Pay' onto National Rail services in London
  - Transfer of the Silverlink 'metro' services from the SRA to TfL in respect of the following routes:
    - North London Line (Richmond-Willesden, Highbury-Stratford)
    - The Euston-Watford service (integrating it with LUL's Bakerloo Line service)
    - The West London Line (Clapham Junction-Kensington, Willesden including new stations in West London)
    - The Gospel Oak-Barking Line in North and East London

##### **East London Line Extension**

- 4.5 Following the transfer to TfL near the end of 2004, good progress is being made on moving this project into the delivery phase. Enabling works are continuing, including the refurbishment of the Kingsland Viaduct and demolition of redundant structures. Identification of suitable rolling stock is nearly complete. Work is also continuing on the rail/bus interchange and regeneration scheme above the ELL Extension station at Dalston.

### **DLR Major Projects**

- 4.6 On the City Airport Extension, a key signalling milestone was passed in February, which gives further security to the contractual opening date of December 15, 2005. The Woolwich Arsenal project also remains on schedule.
- 4.7 The Public Enquiry which began on February 7, 2005 as to the 3-car capacity upgrade, has progressed very satisfactorily with a number of public statements of support as well as the objections which had been anticipated. One main objector, Societe Generale, remains at the end of February where discussions to remove the objection are well advanced.

### **Thames Gateway Bridge**

- 4.8 Following the “call in” of the planning application for the project a public inquiry will commence on 29 June. The project team are preparing materials for submission to the inquiry; these are due by May.

### **West London Tram**

- 4.9 The results of the public consultation exercise undertaken between June and October 2004 were announced on 1 March 2005. The market research shows three to one support for the proposed tram. Responses to the consultation show two to one opposition. This is not unusual in that those opposing a scheme are typically more likely to write in, in response to a consultation than those with neutral or positive opinions.
- 4.10 In both the market research and consultation responses a majority agree there is a need to tackle congestion and improve public transport along the Uxbridge Road.
- 4.11 The ongoing design of the project and environmental impact work will take into consideration detailed comments raised during the consultation.

## **5. GOVERNANCE AND ORGANISATIONAL ISSUES**

### **Implementation of Human Resource Services (E)**

- 5.1 TfL introduced HR Services during January. This reengineering of the HR function in TfL saves 25% of HR’s annual operating costs (£8.1M). It provides a comprehensive service covering recruitment, training, administration, pay, and specialist support that is focused on serving the needs and effectiveness of employees and managers. The capability improves the ability to quickly implement integrated policies and remove artificial barriers where appropriate. It also provides better information about TfL’s people and the issues challenging them.
- 5.2 The core of the operation is based at Earl’s Court in West London, with some staff employed at sites throughout London.

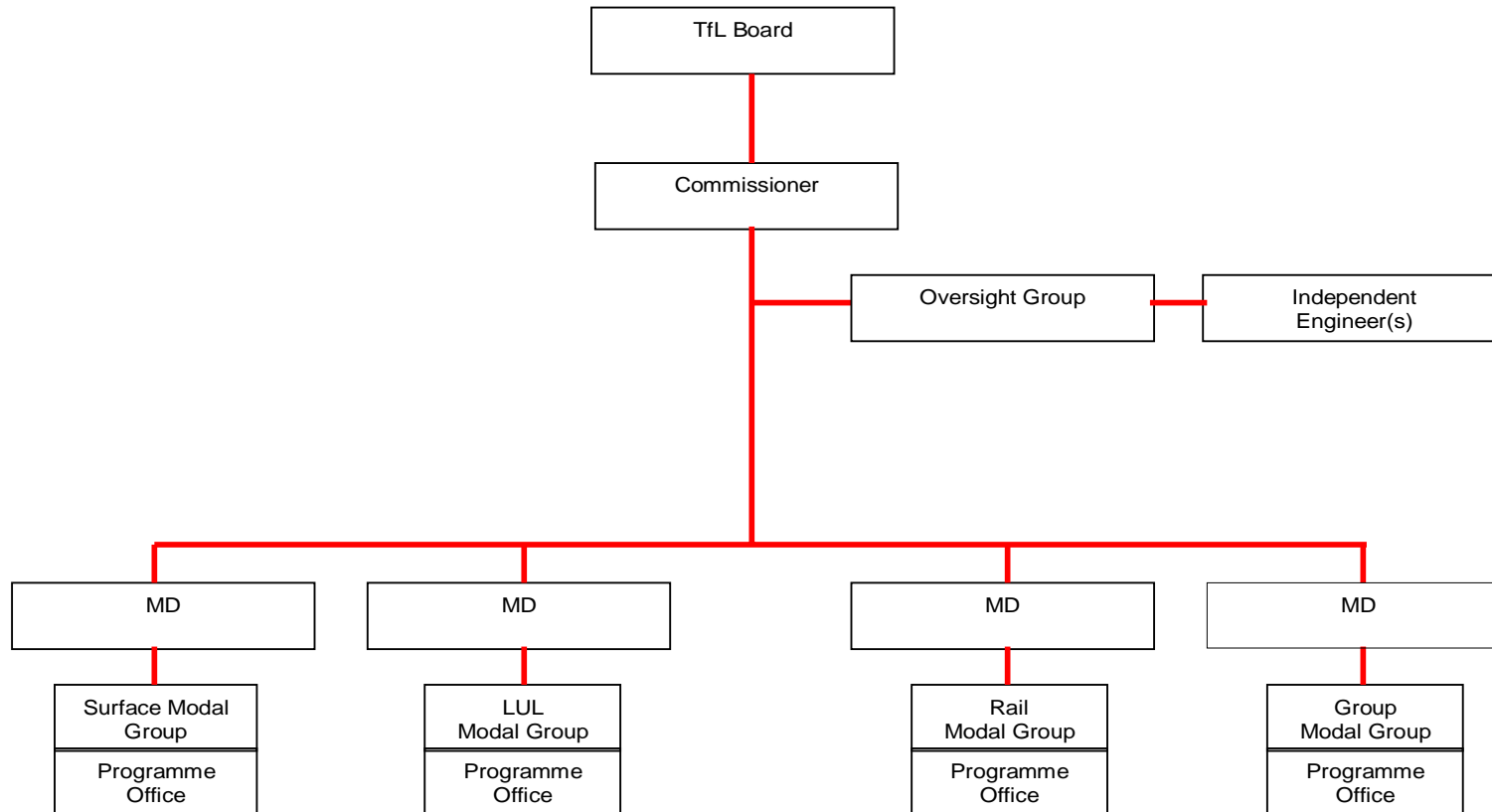
### **Oversight of the TfL Capital investment Programme**

- 5.3 As I mentioned briefly in the January Board papers, I have been considering how best to ensure there is proper management and oversight of our Capital Investment Programme.
- 5.4 The basic premise I am proposing is that the modal entities and their respective Chief Officers have the responsibility to deliver their projects according to plan. I will be accountable to the Board for the overall delivery of the Programme. To discharge this responsibility I have decided to set up, directly reporting to me, an Oversight Group. This group will provide support to me to ensure that the individual projects are on schedule and to interrogate the management data coming through. This will enable us to pick up early warning signs if any projects are likely to be behind or more expensive than budgeted.
- 5.5 The Oversight Group will be small, probably one senior level head plus three or four analytical staff. The individuals for these positions will have experience with capital programme implementation as well as the ability to work cooperatively with all individuals across the business. The group will produce regular reports to me, the Board and relevant Chief Officers, flagging up problems with individual projects and any systemic issues. The group also will organise meetings to review these findings and conduct follow-up to ensure that appropriate action is being taken.
- 5.6 Oversight Group also will have the benefit of Independent Engineers to support their work. The Independent Engineer's assignments may include reviews of key projects on an ongoing basis to identify emerging issues, special reviews of projects that are no longer proceeding according to plan or cross sectional reviews of generic issues that are affecting programme performance (e.g. delays in procurement, shortage of key resources, quality of project management etc.) The Oversight Group would work with Internal Audit to ensure there was no gap or overlap in the respective functions.
- 5.7 The Head of the Oversight Group is a key role and a search has commenced to find the appropriate individual. In the meantime, the intention is to appoint an interim Head of Oversight to put the early stages in place.
- 5.8 The role of the Board in Oversight stills needs to be finalised, and in particular whether a new committee of the Board should be formed to deal with these issues. The key issue however at the moment is to get the appropriate management structures in place as quickly as possible, with a view to developing the board process in due course. A diagram showing the organisational structure and responsibilities is attached.

**Robert R. Kiley**  
**Commissioner for Transport**  
**March 2005**

## TfL Investment Programme Oversight/Management/Delivery

Oversight - the means of monitoring progress on the approved Investment Programme and ensuring that the appropriate policies, resources and efforts are being applied to ensure its success







**TRANSPORT FOR LONDON  
STAFF SUMMARY  
TfL BOARD**

**SUBJECT: 2005/06 Budget**

**MEETING DATE: 23 March 2005**

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**1. PURPOSE**

- 1.1 The 2005/06 Business Plan was approved at the TfL Board Meeting on 27 October 2004. The first year of the plan formed the basis of TfL's Budget submission to GLA for inclusion in the Mayor's Budget. Following the debate at the London Assembly on 26 January 2005 some amendments were proposed by the Mayor for inclusion in his final 2005/06 Budget which was agreed by the London Assembly on 14 February 2005.
- 1.2 This paper therefore outlines TfL's budget for 2005/06, reflecting the Mayor's agreed Budget for 2005/06 and any amendments arising from TfL's 2004/05 Period 9 (third quarter) forecasts for the year for the TfL Board to approve.

**2. KEY HIGHLIGHTS AND ISSUES**

- 2.1 TfL's 2005/06 Budget consists of a separate directly managed capital budget for investment on transport infrastructure and TfL's operational budget, to support the delivery and running of transport services. In addition to the capital budget further capital investment is generated indirectly through payments to Boroughs, PPP, PFI and bus contracts which together with the directly managed capital budget form part of the 5 year Investment Programme. The principal highlights of the 2005/06 Budget are as follows:-

**TfL 5 Year Investment Programme**

- 2.2 The 2005/06 Budget includes the delivery of the first year of the TfL 5 Year Investment Programme. The main Investment Programme deliverables included in the 2005/06 Budget include:

**Delivered in 2005/06**

- The modernisation of 8 London Underground stations
- Enhanced refurbishments at a further 14 and refurbishments at 17 London Underground stations
- Replacement of 33km of London Underground track and the refurbishment and replacement of 35 lifts and escalators
- The completion of the DLR extension to London City Airport
- Completing the refurbishment of the existing fleet of rail cars on the DLR and construction of new railcars for the 3-car operation between Bank and Lewisham, and Woolwich Arsenal extensions.
- New tram stop in Tamworth Road, Croydon serving the Centrale development
- The last of the high floor buses will be phased out, leaving a fully accessible low floor bus fleet, complete with full CCTV installation

### **Starting in 2005/06**

- Since agreement of the Business Plan, Government have now given approval for the expansion of the northern ticket hall at Kings Cross as part of the Channel Tunnel Rail Link works. This is fully funded by the DfT.
- A significant enabling works contract, preliminary design & tendering and land acquisition for the Southern Extension of the East London Line Extension
- Replacement of London Buses radio, automatic vehicle location and Countdown system, with supporting central system assets
- Improvement work to the section of the A406 North Circular Road at Bounds Green which is due to be completed in 2008
- The construction of the DLR extension to Woolwich Arsenal
- The construction of DLRs new Stratford Station
- Construction of new bus garages at Hanworth Road, Hounslow and North Acton
- Funding to finance the earlier roll out of smartcard ticketing to all Train Operating Company stations in Greater London. However, this will not happen until there is a willingness by the TOCs to invest in this technology and implement Oyster.

### **Continuing Initiatives**

- Taking forward the West London Tram to the application for a Transport and Works Act Order
- Capital renewals to carriageways, footways, structures, lighting and tunnels.
- The development and implementation of bus priority schemes to reduce bus journey times and improve service reliability including Route 149 which is being developed in a corridor approach.
- A programme of improvements for pedestrians and cyclists on the TLRN and Borough Principal Road Network, including additional cycle parking in London's schools and further funding in order to complete the London Cycle Network by 2009
- Road safety measures to build on the significant recent achievements in cutting deaths and serious injuries, including 20 mph schemes near to schools
- Progress on the construction of the A23 Coulsdon bypass
- Taking forward the Thames Gateway Bridge project through the Public Inquiry process
- Preparatory work including consultation on the proposed westward extension to the current Congestion Charging zone

### **Operating Budget**

2.3 The 2005/06 **Operational Budget** includes:

#### **Starting in 2005/06**

- Implementing the fares increases contained in TfL's Business Plan
- Completion of the first five year cycle of improvements to the quality and accessibility of London's bus network which has taken place over the previous 5 years
- Delivery of operational efficiencies through the introduction of cashless buses throughout the bus network supported by the expansion of the Oyster smartcard
- Implementing the new statutory requirement of the 'Network Management Duty' introduced by the Traffic Management Act and preparation for streetworks permitting

- Commencing the distribution of smartcards for Under 16 free fares from August 2005

### Continuing Initiatives

- A series of environmental measures on combating climate change, reducing vehicle emissions, increasing recycling and better waste management, and improving and protecting London's green spaces
- Support for the Hybrid Bill for Crossrail through the joint venture with the DfT of Cross London Rail Links (CLRL) Limited
- A programme of traffic management initiatives to manage traffic in a real-time environment.
- Increasing support to encourage cycling and walking
- Increased funding for town centres and Streets for People;
- Increased funding for Safer Routes to School and travel awareness
- Door to door transport through a mix of services provided by Dial-a-Ride, the completion of the implementation of a 100% accessible bus service and a significant increase in the support for Taxicard

### 2005/06 TfL Operating and Capital Budget

2.4 TfL has strengthened its financial discipline and management in separating its operating and capital budgets and ensuring that its recurring income is sufficient to cover its recurring costs. This ensures that TfL is only borrowing for investment. Accordingly these elements will be carefully monitored throughout the year. It is particularly important to demonstrate this to investors in TfL's bonds and to the rating agencies. The overall 2005/06 budget is shown in the following table.

<b>£m at outturn prices</b>	<b>2005/06 Budget</b>	<b>2004/05 Forecast (Q3)</b>
Income	(2,753)	(2,612)
Operating Expenditure	4,946	4,470
Overprogramming (operating)	(20)	-
<b>Operating Budget</b>	<b>2,173</b>	<b>1,858</b>
Capital Expenditure	1,013	553
Capital Receipts/Contributions	(181)	(133)
Overprogramming (capital)	(140)	-
<b>Capital Budget</b>	<b>692</b>	<b>420</b>
Contingency	26	-
<b>Funding Requirement</b>	<b>2,891</b>	<b>2,278</b>
<b>Funded by:</b>		
Grant Income	2,168	2,257
GLA Precept	20	26
Prudential Borrowing	550	400
Working Capital and Reserves	153	(405)
<b>Total</b>	<b>2,891</b>	<b>2,278</b>

2.5 The delivery of the proposed TfL 2005/06 Budget will result in generated investment totalling £1,875m which is shown below and consists of directly managed capital expenditure and that indirectly managed via the operating budget through the PPP, PFI, and bus contracts and Borough payments, which are of a capital nature (i.e. they renew or upgrade assets) but which the 2005/06 Budget classifies as operating expenditures owing to the accounting treatment of the contractual relationships that have been put in place. This is illustrated in the following table.

<b>£ millions</b>	<b>2005/06 Budget</b>
<b>TfL Directly Managed Capital Budget</b>	<b>1,013</b>
<b>TfL Indirectly Managed</b>	
Contracted payments under LU PPP	674
Contracted payments under PFI contracts	75
Payments to operators and Boroughs	253
	<b>1,002</b>
Overprogramming	(140)
<b>Total Investment Programme</b>	<b>1,875</b>

2.6 The budget is predicated on the Mayor authorising borrowing for prudential borrowing. The Treasury management strategy paper, which contains the prudential indicators, requests that, subject to the Mayor’s consultation, the Board approves a direct borrowing limit for 2005/06 of £550m.

### **Overprogramming**

2.7 Overprogramming represents a central reduction in the budgeted expenditure of the business units. This reduction recognises that delays can arise from consultation, planning and obtaining of powers. The overprogramming provision allows TfL to ensure it effectively spends its allocated funding despite these impacts. The level of overprogramming for 2005/06 has increased from £80m in 2004/05 to £160m, of which £140m relates to directly managed capital budget, with a further £20m in the operating budget, reflecting the increase in size and scope resulting from delivering the TfL 5 year Investment Programme.

### **Efficiencies**

2.8 TfL started its efficiency programme in 2003/04 and is forecast to deliver efficiencies totalling £107m within 2004/05. TfL is fulfilling its commitment to Government to fund its part of the SR2004 settlement through the delivery of efficiencies. A total of £125m of assumed savings are built into the 2005/6 budget (including savings sustained from prior years) and this represents an increase of over £50m from the original target. This includes savings delivered by the implementation of Shared Service Centres in HR and Finance, further savings from better procurement and operational savings enabled by the implementation of Oystercard. TfL’s efficiency programme is explained in greater detail in section 7 of this paper.

### 3. CHANGES TO THE BUDGET SINCE 27 OCTOBER 2004

3.1 After the TfL Board approved the Business Plan on 27 October 2004, the 2005/06 budget was submitted to the GLA and TfL's proposals into the Mayor's overall budget. After formal consultation this was put to the Assembly. The Mayor's budget proposals were approved by the Assembly at its meeting on 14 February 2005. The table below shows the level of changes made since the TfL Board approved the Business Plan on 27 October 2004 including those arising from the Assembly debates, and these are detailed by business unit in **Annex 1**.

#### 2005/06 Budget

	2005/06 Budget			2004/05 Forecast (Q3) £m
	Plan	Changes	Budget	
	27 October £m		23 March £m	
Income	(2,762)	8	(2,753)	(2,612)
Operating Expenditure	4,923	23	4,946	4,470
Overprogramming (operating)	(20)		(20)	-
<b>Operating Budget</b>	<b>2,141</b>	<b>32</b>	<b>2,173</b>	<b>1,858</b>
Capital Expenditure	927	86	1,013	553
Capital Receipts/Contributions	(148)	(33)	(181)	(133)
Overprogramming (capital)	(140)		(140)	-
<b>Capital Budget</b>	<b>639</b>	<b>52</b>	<b>692</b>	<b>420</b>
Contingency	26		26	-
<b>Net Expenditure</b>	<b>2,806</b>	<b>85</b>	<b>2,891</b>	<b>(5)</b>
<b>Funded by:</b>				
Grant Income	2,161	7	2,168	(2,257)
GLA Precept	26	(6)	20	(26)
Prudential Borrowing	550		550	400
Working Capital and Reserves	69	84	153	(405)
<b>Non grant funding</b>	<b>2,806</b>	<b>85</b>	<b>2,891</b>	<b>(5)</b>

3.2 The major changes to the first year of the business plan as presented to the TfL Board on 27 October 2004 are items arising from :-

#### Agreement of the Mayor's Budget

3.3 During the process to agree the Mayor's budget with the Assembly the following main changes were made:

- Reduction in the precept of £6m
- £2m more for safer routes to school
- Additional £2m provision for cycle storage and training at schools and completion of the London Cycle Network by 2009 which will increase the 2005/06 budget by £2m
- Increase in the amount spent on travel awareness and workplace travel plans
- Agreement to provide £50,000 for local residents to use in making their case to the public inquiry for the Thames Gateway Bridge

## Impact of Performance in 2004/05 on the 2005/06 Budget

- 3.4 A number of adjustments have been made to the budget based on performance in 2004/05. These include
- Reduced level of debt servicing as a result of the deferral of £200m of prudential borrowing from 2004/05 to later years.
  - Total carry forwards for items that have been rephased from 2004/05 amount to £18m. These include Congestion Charging - proposed western extension set up costs of £4m, bridge strengthening costs of £3m, DLR Railcar refurbishment costs of £2m and Group accommodation costs of £4m

### Other Events

- 3.5 Further adjustments have been made to the budget in respect of the following:
- The contribution to Crossrail has been rephased with an additional £7m to be made in 2005/06 which was originally planned to be made in 2006/07; this will be matched by a similar rephasing in the Crossrail grant received.
  - Land acquisition expenditure on the DLR extension to Woolwich Arsenal is being accelerated with a £5m brought forward from future years.
  - Addition expenditure on the northern ticket office at Kings Cross as part of the Channel Tunnel Rail Link works which are fully funded by the DfT.
  - The finalisation of the Connect enabling works by London Underground requires additional expenditure of £50m compared with the Period 6 2004/05 forecast.
  - A contribution of £2.5m to the construction of a new velodrome in East London will be made later in the Business Plan period.
  - Transport improvements in the West End Business Improvement District
- 3.6 The items of additional expenditure have been funded by a combination of drawings on reserves and adjustments to projected payments of working capital. **Annex 2** shows an analysis of gross expenditure total by Business Unit. **Annex 3** summarises each of the 2005/06 resource budgets by activity.

## 4. OPERATING BUDGET

### Income

- 4.1 The income budget of £2,753m shows an increase of 5% compared with 2004/05 and is based upon:
- Fare rises announced by the Mayor in September 2004, which are essential to secure the funding for the investment programme in London's transport, raising fares by inflation plus 1% rise on the Tube, and an average rise of inflation plus 10% on bus fares
  - Proposal to increase congestion charges and a number of customer improvements was announced in November 2004 with the public consultation closing at the end of February 2005. If agreed by the Mayor following a review of the consultation the changes will be introduced by July 2005.
  - Offering the Under 16 free fares in time for the new school year in September 2005, with distribution of smart cards from August 2005

- Consideration for any unfavourable impact of the level of planned line closures resulting from the increasing construction works as part of the infrastructure renewal on the London Underground network under the PPP contracts

4.2 As highlighted in section 9, there have been significant recent changes in revenue trends in London Underground, which taken with the substantial changes in fare structure in 2005/06, particularly for London Buses, lead to greater uncertainty than usual in projecting traffic revenue. If recent trends continue there is a potential for higher revenue levels than budgeted, but it is far from certain.

### **Operating Expenditure**

4.3 The main deliverables of the operating expenditure are shown below:

#### **4.4 London Underground**

- **Trains and Stations** – Management of stations and trains. This takes the form of selling tickets, providing staff on station platforms, providing information and reassurance to customers. It also involves the staffing of trains with operators and providing a signalling and control function as well as staff to manage service disruption, focusing on the needs of the customer.
- **PPP contracts** – Maintenance of the London Underground infrastructure.

#### **4.5 Surface Transport**

In addition to the ongoing day to day operations

- **Bus Network** – Continuing improvements to operating London's bus network. Bus passenger journeys are expected to reach 1,854m in 2005/06, an increase of 3% compared with 2004/05. The bus kilometres operated are budgeted to increase by 2% compared with 2004/05.
- **Traffic Management** - The current focus on traffic management is underlined by a new statutory 'Network Management Duty' (NMD) which is being addressed. This includes a programme of operational and project based activities which cover broad initiatives (Real Time Traffic Management, Network Co-ordination, legislative process and procedures)
- **TLRN** – Revenue maintenance, relating to day to day maintenance of footways, carriageways, street lighting and furniture to maintain the TLRN in a safe condition fit for purpose.
- **Road Safety** – A programme of specifically targeted Road Safety Campaigns to raise awareness of road safety issues with the public and those identified as being vulnerable road users i.e. teenage pedestrians, cyclists, powered two vehicles and older road users in addition to capital works.
- **Private Hire Licensing** - Completing the programme of private hire licensing
- **Door to Door Operations** - Providing door to door transport services people who are unable to access mainstream public transport because of disability through Dial-A-Ride and the expansion of Taxicard, in addition to a fully accessible bus service.

## 4.6 London Rail

- **DLR Operations** - ongoing operations of the DLR, specifically train operations covering the entire network and maintenance for all rolling stock, stations and track
- **Crossrail** - TfL provides the funding for the current planning and development work being carried out by Cross London Rail Link (CLRL).
- **TfL Sponsored Rail Services** - continuation of the additional services sponsored by TfL on Silverlink Metro and South Eastern

### Financial Implications

- 4.7 The net cost of these proposals to TfL in 2005/06 is £2,173m, which compares with forecast expenditure in 2004/05 of £2,035m an increase of 7%, which is broken down by mode in the following table.

#### 2005/06 Operating Budget

£m at outturn prices	2005/06 Operating Budget			2004/05 Forecast (Q3)
	Income	Operating Expenditure	Total	
London Underground	(1,338.8)	2,468.0	1,129.2	1,023.3
Surface Transport	(1,238.7)	2,095.0	856.3	812.0
London Rail	(48.3)	113.9	65.6	85.5
Corporate Directorates	(127.6)	269.5	141.9	114.2
Overprogramming		(20.0)	(20.0)	
<b>Total</b>	<b>(2,753.4)</b>	<b>4,926.4</b>	<b>2,173.0</b>	<b>2,035.0</b>

## 5. THE 2005/06 INVESTMENT PROGRAMME

- 5.1 The 2005/06 budget incorporates the first year of TfL's landmark 5 Year Investment Programme of some £10bn which focuses on delivering core transport services safely and reliably while providing measurable improvements for London – with quicker journey times and improved quality of the customer experience, and less time spent travelling for all.
- 5.2 During 2005/06 TfL will be delivering nearly £2bn of improvements through projects included in the 5 Year Investment Programme. TfL's Investment Programme includes directly managed project work on TfL's assets, which is classified as capital expenditure in this Business Plan, this amounts to some £1,013m in 2005/06.



<b>£m at outturn prices</b>	<b>Directly Managed Capital Budget</b>	<b>Indirectly Managed Capital Investment</b>	<b>Total Investment Programme</b>
London Underground	358	745	1,103
Surface Transport	441	220	661
London Rail	96	18	114
Corporate Directorates	118	19	137
<b>Gross Capital Investment</b>	<b>1,013</b>	<b>1,002</b>	<b>2,015</b>
Overprogramming (capital)	(140)		(140)
<b>Total Investment Programme</b>	<b>873</b>	<b>1,002</b>	<b>1,875</b>

5.3 Delivery of the Investment Programme is being monitored based on achieving the appropriate level of work compared with the approved budget, with critical milestones identified and achieved in line with the approved schedule as set out in the TfL 5 Year Investment Programme issued in October 2004.

#### **CAPITAL BUDGET (DIRECTLY MANAGED)**

5.4 TfL's 2005/06 Capital Budget consists of expenditure on directly managed project work on TfL's assets, although a significant portion of the London Underground works are undertaken using the infracos as the contractor, outside the PPP contracts. The deliverables of the directly managed capital budget include:

#### **5.5 London Underground**

- **Kings Cross** - The start of works on the extension of the Northern Ticket Hall at Kings Cross as part of the Channel Tunnel Rail Link works funded by the DfT
- **Jubilee Line Works** – Enhancement work on the Jubilee Line Extension by Tube Lines, as an addition to the PPP contract, which include the commencement of works to upgrade from 6 to 7 car operation, increased capacity and reducing access/egress times at Canary Wharf station
- **Wembley Park** – The completion of the capacity enhancements to Wembley Park station by Tube Lines directly funded by TfL outside the PPP contract
- **Stations** – Ongoing progress on major station improvements outside the PPP contracts including Camden Town, Tottenham Court Road, Bank, North Greenwich, White City, and series of accessibility projects
- **Heathrow Terminal 5 Extension** - Piccadilly Line extension to Heathrow Terminal 5. BAA will fund and carry out the construction of the extension with LUL making a contribution to the cost through a revenue sharing arrangement for 30 years following the opening of the extension in 2008
- **Power** – Enabling works which consist of installation of new capacity in existing substations and transformer rooms as well as construction of additional facilities to support line upgrades and Connect communications equipment
- **Connect** – Enabling works to support the delivery of Connect infrastructure delivered under the PFI and provision of space as required for Connect equipment, cabling, transmission and IT systems

## 5.6 Surface Transport

### London Buses

- **Bus radio, AVL and Countdown** - Introduction of a new bus radio, and automatic vehicle location (AVL) and Countdown system replacing the current system, addressing obsolescence issues with existing equipment and eliminating the risk of system failure.
- **Bus Priority** – The development and implementation of bus priority schemes to reduce bus journey times and improve service reliability including a pilot corridor management scheme on Route 149.

### Street Management

- **TfL Road Network (TLRN)** – Capital renewals to carriageways, footways, structures, lighting and tunnels.
- **Borough Principal Road Network (BPRN)** - TfL will fund a programme of capital renewal and bridge strengthening on Borough Principal Roads (BPRN).
- **Hanger Lane/Western Avenue Bridges** - The commencement of enabling works for the replacement of two obsolete road-over-railway bridges on the A406.
- **A406 Bounds Green** - Start of the improvement work to the section of the A406 North Circular Road at Bounds Green which is due to be completed in 2008
- **Westminster Bridge** - This project will replace the extensively damaged bridge fascia girders
- **Blackwall Tunnel** - Completion of the design work for the refurbishment of the northbound Blackwall Tunnel.
- **A23 Coulsdon By-Pass** – A major part of the construction works is due to be carried out in 2005/06, with the completion forecast to be in 2007

### Other

- **Walking and Cycling** – TfL will deliver a programme of measures that aim to create and promote a connected, safe, convenient and attractive environment that increases the levels of walking in London in accordance with the Mayor's Transport Strategy objectives.
- **Road Safety** – An ongoing programme of specifically designed and targeted engineering measures and 20mph zones to reduce clusters of crashes on both the TLRN and Borough Roads.
- **Traffic Signals and Controls** – Enhancement of systems to ensure the latest technologies and controls maximise safety and availability, particularly in road tunnels within London.
- **Congestion Charging Western Extension** – Preparatory work including consultation on the proposed westward extension to the current Congestion Charging zone.
- **Centrale Tramstop** - New tram stop in Tamworth Road, Croydon serving the Centrale development

## 5.7 London Rail

### National Rail

- **East London Line Extension** – Commencement of a significant enabling works contract, preliminary design & tendering for Main Works contract, award of Programme Management services contract, preparation of stakeholder agreements and land acquisition for the Southern Extension.
- **Silverlink Metro** - Refurbishment of Silverlink Metro stations, including improved station security through real time CIS, CCTV, improved lighting and help points. These improvements link with TfL plans for specifying Silverlink Metro service levels at renewal of the current franchise in October 2006, subject to reaching agreement with the DfT on funding arrangements
- **National Rail** - Installation of CCTV cameras on National Rail trains

### DLR

- **DLR Woolwich Arsenal Extension** – Land acquisitions for the extension
- **Rail Car Refurbishment** – The refurbishment of the existing DLR rolling stock will continue into 2005/06 to improve reliability and include enhancements to contribute to DLR's duties under the Disability Discrimination Act (DDA) 1995.
- **Stratford Station** – Covers the provision of double track DLR platform at Stratford Regional Station to replace existing original DLR single narrow platform, which is extremely difficult to operate and requires crowd control on a daily basis.
- **DLR Capacity Enhancements** – TWA powers for the structural works (platform extensions, track realignment, viaduct strengthening) necessary for 3 car operations between Bank/Tower Gateway and Lewisham.
- **DLR Rolling Stock** - Procurement of 18 new railcars for 3 Car Upgrade, this will increase the AM Peak Capacity from 17 trains per hour (2 Car) to 15 trains per hour (3 Car). In addition procurement of 6 vehicles required to operate the planned service to and from Woolwich Arsenal.
- **DLR Stratford International** – Continuation of the TWA process to secure powers to commence the extension from Canning Town using existing North London Line alignment to Stratford Regional Station with 3 new intermediate stations and new construction onwards to Stratford International Station.
- **DLR Other Projects** – Completion of installation of on-train CCTV on DLR's existing fleet of Railcars and completion of improvements and enhancements to DLR's radio and communications systems.

## 5.8 Corporate Directorates

- **LT Museum Redisplay** - The Museum, will be undertaking the 'Museum Redisplay' project from 2005/06, which is supported to a large extent by a grant from the National Lottery and other fundraising by the Museum. The project involves refurbishing the roof to transform the environmental performance of the listed building, constructing a basement lecture theatre and new mezzanine display space, and fitting-out with a new suite of exhibitions, retail shop and café/restaurant. This project will be completed in 2007/08.

- **Oystercard** - Refine and extend applications of Oyster smartcard including the extension of Oyster smartcard ticketing to all National Rail stations in Greater London, subject to agreement with the Train Operating Companies.

## Financial Implications

- 5.9 The proposed TfL 2005/06 Directly Managed Capital Budget consists of gross capital expenditure totalling £873m, net of £140m overprogramming. There are £153m of directly managed capital projects which are fully reimbursed from external sources, the largest of which is the £110m for the CTRL work at Kings Cross. This results in £720m of TfL funded capital expenditure as can be seen in the table below.

### Directly Managed Capital Budget

£m at outturn prices	2005/06 Capital Budget			2004/05 Forecast
	Capital Expenditure	Capital Reimbursed	TfL Capital Expenditure	
London Underground	358.2	(124.5)	233.7	186.6
Surface Transport	441.1	(9.8)	431.3	234.7
London Rail	95.7		95.7	13.2
Corporate Directorates	118.1	(18.7)	99.4	24.5
Overprogramming	(140.0)		(140.0)	
<b>Total</b>	<b>873.1</b>	<b>(153.0)</b>	<b>720.1</b>	<b>459.0</b>

## INVESTMENT EXPENDITURE (INDIRECTLY MANAGED)

- 5.10 TfL's operating budget includes project works and other investment which are carried out by PPP, PFI contractors, Boroughs and bus operators, which are of a capital nature (i.e. they renew or upgrade assets) but which the 2004/05 Budget classifies as operating expenditures owing to the accounting treatment of the contractual relationships that have been put in place. This is referred to as indirectly managed capital expenditure.

- 5.11 Indirectly Managed capital expenditure for 2005/06 totals £1,002m. The main deliverables included in the 2005/06 capital budget are shown below:

### 5.12 London Underground

- **PPP** –Tube Lines, Metronet Rail SSL and Metronet Rail BCV will maintain the railway and invest in improvements to the network. In 2005/06, they will complete the modernisation of 8 Underground stations at: Putney Bridge, Aldgate East, Lancaster Gate, Hainault, Epping, St John's Wood, Morden and Manor House. A further 17 other Underground stations will be refurbished and there will be enhanced refurbishment of 14 London Underground stations. They will also continue a programme of lift and escalator works as well as making progress towards the line upgrades that will be delivered in later years. Metronet Rail SSL will also continue with significant track replacement works along the southern section of the Circle line at weekends during 2005/06.

- **PFI** - For 2005/06 the PFI contracts continue for Power assets, Communication Systems and Oyster Revenue collection and ticketing systems. These include investment in the development of power capacity to support investment in line upgrades, communications and other assets. The Connect PFI, will finalise the delivery of enabling works and start to deliver the modern digital Radio communications network. Through the Prestige PFI, there will be significant enhancements to the Integrated Smartcard Ticketing system.

### 5.13 Surface Transport

- **Bus Network** - The contracts with the operators of the bus network are structured on the basis of a required service level in terms of frequency of buses, and a specified vehicle requirement, with bonuses and deductions made for achieving or failing to meet operational performance targets. Capital investment will be required by the bus operators to fulfil the contracts. An estimated figure for this investment has therefore been included.

### 5.14 London Rail

- **London City Airport** – Opening in December 2005 of the extension of the DLR to London City Airport including intermediate stations at West Silvertown, Pontoon Dock and King George V. It has been let as a 30 year Design Build Finance Maintain (DBFM) concession.
- **Woolwich Arsenal** – Commencement of the 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, National Rail services and Waterfront Transit. This is expected to be opened by December 2008.

## CAPITAL RECEIPTS

5.15 Capital receipts, excluding reimbursements of £153m, for 2005/06 amount to £28m which result mainly from property sales.

<b>£m at outturn prices</b>	<b>Capital Receipts</b>	<b>2004/05 Forecast</b>
London Underground	12.8	18.0
Corporate Directorates	15.0	4.1
<b>Total</b>	<b>27.8</b>	<b>22.1</b>

## 6. BOROUGH SPENDING PLAN

6.1 TfL provides financial support for borough schemes that improve the quality, safety and accessibility of the local traveling environment through Borough Spending Plans (BSPs), these consist of both capital and revenue initiatives. £155m support for BSPs is included in the Budget for 2005/6. This is significantly in excess of the Mayor's existing commitment to a minimum of £140m of BSP funding in 2005/6.

6.2 Most of the Borough Spending Plan is accounted for in bus priority, road/structure strengthening and renewal, walking, cycling and road safety programmes. For these London-wide programmes, TfL has assessed individual schemes for TfL and Borough roads using a consistent set of criteria. Other borough spend includes funding for town centre improvements, and safer routes to schools and travel awareness programmes. The overall level of borough funding represents an increase over recent levels and can be seen in the following table.

### Borough Spending Plan

<b>£m at outturn prices</b>	<b>2005/06 Budget</b>	<b>2004/05 Forecast</b>
Principal Road Renewal	34.1	48.8
Bridge Structure Strengthening	10.9	13.6
Bus Priority	18.9	18.1
Road Safety Plan	28.7	24.4
Walking	4.9	3.5
Cycling	12.1	9.3
Traffic Signals	8.0	2.0
Bus Route Accessibility	3.2	
FRACA*	5.6	4.8
Local Area schemes	18.1	16.8
Safer Routes to School and Travel Awareness	10.8	
<b>Total</b>	<b>155.3</b>	<b>141.3</b>

\* Freight, Regeneration, Air Quality, Controlled parking zones, Area accessibility.

## 7. EFFICIENCIES

### Efficiencies in the 2005/6 budget

- 7.1 Having set a programme of efficiencies from 2003/04, TfL has greatly expanded its efficiency targets to support the delivery of the 2005/6 – 2009/10 business plan, doubling the overall cumulative programme savings target to over £1bn by 2009/10. As part of this, the efficiency target for 2005/6 was increased from £72.5m to **£125m**. This revised target is fully integrated into the proposed budget.
- 7.2 The £125m is made up of sustained savings delivered in previous years and new savings assumptions of some £65m. Key initiatives include:
- **The introduction of shared service centres in HR and Finance.** These centres exploit the implementation of SAP through facilitating the co-location of staff, with associated performance improvements and efficiency savings through economies of scale. For example since the implementation of the Finance Service Centre in October 2004 headcount has been reduced by 30%, with a further reduction of 8 posts due by the end of 2005/6. Key performance indicators have improved substantially, for example overdue debt has reduced from £24.2m to £9.2m. The HR service centre is targeted with delivering £8.1m of savings in 2005/6.
  - **Procurement Savings** - £38m is forecast to be saved through re-procurement against the 2004/5 budget, and this is targeted to rise to £58m in 2005/6 (including

recurring savings). An example is the letting of pan-TfL IM support service contracts, which replace a mixture of in-house and out-sourced arrangements with a new unified contract containing consistent enhanced service standards, delivering a net saving of £12m over the life of the business plan.

- **Revised arrangements for contractual efficiencies** in LU – This includes lower cost of train tracking which has saved over £32m in the current year, and is due to save another £15m within the 2005/6 budget.

7.3 Other examples include a range of smaller headcount reduction initiatives and plans in group marketing to further exploit economies of scale. In addition TfL is now focusing on efficiencies within operational expenditure, especially exploiting the benefits of Oystercard. Examples include benefits from the implementation of a cashless bus network (the infrastructure will be in place by the end of 2005/6 leading to substantial savings from 2006/7 onwards) and a proposal to exploit the benefits of changing ticketing behaviour in LU that is targeted with saving £7m in 2005/6. The following table shows the breakdown of the efficiency targets in the 2005/6 budget:

<b>Initiative</b>	<b>£m</b>
Procurement	58
BIP / Staff	22
Marketing	11
Other back office	9
Cashless bus	1
Tube lines refinancing	2
Ticket Channel Mix	7
LU contractual efficiencies in train tracking	15
<b>Total in 2005/6 budget</b>	<b>125</b>

## 8. STAFF NUMBERS

8.1 The aim of the efficiencies programme is to control staff numbers in back office areas, in order to re-direct resources to operational and other priority areas. TfL is growing as an organisation (both in terms of responsibilities and levels of expenditure), and consequently overall staffing levels are rising slowly. In addition TfL has a policy of converting expensive expenditure on consultants to permanent staff posts where it is beneficial from an economic and organisational development perspective. Staff numbers for the 31 March 2006 are 19,485 representing an increase of 232 (or 1.2%) from 2004/05. This consists of rises in London Underground staff of 108, Surface Transport of 120 and London Rail of 24 partially offset by a reduction in Corporate Directorates staff of 20.

8.2 The increase in London Underground staff, from the third quarter forecast, includes an additional 14 engineers for assurance work, and a further 79 staff to support the delivery of the Capital Investment Programme. There are minor adjustments in other areas which is partially offset by a reduction in corporate and support areas. The increase in Surface Transport staff consist mainly of an additional 50 revenue protection inspectors, and an increase of 14 IT employees who are replacing more expensive consultants. There is a further increase in Surface Transport of 24 TSG staff supporting the delivery of new technology implementation and 11 staff in Customer Services addressing

performance and increased workload pending a wider review of customer contact centres. The Street Management figures reflect the reorganisation of Surface Transport with Walking and Cycling and Network Performance transferring from the Surface Transport Strategy directorate (no net increase to TfL). There are also an additional 30 staff in Congestion Charging as a result of the proposed Western Extension works. The additional 24 London Rail staff consists mainly of new employees that are replacing more expensive consultants, particularly on the East London Line project.

- 8.3 These increases are offset by additional reductions of 9 Financial Services staff and 12 Human Resources staff within Group Services. Greater detail is shown in **Annex 5**.

## **9. RISKS AND OPPORTUNITIES**

- 9.1 As in all budgets there are risks and uncertainties for the year which the Business must be aware of and be ready to mitigate in good time. These include:

### **Income and cost projections**

#### **Income**

- 9.2 Whilst best estimates have been included for income these are subject to uncertainty owing due to new factors such as:
- Whether the turnaround in Underground fare revenues evident in 2004/05 is sustained.
  - The impact as yet unknown of the following:
    - The impact on bus patronage of the RPI+10% increase in bus fares on 2 January 2005
    - The impact of further increases on bus fares in January 2006, if the Mayor confirms it.
  - Fare structure changes such as:
    - Oystercard capping
    - Continued growth of Oystercard pre pay and the extent to which it will shift payments from more expensive single tickets and cash fares
    - Impact of free fares for under 16s
  - The increase in the congestion charge from £5 to £8 is subject to consultation and final decisions to be taken by the Mayor.
  - TfL is considering infracos' proposals to expedite improvements on London Underground by closing sections of particular lines. The particular approach adopted will determine impact on revenue.
- 9.3 There is a possibility that these factors will increase revenue above forecast but this is far from certain.

#### **Expenditure**

- 9.4 TfL is introducing more prudent financial discipline into the organisation. In particular carefully monitoring of both the Operating and Capital Budgets as separate elements of the overall budget and timely action will need to be taken if either becomes adverse,



even if there is overall balance, since it is important to ensure that TfL is only borrowing for capital investment purposes.

- 9.5 In respect of expenditure, and in particular project expenditure, there are issues outside our control such as planning permissions and available resources in the market place that may impact upon project timings and thereby expenditure flows. This is likely to be particularly evident in the coming year, the first year of a five year programme, as the organisation ramps up to meet its objectives. Accordingly an aggressive overprogramming deduction has been included to ensure that TfL's expenditure targets are achieved.

### **Overprogramming**

- 9.6 Overprogramming represents a central reduction in the budgeted expenditure of the business units. This reduction recognises that delays can arise from consultation, planning and obtaining of powers. The overprogramming provision allows TfL to ensure it effectively spends its allocated funding despite these impacts. At £160m overprogramming is double that of 2004/05. Of this £140m relates to capital and £20m to operating expenditure. But with the challenging programme that TfL has set itself this is believed to be aggressive but tenable. Nevertheless the rate of expenditure will need to be continually monitored and if it is maintained at a high rate, then action to defer expenditure will be required in a timely and controlled manner.

### **Contingency and risk provisions**

- 9.7 With a significant amount of its expenditure already contractually fixed through PPP and PFI contracts, TfL's financial flexibility is more constrained than other such organisations. A central contingency of £26m is provided as well as a significant amount for business risk within LUL where owing to the size of projects and its complex contracts there could be significant fluctuations. In addition, the funding settlement from Government allows a reserve provision of some £170m for unforeseen events within LUL, this also allows LUL to move quickly on in the event of unforeseen opportunities arising.

### **Reserves**

- 9.8 In addition to the above contingencies, TfL, a large, complex, trading and project delivery organisation, has recognised the need to build up reserves as when the organisation was established in July 2000 none were inherited. This has become more important as a consequence of the land mark five year funding settlement. As a consequence the most significant planned movement in reserves is in respect of the creation of a capital reserve to reflect the difference in incidence of receipt of income, prudential borrowing and capital expenditure over the five year period.

## **10. DELIVERABLES AND PERFORMANCE INDICATORS IN 2005/06**

- 10.1 As in previous years, a detailed breakdown of TfL's budget by activity has been developed for control purposes to examine the key deliverables out of the budget. For each mode a detailed description of each activity, its deliverables, measures of success

and impact on equality and inclusion and the environment has been prepared. A copy of the **2005/06 Budget Deliverables** accompanies this document.

10.2 The deliverables are defined as the outputs from the Business Units. This is distinct from outcomes, which are primarily monitored through the performance indicator framework. The indicators of success will generally monitor that the deliverables are achieved in full and on time. TfL is monitoring the success of each activity using key metrics including cost and milestone dates.

10.3 Performance indicators have been an integral part of the budget process. The targets that were agreed at the 27 October 2004 meeting as part of the Business Plan were a preliminary view. The targets proposed in this paper have been the subject of further review and discussion with the businesses and are included as **Annex 4**.

## 11. GOVERNMENT PRIORITY OUTCOMES

11.1 As noted in a paper to the meeting of the Finance Committee on January 20 TfL has been working jointly with, DfT, Government Office for London (GOL) and the GLA to set out projections as to the impact of TfL's business plan on national priorities, in order to generate overall agreed TfL planned outcomes. These form TfL's contribution to the targets in DfT's suite of Public Service Agreements (PSAs).

11.2 These agreements are in the format of '2010 outcomes' which are given in table below. The table also includes the year end position for 2005/6 which is consistent with the planned 2010 result.

11.3 These have been agreed at a working level between TfL, GLA and DfT, and discussed between the Mayor and the Minister for Transport. They are based on modelling, and as such will be updated as actual data is received.

### TfL Government agreed outcomes

Target area	Outcome by 2010	2005/6 outcome
<b>Air Quality</b> Reduction in emissions from surface transport compared to 2000 levels	-37% NO2 emissions -41% PM10 emissions	-21% NO2 emissions -23% PM10 emissions
<b>Road Safety</b> Meet national targets compared to 1994-8 average	-40% all KSI -50% child KSI	-25% all KSI -43% child KSI
<b>Capacity</b> Public transport capacity compared to 2000	+18% km operated, am peak	+7% (33.1m km operated, am peak)
<b>Local public transport</b> patronage compared with 2000 levels	+45% bus patronage (+18% across modes <sup>1</sup> )	+ 43% bus (1,854m passenger journeys <sup>1</sup> )
<b>Road Congestion<sup>2</sup></b>	To be confirmed <sup>2</sup>	To be confirmed <sup>2</sup>

<sup>1</sup> Buses, LU and DLR

<sup>2</sup> New national measures of congestion are currently in development and therefore it is not possible to estimate the impact of TfL's plan in those terms at this time

11.4 These are in addition to the targets for LUL agreed between LUL, TfL and DfT in May 2002, which will continue to be monitored as currently.

## 12 **RECOMMENDATION**

12.1 The TfL Board is requested to NOTE the contents of this report, particularly the changes to the budget since 27 October 2004

12.2 The TfL Board is requested to APPROVE the:

- The 2005/06 budget
- The 2010 Government agreed outcomes against DfT priority areas

## TRANSPORT FOR LONDON 2005/06 BUDGET SUMMARY

£m at outturn prices	Business Plan	Amendments	Final Budget
<b>Income</b>			
London Underground	(1,338.8)		(1,338.8)
Surface Transport	(1,238.7)		(1,238.7)
London Rail	(48.3)		(48.3)
Corporate Directorates	(136.0)	8.4	(127.6)
<b>Total Income</b>	<b>(2,761.8)</b>	<b>8.4</b>	<b>(2,753.4)</b>
<b>Operating Expenditure</b>			
London Underground	2,470.1	(2.1)	2,468.0
Surface Transport	2,071.5	23.5	2,094.9
London Rail	107.0	6.9	113.9
Corporate Directorates	274.4	(4.9)	269.5
Overprogramming	(20.0)		(20.0)
<b>Total Operating Expenditure</b>	<b>4,903.0</b>	<b>23.4</b>	<b>4,926.3</b>
<b>OPERATING BUDGET</b>	<b>2,141.2</b>	<b>31.8</b>	<b>2,173.0</b>
<b>Capital Expenditure</b>			
London Underground	300.5	57.7	358.2
Surface Transport	427.8	13.3	441.1
London Rail	83.1	12.6	95.7
Corporate Directorates	115.8	2.3	118.1
Capital Receipts	(147.8)	(33.0)	(180.8)
Overprogramming	(140.0)		(140.0)
<b>CAPITAL BUDGET</b>	<b>639.4</b>	<b>52.9</b>	<b>692.3</b>
<b>Total Net Expenditure</b>	<b>2,780.5</b>	<b>84.7</b>	<b>2,865.1</b>
General Contingency	25.6		25.6
<b>Total</b>	<b>2,806.1</b>	<b>84.7</b>	<b>2,890.7</b>

## 2005/06 BUDGET BY MODE

£m at outturn prices	Business Plan	Amendments	Final Budget
<b>Net Expenditure</b>			
London Underground*	1,287.5	22.6	1,310.1
Surface Transport	1,250.8	36.7	1,287.5
London Rail	141.8	19.5	161.3
Corporate Directorates	220.4	5.8	226.2
Overprogramming	(120.0)		(120.0)
<b>Total Net Expenditure</b>	<b>2,780.5</b>	<b>84.7</b>	<b>2,865.1</b>

\*Net of overprogramming of £40m

**TRANSPORT FOR LONDON 2005/06 BUDGET SUMMARY**  
**TOTAL INCOME & EXPENDITURE BY BUSINESS UNIT**

£m at outturn prices	OPERATING BUDGET		CAPITAL BUDGET		Total
	Income	Operating Expenditure	Capital Expenditure	Capital Receipts & Reimbursements	
<b>London Underground</b>					
Traffic Revenue	(1,255.0)				(1,255.0)
Secondary Revenue	(83.8)				(83.8)
Operations		615.8			615.8
Programmes		1,557.6			1,557.6
Central Services		183.2			183.2
Risk		96.5			96.5
Non - Recurring Expenditure		14.9			14.9
Property Sales				(12.8)	(12.8)
Capital Projects			358.2		358.2
Capital Receipts				(124.5)	(124.5)
Overprogramming			(40.0)		(40.0)
	<b>(1,338.8)</b>	<b>2,468.0</b>	<b>318.2</b>	<b>(137.3)</b>	<b>1,310.1</b>
<b>Surface Transport</b>					
London Buses	(960.7)	1,565.1	62.4		666.8
Congestion Charging	(195.7)	107.5	77.0		(11.2)
Street Management		119.7	170.9		290.6
Director of Traffic Operations	(5.1)	45.6	16.9	(9.8)	47.1
Road Network Performance	(1.4)	34.8	62.1		95.5
Transport Policing & Enforcement	(38.1)	112.1	3.6		77.6
Bus Priority		17.0	38.2		55.3
Public Carriage Office	(12.7)	13.4	0.6		1.3
East Thames Buses	(0.1)	1.6			1.5
Dial a Ride	(1.1)	22.6	0.4		21.9
London River Services	(1.5)	2.0			0.5
Victoria Coach Station	(22.3)	21.9	3.1		2.7
Management, Support & Strategy		26.2	5.8		32.0
Assisted Transport Services		10.8			10.8
	<b>(1,238.7)</b>	<b>2,094.9</b>	<b>441.1</b>	<b>(9.8)</b>	<b>1,287.5</b>
<b>London Rail</b>					
Docklands Light Railway	(48.3)	76.8	48.8		77.3
East London Line Project			36.9		36.9
Other London Rail Core		37.1	10.0		47.1
	<b>(48.3)</b>	<b>113.9</b>	<b>95.7</b>		<b>161.3</b>
<b>Corporate Directorates</b>					
Office of the Commissioner		5.8			5.8
General Counsel		10.4			10.4
Group Communications	(2.4)	29.9	22.9		50.4
Finance & Planning	(71.6)	133.0	87.0	(18.7)	129.7
Group Services	(50.1)	90.4	8.2	(15.0)	33.4
LT Insurance (Guernsey)	(3.5)				(3.5)
	<b>(127.6)</b>	<b>269.5</b>	<b>118.1</b>	<b>(33.7)</b>	<b>226.2</b>
<b>Group Items</b>					
Overprogramming		(20.0)	(100.0)		(120.0)
<b>Total before Contingency</b>	<b>(2,753.4)</b>	<b>4,926.4</b>	<b>873.1</b>	<b>(180.8)</b>	<b>2,865.1</b>
General Contingency					25.6
<b>Total after Contingency</b>					<b>2,890.7</b>

## INVESTMENT PROGRAMME

£m at outturn prices	2005/06		Total Investment Programme	2004/05 Forecast*
	Directly Managed Capital	Indirectly Funded Investment		
<b>London Underground</b>				
Track	2.7	89.0	91.7	
Structures	1.1	45.7	46.8	
Rolling stock	25.6	42.9	68.5	53
Depots		10.8	10.8	
Signals	1.0	43.0	44.0	
Line Upgrades		193.9	193.9	
Power	16.4	72.1	86.5	6
Communications	109.9	11.1	121.0	85
Stations	61.5	224.5	286.0	36
Safety/Security	2.8	12.2	15.0	
Interchanges	119.0		119.0	77
Extensions	3.9		3.9	12
Accommodation	10.1		10.1	4
Information Technology	4.2		4.2	7
	<b>358.2</b>	<b>745.2</b>	<b>1,101.4</b>	<b>282</b>
<b>Surface Transport</b>				
Bus Garages	7.6		7.6	1
Bus Stations	5.7		5.7	8
Bus Priority	38.2		38.2	39
Vehicles	2.9		2.9	6
Bus Stops and Shelters	4.7		4.7	3
Radio/AVL/Countdown and Ticketing	34.4		34.4	13
Taxis and Private Hire	0.6		0.6	1
Dial-A-Ride	0.4		0.4	1
Victoria Coach Station	3.1		3.1	
Street Maintenance and Renewals	100.1		100.1	56
Major Route and Safety Improvements	70.8	21.3	92.1	33
Traffic Management	18.4		18.4	17
Road Safety	36.6		36.6	35
Sustainability	26.7		26.7	25
Transport Policing and Enforcement	3.6		3.6	2
Congestion Charging	77.0		77.0	8
Bus Transit Schemes	5.5		5.5	2
Information Management	3.1		3.1	1
London Trams	1.8		1.8	
Bus Operations		198.8	198.8	
	<b>441.1</b>	<b>220.1</b>	<b>661.3</b>	<b>251</b>
<b>London Rail</b>				
New Services	36.9	18.0	54.9	
Line Upgrades	4.0		4.0	
Major Modernisation	6.0		6.0	
DLR Rolling Stock	14.2		14.2	5
DLR Line Upgrades	4.7		4.7	4
DLR Stations	10.0		10.0	
DLR Safety/Security	1.0		1.0	
DLR New Services/Extensions	18.9		18.9	4
	<b>95.7</b>	<b>18.0</b>	<b>113.7</b>	<b>13</b>

\* 2004/05 forecast relates to directly managed capital expenditure only

## INVESTMENT PROGRAMME

£m at outturn prices		2005/06		2004/05
	Directly Managed Capital	Indirectly Funded Investment	Total Investment Programme	Forecast*
<b>Group Services</b>				
Group Information Management	4.1		4.1	15
Group Property and Facilities	4.1	18.7	22.8	14
	<b>8.2</b>	<b>18.7</b>	<b>26.9</b>	<b>29</b>
<b>Finance and Planning</b>				
Area Based Schemes	16.8		16.8	
FRACA	1.2		1.2	
SRtS and Travel Awareness	3.8		3.8	
Other Borough Capital Investments	1.1		1.1	2
Interchange Development	6.6		6.6	
New Services/Extensions/Bridges	14.4		14.4	
Marketing Technologies	4.7		4.7	
LT Museum	8.8		8.8	2
Customer Services Integration	4.5		4.5	
Ticketing	48.0		48.0	
	<b>109.9</b>		<b>109.9</b>	<b>4</b>
<b>Total Corporate Directorates</b>	<b>118.1</b>	<b>18.7</b>	<b>136.8</b>	<b>33</b>
<b>Total before Overprogramming</b>	<b>1,013.1</b>	<b>1,002.0</b>	<b>2,015.1</b>	<b>579</b>
Overprogramming	(140.0)		(140.0)	
<b>Total Investment Programme</b>	<b>873.1</b>	<b>1,002.0</b>	<b>1,875.1</b>	<b>579</b>

\* 2004/05 forecast relates to directly managed capital expenditure only

## 2005/06 PERFORMANCE INDICATOR SUMMARY

Performance Indicator	Units	2004/05 Forecast	2005/06 Target
<b>TfL GROUP</b>			
Total Passenger Journeys <sup>3</sup>	Millions	2,824	2,896
Operating Cost Per Passenger Journey	£	0.7	0.7
Reliability of Service - Delay Index	#	130	120
CSS: Overall Satisfaction	Score	78	78
<b>LONDON UNDERGROUND</b>			
Passenger Journeys	Millions	967	947
Train Kilometres Operated	Millions	69.8	70.5
Percentage of Scheduled Service Operated	%	95.0	94.3
Peak Hour Trains Cancelled	%	2.9*	3.5
Excess Journey Time – Unweighted	Minutes	3.3*	3.25
CSS: Overall Satisfaction	Score	78*	77
CSS: Personal Safety and Security	Score	81*	80
CSS: Crowding	Score	74*	68
CSS: Information	Score	78*	77
Lost Customer Hours	M Hours	16,750	16,198
<b>LONDON BUSES</b>			
Passenger Journeys	Millions	1,806	1,854
Bus Kilometres Operated	Millions	452	461
Percentage of Scheduled Service Operated	%	98	98
Excess Wait Time – High Frequency Routes	Mins	1.3	1.2
On Time Performance – Low Frequency Routes	%	76	76
On Time Performance – Night Buses	%	81	81
CSS: Overall Satisfaction	Score	78	78
CSS: Personal Safety and Security	Score	80	87
CSS: Crowding	Score	78	77
CSS: Reliability – Journey/Wait Time	Score	79	79
CSS: Information	Score	75	75
Percentage of 'Low Floor' Buses	%	95	100

\* Forecasts of these measures are not produced. For the purpose of comparison the actual year to date at period 9 is shown.

<sup>3</sup> Total Passenger Journeys includes LUL, Buses, Trams and DLR



## 2005/06 PERFORMANCE INDICATOR SUMMARY

Performance Indicator	Units	2004/05 Forecast	2005/06 Target
<b>LONDON TRAMS</b>			
Passenger Journeys	Millions	20.5	21.1 <sup>4</sup>
Percentage of Scheduled Service Operated	%	98	98
CSS: Overall Satisfaction	Score	88	88
<b>PUBLIC CARRIAGE OFFICE</b>			
Number of Taxi Drivers Licensed	000	25	25
Number of Private hire Drivers Licensed	000	20	40
<b>LONDON RIVER SERVICES</b>			
Passenger Journeys (Multi stop)	Millions	1.86	1.70
Passenger journeys (Excluding Multi Stop)	Millions	0.37	0.30
Percentage of Scheduled Service Operated	%	98.5	98
<b>VICTORIA COACH STATION</b>			
Number of Coach Departures	000	196	227
CSS: Overall Satisfaction	Score	72	72
<b>DIAL-A-RIDE</b>			
Total Costs per Trip	£	16	14
CSS: Overall Satisfaction	Score	93	93
<b>ROAD NETWORK</b>			
Number of Major Injuries and Fatalities (TLRN)	#	1,036	1,092
Number of Major Injuries and Fatalities (Londonwide)	#	4,439	4,368
Cycling on TLRN (Index April 2000 = 100)	#	146	151
Maintain the reduction in Traffic in CCS Zone	%	21	21
Journey Time Reliability (TLRN)	%	25.0*	21.9
Street Lights Working	%	97	
Traffic Signals Operating Effectively (Londonwide)	%	97	97.25
<b>DOCKLANDS LIGHT RAILWAY</b>			
Passenger Journeys	Millions	50.7	53.8
Train Kilometres Operated	Millions	3.3	3.3
Percentage of Scheduled Service Operated	%	98	98
On-Time Performance – Adherence to Schedule	%	96	96
CSS: Overall Satisfaction	Score	84	83
CSS: Personal Safety and Security	Score	86	86
CSS: Information	Score	86	86
Percentage of System Accessible	%	100	100

\* Forecasts of these measures are not produced. For the purpose of comparison the actual year to date at period 9 is shown

<sup>4</sup> Due to the open nature of the Tram link system the passenger journeys figures are an estimate.

## Staff Budget

	31 Mar 05 Forecast	31 Mar 06 Budget
<b>London Underground</b>		
Operations	12,508	12,623
Programmes	528	533
Central Services	509	497
	<b>13,545</b>	<b>13,653</b>
<b>Surface Transport</b>		
London Buses	634	650
Congestion Charging	121	149
Street Management	745	785
Transport Policing & Enforcement	446	496
Public Carriage Office	215	209
East Thames Buses	433	426
Dial a Ride	595	595
London River Services	16	16
Victoria Coach Station	124	124
Management, Support & Strategy	514	500
	<b>3,843</b>	<b>3,963</b>
<b>London Rail</b>		
Docklands Light Railway	34	36
Other London Rail*	118	140
	<b>152</b>	<b>176</b>
<b>Corporate Directorates</b>		
Office of the Commissioner	21	26
General Counsel	108	109
Group Communications	57	96
Finance & Planning	802	737
Group Services	725	725
	<b>1,713</b>	<b>1,693</b>
<b>Total Staff Employed</b>	<b>19,253</b>	<b>19,485</b>

\* Including Crossrail secondees

# **2005/06 Budget Deliverables**

## **CONTENTS**

- 1. 2005/06 Budget by Activity**
- 2. London Underground**
- 3. Surface Transport**
- 4. London Rail**
- 5. Corporate Directorates**

Note: This document is based on current assumptions and forecasts. The implementation of any proposals or projects will be subject to the proper consultation and approval processes and may be need to be revised as a result of such consultation and processes.

## 2005/06 LONDON UNDERGROUND BUDGET BY ACTIVITY

£m at outturn prices		OPERATING BUDGET		CAPITAL BUDGET		2005/06 Net Expenditure
		2005/06 Income	2005/06 Operating Expenditure	2005/06 Capital Expenditure	2005/06 Capital Receipts	
001	<b>Traffic Revenue</b>	(1,255.0)				(1,255.0)
	<b>Secondary Revenue</b>					
	Property Rental	(34.3)				(34.3)
	Advertising and Other	(49.5)				(49.5)
		<b>(83.8)</b>				<b>(83.8)</b>
002	<b>Operations</b>					
	BCV Operations		126.2			126.2
	JNP Operations		196.0			196.0
	SSR Operations		148.6			148.6
	BT Police		45.3			45.3
	Operations Support Office		45.7			45.7
	Strategy/Service Development		21.9			21.9
	Information Management		19.6			19.6
	Operations Improvements		12.5			12.5
			<b>615.8</b>			<b>615.8</b>
003	<b>Programmes</b>					
	BCV		384.2			384.2
	JNP		426.8			426.8
	SSL		429.2			429.2
	Special Projects		3.0			3.0
	PFI - Connect		91.7			91.7
	PFI - Power		61.1			61.1
	PFI - Prestige		72.5			72.5
	PFI - BTP		2.8			2.8
	Power		44.2			44.2
	Management		38.5			38.5
	Improvements Recurring		3.6			3.6
			<b>1,557.6</b>			<b>1,557.6</b>
004	<b>Central Services</b>					
	Safety, Quality & Environment		8.0			8.0
	Finance		8.4			8.4
	Human Resources		3.8			3.8
	Employee Relations		1.2			1.2
	Legal Services		7.0			7.0
	Engineering		17.5			17.5
	TfL Management Charge		82.2			82.2
	Corporate Expenses		39.9			39.9
	Insurance		12.9			12.9
	Central Services Improvements		2.3			2.3
			<b>183.2</b>			<b>183.2</b>
005	<b>Risk</b>		<b>96.5</b>			<b>96.5</b>
006	<b>Non-recurring Improvements</b>		<b>14.9</b>			<b>14.9</b>
007	<b>Other Income</b>				(12.8)	(12.8)
008	<b>Capital Projects</b>					
	Expenditure			358.2		358.2
	Over programming			(40.0)		(40.0)
	Income				(124.5)	(124.5)
				<b>318.2</b>	<b>(124.5)</b>	<b>193.7</b>
<b>Total London Underground</b>		<b>(1,338.8)</b>	<b>2,468.0</b>	<b>318.2</b>	<b>(137.3)</b>	<b>1,310.1</b>

## 2005/06 SURFACE TRANSPORT BUDGET BY ACTIVITY

£m at outturn prices		OPERATING BUDGET		CAPITAL BUDGET		2005/06 Net Expenditure
		2005/06 Income	2005/06 Operating Expenditure	2005/06 Capital Expenditure	2005/06 Capital Receipts	
<b>London Buses</b>						
024	Bus Network Income	(941.0)				(941.0)
025	Bus Network Operation Costs	(3.6)	1,435.9	5.4		1,437.7
026	Adshel Partnerships	(10.3)	6.3			(4.0)
027	Radio/AVL/Countdown		14.8	33.6		48.4
028	Ticket Technology & Prestige	(0.1)	26.1	0.7		26.7
029	Bus Stops and Shelters		6.8	4.7		11.5
030	Bus Garages	(2.7)	2.9	7.6		7.8
031	<b>Bus Stations</b>	(2.4)	7.3	5.7		10.6
032	Engineering		1.5			1.5
033	Vehicle Purchase			2.9		2.9
034	Safety and Security		0.4			0.4
035	Operations Services	(0.1)	15.2			15.1
036	Business Management and Support		10.8			10.8
037	Marketing and Research		10.6			10.6
038	Communications & Consultation		4.4			4.4
039	Performance	(0.3)	8.9			8.7
040	Croydon Tramlink Support Costs	(0.2)	8.1	1.8		9.7
		<b>(960.7)</b>	<b>1,565.1</b>	<b>62.4</b>		<b>666.8</b>
<b>Congestion Charging</b>						
041	CCS (existing scheme) Traffic Mgt		0.4			0.4
042	Western Extension Traffic Mgt/Trials		1.0	46.2		47.2
043	Western Extension Set Up Cost		8.4	21.1		29.5
044	CCS (existing scheme) Operations		87.8			87.8
045	Congestion Charging Staff Costs		9.9			9.9
046	CCS (existing scheme) Income	(195.7)				(195.7)
208	Congestion Charging Trials			9.7		9.7
		<b>(195.7)</b>	<b>107.5</b>	<b>77.0</b>		<b>(11.2)</b>
<b>Street Management</b>						
047	A13 DBFO		26.3			26.3
048	Major Route Improvements			21.9		21.9
051	Major Safety Enhancements			48.9		48.9
052	TLRN Maintenance		71.0	54.9		125.9
053	Street Services Support Costs		13.8			13.8
054	Road Network Operations Support		5.3			5.3
055	Borough Principal Road Maint		3.3	45.2		48.4
			<b>119.7</b>	<b>170.9</b>		<b>290.6</b>
<b>Director of Traffic Operations</b>						
057	Traffic Maint & Mgmt	(1.1)	3.4	9.6		11.9
061	Signals	(3.1)	0.3	5.2		2.4
214	Major Projects			1.1		1.1
215	Systems and Software		0.7	1.0		1.7
216	Fault Control and Maintenance	(0.9)	17.2		(9.8)	6.5
217	Urban Traffic Control		0.2			0.2
218	DTO Support Costs		23.3			23.3
		<b>(5.1)</b>	<b>45.1</b>	<b>16.9</b>	<b>(9.8)</b>	<b>47.1</b>
<b>Road Network Performance</b>						
065	Road Safety Plan	(1.4)	22.1	36.6		57.3
075	Walking		2.4	6.4		8.8
076	Cycling		6.6	14.4		21.0
077	Accessibility		3.2	3.3		6.5
220	London Works		0.5	1.5		2.0
221	Network Performance					
222	RNPD Support Costs					
		<b>(1.4)</b>	<b>34.8</b>	<b>62.1</b>		<b>95.5</b>

## 2005/06 SURFACE TRANSPORT BUDGET BY ACTIVITY

£m at outturn prices		OPERATING BUDGET		CAPITAL BUDGET		2005/06 Net Expenditure
		2005/06 Income	2005/06 Operating Expenditure	2005/06 Capital Expenditure	2005/06 Capital Receipts	
<b>Transport Policing and Enforcement (TPED)</b>						
066	Enforcement		41.0	3.6		44.6
067	Transport Policing		55.2			55.2
068	Revenue Protection		14.9			14.9
069	TPED Management		1.0			1.0
195	TPED Income	(38.1)				(38.1)
		<b>(38.1)</b>	<b>112.1</b>	<b>3.6</b>		<b>77.6</b>
<b>Bus Priority</b>						
070	Borough Schemes		9.7	9.2		18.9
071	TLRN Schemes			12.4		12.4
072	SVD Signal Priorities & Other		1.5	2.5		4.0
073	Research & Development		1.1			1.1
074	Bus Priority Support Costs		4.7			4.7
209	Flagship Schemes			14.1		14.1
			<b>17.0</b>	<b>38.2</b>		<b>55.3</b>
<b>Public Carriage Office</b>						
080	Taxi Licensing	(5.8)	5.0			(0.9)
081	Private Hire Licensing	(6.9)	6.5			(0.4)
082	Business Services / Strategic Support	(0.1)	1.2			1.2
083	Non-Regulatory		0.8			0.8
084	Infrastructure			0.6		0.6
		<b>(12.7)</b>	<b>13.4</b>	<b>0.6</b>		<b>1.3</b>
<b>East Thames Buses</b>						
085	Operations	(0.1)	1.6			1.5
		<b>(0.1)</b>	<b>1.6</b>			<b>1.5</b>
<b>Dial-a-Ride</b>						
087	Operations	(1.1)	22.6	0.4		21.9
089	Infrastructure					
		<b>(1.1)</b>	<b>22.6</b>	<b>0.4</b>		<b>21.9</b>
<b>London River Services</b>						
090	Operations	(1.5)	1.7			0.2
092	Multi-stop River Service		0.3			0.3
		<b>(1.5)</b>	<b>2.0</b>			<b>0.5</b>
<b>Victoria Coach Station</b>						
093	Operations	(4.4)	2.6			(1.9)
094	Commercial	(17.0)	17.3			0.4
095	Services	(0.9)	2.0			1.1
096	Infrastructure			3.1		3.1
		<b>(22.3)</b>	<b>21.9</b>	<b>3.1</b>		<b>2.7</b>
<b>Management Support and Strategy</b>						
097	Managing Director		1.2			1.2
098	Finance & IT		13.2	3.1		16.3
100	Strategy		8.5			8.5
211	Communications		1.5			1.5
212	Sustainability		1.4	2.7		4.1
213	Special Projects		0.4			0.5
			<b>26.2</b>	<b>5.8</b>		<b>32.0</b>
<b>Assisted Transport Services</b>						
210	Assisted Transport Services		10.8			10.8
			<b>10.8</b>			<b>10.8</b>
<b>Total Surface Transport</b>		<b>(1,238.7)</b>	<b>2,094.9</b>	<b>441.1</b>	<b>(9.8)</b>	<b>1,287.5</b>

## 2005/06 LONDON RAIL BUDGET BY ACTIVITY

£m at outturn prices	OPERATING BUDGET		CAPITAL BUDGET		2005/06 Net Expenditure
	2005/06 Income	2005/06 Operating Expenditure	2005/06 Capital Expenditure	2005/06 Capital Receipts	
<b>Docklands Light Railway</b>					
101 Franchise	(33.9)	32.9			(1.0)
102 Lewisham	(13.8)	26.5			12.7
103 Radio & Comms Upgrade			0.2		0.2
104 Infrastructure		5.2	0.7		5.9
105 Capacity Enhancements			4.6		4.6
107 Railcar Refurbishment			14.2		14.2
108 London City Airport	(0.6)	5.5	5.3		10.2
109 Woolwich / Arsenal			11.9		11.9
110 Stratford Station			10.0		10.0
111 On-Train CCTV			0.2		0.2
112 Stratford International			1.4		1.4
113 Barking			0.3		0.3
115 Administration		6.7			6.7
	<b>(48.3)</b>	<b>76.8</b>	<b>48.8</b>		<b>77.3</b>
<b>East London Line Project</b>					
205 East London Line Extension			36.9		36.9
			<b>36.9</b>		<b>36.9</b>
<b>London Rail Core</b>					
116 National Rail		10.4	6.0		16.4
118 Other London Rail					
119 Cross London Rail Links		25.0			25.0
206 Silverlink Metro		1.7	4.0		5.7
		<b>37.1</b>	<b>10.0</b>		<b>47.1</b>
<b>Total London Rail</b>	<b>(48.3)</b>	<b>113.9</b>	<b>95.7</b>		<b>161.3</b>

## 2005/06 CORPORATE DIRECTORATES BUDGET BY ACTIVITY

<b>£m at outturn prices</b>		<b>OPERATING BUDGET</b>		<b>CAPITAL BUDGET</b>		<b>2005/06 Net Expenditure</b>
		<b>2005/06 Income</b>	<b>2005/06 Operating Expenditure</b>	<b>2005/06 Capital Expenditure</b>	<b>2005/06 Capital Receipts</b>	
<b>Office of the Commissioner</b>						
120	Equality & Inclusion		2.8			2.8
121	TfL Commissioner		3.0			3.0
			<b>5.8</b>			<b>5.8</b>
<b>General Counsel</b>						
122	General Counsel		10.4			10.4
			<b>10.4</b>			<b>10.4</b>
<b>Group Comms &amp; Boroughs</b>						
125	Group Comms & Boroughs		6.0			6.0
			<b>6.0</b>			<b>6.0</b>
<b>Finance &amp; Planning</b>						
123	London's Transport Museum	(2.0)	5.8			3.8
124	Museum Re-display			8.8	(5.3)	3.5
126	Area Based Schemes		1.3	16.8		18.1
127	Borough Partnerships & Support	(2.4)	11.3	1.1		10.0
129	FRACA		4.4	1.2		5.6
130	SRtS & Travel Awareness		7.0	3.8		10.8
131	Corporate Finance		3.9			3.9
132	Fares & Ticketing	(0.3)	2.9			2.6
133	Provision for Prestige		2.0			2.0
135	Group Finance	(2.1)	21.3			19.2
199	Finance Shared Service Centre	(3.2)	3.2			
136	Group Marketing	(0.8)	18.7	9.0		26.9
141	Cross River Transit			1.5		1.5
142	EL Line Extn Integration					
143	East London Transit			0.7		0.7
144	Finsbury Park CAP & SMP			3.6		3.6
145	Greenwich Waterfront Transit			0.6		0.6
146	Other Interchange Projects			2.9		2.9
147	Other Transport Planning		2.2			2.2
148	Transport Network Planning		4.2			4.2
150	Strategy & Policy		1.3			1.3
151	Stratford			0.2		0.2
152	Thames Gateway Bridge			4.0		4.0
157	West London Tram			6.1		6.1
158	Croydon Tramlink Extensions			1.6		1.6
159	Olympic Games Bid	(0.4)	0.4			
197	MD Finance and Planning		0.7			0.7
198	Oystercard	(3.5)	9.3	48.0	(13.4)	40.4
200	Group Treasury Bank Interest	(59.2)	57.0			(2.2)
		<b>(73.9)</b>	<b>156.9</b>	<b>109.9</b>	<b>(18.7)</b>	<b>174.2</b>
<b>London Transport Insurance</b>						
161	LT Insurance (Guernsey)	(3.5)				(3.5)
		<b>(3.5)</b>				<b>(3.5)</b>



## 2005/06 CORPORATE DIRECTORATES BUDGET BY ACTIVITY

£m at outturn prices	OPERATING BUDGET		CAPITAL BUDGET		2005/06 Net Expenditure
	2005/06 Income	2005/06 Operating Expenditure	2005/06 Capital Expenditure	2005/06 Capital Receipts	
<b>Group Services</b>					
162 Group Services		4.8			4.8
164 Property	(50.1)	48.9	4.1	(15.0)	(12.2)
165 Facilities		4.0			4.0
166 Group HR Corporate		4.4			4.4
167 Group HR Services		2.4			2.4
168 Information management		18.1	4.1		22.2
169 BIP Capability Stabilisation		2.6			2.6
170 Procurement		5.2			5.2
	<b>(50.1)</b>	<b>90.4</b>	<b>8.2</b>	<b>(15.0)</b>	<b>33.4</b>
<b>Total Corporate Directorates</b>	<b>(127.6)</b>	<b>269.5</b>	<b>118.1</b>	<b>(33.7)</b>	<b>226.2</b>
<b>Group Provisions</b>					
138 General Contingency			25.6		25.6
140 Over-programming		(20.0)	(100.0)		(120.0)
<b>Total Group Provisions</b>		<b>(20.0)</b>	<b>(74.4)</b>		<b>(94.4)</b>
<b>Summary</b>					
<b>London Underground</b>	<b>(1,338.8)</b>	<b>2,468.0</b>	<b>318.2</b>	<b>(137.3)</b>	<b>1,310.1</b>
<b>Surface Transport</b>	<b>(1,238.7)</b>	<b>2,094.9</b>	<b>441.1</b>	<b>(9.8)</b>	<b>1,287.5</b>
<b>London Rail</b>	<b>(48.3)</b>	<b>113.9</b>	<b>95.7</b>		<b>161.3</b>
<b>Corporate Directorates</b>	<b>(127.6)</b>	<b>269.5</b>	<b>118.1</b>	<b>(33.7)</b>	<b>226.2</b>
<b>Group Provisions</b>		<b>(20.0)</b>	<b>(74.4)</b>		<b>(94.4)</b>
<b>Total</b>	<b>(2,753.4)</b>	<b>4,926.3</b>	<b>898.7</b>	<b>(180.8)</b>	<b>2,890.7</b>

\* Efficiency savings are now included within the budgets of the Business Units

# London Underground

## 001 Traffic Revenue

### Description:

Traffic income (net of Customer Charter Refunds) arising from the normal course of business, including amounts received from the London Borough Councils and County Authorities in respect of free and reduced fare travel for the elderly and disabled. Revenue is recognised on an earned basis; revenue received in advance is spread over the period to which it relates. The amount of traffic revenue derived by LUL is subject to external factors such as the Mayor's Fares Policy and the current economic environment.

### Indicator of success:

Description	Target
Passenger Journeys (Millions)	947m

### Impacts on Equality and Inclusion:

- No known substantial positive or adverse impacts to any of the target groups.

## 002 Chief Operating Officer (BCV / JNP / SSL Operations)

### Description:

The Chief Operating Officer's directorate (COO) is responsible for management of the LU service to customers, including selling tickets, providing staff on station platforms, providing information and reassurance to customers, staffing of trains with competent operators and providing a competent signalling and control function as well as staff to manage service disruption, focusing on the needs of the customer throughout. Train service delivery as well as control and regulation of the train service forms part of COO day to day activities.

COO is also responsible for a range of support functions including management of the Customer Service Centre, together with staff rostering and other non-customer facing activities such as Strategy & Service Development and Information Management.

### Indicators of success:

Description	Target
Customer Satisfaction Survey – Overall Score	77 (out of 100)
Excess Journey Time (unweighted)	3.25 mins
Train Kilometres Operated	71 million
Percentage of Scheduled Kms Operated	94.3%
Customer and Staff Injuries/Fatalities	134

Description	Target
Design / planning works underway for Congestion Relief schemes at:	RIBA stage completion
Bank – C	Dec 2006
Camden (TWA Order decision)	Jul 2005
Vauxhall – D	Mar 2006
Covent Garden – J (could be earlier subject to legal process with tenant)	Oct 2006
Finsbury Park – B	Aug 2005

<b>Description</b>	<b>Target</b>
Tottenham Court Road – J (subject to powers)	Dec 2007
Victoria – D	Dec 2006
Shepherd's Bush – E	Jul 2005
Shepherd's Bush – J	Jan 2006
Design / planning works underway for Accessibility schemes at:	RIBA stage completion
Waterloo – B	Jan 2006
Archway – B	Jun 2005
Highbury & Islington – B	Aug 2006
Finchley Central – D	Mar 2006
Liverpool Street – B	Aug 2005
Hendon Central – D	Mar 2006
Manor House – B	May 2005
Achieve full network tracker coverage (excluding ELL and W&C)	Complete by Mar 2006
Completion of post- power failure programme of works (NIMROD)	Mar 2006
Completion of 'Single Source of Truth' database for assets	Mar 2006
Further extension of NETMIS management information system and upgraded Line Information Diagrams	Mar 2006
Replacement / upgrade of a number of IT systems – Continuum, SABRE, INCA, NCC systems, Space Allocation database, Electronic Incident Reporting, Heartbeat, CuPID, PPP Knowledge Management System	Mar 2006

#### **Impacts on Equality and Inclusion:**

- Platform train interface works will reduce the risk of accidents involving the platform edge and the train particularly benefiting young children who perhaps are more vulnerable to this type of accident.
- Improvements to Digital Voice Announcements on the Piccadilly Line (a pilot project, with expectation of wider roll-out in future years) will particularly benefit visually impaired customers as these customers will know in advance which station they are about to arrive at, rather than having to ask other customers.
- The accessibility and congestion relief schemes are proposed to deliver step free access, way-finding guidance particularly benefiting visually impaired customers, induction loops at ticket halls and clear audible and visual information systems.
- The removal of trackside graffiti may enhance the perception of a safe environment, particularly benefiting women, black and minority ethnic groups, older and younger people.

## 003 Chief Programmes Officer

The directorate of the Chief Programmes Officer (CPO) is responsible for programme assurance and contract management of upgrades and improvements to be delivered under the Public Private Partnership (PPP) and also for the direct management of major LU-funded investment programmes.

### 3.1 PPP

#### Description:

Under the PPP, Metronet and Tube Lines are paid for the maintenance and improvement of the Underground network. The objective of PPP Contract Management is to help extract maximum benefit for LUL over the whole life of the PPP through a long-term relationship with each Infraco which seeks to exploit the strengths of both parties to realise genuine opportunities, but remains commercially astute.

*Targets marked \* are subject to change as they are based on draft Infraco Annual Asset Management Plans (AAMPs), which are yet to be confirmed as final.*

*Note that accountability for PPP project management and risk resides with PPP contract partners Metronet and Tube Lines.*

#### Indicators of success:

Description	BCV	SSL	JNP
Lost Customer Hours (PPP Availability)	5.25	6.22	4.72
PPP Ambience	68	70	71
PPP Capability: Scheduled Journey Time Capability	15.85	23.78	19.63
Track km replaced *	17.65	5.20	10.34
Station refurb completed *	16	12	11
Lifts replaced/ refurbished *	0	0	8
Escalators replaced / refurbished *	12	4	11

#### Impacts on Equality and Inclusion:

The PPP will contribute to addressing the accessibility needs of disabled people, in particular those customers with mobility and visual impairments. Improved station and train ambience will assist in reducing perceptions of insecurity in particular amongst women and black and minority ethnic groups. The station modernisation programme will improve station CCTV systems including CCTV on new rolling stock which will deter crime, improve station control and improve perceptions of security in stations, all of which are key for vulnerable groups for whom security is a special concern.

#### Impact on Environment:

- JNP / Tube Lines distribution services to work towards 18% recycling of waste, in 2005/06.
- Infracos to achieve ISO 4001 certification by April 2006.
- Undertake wheel / rail management e.g. rail grinding and track lubrication at noise problematic locations.

### 3.2 PFI

#### Description:

The PFI Activity is the maintenance and enhancement work carried out by LU's PFI partners. The four PFI contracts and their objectives are as follows:

- Connect – Provide and maintain an integrated digital radio communications system and a transmission services system across the Underground network
- Power – Provide the operation, maintenance and renewal of the Underground power network
- Prestige – Provide an integrated revenue collection service
- BTP – Provision and maintenance of accommodation for British Transport Police

*Note that accountability for PFI core contract project management and risk resides with PFI contract partners.*

#### Indicators of success:

Description	Target
Connect PFI: Enabling works complete by	Dec 2005
Connect PFI: Radios live on East London Line by	Mar 2006
Power PFI: Contract variation / refinancing of Major Power Works agreed by	Jan 2006
Power PFI: Major Power Works for Victoria Line to commence by	Jan 2006
Power PFI: Substantial completion of all Power PFI Initial Works, including SCADA and Northern Line power upgrades, by	Mar 2006

#### Impacts on Equality and Inclusion:

- BTP provides reassurance and increased personal safety and security on the network, which are especially important for vulnerable users.

### 3.3 Funded by LU / Other

LU-funded work led by CPO is making a major contribution towards Congestion Relief, complementing PPP-funded work on Lifts & Escalators and Station Enhancements.

Many stations experience severe congestion at certain times of the day, leading to crowd control measures such as temporarily holding customers outside the station. LU is funding construction work designed to relieve congestion at a number of key locations, as indicated in the table below.

LU-funded enhancements led by CPO are a key component in the overall investment programme for rolling stock, which will ultimately lead to half life refurbishment of the newer fleets and replacement of the older fleets.

CPO is leading a number of schemes that provide significant improvements in interchange between different modes, including LU's interchange programme to complement the Channel Tunnel Rail Link works at St Pancras, as noted in the table below.

CPO is also concerned with delivering extensions to the network, including work on the Piccadilly Line extension to Heathrow Terminal 5 on behalf of BAA. Note that responsibility for the East London Line Extension has now transferred to London Rail.

### Indicators of success:

Description	Target
Percentage of LU stations with step free access (street to platform)	19%
Percentage of LU stations with step free access (platform to train)	4.5%
Completion of the capacity elements of the Wembley Park scheme (accessibility elements due for completion 2006/07)	Sep 2005
Wembley Park – Practical completion	May 2006
Euston Square: public areas of the expanded southern ticket hall complete	Mar 2007
Congestion Relief works on the ground at: King's Cross St. Pancras - Western TH handover	Dec 2005
Congestion Relief works on the ground at: King's Cross St. Pancras - Tube TH handover	Feb 2006
Congestion Relief works on the ground at: King's Cross St. Pancras - Phase 1 complete	Jul 2006
Construction of interchange subway at Walthamstow Central - Civils works complete	Apr 2005
Construction of interchange subway at Walthamstow Central - Fit-out complete	Dec 2006
Congestion Relief works on the ground at: North Greenwich - Work on site	Oct 2005
Congestion Relief works on the ground at: North Greenwich - Practical completion	Dec 2006
Congestion Relief works on the ground at: Queensway - Work on site	May 2005
Congestion Relief works on the ground at: Queensway - Practical completion	May 2006
Upgrade of DVA system on Piccadilly Line rolling stock	Mar 2006
Implementation of 7th Car and Tidal Flow on the Jubilee Line	Jun 2006
First refurbished D-Stock trains enter service	May 2005
Piccadilly Line extension to Heathrow T5 – Work on site	Jan 2005
Piccadilly Line extension to Heathrow T5 – T4 loop reopens	Sep 2006
Provision of additional train crew accommodation at Morden, Acton and Wembley Park to facilitate the introduction of timetable improvements:	
Acton complete	Dec 2005
Morden complete	Nov 2005
Wembley complete	Sep 2006

### Impacts on Equality and Inclusion:

- The refurbished D stock trains will have multi use spaces (flip up seats) making them more accessible to wheel-chair users, older people and children. A secondary factor will be the ambience improvements which may impact upon a heightened perception of a secure environment, positively impacting upon women, black and minority ethnic groups, older people and young people.
- Expanding the public areas of the ticket hall at Euston Square will assist in addressing access for disabled people at the station.

- Congestion relief work on the ground at North Greenwich and Queensway will include the provision of way-finding guidance for visually impaired customers, colour contrasting handrails, induction loops at ticket offices and clear audible and visual information systems.
- The new Piccadilly Line Extension will provide step free access from platform enabling younger children, older people and disabled people easier access to the new airport terminal at Heathrow.

#### 004 Central Services Directorates

##### **Description:**

The Central Services Directorates activity supports the core operational business and the initiatives and programmes of LU, with a range of corporate services. The activity includes Finance, HR, Engineering, Safety and Legal Services.

##### **Indicators of success:**

<b>Description</b>	<b>Target</b>
Further roll-out of Managing Diversity Competence training programme – Development complete	May 2005
Further roll-out of Managing Diversity Competence training programme - Delivery	Jun 2005

##### **Impacts on Equality and Inclusion:**

- The focus is on creating / developing the managerial competence to improve the recruitment, development and management of BME's. Improving the diversity competence of managers will ensure the adoption of best practice, thereby helping LU to achieve its equality and inclusion goals.



# Surface Transport

## 024 Bus Network Income

### Description:

Bus network income.

### Deliverables:

- Passenger Journey's target 1,854m
- Total income generated of £961m

### Indicators of success:

Description	Target
Passenger Journeys (Millions)	1,854m
Bus kilometres operated (Millions)	461m

## 025 Bus Network Operational Costs

### Description:

The Bus Network activity covers the operation of the bus network. This includes the current bus network, planned improvements, measures to improve service reliability, new bus links, support for Congestion Charging, plans to speed up passenger boarding times, improved bus staff training and bus cleaning.

### Deliverables:

- Ongoing development of the network in line with the Mayor's Transport Strategy, in support of the London Plan. Development to be based on provision of a simple, frequent, reliable and comprehensive network.

### Indicators of success:

Description	Target
Excess wait time - high frequency routes (2005/06)	1.2
% departing on time - low frequency routes	76%
Passenger Journeys (Millions)	1,854m
Bus Kilometres operated (Millions)	461m
% of Scheduled Service Operated	98%
Achieve 100% low floor wheelchair accessible buses	Dec 2005

### Impacts on Equality & Inclusion:

- Providing inclusive bus services benefits the target groups but also delivers benefits for a wider range of existing and potential users. Buses are used by women, older people, children and people on lower incomes on a proportionately greater basis than their representation in London's population.
- Service reviews will continue to examine opportunities within the available funding for better penetration of residential estates, for facilitating access to jobs and services and for improvements to the hours of operation of the network.
- Acceptability of the service to users includes issues of personal safety, cultural barriers and staff/organisational attitudes.
- Simple service structures support accessible information.

- The programme to facilitate the provision of training for front-line staff and the cleaning initiatives for buses at bus stations will contribute to improvements in these areas.
- Training of bus operation staff will also contribute to the development of a workforce that reflects the diversity of London's population.

## 026 Adshel (Bus Shelter Advertising Partnership)

### Description:

The Adshel partnership is a Joint Venture between Adshel and London Bus Services Limited for the provision and maintenance of bus shelters and the generation of income from the sale of advertising space.

### Deliverables:

- Generate Net Revenue from the Joint Venture of £4.0m

### Indicators of success:

Description	Target
Adshel Net Revenue - Q1	£1.12m
Adshel Net Revenue - Q2	£1.00m
Adshel Net Revenue - Q3	£1.16m
Adshel Net Revenue - Q4	£0.72m

### Impact on Equality & Inclusion

- All users of the bus network will benefit from this activity, but in particular, older people and those with mobility difficulties will benefit from well-maintained seating at the bus stops, and vulnerable groups who may have concerns about their personal security, will benefit from lighting provided by the shelters.

## 027 Radio / AVL / Countdown

### Description:

The Technical Services Group (TSG) operates the Band III radio and Automatic Vehicle Location (AVL) networks, its core system. Countdown, the real time passenger information service, is provided at 2000 stops across the network. The key requirements of the core system are to provide a 'Code Red' emergency service, service control facilities for bus operators, a performance monitoring tool and historic journey time information.

### Deliverables:

Business As Usual (BAU)/Operations:

- Maintain Current Operation on Stable Platforms
- Meet customer expectations in relation to operating increasing number of assets.
- Radio Replacement – Rollout of replacement radio system. This is required in addition to plan in New Technology Development, to support system migration and dual running. Deliver 95% of project buses per quarter. This is subject to a maximum of 66 buses and all buses being available one month in advance.

### **New Technology:**

- Introduce a new radio communication and AVL solution that replaces the current system, addressing obsolescence issues with existing equipment and eliminating the risk of system failure. The current system is unable to meet the current and future business requirements of its users. The new system will be rolled out over 3 years during which time dual running will take place with the existing system. On-Bus Next Stop would be progressed, along with the ability to provide real time passenger information interfaces that could provide applications for variety of media, such as mobile phones, the internet and information sources such as Journey Planner and Travel-alert.

### **Indicators of success:**

<b>Description</b>	<b>Target</b>
Percentage of buses fitted with radios	95%
Central system network operating performance (%)	98%
First garage application starts	Apr 2005
New Technology Pilot complete	Sep 2005
Full system integration	Dec 2005

### **Impact on Equality and Inclusion:**

#### Bus Radio/AVL

- Service control tools with benefits for service reliability. The bus radio system also has safety benefits for operating staff and passengers.

#### Countdown

- Security benefits for vulnerable groups, particularly women and minority ethnic groups. Provides reassurance of bus arrival times and enables passengers to make informed travel decisions. Provides real time passenger information in an easy to understand format.

#### New Technology

- Disabled passengers will benefit from enhanced services provided by Audio Countdown and other simplified real time passenger information.
- The new system will support traffic management through Selective Vehicle Detection (SVD) and Bus Lane Enforcement Cameras (BLEC), subject to these projects remaining within our applications.

## **028 Ticket Technology & Prestige**

### **Description:**

The purpose of this activity is to develop, implement and operate fare collection arrangements for London's bus services. This includes:

- specification and provision of equipment
- allocation of on-bus equipment to Bus Operators and associated asset control activities
- siting, installation and operation of on-street equipment
- overseeing maintenance performance by contractors
- fares information for staff and passengers.

**Deliverables:**

- Installation of 1,450 Roadside Ticket Machines (RTMs) to support the introduction of articulated buses and cashless bus operation.
- Ticketing equipment for 160 new One Person Operated (OPO) buses to replace Routemasters

**Indicators of success:**

Description	Target
Number of Buses converted to OPO from Routemasters	160
Number of RTMs for Articulated buses and Cashless operation	1,450
Equipment for 4 Crew routes converted to OPO	Mar 2006
Equipment for 2 routes converted to Articulated operation	Mar 2006
'Cashless Bus' implemented fleet-wide	Mar 2006

**029 Bus Stops & Shelters****Description:**

This activity is concerned with the maintenance and cleaning of bus stops, improvements to and maintenance of passenger information at stops, renewal of bus shelters and provision of additional bus shelters. Also covered is the illuminated stops project to illuminate bus stop timetables and the bus stop flag using solar-powered lighting.

**Deliverables:**

- Renewal of bus shelters
- Provision of new bus shelters
- Installation of illuminated bus stop timetables and flags

**Indicators of success:**

Description	Target
Total number of Replacement bus shelters	500
Total number of New Bus Shelters	40
Total number of Illuminated stops	1400
10 additional shelters installed	Jun 2005
100 shelters replaced	Jun 2005
200 illuminated stops installed	Jun 2005
20 additional shelters installed	Sep 2005
250 shelters replaced	Sep 2005
600 illuminated stops installed	Sep 2005
30 additional shelters installed	Dec 2005
350 shelters replaced	Dec 2005
1000 illuminated stops installed	Dec 2005
40 additional shelters installed	Mar 2006
500 shelters replaced	Mar 2006
1400 illuminated stops installed	Mar 2006

**Impacts on Equality & Inclusion:**

- All users of the bus network will benefit from this activity, but in particular, older people and those with mobility difficulties will benefit from additional seating at the bus stops.
- Vulnerable groups, who may have concerns about their personal security, will benefit from improved lighting provided by the new shelters.
- Accessibility will be increased through provision of easily understandable information.

**Impact on Environment:**

- Installation of solar powered stop timetables and flags.

**030 Bus Garages****Description:**

This activity aims to ensure the provision of sufficient garage capacity, (including both maintenance and overnight parking), to accommodate the expanding bus network in London. Bus operators are meeting part of the increase in capacity; however the lack of available garages is a major obstacle in encouraging new operators, particularly smaller operators into the market. The provision of garages is also a means to encourage competition between operators, which helps to secure better value for money through bus service tendering. Opportunities, including the purchase of sites threatened with closure for redevelopment, will be actively pursued as and when they occur.

**Components:**

- North Acton Garage – a new garage on TfL-owned land, designed specifically for use by articulated buses, to be introduced on route 207. New construction of maintenance and operational building, with open-air bus standing area.
- Hanworth Road Garage – a completely new garage on land acquired in 2002, as a replacement for the existing London United bus garage the site of which is required for an extended and improved bus station.

**Deliverables:**

- Completion of New Bus Garage at North Acton – to open April 2007
- At Hanworth Road, completion of the construction of the new garage to open October 2006
- Maintenance of structural integrity and fire safety systems at existing garages

**Indicators of success:**

<b>Description</b>	<b>Target</b>
Hanworth Rd - receipt of planning permission	Jul 2005
Hanworth Rd - contract let	Aug 2005
Hanworth Rd - start of construction	Sep 2005
Hanworth Rd - completion and opening	Sep 2006
North Acton Garage - receipt of planning permission	Dec 2005

**Impacts on Equality & Inclusion:**

- Additional capacity provided at new sites will support improved bus services.
- The new sites will serve areas with high proportions of minority ethnic groups and people on low incomes.

## 031 Bus Stations

### Description:

Bus stations and stands are essential infrastructure to support London's bus network. As the level of service provision grows to meet increasing demand, additional space and facilities are required either, by expanding existing sites (although most spare capacity at existing sites has been taken up) or opening of new sites. As well as providing new facilities it is necessary to maintain existing facilities to a standard required to maintain a high quality environment.

### Deliverables:

- Delivery of a rolling programme of bus station works to increase capacity (for people and buses)
- Maintaining bus stations in a good state of repair
- Improve the overall quality of bus stations
- Increase accessibility by 3 percentage points
- Construction started on new extended bus station at Golders Green
- Completion of design and development of a new extended bus station at Hounslow
- Construction started and completed on expanded bus station at Finsbury Park

### Indicators of success:

Description	Target
State of Good Repair (%)	82%
Bus Station Overall Condition (CSS) (%)	70%
Accessibility (%)	84%
Finsbury Park - commence construction	Jan 2005
Finsbury Park - complete construction	Feb 2006
Golders Green - completion of new design and development	Mar 2006
Hounslow - completion of new design and development	Jun 2006

### Impacts on Equality & Inclusion:

- Bus station refurbishment and construction of new facilities will incorporate design standards to provide fully accessible facilities, including wheelchair access, appropriate use of colour and surfaces. Information will also be made available in different formats that satisfy a range of needs.
- CCTV will be provided at new and expanded bus stations, with benefits to both staff and passengers. It is currently provided at most existing bus station sites.
- Around 10% of all passenger movements take place at bus stations, so the accessibility, comfort and security benefits of bus station environments cover a significant part of the total passenger base.

## 032 Engineering

### Description:

This activity area relates to projects directed at investigating, evaluating and implementing technological solutions to improve the quality, safety and environmental performance of the buses operating in London to meet Mayoral priorities and legislative requirements. This includes research and trials of new fuels and technologies that may reduce exhaust emissions, assessing the costs and environmental benefits, (eg. fuel cell buses, other hybrid vehicle types) and improving the environmental performance of existing vehicles. (eg. fitment of particulate traps and exploiting potential environmental initiatives through R&D)

### Deliverables:

- Conclude 2 year trial of fuel cell buses, extension of a further year under consideration, subject to financial support from all original parties.
- Operation of diesel electric hybrid vehicles
- Undertake research and evaluation of various new technologies enabling future strategies and policies to be developed.
- Delivery of Air Quality Improvements through fitment of Particulate Trap technology.

### Indicators of success:

Description	Target
Diesel Electric Hybrid Vehicles: Number of vehicles to be introduced	10
Particulate traps - % of vehicles fitted with particulate traps	100
Number of buses fitted with Nox abatement technology	140
Hydrogen refuelling site operational	Mar 2005
All buses to be fitted with Euro II engines or better	Dec 2005
Completion of fuel cell bus trials	Dec 2005

### Impacts on Equality and Inclusion:

- Measures to reduce vehicle emissions have particular benefits for people living in areas of high traffic density, especially the elderly, children and people suffering from respiratory conditions.

## 033 Vehicle Purchase

### Description:

The aim of this activity is the provision of replacement buses for the Dial-A-Ride (DAR) operations. The current fleet size is 310 buses with an average age of 6 years, those 10 years old or older will be replaced on an annual basis. The planned schedule of replacements will reduce the average age to 4 years. The buses will be more fuel efficient and environmentally friendly and quicker to load and unload.

### Deliverables:

- Purchase replacement buses for DAR vehicles.

### Indicators of success:

Description	Target
Vehicle Purchase - 70 DAR vehicles	Mar 2006



**Impact on Equality and Inclusion:**

- The increased comfort and accessibility of the new DAR vehicles benefits disabled groups in particular.

**Impacts on Environment:**

- Reducing air emissions of vehicles due to move to newer bus fleet.

**034 Safety & Security****Description:**

The objectives of this area are to develop and introduce policies, procedures and practices for health and safety matters. This activity falls within the Network Operations department and covers the area of safety and security related to on-bus and in house staff, passengers and operational equipment. This includes responsibility for promotion of a safe environment for Surface Transport's staff, customers and visitors through training, risk assessment, planned inspections and the production and monitoring of accident statistics.

**Deliverables:**

- Fit out vehicles with on-bus CCTV cameras, enhancing security and promoting social inclusion.
- Undertake assessments and implement action plans to deliver the agreed Safety Objectives for London Buses.

**Indicators of success:**

<b>Description</b>	<b>Target</b>
% of vehicles fitted with on-bus CCTV - December 2005	100%
Major injuries / Fatalities - Passenger Injury rate less than 2.26 per million passenger journeys	<2.26
Reduction in fatalities and major injuries to passengers from 2004/05 (%)	10%
Customer satisfaction survey - personal safety & security (%)	87%

**Impacts on Equality & Inclusion:**

- Enhanced safety and security results in specific benefits for vulnerable groups.

**035 Operations Services****Description:**

Network Operations support function provides on-the-road real time support for bus services, including events planning and the management of the emergency communications centre (Centre Comm.), management and supervision of bus stops and stands, and emergency response to accidents and incidents. In particular this function contributes to the achievement of Bus Network performance targets, by minimising the effects of external disruption.

**Deliverables:**

- Management, delivery and implementation of Network Operation's programme objectives. Refer to deliverables for activities 032, 033, and 034.
- Collection and dissemination of information relating to the real time operation of the bus network via operation of a 24/7 communication complex (Centre Comm.).

**Indicators of Success:**

- Achievement of Network Operation's programme objectives.
- Achievement of the Bus Network performance targets (Refer Deliverable 025).

**Impacts on Equality & Inclusion:**

- Staff are trained in disability awareness, dealing with emergency situations and security issues.
- Staff provide a physical presence, they provide information and a greater sense of security to passengers.
- Ensuring infrastructure is maintained to an acceptable standard for passenger comfort and safety.
- Assisting in reducing the effects of disruption and improving service reliability.

**036 Business Management and Support****Description:**

Salaries and associated costs of London Buses staff, together with charges from Finance, IT& HR for systems support including enhancements and upgrades

**Deliverables:**

The deliverables that these staff contribute towards are addressed within other activities (098 and 100).

**Impacts on Equality & Inclusion:**

The impacts on equalities and inclusion of this expenditure are addressed within other activities (098 and 100).

**037 Marketing & Research****Description:**

To design, commission and manage customer research to provide data for performance monitoring, business planning and product development across Surface Transport. To prioritise the customer research budget across Surface Transport.

**Deliverables:**

- Providing performance-monitoring data for the Surface Transport modes and businesses through the design and implementation of customer satisfaction and mystery shopping surveys.
- Working with internal customers identifying Surface Transport's customer research needs and designing and implementing ad hoc research studies to inform business decisions.

**Indicators of success:**

<b>Description</b>	<b>Target</b>
% Advertising and Promotions - Delivered to specification	100
% Customer Information Provision and Development - Delivered to specification	100
Advertising Campaign for Teenagers	Mar 2005
Cycling Guides 3rd Edition - £250k	Apr 2005
Advertising to promote cycling and walking as a transport option - £300k - April 2005	Apr 2005
Awareness advertising to Cyclist and HGV's of road safety - £150k	May 2005
Enforcement Advertising Campaigns - £1.6m	Jun 2005
Awareness campaign to promote Taxis and PHV's - £250k	Jun 2005
Advertising Campaign for P2W Riders and Car Drivers	Jul 2005
Cashless Bus - Marketing - £1m - Planning to start April 05	Sep 2005
Customer Provision and Development - Customer Information (£4.5m for 2005/06 year)	Mar 2006

**Impacts on Equality & Inclusion:**

- Ensuring needs of all target groups are better understood to enable the business to meet their needs effectively and efficiently.

**Impact on Environment:**

- Promotion of cycling and walking encourages modal shift away from polluting forms of transport.

**038 Communications & Consultation****Description:**

Communications & Consultation manage Surface Transport's customer services, statutory & general consultation and liaison activities with all external parties including the public, local authorities, MPs and Assembly Members, LTUC and LGO. Ongoing development and implementation of policies and procedures required to ensure successful implementation of the required enhancements to London's bus services and to fulfil the Mayor of London's commitment for greater dialogue with passengers, road users and other stakeholders. Direct the statutory consultation process on bus service changes and bus infrastructure.

**Deliverables:**

- Continued improvements to the way in which customer communications are handled.
- BSI re-accreditation for London Buses complaint handling
- BSI accreditation for Surface Transport complaint handling year on year
- Actively promote Customer Services by welcoming customer contact
- Enhanced consultation activity with stakeholders, approximately 200 service changes, including c. 10 major consultations incorporating wider public engagement.
- Enhance local consultation on bus service changes through timely release of information and more appropriate use of leaflets, road shows etc
- Further develop consultation with stakeholders and public on bus-related infrastructure projects
- Continue to focus resources on public engagement with key target groups identified

by the Social Inclusion Action Plan (c.3 mtgs each month)

- Continue to explore production of consultation material and Customer Services communications in languages other than English
- Promote network of coach services, encourage operators to develop existing network and improve facilities for coach operations in London

**Indicators of success:**

<b>Description</b>	<b>Target</b>
% abandonment rate of calls	5
% call response within 20 seconds	80
Maximum time for written response (days)	15
Customer Satisfaction Survey results (customers) (out of 100)	52
Customer Satisfaction Survey results (stakeholders) (out of 100)	30
% LSP applications/variations granted 5 days before implementation	95
% SSTT ready 10 days prior to service change	95
% consultations meeting timing guidelines in TfL tool kit	95
"% of internal briefings, team talks and upfront newsletters issued on time"	98
Customer Satisfaction Survey results (internal) (out of 100)	54
Review impact on Customer Services of FOIA and EPA requirements	Apr 2005
Production of new London Coach Map	May 2005
Annual review of consultation	May 2005
BSI re-accreditation for London Buses Ltd	May 2005
Implement findings from review of internal communications tools	Jun 2005
LSP replaces existing London Local Service Licence	Sep 2005
Implementation of electronic data management system for consultation with a view to gaining efficiency savings	Oct 2005
Implementation of consultation process for major bus infrastructure	Oct 2005
Commercial bus services meet Euro I standard for emissions	Oct 2005
BSI accreditation for Surface Transport	Dec 2005
Review of consultation activity for bus priority	Dec 2005
Rationalisation of London Buses agreements for commercial services	Dec 2005
Coach parking strategy published	Mar 2006
Implementation of Surface Transport element of pan-TfL CRM system	Mar 2006
"Review, develop and implement ST communication strategy, including internal communications"	Mar 2006

**Impacts on Equality and Inclusion:**

- Communications providing support and QA to ensure that internal / external communications meet E&I criteria:
- Production of information (on request/ when need identified) in accessible media (large print, tape, Braille etc.) for disabled people, also literature in other languages for ethnic groups (on request or in advance if the need has already been identified).

## 039 Performance

### Description:

The Performance Department are responsible for planning and securing the bus network, monitoring its performance and actively seeking to enhance that performance. It is also responsible for bus input to multi-modal transport planning.

### Deliverables:

- Achievement of the Performance Department's programme objectives, including those for the Bus Network (Refer Deliverables 025)

## 040 Croydon Tramlink Support Costs (Buses)

### Description:

This activity covers the management of the Tramlink PFI Concession Agreement including monitoring of operational performance, administering compensation payments, implementation of TfL policies and developing strategies for integration of the system with other transport services.

### Deliverables:

- Programme of inspections and audits of Tramlink
- Trams to serve the new Centrale tramstop.
- Administration of Bus Pass and PrePay compensation agreements
- Service provided in accordance with Concessionaire Agreement
- Administration of fares and compensation payments

### Indicators of success:

Description	Target
Percentage of scheduled service operation	98%
CSS overall satisfaction	88
Commence Tram Services to Centrale	Nov 2005

### Impacts on Equality & Inclusion:

- Tramlink is a fully accessible system (infrastructure and vehicles) and attracts a considerably higher proportion of wheelchair users than mainstream bus services.
- The development of the Centrale stop will improve access to central Croydon for all passengers and will be beneficial to those for whom the walk to/from West Croydon and Church Street stops presents a problem.

## 041 Congestion Charging Traffic Management

### Description:

Revenue costs to maintain signs, road markings and congestion monitoring cameras.

### Deliverables:

- On going maintenance of the monitoring camera network and signs required to enforce and advise users of the Central London Congestion Charging Scheme

**Indicators of success:**

Description	Target
Signs Maintenance for all Area Teams for the existing CLoCCS signs	Mar 2006
Continued access to the congestion monitoring camera network	Mar 2006
Data available for analysis by CC Monitoring manager and for input to the LTCC COMET system	Mar 2006

**042 Congestion Charging Scheme Western Extension Traffic Management****Description:**

Subject to the outcome of the appropriate consultation processes, implement an extension to the Central London Congestion Charging Scheme (CLOCCS), delivering the benefits of reduced congestion and contributing to improvements in bus services and the environment. The Traffic & Technology team will ensure a practical zone boundary is adopted which will have the required regulatory traffic signs together with warning and information signs and road markings to assist drivers approaching and driving in the extended zone. Complementary traffic measures will be introduced on the TLRN and London Borough roads on the proposed boundary and in a zone of influence outside the scheme extension. They will assist in addressing the perceived risks to local areas and accelerate the maintenance programme of the TLRN to ensure that the boundary route and main radials are not subject to disruption by works during the early phase of the extension. Over the last 3 years since the introduction of Congestion charging the technologies available have progressed to potentially improve the customer interface and also vehicle detection mechanisms. Additionally national and European approaches to road pricing interoperability have emerged. TfL is therefore trialling a selection of the technologies to determine whether they should play a role in an extension to the zone or in future road pricing schemes. The trials are also identifying reductions in unit costs in technology, which would improve the business case for an extension to the zone. The key technologies being considered are number plate readers and digital cameras, global positioning systems (GPS) and mobile phones and tag and beacon solutions.

**Deliverables:**

- Improve traffic control capability on the TLRN and London Borough roads in association with the delivery of a Western extension in 2007
- Commission and monitor the delivery of improvements to London Borough roads and the TLRN.
- Install congestion monitoring cameras.
- Provide for new Technology Trials
- To evaluate “new”, digital, Tag and Beacon, GPS, and mobile phone technologies to be used for road user schemes that can deliver improvements to flexibility and cost of operation of the current scheme and any further road user charging schemes leading to improvements in bus journey times and reliability, relief of traffic congestion and improved journey time reliability in accordance with the Transport Strategy
- To enable cost reductions in on street detection and enforcement of road user charging schemes
- To enable selection and specification of technologies to be used in the proposed Western Extension and CLoCCS (when the existing contract with Capita expires).

**Indicators of success:**

<b>Description</b>	<b>Target</b>
Site installation of cameras	Jun 2006
Specification Input to CLoCCS re-procurement	Dec 2005
RTTM SCOOT conversion Prog complete	Feb 2006
RTTM Monitoring Cameras complete	Feb 2006
RTTM Schemes complete	Jul 2006
CTM non-Borough schemes complete	Jul 2006
CTM Borough schemes complete	Mar 2007

**043 Congestion Charging Western Extension Set Up Costs****Description:**

Subject to the outcome of the appropriate consultation processes, implement an extension to the Central London Congestion Charging Scheme (CLOCCS) including new Enforcement Infrastructure in the proposed Western Extension Zone and modifications to the CLoCCS core to deliver the benefits of reduced congestion and contribute to improvement in bus services and environmental improvements.

**Deliverables:**

- Public consultation on scheme order completed
- Mayoral approval of scheme order
- EI Procurement (New Technology) Deliverables:
- Evaluation of ITN responses and selection of 2 suppliers for TDE
- TDE final report from both suppliers
- Decision to opt for new or old technology
- Award contract for new technology
- In-station & outstation commissioning complete
- Site acceptance complete

**Indicators of success:**

<b>Description</b>	<b>Target</b>
Sign new Western Supplemental Agreement	Mar 2005
TDE final report from both suppliers	Jun 2005
Public consultation on scheme order completed	Aug 2005
Mayoral approval of scheme order	Oct 2005
Award contract for new technology	Sep 2005
Instruct Capita to start work on WEZ	Sep 2005
Completion of technical and testing documentation	Aug 2006
Completion of Functional and Volume testing	Oct 2006
Go-live with Enquiry and discount registration	Oct 2006
Completion of EI proving	Nov 2006
WEZ Go-Live	Feb 2007

## 044 Congestion Charging Scheme Operations

### Description:

Congestion Charging is a zoned charge that requires drivers to pay a daily fee to drive or park on the public highway within the prescribed congestion charging zone between 7.00am-6.30pm, Monday to Friday. The operation requires effective management and monitoring by the TfL Business and Enforcement Operations of high value contracts with various service providers.

### Deliverables:

- Maximise revenue and costs to TfL through effective management and monitoring of contracts and Service Level agreements relating to the on going operation of all aspects of the existing Central London congestion charging scheme;
- Ensure delivery of a customer focused and efficient service ensuring that customers are provided with sufficient information regarding the scheme, that payment channels and processing is accurate and efficient and that those issued with penalties are treated fairly if they challenge the penalty;
- Delivery of continuous improvement to the Operation through change and customer focused initiatives;
- Ensure that all customer queries and complaints are dealt with quickly and effectively;

### Indicators of success:

Description	Target
Service Credits for core service provider % of contract value	0.05
Overall Customer satisfaction (%)	73%
Congestion Charge Income	£147.9m
Appeals & Representations - Appeals % of PCNs issued	3
Appeals & Representations - Reps % of PCNs issued	20
Finance - PCN receipts	£47.8m
Telephony - Average queue time (sec)	20sec
Provision of all required supporting data for 2005 Annual Report	Jan 2005
Delivery of charge increase (if approved) in 2005	Jul 2005
Provision of Periodic KPI data	Mar 2006
Delivery of all agreed customer improvements and required changes by due dates	Mar 2006

### Impacts on Equality and Inclusion:

Equality assessment is specified in the Transport Strategy and thus a legal requirement:

- Blue Badge holders - 100% discount.
- Severely ill (NHS patient) rebates.
- Translation service provided for non-English speakers.
- Provision for hard of hearing.
- Advertising to highlight disability registration.
- Delivery and on-going effective management of payment channels ensuring that payment of the charge is as inclusive as possible



## 045 Congestion Charging Staff Cost

### Description:

Salaries and associated costs of Congestion Charging staff, i.e. these are the direct staff costs of the operational area.

## 046 Congestion Charging Income

### Description:

All income from the Congestion Charging Scheme including that from registrations, charge payments, Penalty Charge Notices and further enforcement processes.

### Deliverables:

- Income reports on a per financial period basis

### Indicators of success:

Description	Target
Periodic 3 Review	Jun 2005
Periodic 6 Review	Sep 2005
Periodic 9 Review	Dec 2005
Periodic 13 Review	Mar 2006

## 208 Congestion Charging Trials

### Description:

Subject to the outcome of the appropriate consultation processes, the current congestion charging scheme may be enhanced through an extension to the existing zone from 2006 onwards. The current scheme may also upgrade the payment and enforcement technologies during the lifetime of the existing contract with Capita. Over the last 3 years the technologies available have progressed to potentially improve the customer interface and also vehicle detection mechanisms. Additionally national and European approaches to road pricing interoperability have emerged. TfL is therefore trialling a selection of the technologies to determine whether they should play a role in an extension to the zone or in future road pricing schemes. The trials are also identifying reductions in unit costs in technology, which would improve the business case for an extension to the zone. The key technologies being considered are:

- number plate readers and digital cameras
- global positioning systems (GPS)
- mobile phones and tag and beacon solutions.

The trials will occur in 3 three stages:

Stage 1: Proof of Concept

Stage 2: Wider Technology Trial using short-listed technologies from Stage 1

Stage 3: Usability and Logistics.

### Deliverables:

- Provides for new Technology Trials

- To evaluate “new”, digital, Tag and Beacon, GPS, and mobile phone technologies to be used for road user schemes that can deliver improvements to flexibility and cost of operation of the current scheme and any further road user charging schemes leading to improvements in bus journey times and reliability, relief of traffic congestion and improved journey time reliability in accordance with the Transport Strategy
- To recommend the technologies for extensions to the Congestion Charging scheme and for technology refresh, integrating with UK, DfT and EU proposals where appropriate.
- To enable cost reductions in on street detection and enforcement of road user charging schemes
- To enable selection and specification of technologies to be used in the proposed Western Extension and CLoCCS (when the existing contract with Capita expires)

**Indicators of success:**

Description	Target
Trials Stage 2 interim report	Jun 2005
Trials Stage 3 (Technology Demonstrator) plan	Jun 2005
Specification Input to CLoCCS re-procurement	Dec 2005
Stage 2 final report	Mar 2006
Trials Stage 3 First Progress Report	Mar 2006
Trials Stage 3 2nd Progress Report	Jun 2006
Trials Stage 3 Final Report	Mar 2007

**Impact on Equality and Inclusion:**

Enforcement infrastructure and charging schemes identified by these trials will provide funds that can contribute towards public transport improvements and charging schemes identified by these trials will support the identification of Blue Badge Discount holders and NHS Reimbursement schemes that will be in operation.

**047 A13 DBFO**

**Description:**

This programme consists of monitoring and checking the works carried out under the A13 DBFO contract. Road Management Services A13 plc was awarded the 30 year Design, Build, Finance and Operate (DBFO) contract in April 2000, which was inherited by TfL in July 2000. The contract includes five major new schemes along the 20km section of the A13 between Butcher Row in the West and Wennington in the East, the subsequent reconstruction of various other structures and the operation and maintenance of the A13 and A1261 for a period of 30 years.

**Deliverables:**

- Maintenance of the A13 in accordance with the DBFO

The completion of junctions:

- Ironbridge/Canning Town
- Prince Regent Lane
- Woolwich Manor Way

**Indicators of success:**

<b>Description</b>	<b>Target</b>
Complete A13 communications system	June 2005
Annual expenditure to be within 5% of budget (£)	£26.3m
Availability of streets (%)	95%

**Impact on Equality and Inclusion:**

- Increased security for all due to better lighting, upgraded subways and additional CCTV cameras.
- Improved ramps to subways and footbridges plus new tactile paving at crossing points, benefiting the partially sighted.
- Better highway facilities as part of the regeneration of East London will assist local communities.
- Safer crossing points, new cycleways and footpaths and improved bus stops will assist all, including older users and the young.
- Reduction in the severance effect of the road by providing grade-separated junctions will assist local communities.

**048 Major Route Improvements****Description:**

Major Route Improvements to A23 Coulsdon Relief Road, A406 Bounds Green scheme eases congestion, reduces accidents and helps pedestrians to cross safely. Special features in favour of buses and enhancements to the environment are also included. Regents Park is designed to implement the improvement scheme incorporating pedestrian facilities at Henly's Corner, Great Northway and Falloden Way with provision of right-turning filter signals at Henly's Corner Junction.

**Deliverables:**

- A23 Coulsdon Relief Road: 34,000sqm of carriageway construction, 10 new signal-controlled pedestrian crossings, 281 new/upgraded street lights and 6000 trees to be planted.
- A406 Bounds Green: A five stage scheme including detailed design September 2005, public consultation June 2005, utilities diversions March 2006, advanced works March 2006 with the main work contract at tender planned for January 2006.
- Completion of the Regents Park scheme

**Indicators of success:**

<b>Description</b>	<b>Target</b>
A406 Bounds Green public consultation	Jun 2005
A406 Bounds Green detailed design.	Sep 2005
Substantial completion of the A23 works	Jan 2006
A406 Bounds Green main work contract at tender	Jan 2006
A406 Bounds Green utilities diversions	Mar 2006
A406 Bounds Green advanced works	Mar 2006
Completion of the Regents Park scheme	Mar 2006
A406 Bounds Green scheme main works start	April 2006

**Impacts on Equality & Inclusion:**

- Reduction in traffic using the Coulsdon town centre will benefit all pedestrians, but particularly, the disabled and partially sighted.
- Enhanced lighting will improve personal security for all but, particularly, women and the elderly.
- Provision of pedestrian facilities at Bounds Green, Regents Park and Golders Green will benefit the elderly and disabled.

**Impact on Environment:**

- Improvements to local built environment.

**051 Major Safety Enhancements****Description:**

Major Safety Enhancements typically include bridge strengthening and major tunnel refurbishment works. Without these, major structures on the network would potentially have to be closed causing severe network disruption. Continue investigations, consider remedial options, identify solutions, commence detailed designs and undertake high priority remedial works.

**Deliverables:**

- A406 / Hanger Lane: A new 2 lane carriageway constructed over the railways together with improved pedestrian footway and cycle paths on both sides of Hanger Lane. A toucan crossing to replace the existing pedestrian crossing.
- A406 / Western Ave: A new 2 lane carriageway will be constructed over the railways with pedestrian and cycle paths constructed adjacent to both carriageways. A toucan crossing will replace the existing footbridge.
- Blackwall (Northbound)/Rotherhithe Tunnels: Major maintenance of the tunnels to ensure that it meets all current standards.
- Fore St. Tunnel: Complete all investigations by April 05, identify risks and solutions by December 2005
- Westminster Bridge: Bridge works required to reduce the risk of severe damage should a bridge strike occur and to reduce the maintenance liability and improve aesthetics-.

**Indicators of success:**

<b>Description</b>	<b>Target</b>
Contract to start for Hanger Lane: 1 new toucan crossing, 2 new bridges, 0.92km of new cycle lane and 4,300sqm of carriageway reconstruction.	Jul 2005
Contract to start for Western Ave: 1 new toucan crossing, 2 new bridge and 1.05km of new cycle lane.	May 2005
Preliminary design complete for Blackwall (Northbound).	Sep 2005
Detailed design complete for Blackwall (Northbound)	Jan 2006
Preliminary design complete for Rotherhithe Tunnel	Jan 2006
Contract award and possession of the site for Westminster Bridge	Jun 2005
Procure consultant to review risks and identify solutions for Fore Street tunnel	Dec 2005

**Impacts on Equality and Inclusion:**

- Provision of safety equipment in the tunnels will benefit all but particularly, women, the disabled and elderly.
- Works on Westminster Bridge and the tunnels will ensure that they remain open in the future, which will benefit the disabled.
- Better street lighting will increase safety of vulnerable groups

**Impact on Environment:**

- Improved provision of cycling and pedestrian paths will encourage modal shift to walking and cycling.

**052 TLRN Maintenance****Description:**

Capital renewals to carriageways, footways, structures, lighting and tunnels. Revenue maintenance of all TLRN assets, including regular safety inspections on the network by Stewards, emergency response, winter maintenance, road repairs, street sweeping, graffiti removal, maintenance of street furniture and grass cutting and hedge pruning. Maintaining, refurbishing and operating the Woolwich Ferry. The provision of specialist technical advice and guidance on all aspects of the design, construction, management, maintenance and operation of the TLRN.

**Deliverables:**

- It is proposed that the programme of carriageway and footway works continues with the aim of addressing the backlog by 2010.
- The funding for structural strengthening and waterproofing as well as street lighting upgrades, bridges and other structures.
- Essential capital renewal works in tunnels consisting of lighting renewal, drainage works and cladding replacement. Revenue maintenance to ensure that the network is maintained
- Maintain the Woolwich Ferry service at its current level

**Indicators of success:**

<b>Description</b>	<b>Target</b>
Carriageway resurfaced (sqm)	350,000
Footway re-laid (sqm)	50,000
Replacement of lamps (nos.)	10,000
New/upgraded street lights (nos.)	2,500
Emergency call-outs (nos.)	5,000
Woolwich Ferry crossings (av. nos. per hour)	6
Passengers on the Woolwich Ferry (av. nos. per week)	45,000
Vehicles on the Woolwich Ferry (av. nos. per week)	20,000

### 053 Street Services Support Costs

**Description:**

Salaries and associated costs of Street Management Services staff, i.e. these are the direct staff costs of the operational area. Refer to Deliverables 047, 048, 050, 051, 052 and 055.

### 054 Road Network Operations Support

**Description:**

Salaries and associated costs of Road Network Operations staff, i.e. these are the direct staff costs of the operational area. Refer to Deliverables 047, 048, 050, 051, 052 and 055.

### 055 Borough Principal Road Maintenance and Bridge Strengthening

**Description:**

The purpose of the Borough Principal Road Maintenance programme is to fund capital maintenance work through the Borough Spending Plan. To ensure the BPRN is maintained to the same standard as the TLRN. To reduce and eventually remove the capital maintenance backlog on the BPRN. To survey using the UK PMS methodology and surveys, all of the BPRN on an annual basis and audit the results. The Bridge Strengthening programme is to provide funding for the Borough structure strengthening programme to raise the loading capacity of structure to the EC standard of 44 tonnes.

**Deliverables:**

- Borough Principal Roads brought to serviceable standard.
- A number of bridges strengthened to 44 tonnes.
- Whole BPRN network surveyed for carriageway and footway condition.

**Indicators of success:**

Description	Target
Whole network survey completed	Mar 2006
Reduction in the backlog of roads in poor condition	Mar 2006

**Impacts on Equality and Inclusion:**

- Reduction in the number of trip hazards on some footways benefiting the elderly and partially sighted.
- Ride comfort on buses improved on some roads benefiting the elderly.

### 057 Directorate of Traffic Operations – Traffic Maintenance

**Description:**

Network Technology (NT) designs, develops, installs, commissions and maintains our road network signalling, monitoring, control and information systems.

Our principal systems include:

The London Urban Traffic Control system (UTC) 2800 signals

The London Remote fault Monitoring system (RM) 1800 signals

CCTV camera and control systems 600+ cameras  
 Variable Message Sign (VMS) information & control systems 80+ signs  
 Enforcement Cameras (Speed and Red Light) 650 sites  
 The East London Traffic System (ELTRACS) 7 road tunnels  
 Traffic Maintenance & Management is concerned with maintaining and modernising the systems to keep pace with current demands.

**Deliverables:**

- To provide a fully functional, efficient network with high availability and reliability in operation.
- To ensure safety of the network, quickly identifying and clearing faults.
- To provide other operating Divisions with reliable and dependable systems.
- To ensure the network remains in a good state of repair, reducing future replacement costs and ensuring cost efficiency in current maintenance.

**Indicators of success:**

Description	Target
Traffic signals operating effectively (%)	97%
CCTV cameras available (%)	95%
VMS available (%)	95%
Safety cameras available (%)	95%

**Impacts on Equality & Inclusion:**

- The Traffic Management and Maintenance Programme supports all social groups.

**061 Network Implementation - Traffic Signals- New and Modified (Borough)**

**Description:**

Borough Signal Schemes required by London Highway Authorities (excluding TLRN) to be delivered. This includes design, procurement, implementation and commissioning for new and modified signal sites.

**214 Directorate of Traffic Operations - Major Projects**

**Description:**

**Major Projects - LTCC** - monitoring the state of London's road network & initiating immediate actions to mitigate network disruption and congestion. Additionally ensuring that road users are made continually aware of planned and unplanned disruptions to the Network.

**Indicators of success:**

Description	Target
Complete full review of all activities & staffing to ensure capabilities to meet current & future roles	March 2006

**Impact on Equality & Inclusion**

No impacts on equalities and inclusion have been specifically identified.

## 215 Directorate of Traffic Operations - Systems and Software

### Description:

The Technology and Systems dept. assist DTO to formulate its strategic IS vision, deliver its projects and IT and software systems to cost, schedule and quality, whilst maintaining alignment with the strategies of Surface Transport's IM department.

### Indicators of success:

Description	Target
Modernisation of the Urban Traffic Control system to allow DTO to bring about a reduction in congestion and delay within the network	March 2006
Development of a new user interface for the Urban Traffic Control system to produce efficiency savings in staff time	March 2006
Enhancements to the Traffic Information Systems to improve the information disseminated to the public	March 2006
Enhancements to the Site Fault Management system to improve fault reporting and fixing of equipment, leading to a reduction in network disruption	March 2006
Enhancements to Site Fault Management system to improve the management of contracts	March 2006

### Impact on Equality and Inclusion:

No impacts on equalities and inclusion have been specifically identified.

## 216 Directorate of Traffic Operations - Fault Control and Maintenance

### Description:

To operate and manage maintenance contracts for all traffic control and monitoring equipment for the whole of London, on both TLRN and Borough roads. Management of the traffic control and monitoring asset database. To operate an in house drawing office and GSI resource

### Indicators of success:

Description	Target
Availability of traffic signal installations (%)	97
Availability of CCTV installations (%)	95
Availability of LTCC video wall (%)	98
Availability of LDIS (%)	98
Installations with pedestrian facilities - audible/tactile facilities on TLRN	72
Availability of traffic signal installations	Mar 2006
Availability of CCTV installations	Mar 2006
Availability of LTCC video wall	Mar 2006
Availability of LDIS	Mar 2006
Installations with pedestrian facilities - audible/tactile facilities on TLRN	Mar 2006



**Impact on Equality and Inclusion:**

No impacts on equalities and inclusion have been specifically identified.

**217 Directorate of Traffic Operations - Urban Traffic Control****Description:**

Responsible for the optimisation and maintenance of traffic signal timings in London for sites under computer control ( circa 2850) Working closely with others in the Directorate who install, develop and maintain the UTC computer and signalling infrastructure

**Indicators of success:**

<b>Description</b>	<b>Target</b>
UTC Infrastructure health checks of 50% (circa 1,400 sites) of UTC traffic signal timings complete	Oct 2005
Traffic signal timings optimised at 500 sites	Mar 2006
12 Pinch Point (26 UTC traffic signal groups) investigation reports complete	June 2005
Scope strategies developed - 10 strategies	June 2005
Detailed design of automatic strategies - 10 strategies	Sept 2005
Implementation of automatic strategies - 10 strategies	Feb 2005
Monitoring complete of automatic strategies - 10 strategies	Mar 2006
Core operational staff trained with capability to undertake basic strategy development techniques - 21 staff	Apr 2005
All operational staff trained with capability to undertake basic strategy development techniques - further 30 staff	Mar 2006

**Impact on Equality and Inclusion:**

No impacts on equalities and inclusion have been specifically identified.

**218 Directorate of Traffic Operations - Support Costs****Description:**

Salary and administration costs for the Directorate of Traffic Operations.

**Indicators of success:**

<b>Description</b>	<b>Target</b>
100% of posts filled with permanent staff	Nov 2005

**Impacts on Equality & Inclusion:**

The impacts on equalities and inclusion of this expenditure are addressed within other activities (214, 215, 216 and 217).

## 065 Road Network Performance - Road Safety Plan

### Description:

London Road Safety Unit (LRSU) coordinates and manages the majority of TfL's activities in road safety. There are four main work areas:

- Collection, analysis and dissemination of casualty data – including identification of high-risk sites and producing monitoring and annual reports. Also includes road safety research activities. This is vital to ensure targeted programmes that achieve value for money.
- Management of road safety engineering programmes – with TfL SMS for the TLRN and via Borough Partnerships for Borough roads.
- Formulation and management of programmes covering road safety education, publicity and training.
- Providing TfL's contribution to the London Safety Camera Partnership – TfL provides the Project Manager, site identification, site maintenance and local press & publicity campaigns.

### Deliverables:

- Targeted programme of road safety schemes on the TLRN, to reduce casualties Programme of targeted Road Safety Campaigns to raise awareness of road safety issues, especially for vulnerable road user groups; i.e. children, teenage pedestrians, motorcyclists and older road users.
- Achieving TfL's contribution to the targets in DfT's suite of Public Service Agreements (PSAs), by meeting national targets compared to the 1994-8 average.

### Indicators of success:

Description	Target
Reduce total number of serious injuries and fatalities (Londonwide)	<4,834
Reduce total number of serious injuries and fatalities (TLRN)	<1,316
Reduce the number of children killed to 521.	<521
Reduce the number of pedestrians killed	<1,437
Reduce the number of cyclists killed	<411
Reduce the number of powered two-wheelers killed	<983

### Impacts on Equality and Inclusion:

- Providing road safety information to children through the Children's Traffic Club by identifying specific vulnerable road collision casualties categories for treatment (for example young Afro Caribbean children are over-represented in road traffic casualty figures)

## 075 Walking

### Description:

Consists of a programme of measures that aim to create and promote a connected, safe, convenient and attractive environment that increase the levels of walking in London in accordance with the Mayor's Transport Strategy objectives. Proposals have been developed in partnership with TfL, the London boroughs and interest groups (London cycling campaign and Living Streets).

**Deliverables:****TLRN:**

- New and upgraded pedestrian crossings (15 crossings under development).
- Improvements to station access across and along TLRN (3 sites).
- Provision of new and improved pedestrian facilities in busy high streets (5 sites).
- Opening up and upgrading railway arches (4 sites).
- Pedestrian signing, security improvements, refuges, pavement widening at crossings.

**Borough:**

- New and upgraded pedestrian crossings (20 sites).
- Providing new footbridges across railways and upgrading existing facilities (5 sites).
- Opening up and upgrading railway arches (5 sites).
- Pedestrian signing, security improvements, refuges, pavement widening at crossings.
- Contributions (with S106) to new sections of riverside and canal paths (4 sites).
- 54km of Strategic walking routes (Thames Path, Jubilee Walkway, etc).

**Indicators of Success:**

- Customer satisfaction surveys.
- Levels of walking in London (currently 5.5. million trips per annum).
- Scheme impact analysis (number of users, modal shift, journey time's changes, etc).

<b>Description</b>	<b>Target</b>
Complete design of new facilities	Jun 2005
Public consultation on schemes	Sep 2005
Final detailed design, programme and approvals	Oct 2005
TMOs	Oct 2005
Implement dropped kerbs, pavement widening, signing, refuges, etc.	Mar 2006
Install new/upgraded crossing facilities	Mar 2006
Commission	Mar 2006
Levels of walking in London (currently 5.5 million trips per annum)	5.52
Footway condition (% defects)	25.00
Signalised crossing with facilities for the disabled (no.)	68.00

**Impacts on Equality and Inclusion:**

- Improvements on the TLRN for those travelling on foot, including those who are less able bodied or suffer from disabilities.
- Schemes will include provision of dropped kerbs, tactile paving and rationalisation of street furniture therefore improving accessibility.
- Scheme will comply with national standards of accessibility – DfT guidelines. Assist in meeting our duties with the DDA.
- Introduction of better accessibility on buses and in stations, as people require their whole journey to be accessible.

## 076 Cycling

### **Description:**

A programme of measures to create and sustain an environment and culture that will make cycling an attractive transport option, to extend the range of people who choose to cycle in London and achieve an 80% increase in number of trips by 2010.

### **Deliverables:**

#### TLRN:

- Improved cyclists priority at 8 junctions sites pa.
- 2 'bike station' interchange schemes pa.
- Upgrade of 5 green corridors pa.
- 50 school based and 33 general borough based cyclist training programmes.
- 6 Health Referral and 'special needs' programmes.
- Creation of 1500 cycle parking spaces.
- Creation of London Cycle Network (LCN) + crossing points on TLRN (12 sites).

#### Borough LCN:

- 115km of route to be brought up to standard.
- Improved cyclist's priority at 25 junctions.
- Consultation/feasibility (CRISP) studies for 360km.

#### Borough Non-LCN:

- Borough schemes are wide ranging, including cyclists training (30 schemes); community bike maintenance/recycling projects; cycle parking both on and away from the highway (39 sites); local access improvements (40 schemes); green corridor routes (6 sites).

### **Indicators of Success:**

#### TLRN:

- Increased levels of cycling in London.
- % catchment population/target group whole journey needs meet.
- Scheme impact analysis, quantitative and qualitative.

#### Borough LCN:

- Increased levels of cycling in London.
- Number of kilometres up-graded and maintained to quality standards.
- Scheme impact analysis, quantitative and qualitative.

#### Borough Non-LCN:

- Trends in cycling by residents.
- Scheme impact analysis (number of users, modal shift, user satisfaction; journey time).
- Number of new cyclists trained to on-road competence/confidence.

<b>Description</b>	<b>Target</b>
Levels of cycling in London; 300,000 pa at present	300,000
Length of cycle route upgraded/maintained to design standard (km)	900
No. of school; stations; town centres/high streets with cycle parking	New set of measures - no targets at present.
No. boroughs/schools with cyclist training programme	
Levels of cycling by residents (from LATS/Census)	
Proportion of people arriving at key destinations - town centre, stations; major workplaces, colleges	
Customer Satisfaction surveys (targets under development)	
Length of cycle route treated and completed to design standard	

### **Impacts on Equality and Inclusion:**

- Whole cycle programme is (by nature) socially inclusive – 90% of adults and most children are able to cycle and one in five Londoners own a bike. Aim is to get the greatest number of people (who are able) to cycle.
- All infrastructure schemes aim to assure maximum accessibility to all people who want to cycle. Ongoing focus on enabling children to cycle. Support to disabled cyclist groups, assist in meeting our duties with the DDA and information is provided free (benefit to people on low incomes)
- Design standards being developed to meet needs of disabled cyclists through: Research to understand the needs of disabled people. Developing training specifically for children and young people and regular consultation with cyclists to understand their different and various needs – including the target groups, e.g. black and minority ethnic groups.
- Improved accessibility through increased travel choice.
- Cycle and other road user training to increase respect and understanding of other people's vulnerabilities.

## **077 Accessibility**

### **Description:**

This activity covers a full programme of measures and standards in accordance with the requirements of the disability discrimination act (DDA) being implemented for the Mayor's road network and a programme of accessible bus stop schemes on borough roads funded through the BSP process.

### **Deliverables:**

- Improved street accessibility.
- Investment in deprived areas to address community severance issues.
- Improved access to buses.

### **Indicators of Success:**

- 100 bus stops upgraded to accommodate low floor buses.
- 25 new/improved signal crossings to BV-165.
- 10 side road entry treatments.
- 2 whole street upgrades.
- Replacement of c5 structures (footbridges/subways), new ramps.
- 4 whole junction improvements.

- 400 bus stops upgraded to accommodate low floor buses.

<b>Description</b>	<b>Target</b>
Development of 06/07 programme (and future projects exceed 1 year)	Jun 2005
Agreement of 06/07 programme	Sep 2005
Detailed Design completed	Jul 2005
Consultation	Sep 2005
Implementation	Mar 2006
Footway condition (% defects)	25
Signal crossings with facilities for disabled people (no.)	68
Levels of walking in London (millions of people pa)	5.5
Accessible bus stops in London (no. of stops)	28

#### **Impacts on Equality and Inclusion:**

- Improving levels of street accessibility increases ease of access to local facilities, jobs and the public transport network, particularly for excluded groups.
- It supports diversity by addressing community severance with investment often channelled to deprived areas which are generally those that suffer from relatively poor levels of accessibility and lower car ownership levels.
- Improving access to buses increases ease of access to jobs and services for everyone but it especially encourages independent journeys and increased mobility amongst disabled groups.

## **220 London Works**

#### **Description:**

London Works is a programme designed to deliver a pan-London view of works activity, improving co-ordination between all parties involved in road and street works in London. It will also enable those planning and co-ordinating works to do so with greater visibility of works occurring in neighbouring areas.

#### **Deliverables:**

- A Central Register of works offering greater visibility to assist traffic managers within each highway authority in London in managing the impact of works on their road network in compliance with the Traffic Management Act 2004 (TMA) and meeting the Network Management Duty
- A Local Register for TfL similar to those used by the London Boroughs and a set of associated processes, procedures and practices enabling TfL to act compliantly as a highway authority for the Transport for London Road Network (TLRN)
- A network assurance application for TfL supporting management and monitoring of the notifications process for the TLRN and the Strategic Road Network (SRN)
- A permitting system framework and software for the issuing of permits for work on the TLRN and SRN

#### **Impacts on Equality & Inclusion:**

No impacts on equalities and inclusion have been specifically identified.

## 221 Network Performance

### Description:

Including traffic counts, traffic speeds, congestion, cycle and pedestrian counts, maintenance of databases and analysis; Modelling and research to forecast movement, assess impacts and understand Network requirements.

The outputs are periodic performance reports (to BMR, Panel and Board) and other analytical reports. The outcome is information to TfL management on performance and understanding of the impacts of TfL's activities

### Deliverables:

- Automatic traffic monitoring - ongoing.
- Continuous surveys of traffic flow, reporting on 4-weekly basis and maintenance of database
- Traffic journey time surveys on the TLRN annually, and central, inner and outer London on a rotating basis. (New technology may change the method of collection)
- Traffic journey time reliability surveys and report. (Note method may change - see above)
- Develop link journey time database using ITIS data, incorporating monthly updates using data supplied by the DfT and develop reporting strategy
- Pedal Cycle monitoring, by continuous surveys of cycle flows on the TLRN and central, inner and outer London. Reporting on a 4-weekly basis.
- Traffic counts - cordon and screen line manual counts. Monitoring and reporting.
- CAPC Central Area Peak Counts - of people movement (street-based) into central London.
- Walk-ability indicator - further development of this indicator into other areas of London and international comparisons.
- Infrastructure surveys, including low floor bus stops, crossings with pedestrian facilities and facilities for disabled users.
- Audits of SM stewards and contractors of KPI and BVPI reporting.

Description	Target
Complete CAPC Survey	Dec 2005
Complete Journey Time Survey	Sept 2005
Complete development of link journey time database using IT/IS data	Apr 2005
Develop IT/IS journey time reporting strategy, including reporting to boroughs	Jul 2005
Maintain automatic traffic counters so that KPIs can be reported	95%
Maintain automatic cycle counters so that KPIs can be reported	95%

### Impacts on Equality and Inclusion:

Specific surveys will look to establish transport requirements of people with disability, their priorities and attitudes, including infrastructure facilities, e.g. pedestrian crossings, bus stops. Performance indicators of these aspects will be monitored and reported in relation to relevant E&I target groups. There is also research work into requirements of different disabled groups and others (e.g. women and children) to be undertaken.

## 222 RNPD Support Costs

### Description:

Salary and administration costs for the Road Network Performance directorate.

### Deliverables:

The deliverables that these staff contribute towards delivering are addressed within other activities (047, 048, 050, 051, 052 and 055).

### Impact on Equality and Inclusion:

The impacts on equalities and inclusion of this expenditure are addressed within other activities (047, 048, 050, 051, 052 and 055).

## 066 Traffic Enforcement

### Description:

TPED's Traffic Enforcement team has responsibility for

- Delivering enforcement of traffic and parking regulations on the Transport for London Road Network (TLRN);
- Working with boroughs to enhance traffic and parking enforcement on key bus corridors;
- The success of traffic enforcement is predominantly measured through increased compliance with traffic and parking regulations.

### Deliverables:

- Review of parking and loading restrictions on Red Routes
- Introduce camera enforcement of red routes
- Research into public perception of enforcement activity through the use of surveys
- Deliver enforcement camera digitisation
- Achieve ISO 9000 for TECO
- Implement data sharing protocols across all enforcement agencies
- Roll out enforcement of moving vehicle offences

### Indicators of success:

Description	Target
CCTV Cameras operational (%)	90%
Fixed cameras operational (%)	95%
Bus lanes enforceable on TLRN (%)	95%
Bus mounted cameras operational (%)	90%
Rate of representation against PCN (%)	10%
Penalty Charge Notice (PCN) Rate of Recovery (%)	80%
PCN Appeal Rate (%)	0.5%
Roll out of digitised enforcement cameras (phase 1)	Apr 2005
Roll out of Hand held Technology	Sep 2005
Review of red route parking restrictions	Mar 2006



### **Impacts on Equality and Inclusion:**

- The enforcement of bus lanes and other Traffic Enforcement activities contribute to faster movements of buses. The users of buses, disproportionately Equalities and Inclusions target groups, experience the benefits of a faster moving bus.

## **067 Transport Policing**

### **Description:**

TPED's Transport Policing division has responsibility for strategic policing issues within TfL and has responsibility for managing growth/activities in a number of transport policing areas. Transport policing division is responsible for delivering transport policing and enforcement services to TfL's Surface transport modes via the TfL funded Metropolitan Police Service Transport Operational Command Unit (TOCU)

### **Deliverables:**

- Maintain the existing level of dedicated transport policing on the over ground transport system as well as London Underground and DLR
- Consolidation of BTP activities.
- Effective monitoring of performance against objectives.
- Achievement of planned BTP growth.
- Improved integration of policing at interchanges.
- Development of mapping and analysis measures for transport policing in London

### **Indicators of success:**

<b>Description</b>	<b>Target</b>
TLM Ratio (%)	1.15
Maintain the Number of TOCU Officers Target	Mar 2006
Maintain 200 additional BTP officers	Mar 2006
Smart Cat phase 7 and 8	Mar 2006
Roll Out Interchange policing programme	Mar 2006

### **Impacts on Equality & Inclusion:**

- Tackling crime and disorder is achieved through visible policing using a police force that since the introduction of Police Community Support Officers (PCSO) reflects the diversity of London community.
- Tackling fear of crime and disorder: recent focus group work highlight fear of crime and disorder impacts disproportionately on equalities target groups. The high visible police presence on streets and public transport allows people to feel safer and reduces the opportunities for criminal activities.

## **068 Revenue Protection**

### **Description:**

The purpose of TPED's Bus Enforcement is to develop and deliver the Revenue Protection Strategy for London to improve fare compliance, minimise revenue losses and contribute to improvements in the on-vehicle environment to tackling fare evasion on London's buses through visible and covert revenue protection activities. There is also a strong link between revenue protection and improving safety and security for bus

passengers. The use of technology also plays a role. Users of the buses feel more secure knowing that they are being monitored and potential abusers are dissuaded by the presence of inward looking, on-bus CCTV. If an incident does occur, camera footage provides a basis of evidence for the Police.

**Deliverables:**

- Increase the Revenue Protection Inspector Headcount.
- Continue to increase the profile of Revenue Protection and its interaction with partner Directorates and Agencies.
- Develop on-vehicle CCTV programme.
- Review and develop annual survey process.
- Develop inter-modal working for revenue protection and on-vehicle safety and security improvements.
- Improve the investigation and prosecution service to enhance deterrence.

**Indicators of success:**

Description	Target
Number of passengers checked on buses p.a	10m
% of prosecutions to court that are successful	95
Recruitment of additional staff in line with business plan	Mar 2006
Review of revenue protection arrangements across TFL	Mar 2006
Establish CCTV follow up capacity across bus operators	Mar 2006
Next generation of revenue protection handheld technology	Mar 2008

**Impacts on Equality & Inclusion:**

- Improved perceptions of security and actual security inside vehicles due to the presence of revenue protection staff with particular benefits for vulnerable groups (which disproportionately use buses).

**069 TPED Management**

**Description:**

The Transport Policing and Enforcement Directorate (TPED) was established in early 2003 with the remit of delivering transport policing and enforcement services to London’s transport system. TPED’s goals are to improve the safety, reliability and accessibility of transport in London. TPED has five strategic objectives, to improve personal security on the transport system, improve journey times on the transport network, minimise lost revenue on the bus network, deliver a socially inclusive transport system and maximise return on investment.

**195 TPED Income**

**Description:**

Transport Policing and Enforcement Income is generated primarily from the issue of Penalty Charge Notices (PCNs). Although income is generated as a result of enforcement activities, the intent of this enforcement is to provide disincentives to contravene.

## 070 Borough Schemes

### Description:

This activity covers the preliminary and detailed design, consultation and implementation of physical bus priority measures on borough roads. The objective is to achieve improved bus reliability and journey time for bus passengers and protect buses from increasing traffic congestion.

### Deliverables:

- Development and implementation of schemes by boroughs as agreed through the BSP process. To include 95 physical measures.
- Indicators of success
- Provision of 37 bus lanes
- Provision of 480 additional bus lane kilometre hours per week.

### Indicators of success:

Description	Target
Provision of Additional Bus Lane Km Hours - Q1	65
Provision of Additional Bus Lane Km Hours - Q2	90
Provision of Additional Bus Lane Km Hours - Q3	130
Provision of Additional Bus Lane Km Hours - Q4	195
Provision of Additional Bus Lanes - Q1	5
Provision of Additional Bus Lanes - Q2	7
Provision of Additional Bus Lanes - Q3	10
Provision of Additional Bus Lanes - Q4	15
Provision of 37 Bus Lanes	Mar 2006
Provision of 480 Additional Bus Lane Km Hours	Mar 2006
Provision of 95 physical measures	Mar 2006

### Impact on Equality & Inclusion:

- Improved reliability and journey times benefit all target groups, particularly women, older people and ethnic minority groups who tend to have lower levels of access to private transport and are strongly represented sectors in the bus market.

## 071 TLRN Schemes

### Description:

Covers the preliminary and detailed design, consultation and implementation of physical bus priority measures for Flagship bus priority schemes. The objective is to achieve improved bus reliability and journey time for passengers.

### Deliverables:

- Continued development of route 149 as an intensified bus priority pilot, including the implementation of remaining works.
- Implementation of 50 sections of works on 5 flagship routes.

**Indicators of Success:**

Description	Target
Provision of Addn'l Bus Lanes - Q1	3
Provision of Addn'l Bus Lanes - Q2	3
Provision of Addn'l Bus Lanes - Q3	6
Provision of Addn'l Bus Lanes - Q4	8
Provision of Addn'l Bus Lane Km Hours - Q1	100
Provision of Addn'l Bus Lane Km Hours - Q2	140
Provision of Addn'l Bus Lane Km Hours - Q3	240
Provision of Addn'l Bus Lane Km Hours - Q4	320
Route 149 implementation 90% complete	Dec 2005
Route 149 implementation fully complete	Mar 2006
40 Physical measures completed.	Mar 2006
Provision of 20 Bus Lanes	Mar 2006
Provision of 240 Additional Bus lane Km-Hrs per week	Mar 2006

**Impact on Equality and Inclusion:**

- Improved reliability and journey times benefit all target groups, particularly women, older people and ethnic minority groups who tend to have lower levels of access to private transport and are strongly represented sectors in the bus market.

**072 SVD Signal Priorities & Other****Description:**

The activity covers the introduction of traffic signal Selective Vehicle Detection (SVD) bus priority to reduce delays to buses at signals, resulting in traffic network efficiency, journey time reductions and bus passenger reliability benefits.

**Deliverables:**

- Implementation of bus priority at 200 sets of traffic signals reducing passenger journey time – includes replacement of life-expired equipment.

**Indicators of success:**

Description	Target
No of Beacon Based Junctions - Qtr 1	50
No of Beacon Based Junctions - Qtr 2	50
No of Beacon Based Junctions - Qtr3	50
No of Beacon Based Junctions - Qtr 4	50
Implementation of Bus Priority at 200 sets of traffic Signals	Mar 2006

**Impact on Equality and Inclusion:**

- Improved reliability and journey times benefit all target groups, particularly women, older people and ethnic minority groups who tend to have lower levels of access to private transport and are strongly represented sectors in the bus market

## 073 Research and Development

### Description:

The activity includes research projects to maximise benefits resulting from reductions in bus passenger journey time and increased reliability through bus priority

### Deliverables:

- Continuation of trials into reducing pavement deformation at bus stops

### Indicators of success:

Description	Target
Feasibility study & prelim design for Rte 38 bus priority PILOT	1.00
Predictive Bus Priority trials for Artic buses	2.00
Continuation of trials into reducing pavement deformation at bus stops	Mar 2006

### Impact on Equality and Inclusion:

- Improved reliability and journey times benefit all target groups, particularly women, older people and ethnic minority groups who tend to have lower levels of access to private transport and are strongly represented sectors in the bus market

## 074 Bus Priority Support Costs

### Description:

Salaries and associated costs of Bus Priority staff, i.e. these are the direct staff costs of the operational area

## 209 Flagship Schemes

### Description:

This activity covers the preliminary and detailed design, consultation and implementation of physical bus priority measures primarily on the TLRN (some deliverables include work on Borough roads). The objective is to achieve improved bus reliability and journey time for passengers.

### Deliverables:

- Development and implementation of bus priority schemes to support new articulated bus routes.
- Implementation of unprogrammed essential bus priority works across TLRN and borough roads.
- Mitigation of the effects of non-bus priority measures on the TLRN.
- Implementation of 61 physical bus priority measures on the TLRN. These bus priority measures include: signal improvements, bus stop improvements, Traffic Regulation Orders, junction improvements, review of parking.

**Indicators of Success:**

<b>Description</b>	<b>Target</b>
Provision of Addn'l Bus Lanes - Q1	3
Provision of Addn'l Bus Lanes - Q2	3
Provision of Addn'l Bus Lanes - Q3	6
Provision of Addn'l Bus Lanes - Q4	8
Provision of Addn'l Bus Lane Km Hours - Q1	45
Provision of Addn'l Bus Lane Km Hours - Q2	45
Provision of Addn'l Bus Lane Km Hours - Q3	90
Provision of Addn'l Bus Lane Km Hours - Q4	120
Provision of 20 new Bus Lanes	Mar 2006
Provision of 300 Additional Bus lane KM-Hrs per week	Mar 2006
Provision of 61 physical schemes	Mar 2006

**Impact on Equality and Inclusion:**

- Improved reliability and journey times benefit all target groups, particularly women, older people and ethnic minority groups who tend to have lower levels of access to private transport and are strongly represented sectors in the bus market

**080 Public Carriage Office (PCO) - Taxi Licensing****Description:**

The mayor's general duty for safe transport facilities in respect of taxis and private hire is delivered primarily by licensing London's Private Hire (PH) operators (2,300), drivers (40,000) and vehicles (40,000), and by licensing London's taxi drivers (25,000) and taxis (21,000). The PCO undertakes these statutory functions on behalf of Transport for London, the Licensing Authority. Taxis and PH vehicles are inspected and licensed annually. Taxi and PH drivers are licensed for three years and a PH operator for five years. Alongside the duty to license there is a power to recover licence expenditure through fees. Fees for all five licensing functions are reviewed annually and set to recover full costs over the plan period.

**Deliverables:**

- Continue to license all taxi drivers.
- Implement in 05/06 any residual actions arising from the review of in-car navigation systems.
- Follow through in 05/06 with any outstanding implementation issues in respect of additional skills/disability awareness training.
- Continue to license all taxis.
- Implement in 05/06 agreed recommendations in respect of the outcome of the taxi licensing best value review.
- Implement in 05/06 any outstanding agreed recommendations in respect of the reconsideration of the decisions on the Conditions of Fitness.
- Implement in 05/06 agreed emissions strategy.

**Indicators of success:**

<b>Description</b>	<b>Target</b>
No. of licensed taxis	21,700
Customer satisfaction (%)	83
No. of licensed taxi drivers	25,275
Taxi driver's satisfaction with PCO (%)	81
Taxi driver applicant's satisfaction with PCO (%)	95
Taxi owner's satisfaction with PCO (%)	81
Implementation of residual actions from the review of in-car navigational systems	Mar 2006
Follow through any outstanding implementation issues in respect of additional skills/disability awareness training	Mar 2006
Implementation of agreed recommendations in respect of the outcome of the taxi licensing best value review	Mar 2006
Implement any outstanding agreed recommendations in respect of the reconsideration of the decisions on the Conditions of Fitness	Mar 2006
Implement agreed emissions strategy	Mar 2006

**Impact on Equality and Inclusion:**

Working towards a skilled and equipped workforce through the licensing of taxi drivers.

**081 PCO Private Hire Licensing****Description:**

The mayor's general duty for safe transport facilities in respect of taxis and private hire is delivered primarily by licensing London's Private Hire operators (2,300), drivers (40,000) and vehicles (40,000), and by licensing London's taxi drivers (25,000) and taxis (21,000). The PCO undertakes these statutory functions on behalf of Transport for London, the Licensing Authority. Taxis and PH vehicles are inspected and licensed annually. Taxi and PH drivers are licensed for three years and a PH operator for five years. Alongside the duty to license there is a power to recover licence expenditure through fees. Fees for all five licensing functions are reviewed annually and set to recover full costs over the plan period.

**Deliverables:**

- Continue to license all vehicles

**Indicators of success:**

<b>Description</b>	<b>Target</b>
Customer satisfaction with private hire services (%)	81
Private hire drivers' satisfaction with PCO (%)	81
Private hire operators' satisfaction with PCO (%)	90
Private hire vehicle owners' satisfaction with PCO (%)	81
Number of private hire drivers licensed	40,000
Number of private hire vehicles licensed	40,000
Number of private hire operators licensed	2,300
Number of successful prosecutions as a % of all prosecutions (%)	95

<b>Description</b>	<b>Target</b>
Complete licensing of all (40,000) vehicles issued with temporary permits	Apr 2005
Undertake post implementation review of vehicle licensing	Mar 2006
Introduce knowledge testing (statutory requirement) for drivers	Mar 2006
Implement additional skills/disability awareness training	Mar 2006

### **Impact on Equality and Inclusion:**

- Working towards a skilled and equipped workforce through the licensing of private hire drivers.

## **082 PCO Business Services and Strategic Support**

### **Description:**

Business Services provides a full range of support services to the PCO operations. Services include business and budget planning, administrative support including Health and Safety, and client liaison with TfL Group and Surface Transport in respect of HR, Finance, Procurement, Facilities Management and IT/IM Services. Strategy takes forward and co-ordinates work on modal and integration issues. This includes managing the annual taxi fare review and changes, interchange projects, transport plans, improving taxi ranks, travel information and developing a better understanding of customer satisfaction needs and supply and demand issues through research and survey work. All work associated with the development of taxi ranks (signage, markings, poles, shelters and other associated activities) including costs associated with taxi fare reviews cannot be funded from fees and therefore must be grant funded.

### **Deliverables:**

- Complete work from BV review in terms of performance measures, customer contact and licensing processes (milestones to be announced).
- Continue phased implementation / development of taxi and private hire application and licensing database (TAPITS) and associated network enhancements, including website capability / call-centre functionality.
- Continue with implementation of business improvement programme especially in relation to SAP and the restructuring of financial services, personnel services, procurement services and provision of IM services.
- Introduce any agreed changes to licence fees and taxi fares (April each year).
- Continue to roll-out programme taxi rank identification poles, totems and travel information panels subject to the successful outcome of pilot.
- Decide on PH access to bus lanes (latest date April 2005) before completing vehicle licensing.

### **Indicators of success:**

<b>Description</b>	<b>Target</b>
Introduce agreed changes to licence fees and taxi fares	Apr 2005
Decide on PH access to bus lanes before completing vehicle licensing	Apr 2005
Migration of taxi and taxi driver licensing data from the present database to TAPITS	Mar 2006



### 083 PCO Non Regulatory

**Description:**

Non licensing functions, including the PCO's regulatory functions in respect of taxi ranks, taxi fares and lost property. The 'non-licensing' costs largely reflect staff costs to discharge these functions, including the infrastructure costs of maintaining and improving taxi ranks that is the costs of taxi poles, totems and shelters.

### 084 PCO Infrastructure

**Description:**

PCO Capital Projects can be summarised under two main headings. The first strand is BIP (Business Improvement Programme) in particular enhancing IM strategy to ensure more efficient and effective licensing services.

The second strand is to improve on street facilities for taxis focused on taxi ranks and transport interchanges

**Deliverables:**

- Continuation of TAPITS development work (Taxi & Private Hire Integrated Technology System). The aims are to complete the development of an integrated taxi and private hire licensing system and to migrate taxi-licensing data on to the new system and introduce revised supporting administrative processes and procedures.
- Continuation of Network Review (flattening of IT network / infrastructure) improving connectivity. The aim of this project is to provide the platform on which improved licensing services can be deliverable and information exchanged with other remote users and stakeholders within and outside TfL (e.g. congestion charging unit, criminal records bureau, SGS private hire vehicle contract supplier etc).
- Continuation of Taxi Ranks / Shelter investment programme (see text under Strategic Support).

**Indicators of success:**

Description	Target
Roll out TAPITS to taxi licensing. Migrate taxi and taxi driver-licensing data to new integrated taxi and private hire licensing database	Mar 2006
Roll out of taxi rank identification poles, totems and shelters (subject to successful pilot)	Mar 2006
Wait time survey Q2	Sep 2005
Wait time survey Q4	Mar 2006

**Impact on Equality and Inclusion:**

- E&I benefits of the taxi ranks/shelter investment programme are that it will improve access for disabled groups and provide safer waiting environments.

## 085 East Thames Buses Operations

### Description:

The purpose of this activity is to provide the capability for market intervention in the event of operator failure, excessive tender prices or to replace operators with poor performance and to provide bus services that meet the performance targets set for the Bus Network.

### Deliverables:

- The provision of safe, efficient and reliable bus services.
- Provision of satisfactory bus services in accordance with Bus Network performance targets.
- Development of a designated MOT testing facility at Ash Grove.

### Indicators of success:

Description	Target
Mileage operated (%)	98
Mileage Operated (Less Non Deductible) (%)	99
Excess Wait Time (High Frequency Routes) (mins)	1.5
MOT pass rate for buses (%)	95
Spot checked vehicles fault free (%)	90
Absenteeism rate (including sickness) (days per FTE)	20
Employees from minority ethnic communities (%)	23.74

## 087 Dial a Ride Operations

### Description:

The service provided by Dial a Ride forms a fundamental and integral part of the Mayors Transport Strategy by providing a multi-occupancy door to door transport service for members of the public who are unable to access mainstream public transport because of disability impairment. The service can be used for any type of journey. During the 2003/04 year London Dial a Ride carried 1,325,388 passengers.

### Deliverables:

- the safe and efficient transport of users
- The implementation of initiatives to actively promote the service and to ensure that it remains responsive to the needs of those whom it serves.

### Indicators of success:

Description	Target
Number of Trips	1,619,658
Customer overall satisfaction rating (%)	93
Trips refused by the service (%)	7
Cancellations by the service (%)	1

### Impact on Equality and Inclusion:

- Providing access to public transport for the disability impaired.

## 089 DAR Infrastructure

### Description:

DAR booking system

### Deliverables:

- Computerised Bookings & Scheduling System

### Indicators of success:

Description	Target
Computerised Bookings & Scheduling System live at all DAR Depots	Oct 2005

## 090 London River Service Operations

### Description:

London River Services (LRS), a wholly-owned subsidiary company within TfL, owns and manages eight public passenger piers on the river Thames between Millbank and Greenwich. In addition LRS owns Temple pier which is leased to Temple Maritime Limited. LRS licenses riverboat services from these piers and is responsible for integrating, where practical, river passenger transport with the rest of London's public transport network. The piers are at Millbank, Westminster, Embankment, Festival, Blackfriars, Bankside, Tower, Greenwich and Temple.

### Deliverables:

- Maintain piers in good state of repair
- Maintain the level and performance of river services

### Indicators of success:

Description	Target
Customer Satisfaction Survey - overall satisfaction (%)	90%
Passenger (Numbers) Journeys (Excluding Multi-stop)	1.7m
Service Reliability : % of Journeys Operated (exc. Multi-stop)	98%

### Impacts on Equality and Inclusion:

- LRS piers all have step-free access, access to many boats is now step-free, all boats have toilets and some now have disabled access toilets. LRS will continue to work with operators to increase the number of vessels with step-free access and accessible toilets.

## 092 Multi-stop river service

### Description:

Collins River Enterprises t/a Thames Clippers river bus (multi-stop) service operates under a capped net cost contract to LRS. The Mayor's Transport Strategy states that LRS will develop passenger river services extend TfL ownership of piers where this provides value for money, and to integrate, where practicable, fares, ticketing and information.

**Deliverables:**

Service as scheduled, to performance standards as set out in contract.

**Indicators of success:**

Description	Target
Passenger Numbers multi-stop	320,000
Service Reliability : % of Journeys Operated – Multi-stop Service	99

**Impacts on Equality and Inclusion:**

- Thames Clipper vessels have full disabled access.

**093 Victoria Coach Station Operations****Description:**

The role of the company is to provide, on a commercial basis, an arrival and departures facility for coaches in London, with off-street setting down and pick-up. The provision of a safe, comfortable environment both for coach travellers and for those seeing off or welcoming passengers is of prime importance. VCS currently provides interchange facilities for circa 10m passengers and 400k privately operated coaches per year serving both the United Kingdom and continental Europe.

**Deliverables:**

- Providing adequate staffing to ensure that the coach station can operate safely and efficiently,
- Providing frontline assistance to a diverse passenger base many of who are elderly and/or mobility impaired
- Providing attractive facilities that support the needs of express coach travellers thereby maintaining or growing the market with resultant improvements in profits through direct or indirect income.
- Maintaining the physical assets to ensure safety and adherence to legal requirements.

**Indicators of success:**

Description	Target
Customer satisfaction with cleanliness of VCS (%)	73
Customer satisfaction with helpfulness of Staff (%)	80
Overall Customer satisfaction (%)	72
Income per coach departure (£)	32
Cost per coach departure (£)	30
Number of coach departures	227,000
Mobility Assistance	4,800

**Impacts on Equality and Inclusion:**

- The VCS passenger base comprises a high proportion of elderly, mobility impaired and low income travellers. VCS provides personal support and facilities to these people, including mobility assistance, stewarded waiting area for vulnerable travellers and 24 language multi-lingual capability.

- During 2005/6 work will continue on enhancing the website and other communications to assist travellers who do not have English as a first language.
- Express coach travel is generally at the low end of the cost scale and this enables many to travel who otherwise may not be able to afford to do so.
- VCS provides safe and conveniently located facilities to support their journeys.

#### 094 VCS Commercial

##### **Description:**

VCS works as an integrated company and delivers its performance as a whole. The activities of Operations (93), Commercial (94) and Services (95) are not mutually exclusive either in financial administration or service delivery; activities are broken down into cost centres for administrative clarity. Accordingly, performance is reported under the heading of Operations (93) as it is of no benefit to divorce the component sections

#### 095 VCS Services

##### **Description:**

VCS works as an integrated company and delivers its performance as a whole. The activities of Operations (93), Commercial (94) and Services (95) are not mutually exclusive either in financial administration or service delivery; activities are broken down into cost centres for administrative clarity. Accordingly, performance is reported under the heading of Operations (93) as it is of no benefit to divorce the component sections

#### 096 - VCS Infrastructure

##### **Description:**

Capital and Revenue expenditure to maintain the coach station premises infrastructure, compliance with legal obligations as a landlord and enhancement of passenger facilities.

##### **Deliverables:**

- Purchase of 28-31 Elizabeth Street and 3 Ecclestone Place. Indications from Grosvenor Estates are that they are prepared to renew leases for the leased properties.

##### **Indicators of success:**

<b>Description</b>	<b>Target</b>
Purchase of 28-31 Elizabeth Street and 3 Ecclestone Place if necessary	Sep 2005
Public toilet refurbishment in east terminal	Mar 2006
Working public telephone system	Mar 2006
Structural integrity of associated residential premises	Mar 2006

## 097 Mgmt Support & Strategy - Managing Director

### Description:

Salaries and any associated costs relating to the Surface Transport Managing Directors Office.

### Deliverables:

Management, delivery and implementation of Surface Transport's programme objectives.

## 098 Finance Information Management & HR

### Description:

The objective of this activity is to provide guidance and expertise to Surface Transport on all financial matters and to provide financial, management accounting and business performance services to all business units within Surface Transport; to support all business units within Surface Transport to deliver the Mayor's Transport Strategy through the provision of expertise, support and development related to the management of information and provision of systems and technology; to provide an HR support function.

### Deliverables:

- The efficient operation of the modal finances function.
- The efficient and complete execution of the Information Management customer support functions
- Support the development and integration of new solutions to meet business IM requirements, e.g. LondonWorks, AIMS, TROMSO.
- Key strategic IM initiatives necessary to support current and future business strategies, and opportunities for rationalisation of IM related assets
- Delivery of a central service support function
- Work with Group IM to harmonise the IT infrastructure and upgrade the desktop office applications.
- Completion of FOI / E-Govt requirements are completed within agreed deadlines
- To continue to exploit the investment in SAP.

### Indicators of success:

Description	Target
Support the delivery and integration of AIMS 4.0 Stage 2	Jun 2004
Support the delivery and integrated of LondonWorks Stage 1	Apr 2005
Support the delivery and integration of TROMSO Stage 2	Apr 2005
Support the delivery and Integration of AMOS Stage 2	Apr 2005
Completion of FOI/ E-Govt requirements are completed within agreed deadlines	Apr 2005
Positioning IM for participation in Group wide application support managed services model	Jun 2005
To continue to exploit the investment in SAP	Jun 2005
Completion of year end audit	Jun 2005

<b>Description</b>	<b>Target</b>
Develop and Implement a Learning & Development Plan	Sep 2005
Develop an Employee relation & Resource Plan	Sep 2005
Delivery of a central service support function	Dec 2005
Post Implementation support of the Group IT infrastructure harmonisation deliverables	Dec 2005
Ensure the Surface Transport Accommodation strategy is implemented.	Dec 2005
Key strategic IM initiatives necessary to support current and future business strategies (eg data warehouse) and rationalisation of IM related assets	Mar 2006
Completion of Budget and Plan	Mar 2006
Completion of detailed Budget phasing	Mar 2006
Ensure all Surface Transport Business requirements are met by Financial Shared Services in accordance with the SLA	Mar 2006
Ensure all Surface Transport Business Requirements are met by HRS in accordance with the SLA.	Mar 2006

## 100 Strategy

### **Description:**

Strategic review promotes continuous improvement and also enables compliance with national Best Value legislation - it provides focus on issues of strategic importance for TfL ST and demonstrates the value for money of its front line and support services with regards to economy, efficiency and effectiveness. Strategic support enables the ongoing promotion of continuous improvement, performance management and corporate governance.

### **Deliverables:**

- Develop, lead and project manage a programme of two strategic reviews for TfL Surface Transport
- Facilitate, co-ordinate and project manage the implementation of findings arising from the TfL ST strategic review programme undertaken in previous years.
- Monitor and report on progress against review action plans carried forward from previous years providing information for senior management and the corporate audit and review tracking database.
- Develop co-ordinate and deliver a programme of continuous improvement activity with front line and support services providing five separate exercises.
- Support and develop the corporate governance arrangements for TfL Surface Transport.
- Support and management for external audit and inspection processes.

**Indicators of success:**

<b>Description</b>	<b>Target</b>
Strategic Reviews completed	2
Sustainable actions implemented and mainstreamed	30
Monitoring reports delivered for RISC	5
% reduction in total PM10 emissions	20%
% reduction in the area of London which exceeds PM10 targets	40%
% coverage of legal loading information system	25%
Complete Review 1	Dec 2005
Complete Review 2	Mar 2006
Implement 30 actions	Mar 2006
Deliver RISC monitoring reports: May, Sept, Nov, Jan, March	Mar 2006
Deliver Continuous improvement exercises: June, Sept, Oct, Dec, Feb	Mar 2006

**Impacts on Equality and Inclusion:**

- All projects include consideration of equality and inclusion issues and have the potential to impact all target groups.
- The strategic review programme and accompanying continuous improvement work provides a vehicle by which services can consider their effectiveness in delivering appropriate services to the full range of stakeholders that TfL ST serves.

**211 MS&S - Communications****Description:**

Communications is a support function and the central point of contact for all communications activity and coordinates with directorates, media, marketing and Group communications to ensure that PR takes place effectively and that staff are kept up to date. It provides strategic advice and resource (where value can be added) on communications for all business areas within Surface

**Deliverables:**

- Review, develop and implement the ST communication strategy
- Review, develop and implement the ST internal communication strategy
- Provide a proactive comms service on behalf of the business to all stakeholders
- Make sure all staff groups are suitably briefed and informed on key developments in ST and TfL
- Create an environment/occasions for staff social / networking opportunities
- Provide new media management and support
- Provide event management and support

**Indicators of success:**

<b>Description</b>	<b>Target</b>
Review, develop and implement ST communication strategy, including internal communications	Dec 2005
Ensure all staff groups are suitably briefed and informed on key developments in ST and TfL. (on-going)	Mar 2006



### **Impacts on Equality and Inclusion:**

- Communications providing support and QA to ensure that internal / external communications meet E&I criteria: Produce information (on request/ when need identified) in accessible media (large print, tape, Braille etc.) for disabled people, also literature in other languages for ethnic groups (on request or in advance if the need has already been identified).
- Leaflets specifically for children, inclusion in school packs. All media/publications/ (inc. web) TfL group design standards for accessibility and inclusion.

## **212 MS&S - Sustainability**

### **Description:**

Low Emissions Zone (LEZ):

The LEZ is part of the Mayor's manifesto. It is a traffic management scheme designed to improve air quality standards within the GLA area in line with national government objectives and targets. The objective is to set up and run a scheme to reduce emissions of Nox and PM10 from HGVs, coaches, buses and taxis which will produce considerable health benefits.

Sustainable Freight Initiatives:

Highways and Traffic Policy in Surface Transport, Strategy, is responsible for the development and delivery of the freight strategy for London, covering movement by road, water and interfacing with rail.

### **Deliverables:**

Low Emissions Zone:

- Subject to the outcome of the appropriate consultation processes, the proposal is to designate the GLA area a 'Low Emission Zone'. Lorries, coaches, buses and taxis which do not meet certain EU emission standards will be required to pay a charge for entering the LEZ. Benefits will include deterring the most polluting vehicles from entering the LEZ resulting in improved air quality standards resulting in health benefits and reduction in audible impacts of goods vehicles

Sustainable Freight Initiatives:

- Synthetic Driver Training – (SDT) to reduce collisions and injuries involving freight vehicles, their fuel consumption and their contribution to congestion therefore reducing vehicle emissions.
- The reduction in KSI involving freight vehicles helps contribute towards the Mayoral priority and LIP road safety indicator.
- Programme helps the logistics industry improve operational efficiency and reduce costs by reducing fuel consumption.
- Using a new Legal Delivery Information System (LDIS) to increase the ability to make first time legal deliveries at a time appropriate to the business need, the number of penalty charge notices will be reduced, helping to increase the LIP performance indicator of parking and loading compliance.
- Directly linked to the suggested LIP performance indicator and mayoral target to increase business satisfaction with delivery arrangements.
- Further work is planned to develop the capacity of canals and rivers to carry freight through the Waterborne Freight Initiative (WFI)

- Reducing congestion, and vehicle km, emissions and injury risk exposure, thereby helping to meet the priority area of expanding the transport capacity. Miscellaneous projects include night time delivery trials for identification of TLRN and borough road freight improvements, rail freight noise measures and improvements to the Lorry Control Scheme.

**Indicators of success:**

<b>Description</b>	<b>Target</b>
% reduction in total PM10 emissions	20
% reduction in the area of London which exceeds PM10 targets	40
% coverage of legal loading information system	25
% additional staff in post	8
Complete commissioning of driving simulator and training facility	Mar 2006
Complete recruitment of 8 additional staff	Mar 2006
Identify and cost rail noise mitigation measures	Mar 2006

**Impacts on Equality and Inclusion:**

Low Emissions Zone:

- London's communities who are potentially vulnerable to social exclusion will experience a reduced impact from freight movement on the TLRN and other main roads.
- Will assist through reduced noise and improved air quality to make London more attractive for investment and a better place in which to work, live and do business.

Sustainable Freight Initiatives

- London's communities who are potentially vulnerable to social exclusion will experience a reduced impact from freight movement on the TLRN and other main roads.
- People on low income, carers, disabled people, young children and older people will benefit from continued viability of local shops

**213 MS&S – Special Projects**

**Description:**

- Special projects is responsible for inter alia the submission of a bid to host the start of the Tour de France in London in 2007.

**Deliverables:**

- To host the start of the Tour de France in London in 2007. In addition, significant marketing and promotional activity will be undertaken using the TdF as a catalyst to promote cycling as a mode of transport.

**Impact on Equality and Inclusion:**

- Tour de France and associated events will be socially inclusive, in that they will be free to view and will pass through a number of deprived areas in SE London. Specific activities will be gender neutral, concentrating on women, black and ethnic minorities, all-ability and low income

## **210 Assisted Transport Services**

### **Description:**

The Taxicard scheme is a scheme to allow disabled people and people with long term debilitating illnesses access to subsidised black cabs.

### **Deliverables:**

This activity was transferred to Surface Transport from TfL Corporate. The budget was transferred across, but as yet no deliverables have been agreed.

### **Impacts on Equality & Inclusion:**

Improves mobility for disabled people and people with long term debilitating illnesses.

# London Rail

## 101 Franchise

### Description:

This activity covers the ongoing operations of the DLR, specifically train operations covering the entire network and maintenance for all rolling stock, stations and track excluding the Lewisham extension and London City Airport.

Activity includes the Franchise Fees, offset by Franchise Revenue.

### Deliverables:

2005/06 Deliverables

- To increase passenger journeys on the entire network by 6%
- To maintain the base service departure level as stipulated in the Franchise agreement
- To maintain the service reliability level as stipulated in the Franchise agreement

### Indicators of success:

Description	Target
Service Reliability (%)	96
Ticket Vending Machine (TVM) Availability (%)	98
Lift Availability (%)	97
Escalator Availability (%)	98
PID Availability (%)	98
Base Service Departure (%)	98
Passenger Journeys (millions)	38.2
Trains Kms (millions)	3.4
CSS - Overall Service Performance (score)	83

## 102 Lewisham

### Description:

This activity covers the ongoing operations of the DLR Lewisham Extension, specifically maintenance of stations and track.

24.5 year concession to build, own, maintain & finance Lewisham extension to DLR.

Early on DLR takes revenue risk for the railway, transfers to Concessionaire at later stage. Concessionaire paid availability fee & will receive variable usage fee once revenue risk is transferred. Availability fee is subject to reduction should criteria not be met.

Activity includes the Finance Charge and Maintenance Charge offset by Revenue.

### Deliverables:

- To increase passenger journeys by 6%
- To maintain the levels of escalator and lift availability as per the concession targets

## 103 Radio & Communications Upgrade

### Description:

To carry out the agreed recommendations from a study into how the radio and other communication systems (eg. Telephone network, long line passenger announcements, CCTV, passenger alarms, audio & video recordings) can best be upgraded in a compatible manner that overcomes current shortcomings (radio black-spots eg Bank underpass) and provides enhancements to the benefit of the operation whilst giving best value for the investment.

### Deliverables:

- Complete works on the replacement of the long line public address and integrated communications & control systems

### Indicators of success:

Description	Target
Improvements to coverage of Radio system completed	Apr 2005
Installation of Integrated Communications and Control Centre (ICCS)	Aug 2005

## 104 Infrastructure

### Description:

This activity includes a number of components which, by themselves are considered to be minor projects. The individual components include infrastructure maintenance, railcar "I" exams, noise, heavy overhaul of lifts, security enhancements, IT, Digital Radio Upgrade and Double Tracking.

### Deliverables:

- To maintain a state of good repair of the DLR infrastructure to ensure continued running of the passenger service
- Complete enhanced programme works on heavy overhaul of lifts
- Complete scoping/trial and commence full programme of heavy maintenance and overhaul of vehicles ("I" exams)

### Indicators of success:

Description	Target
Completion of enhanced programme of works to lifts	Mar 2006
Commencement of full programme for "I" Exams	Mar 2006

## 105 Capacity Enhancements

### Description:

This activity covers the structural works (platform extensions, track realignment, viaduct strengthening) necessary for 3 car operations between Bank/Tower Gateway and Lewisham.

**Deliverables:**

- To obtain TWA powers

**Indicators of success:**

Description	Target
TWA Powers Granted	Sep 2005
Construction Completed	Sep 2009
Service Operational	Oct 2009

**107 Railcar Refurbishment****Description:**

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 DLR's duties under the DDA 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

**Deliverables:**

- Remaining refurbished car delivered

**Indicators of success:**

Description	Target
The final refurbished car delivered	Mar 2006

**Impact on Equality and Inclusion:**

- Refurbishment of fleet contributes to DLR's duties under the DDA Act, enhancing the accessibility of DLR railcars.

**108 London City Airport****Description:**

This activity 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. It has been let as a 30 year DBFM concession.

- To create a new link that will significantly improve access to the communities of Silvertown, and provide a reliable public transport service to the area.
- To provide a direct rail connection to the City and Canary Wharf from London City Airport that will enable future growth potential to be realised without adverse effect on the environment.
- To build a railway that will act as a catalyst for substantial regeneration of Southern Royal Docks, and help bring new jobs, homes, shops and other leisure facilities to the area.

**Deliverables:**

- To successfully construct and open the extension within budget

**Indicators of success:**

Description	Target
To successfully construct and open extension	Dec 2005

**Impact on Equality and Inclusion:**

- Provision of a fully accessible railway in a new location.
- Serving an area of low income and employment, that also has low levels of car ownership.

**Impact on Environment:**

- Reducing local air emissions through modal shift away from private cars and taxi usage.

**109 Woolwich Arsenal****Description:**

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, National Rail services and Waterfront Transit.

**Deliverables:**

- To commence construction

**Indicators of success:**

Description	Target
Construction Commences	Apr 2006

**110 Stratford Station****Description:**

This activity covers the provision of double track DLR platform at Stratford Regional Station to replace existing original DLR single narrow platform, which is extremely difficult to operate and requires crowd control on a daily basis. Double track allows the potential to increase service frequency on the Stratford branch. Double track allows increase in service frequency from 6 to 4.5 minute intervals and additional flexibility in removing any failed rolling stock from service.

**Deliverables:**

- Commence works

**Indicators of success:**

Description	Target
Work commences	Jun 2005
Completion of Works	Dec 2006



## 111 On Train CCTV

### Description:

This activity covers the provision of on-train CCTV

### Deliverables:

- To complete the rollout on the trains.

### Indicators of success:

Description	Target
Project Completed	May 2006

### Impact on Equality and Inclusion:

- Increased personal safety and security on network, especially for vulnerable users.

## 112 Stratford International

### Description:

This activity covers the extension of DLR from Canning town using existing North London Line alignment to Stratford Regional station (with 3 new intermediate stations) and new construction onwards to Stratford International Station (which will open to international and high-speed domestic commuter services). Extension could also serve Olympic sites at Stratford and in Lea Valley.

### Deliverables:

- Continuing support to Transport Works Act (TWA) process

### Indicators of success:

Description	Target
Support of TWA application	Mar 2006
Civil works complete	Jul 2009
Track Completion	Dec 2009
Signalling Completion	Dec 2009
Completion	Dec 2009

## 113 Barking

### Description:

This activity covers the extension of DLR to Barking Reach development area involving 4.5km of new railway and up to 5 new stations (ongoing work subject to funding).

### Deliverables:

- Continuing works on the design and seeking of powers for this extension.

**Indicators of success:**

Description	Target
Start of TWA planning work	Sept 2005
Submission of TWA	Sept 2006
Public Inquiry	Mar 2007
TWA Powers Granted	Oct 2007
Start of Construction	Jul 2008
Opening of Extension	Dec 2011

**115 Administration****Description:**

This activity covers staff, legal and other administrative costs associated with the ongoing operations of DLR. The components include:

- Company Secretary
- Engineering
- Finance and Performance
- Planning, Development & Marketing
- Public Relations
- Human Resources

**Deliverables:**

- Completion of Horizon Study and decision on which schemes to be taken forward
- Continue with DLR re-franchise process to ensure continued operations from April 2006 when new franchise commences

**Indicators of Success:**

Description	Target
Complete Horizon Study and determine schemes to be taken forward	Mar 2006
Continue DLR re-franchise process	Mar 2006

**196 Woolwich Capacity Vehicles****Description:**

Additional vehicles (18 No.) are required to operate the 3 Car service on the Bank/Tower Gateway to Lewisham Route. A further 6 No. vehicles are required to run the planned service to and from Woolwich Arsenal when the Woolwich Arsenal Extension opens.

**Deliverables:**

- 24 new railcars

**Indicators of Success:**

Description	Target
Delivery of 18 <sup>th</sup> vehicle	Oct 2007
Delivery of final vehicle	Dec 2008

**Impact on Equality and Inclusion:**

- Increasing social inclusion through the development of the Isle of Dogs.

## 205 East London Line Extension

### Description:

The East London Line Extension will upgrade the existing East London Line and provide a new rail link between Dalston Junction, Crystal Palace and West Croydon via New Cross Gate. The new link will comprise of 3.7km of new track and 6.6km of converted track, four new stations and six refurbished stations.

### Deliverables:

- Rail link between Dalston Junction, Crystal Palace, and New Cross Gate
- No of new stations – 4
- Stations refurbished – 6
- Track Length – 3.7km new, 6.6km converted
- No of Rail Cars – 76 (19 x 4)
- Other major civil works – 3 major bridges, new viaduct
- Major Interchange works at Dalston and Shoreditch High Street
- Minor Interchange work at Hoxton and Haggerston.

### Indicators of Success:

Description	Target
Programme Manager – Award contract	Jun 2005
Main Works – Preliminary Design complete	Dec 2006

### Impacts on Equality and Inclusion:

- Step free access at all new stations
- Access for some of London's most disadvantaged areas
- DDA Access
- Affordable Housing at Dalston.

## 116 National Rail

### Description:

Costs relating to the various National Rail initiatives identified and funded by London Rail designed to improve services to passengers travelling on the national rail network within London; enhancements to the national rail system in London which have a positive impact on social inclusion and equality.

### Deliverables:

- Station/Security - CCTV improvements on-train and at stations. On-train CCTV installation would cover ONE, Southern, Thameslink and South East.
- Station/Security - CCTV coverage at stations will be improved on South Eastern, ONE, Southern, Thameslink and Great Western Link.
- National Rail - Wider roll-out of Gating at selected stations (where financially viable and costs can be recovered from TOCs).

### Indicators of Success:

<b>Description</b>	<b>Target</b>
Commence On-train CCTV Installation	Mar 2006
Commence Station Security (South East Trains & ONE)	Mar 2006
Commence Station Security (Great Western Link)	Mar 2008
Complete On-train CCTV Installation	Mar 2010

**Impacts on Equality and Inclusion:**

- An improved and integrated public transport network benefits lower income Londoners who do not have access to the use of a car.
- Installation of gates will improve safety and security at National Rail stations which will particularly benefit women and elderly travellers. Security is a major concern to women and vulnerable groups in particular.
- The introduction of CCTV together with the extension of staff presence (in the booking office) will help improve E&I impacts.

**118 Other London Rail**

**Description:**

This activity covers staff, accommodation, IT and other costs associated with the day to day operation of the mode.

**Deliverables:**

Deliverables include the provision of adequate levels of human resources to ensure the day to day delivery of projects, preparation of business plan/budget, regular reporting of activities.

**Indicators of Success:**

Indicators of success will include the successful delivery of all 05/06 deliverables within budget.

**Impact on Equality and Inclusion:**

Successful implementation of this activity will result in delivery of projects providing E&I benefits to disadvantaged Londoners.

**119 Cross London Rail Links**

**Description:**

The Crossrail project is being taken forward by Cross London Rail Links Ltd, which is jointly owned by TfL and the Department for Transport (DfT). The amount of allocated Grant - £45 million (04/05-09/10) which is the remaining TfL share (50%) of the £154m granted by Government to undertake the feasibility study.

**Deliverables:**

- Provide funding to Cross London Rail Links Ltd to the extent that such funding is received by TFL from the DfT or through the Transport Grant for the purposes of Crossrail.
- Monitor the utilisation of the grant in accordance with established governance principles.

**Indicators of Success:**

Description	Target
Royal Assent to Crossrail Bill	Mar 2007

**Impact on Equality and Inclusion:**

- 20,000 jobs taken up by unemployed and economically inactive residents in Regeneration Area.
- 2% of the project benefits come in the form of mobility impaired benefits.

**206 - Silverlink Metro****Description:**

Improvement of station appearance and security on Silverlink Metro (subject to approval).

**Deliverables:**

- Improve the appearance at Silverlink Metro Stations through refurbishment at 51 stations
- Improve station security through installation of real time CIS, CCTV, improved lighting and help points and structural improvements at 51 stations.

**Indicators of Success:**

Description	Target
Commence programme	Sep 2005
Complete programme	Dec 2008

**Impact on Equality and Inclusion:**

- Silverlink Metro services cover many of the poorest areas of inner London to the west, north and east. The improvements will assist access to jobs, local services and sub-regional facilities including hospitals (e.g. the Royal Free and Homerton).

# Corporate Directorates

## 120 Equality & Inclusion

### **Description:**

The Equality and Inclusion Team performs a strategic function within the organisation. This involves the following areas:

- Design & Research - The Design and Research budget will fund various research projects to fill TfL's information gaps in relation to the transport barriers for equality groups. Additional research briefs will be developed based on the findings of research review to identify gaps in knowledge, which is due to report mid April 05
- Development of training packages - One of the aims of the Equality and Inclusion Team is to empower staff with the knowledge to understand and respond to equality and inclusion issues in the work environment and relating to transport provision. The Team are currently co-ordinating three courses covering these issues and a further four courses are being developed.
- Specific advice and guidance upon removing physical barriers to access through a pool of Access Advisors
- Resource Centre - To Maintain a comprehensive equality resources to enable the organisation to meet the Mayor's Equality & Inclusion agenda.
- Publicity/Communication/consultation initiatives - As part of TfL's commitment to engage and celebrate the diversity of London, the Equality and Inclusion team have hosted or participated in a range of events this year.
- Equality & Inclusion Specialist Legal Services - Legal services to ensure that the organisation is working within the remit of current Equality & Inclusion legislation.
- Support Costs - To support and equip the Equality & Inclusion activities, and achieve our workforce vision of a transport service that is run by London's diverse communities.

### **Deliverables:**

- To report on the pilot project with young perpetrators of crime on transport network findings
- To define issues in the transport environment for equality groups
- As part of Women's Action Plan, to carry out research into women's lifestyle and how this relates to their transport requirements
- To commission additional analysis of LATS on travel patterns for equality groups
- To deliver Fairness for all, Disability Equality and implementing the Race Relations Amendments Act, Disability Discrimination Act training courses.
- To develop a pool of Consultants to support the Equality and Inclusion team in initial review of projects until the task is mainstreamed
- Review and develop way-finding tools to assist people with learning difficulties to make independent journeys
- A review of programmes and activities undertaken for improving the perception of safety after the hours of darkness.
- To develop focus consultation groups with 'hard to reach' women groups
- To complete Equality & Inclusion budgetary bid for 2005/06
- To complete Mayor's Budget & Equality submission 2005/06

## 121 TfL Commissioner

### Description:

The Commissioner is supported by the Chief of Staff and the Head of Equality and Inclusion who advise on a number of different issues. The Chief of Staff aids the Commissioner by liaising with the various businesses on a range of issues of importance to TfL and actively driving forward ongoing initiatives of particular concern or interest to the Commissioner. Commissioner's office, including Executive Office administrative team and Chief of Staff. Supports the Commissioner in his activities, including diary scheduling, briefing, policy analysis and communications.

The Policy Unit within the Commissioner's Office supports the Commissioner and the senior management team in four areas:

- running a number of major strategic projects as agreed with the Commissioner
- contributing to and steering ongoing policy work within the organisation
- liaison with external organisations (including other parts of the GLA family, industry, and policy organisations, to bring external perspectives to TfL's thinking and ensure those organisations are apprised of TfL's strategic direction and concerns)
- providing ad-hoc advice on strategic and policy issues as requested

### Deliverables:

Commissioners Office:

- Attendance at the TfL board meetings
- Producing Commissioners Report for the Board Meetings
- Attendance at the Business Management Review (BMR) meetings

Policy Unit:

- Focus on London Governance and long-term transport plan projects launched in 2004/05. These will both conclude at the end of 2005/06 with clear strategies and implementation having commenced.
- Launch of a piece of work under the Road Plan to assess various different strategic options for the road network, as agreed with Peter Hendy.
- Continue involvement in and guidance to the development of specific strategies which will be delivered over the course of 2005/06 (e.g. D2D/accessibility, freight, and rail).
- Liaison with organisations such as LDA and GLA will continue and over the year should result in significantly improved ties as well as joined-up strategies in areas of joint interest (eg planning).

### Indicators of success:

Description	Target
London Governance draft strategy and influencing strategy agreed with MDs/Commissioner	Jun 2005
London Governance implementation underway, handover to business (with ongoing support only as required)	Sep 2005
Road Plan evaluation framework and draft strategic options defined and quantified	Jun 2005
Draft transport plan agreed with Board/MDs	Oct 2005
Summary document issued for transport plan	Mar 2006



## 122 General Counsel

### Description:

The General Counsel assists TfL and the Board in meeting their multiple fiduciary obligations and ensures that the corporate governance of TfL is carried out in line with best practice. This involves the following areas:

- Board
- Secretariat & Corporate Governance
- TfL Legal Services
- Group Health, Safety and Environment
- Internal Audit

### Deliverables:

- Establish processes for dealing with FOI requests and applying exemptions
- Development and implementation of the administration of the revised Statutory Obligations Management System.
- Development of intranet reporting of TfL policies.

### Indicators of success:

Description	Target
Ensure ownership of FOIA across the business.	Jun 2005
Improve health and sickness absence, through effective reporting.	Jul 2005
Review appropriateness of TfL Standing Orders and subsidiary Schemes of Delegation.	Sep 2005
Develop and implement appropriate Corporate Governance structure for the TfL Investment Programme	Sep 2005
Create a portfolio of pan-TfL policies, published on the intranet.	Sep 2005
Ensure TfL resilience assurance processes are in place.	Sep 2005
Minimise business diversion due to FOI requests by ensuring all nine Publication Schemes are fully compliant and up-to-date.	Dec 2005
Post restructure ensure the successful implementation & development of the new model by building on re-design benefits.	Mar 2006
Provide input towards TfL's policies and procedures to reduce the number of Employment Tribunals TfL face.	Mar 2006
Delivery of TfL's major initiatives within Investment Programme.	Mar 2006
Roll-out and embed Risk Management throughout TfL.	Mar 2006
Progress the implementation of control self assurance in key areas.	Mar 2006
Established a Fraud Prevention Programme and deliver training.	Mar 2006
Deliver the Audit Plan 2005/06.	Jun 2006

## 125 Group Communications

### Description:

Group Communications is divided into 3 components:

- Communications - Communications provides strategic direction, goals and objectives on key projects and campaigns. Identifies long term comms goals & objectives; constructs framework needed; creates messages; identifies critical issues to success.

- Public Affairs - The Public Affairs group engages in discussion about topics of interest to TfL with a wide range of stakeholder groups including MPs, AM's, business groups, borough councillors and community organisations. Public Affairs also incorporates event management, participation and consultation.
- Media Relations - Group Media Relations is responsible for effective communications between TfL and the outside world through the media. Using co-ordinated, proactive and reactive media relations our presentation and defence of TfL's policies and achievements is vital for our reputation, funding, and decisions on transport projects we wish to take forward. An absence of this effort could lead to extreme organisational damage.

**Deliverables:**

Communications -

- Contribute to TfL-wide strategic direction.
- Co-ordinate all communication activity.
- Provide efficient and effective Communication services to the Businesses.

Public Affairs -

- Reinforce relationships with key external stakeholders and partners.
- Ensure mode-specific knowledge is developed by functional managers within Public Affairs.
- Develop TfL-wide strategy for Public Affairs, having regard to the needs of individual modes.
- Ensure effective consultation in respect of TfL's flagship projects.

Media Relations -

- Reinforce TfL reputational guarantors (ie safety and value for money).
- Bring sharper focus to each business unit's functions, through increase of coverage for target media in each business.
- Build stronger relationships between TfL senior managers and key target media, and to minimise negative coverage and maximise positive coverage.

**Indicators of success:**

Description	Target
% of urgent notices published same day.	90
Develop TfL-wide strategy for Public Affairs, having regard to the needs of individual modes.	Mar 2006

**123 London's Transport Museum**

**Description:**

This activity comprises the operations of the museum (other than the Covent Garden re-display project). This activity will report the high-level performance indicators measured by the Museum, such as visitor satisfaction numbers, income/cost ratios, and IMS ratio a major programme of work currently underway to record data about the Museum's collection of 420,000 items, which can be accessed via the web.

## 124 Museum Re-display

### Description:

This activity comprises the refurbishment and expansion of the Museum building as well as a full re-display of exhibits. The project is part funded by a Heritage Lottery Fund grant of £9.47m, external fundraising, and a TfL capital grant of £5m. Activities within the 2004/05 financial year include a second submission to Heritage Lottery Fund required for disbursement of funds, as well as issuing procurement notices and tender documents for building construction and exhibition contractors.

### Deliverables:

- Appoint main contractor
- Temporary closure of museum for removal of exhibits from London Transport Museum
- Start of construction
- Outreach programme during closure
- Raise remainder of £3m

### Indicators of Success:

Description	Target
Decant exhibits from Covered Way	Mar 2005
Covered Way enabling works start	Apr 2005
Tendering starts construction (Stage 2 of two-stage transitional)	May 2005
Flower Market (Museum) closes	Aug 2005
Decant Flower Market	Aug 2005
Main contractor starts on site	Sep 2005
Exhibition tendering commences	Jan 2006
Exhibition fit out	Sep 2006
Official Opening	Feb 2007

## 126 Area Based Schemes

### Description:

The Area Based Schemes programme represents three of the programmes within TfL's Borough Spending Plan (BSP) funding to London's Boroughs and their partnerships. The programmes are:

- Town Centres, which aims to provide holistic, multi-modal improvements to local transport within town centres. The details of any particular scheme will be tailored to that location as local conditions vary widely. Examples include the provision of improved pedestrian facilities, better access for the mobility impaired and personal security measures such as improved lighting or CCTV installation.
- Streets for People, which aims to provide holistic local area treatments in residential areas of London. A particular emphasis being placed on areas of deprivation. The details of any particular scheme will be tailored to that location as local conditions vary widely. Examples include the provision of greater priority to pedestrians, cyclists, children and the mobility impaired in order to reduce the dominance of car traffic in residential areas. Personal security measures such as improved lighting or CCTV installation are also important components.

- Station Access (formerly known as interchanges), which aims to enable boroughs to improve the access to and from public transport interchanges. Measures can be wide-ranging but examples include lift provision for the mobility impaired; better pedestrian, taxi and cycling facilities on the approaches to stations and security measures on footpaths.

Many of the area based schemes are developed in conjunction with the Mayor's Architecture & Urbanism Unit (AUU) and are relevant to the Mayoral 100 Public Spaces programme.

**Deliverables:**

- A programme of 'Town Centre' improvement schemes
- A programme of 'Streets-for-People' schemes
- A programme of Station Access schemes at interchanges

**Indicators of success:**

<b>Description</b>	<b>Target</b>
ABS scheme development guidance Roll out of new approach to future scheme development to boroughs (in support of LIPS process)	Apr 2005
Streets for People – Programme agreement for details of 05/06 programme with boroughs / partnerships	May 2005
Station access – programme agreement for details of 05/06 programme with boroughs / partnerships	May 2005
Town centres – programme agreement for details of 05/06 programme with boroughs / partnerships	May 2005
Paddington LTVA - Completion of Part 1 works (Bishops Bridge re-opens)	Mar 2006

**127 Borough Partnerships & Support**

**Description:**

The principal purpose of the activity is to provide appropriate support to the Boroughs, to enable them to plan and deliver the transport improvements in their area.

**Deliverables:**

- Training establishment & funding to improve transport skills within the Boroughs.
- Facilitation of Local Implementation Plans (LIPs) with the Boroughs, to enable them to prepare, develop, consult and produce their LIPs.
- Research and develop strategies & priorities to enable more robust Borough Spending Plans (BSP) to be developed.

**Indicators of success:**

<b>Description</b>	<b>Target</b>
Establish Borough Training Requirements	May 2005
Establish specific programme of training	Jun 2005
Provide Funding for Borough Training - 1st Tranche	Jun 2005
Establish Requirements for Borough Capacity Development	Aug 2005
Establish Requirement for Support to Boroughs to Develop Strategies	Sep 2005
Final Delivery of Training Programme for Borough Staff	Mar 2006
Completion of Borough capacity building initiatives	Mar 2006
Completion of Borough Strategy development projects.	Mar 2006

**129 FRACA (Freight - Regeneration – Air Quality - CPZ - Accessibility)****Description:**

The FRACA programme represents five of the programmes within TfL's Borough Spending Plan (BSP) funding to London's Boroughs and their partnerships.

The programmes are:

- **Freight**, which aims to enable boroughs and their partnerships to improve freight movements in an environmentally friendly and sustainable manner. Examples of schemes include the development of Freight Quality Partnerships
- **Regeneration Area Schemes** which aims to enable boroughs and their partnerships to provide new or enhanced transport provision to support regeneration areas. Particular emphasis is placed upon London Plan priorities. Examples of schemes include the widening of Thames Road (A206) in Bexley and work to establish better access arrangements at the former Southall gas works.
- **Air Quality**: which aims to enable boroughs and their partnerships to provide measures to reduce or mitigate the adverse effects of transport activity upon London's air quality. Examples of schemes include the provision of air quality monitoring equipment. The program has also been expanded to include energy, noise, waste and bio-diversity. In 2005/06 £1.5 million has been allocated.
- **Controlled Parking Zones (CPZ's)** which aims to provide support for boroughs to consult, design and implement new CPZ's or other parking schemes. Examples include the establishment of CPZ's in outer London boroughs around transport nodes where the borough does not have access to significant parking revenue surpluses to pump prime new schemes.
- **Local Area Accessibility**, which aims to enable boroughs to improve the public realm specifically to make access easier for those with mobility difficulties. Examples of measures include installation of dropped kerbs and removal of street clutter.

**Deliverables:**

- A programme of freight schemes
- A transport programme of regeneration schemes
- A programme of air quality / environment schemes
- A programme of Parking / CPZ schemes
- A programme of local area accessibility schemes

**Indicators of success:**

<b>Description</b>	<b>Target</b>
Freight - programme agreement of 2005/6 programme detail	May 2005
Regeneration - programme agreement of 2005/6 programme detail	May 2005
Air quality/Environment – programme agreement of 2005/6 programme detail	May 2005
CPZ/Parking - programme agreement of 2005/6 programme detail	May 2005
Local area accessibility - programme agreement of 2005/6 programme detail	May 2005
Thames Road duelling – completion by LB Bexley of the duelling of the A206 Thames Road between Perry Street and University Way"	Dec 2007

**130 Safer Routes to Schools and Travel Awareness****Description:**

The Safer Routes to School and Transport Awareness programmes represents two of the programmes within TfL's Borough Spending Plan (BSP) funding to London's Boroughs and their partnerships. The programmes are:

- Safer Routes to Schools, which aims to reduce the dependence upon the private car for pupils access to and from schools. TfL funds boroughs for a range of measures to facilitate this. At all schools in the programme a School Travel Plan would be produced followed by a package of measures tailored to that school. Examples include walking buses and new pedestrian crossings.
- Travel Awareness, which aims to raise the public's awareness of the impact of single occupancy private car and facilitate car users having a choice of more sustainable transport. Examples of activity that TfL funds via boroughs or their partnerships include production of Workplace Travel Plans, car share schemes and travel awareness publicity campaigns

**Deliverables:**

- A programme of Safer Routes to School' schemes
- A programme of pan-London Travel awareness campaigns

<b>Description</b>	<b>Target</b>
Travel awareness - Completion of programme agreement process (Form A) with each funded borough to define detail of 2005/06 activity	May 2005
Safer Routes to Schools - Completion of programme agreement process (Form A) with each funded borough to define detail of 2005/06 activity	May 2005
Travel Awareness: Completion of pan-London Travel Awareness campaign encouraging Londoners to choose environmentally friendly cycling	Jun 2005
Travel Awareness – Travel wise: Completion of a week long pan-London Travel Awareness campaign to support the Good Going Mobility Week	Sep 2005
Travel Awareness - Walk to School: Completion of pan-London Travel Awareness campaigns to encourage children to travel to and from school on foot	Oct 2005

## 131 Corporate Finance

### Description:

Corporate Finance develops finance plans for the delivery of TfL's business plan, including the use of prudential borrowing, external finance for major projects and the use of financing instruments to make most efficient use of TfL assets. Group Treasury which manages the management of TfL's cash investments is part of Corporate Finance.

### Deliverables:

- Develop a strategy for borrowing and cash management in 2005/06 and beyond
- Implement the borrowing strategy for 2005/06
- Develop a payment mechanism and a financing plan for the Thames Gateway Bridge project and support the competition for the project's procurement
- Establish an academic research programme with universities to investigate policy areas of interest to TfL.

### Indicators of success:

Description	Target
Strategy agreed for borrowing and cash management	Jun 2005
Borrowing implemented to 2005/06 borrowing limit	Mar 2006
TGB Outline Business Case submitted to HM Treasury	Sep 2005
Research programme implemented with universities	Sep 2005

## 132 Fares & Ticketing

### Description:

This activity covers:

- Assessment of fares and ticketing options for Bus, Underground, Rail, Taxis etc.;
- Monitoring and forecasting of sales and revenue;
- Allocation of integrated ticketing revenues;
- Development of new ticketing initiatives.

### Key Deliverables:

- Agreed package of TfL fare changes in January 2006.
- Concessionary Fares settlement for 2006/07.
- Factors, payments, percentages etc to enable revenue to be apportioned and traffic statistics to be updated.
- Oyster ID to support free travel for Under 16s from summer/autumn 2005.
- Traffic monitoring and forecasting reports and analysis.

**Indicators of success:**

<b>Description</b>	<b>Target</b>
January 06 fare changes: Implementation of agreed proposals	Jan 2006
Concessionary Fares 2006/07: Settlement for 2006/07 negotiated on time	Dec 2005
Child Oyster Card: successful launch of Child Oyster-Photocards and free travel scheme	June 2005
Monitoring Reports: accurate monitoring reports for traffic and revenue	Mar 2006
Revenue Apportionment: Factors, payments, percentages, etc. to Group Revenue Accounts	Mar 2006

**133 Provision for Prestige Development****Description:**

This activity covers initiatives to develop the utility of the Oystercard in support of TfL's fares policies.

**Deliverables:**

- Migration of Child products to Oyster
- Conclusion of Wide Aisle Gate project
- Implementation of measures to support child Oystercard and Student Photocard migration to Oyster

**Indicators of success:**

<b>Description</b>	<b>Target</b>
Introduction of Child products on Oyster	Jul 2005
Wide Aisle Gates retained in service at conclusion of pilot project	Dec 2005
Implementation of hot-listing to remove student discount fare entitlements from cards	Dec 2005

**135 Group Finance****Description:**

Group Finance supports the business by ensuring essential specialist financial processes and control mechanisms are undertaken on behalf of the group. It also draws together business planning and reporting to produce integrated group results and budgets.

**Deliverables:**

- Publish audited accounts
- Deliver TfL Business Plan to the Board and the GLA
- Completion of scheduled Best Value programme of reviews
- Enhancement to the SAP Planning Module and Executive Reporting
- Deliver TfL Efficiencies Programme



**Indicators of success:**

<b>Description</b>	<b>Target</b>
Publish 2004/05 Audited Accounts	Sep 2005
Deliver TfL Business Plan to the Board	Oct 2005
Deliver TfL Business Plan to the GLA	Oct 2005
Enhancement to the SAP Planning Module and Executive Reporting	Feb 2006
Completion of Scheduled Best Value Reviews	Mar 2006
Adherence to Corporate Governance arrangements for Performance Reporting & Project Approval	Mar 2006
Deliver TfL Efficiencies Programme	Mar 2006

**199 Finance Shared Service Centre****Description:**

The Financial Services Centre (FSC) has been set up to provide, in a cost-efficient, professional and timely manner, financial support services that allow Transport for London (TfL) to meet its statutory financial obligations and internal financial management objectives. The FSC reports to the Chief Finance Officer, who has overall accountability for finance in TfL.

The aim of the FSC is:

- To implement finance processes and procedures which safeguard the assets of TfL and process financial transactions accurately, promptly and efficiently.
- To support TfL in planning, controlling and monitoring their financial performance targets and provide practical support in achieving TfL's strategic plan and customer service objectives.
- To ensure that external financial reporting and other regulations are met.
- To ensure compliance with statutory and other regulatory requirements, reporting requirements e.g. Inland Revenue, Customs & Excise.

**Deliverables:**

- No material issues highlighted in external Audit Report
- Deliver agreed Efficiencies
- Achieve Business Plan Objectives
- Achieve an improving trend on KPI Targets for FSC Processes

Future Years:

- Continue to achieve Efficiencies in line with the six year plan targets
- Seek additional Efficiencies through the Continuous Improvement Programme
- Consider future opportunities for transfer of financial processes into the FSC
- Benchmarking exercise of FSC Efficiencies and Processes with industry standards

**Indicators of success:**

<b>Description</b>	<b>Target</b>
Publication of Audit result by KPMG with no material issues highlighted	Sep 2005
Deliver agreed Efficiencies	Mar 2006
Achieve Business Plan Objectives	Mar 2006
Achieve KPI Targets for FSC Processes	On going

## 136 Group Marketing

### Description:

Includes the following components:

Market Research

- Central Customer Services
- Marketing Communications
- Group Travel Information
- Group New Media & Publishing
- Internal Communications
- Marketing Strategy & Integration

### Deliverables:

- Contact centres across TfL coordinated via common management and structures in place for delivering a world class service (CCS)
- Insightful, actionable marketing information communicated effectively to audiences across the business and modes (CMR)
- Modal and central marketing communications that are consistent with plan objectives and are timely, high quality and cost efficient (MC)
- Deliver increased customer satisfaction and better utilisation of network capacity via world class travel information (GTI)
- Maintenance and development of TfL's key new media applications including website. (GNMP)
- Communication to staff and other internal stakeholders (IC)
- Consistent, achievable and world class marketing strategy that is agreed across the business and the modes (MS&I)

### Indicators of success:

Description	Target
Completion of Customer Travel Information Strategy	Dec 2005
Agreement on Travel Information Centre Strategy	Dec 2005
Implementation of first outcomes from CS Strategy	Jan 2006
Deployment of TfL information on initial set of new technology platforms	Jan 2006
Completion of integration of Market Research activity	Mar 2006

## 141 Cross River Transit

### Description:

CRT is a proposed tram route running from Kings Cross and Camden via Euston and Waterloo, to Peckham and Brixton. The 16.2km route is planned to be entirely on street and will carry 65 million passengers a year.

### Deliverables:

- Traffic Impact assessment
- Depot site agreed
- Updated outline business case

**Indicators of success:**

<b>Description</b>	<b>Target</b>
Depot Site Search - Agree and cost preferred location for depot site. Costing has taken longer than expected, but preferred site has been identified	Feb 2004
Traffic Impact Study - Traffic Study on CRT	May 2004
Outline Business Case - OBC for Cross River Tram	Jun 2004
Complete OGC Phase 3 feasibility and option work	Sep 2005
Secure Board Decision to submit Transport Works Order (TWO)	Oct 2005
Submit TWO Application	Dec 2006
TWO Award	Jun 2008
Contract Award	Jan 2010
Start of Public Service	Jun 2013

**142 East London Line Extension Integration****Description:**

Programme of interchange and multi-modal integration. Dalston Junction feasibility and design of major new bus/rail interchange. Shoreditch High Street: new bus stand and interchange. Hoxton, Haggerston and Surrey Canal Road: minor new interchanges. West Croydon, Crystal Palace & Shadwell: studies to improve interchanges at existing stations.

**Deliverables:**

- Completion of Dalston Junction RIBA Stage C (Outline design/costs)
- Completion Feasibility - Dalston and Shoreditch Single Option
- Planning approvals & Powers

**Indicators of success:**

<b>Description</b>	<b>Target</b>
Completion Feasibility - Dalston and Shoreditch Single Option	Apr 2005
Submission Planning & Powers	Jul 2005
Dalston Snooker Hall land acquisition	Dec 2005
Award Planning & Powers	Dec 2005
Complete Procurement and contract award	Jun 2006
Start Construction	Sep 2006
Construct Dalston Slab and Station fit out	Jun 2008
Commissioning and Test running	Jun 2009

## 143 East London Transit

### Description:

Development of 53km ELT network, in phases, for handover to TfL Surface Transport. ELT Phase 1a will run between Ilford and Dagenham Dock via Barking Town Centre and Thames View Estate, and has been handed over to NST. The section of ELT between Barking Town Centre and Gallions Reach/TGB has been identified as ELT Phase 2 and work on its development will be underway by 2005/06. Work on identifying the subsequent phases of the network will commence in 2005/06.

### Deliverables:

- Phase 2 - Feasibility Study Completion

### Indicators of success:

Description	Target
Phase 2 - Feasibility Study Completion	Apr 2005
Start of Phased Physical Works	Oct 2006
ELT Phase 2 (Barking - Gallions Reach) - Handover to Surface Transport	Jun 2008
Completion Date	Dec 2016

## 144 Finsbury Park CAP & SMP

### Description:

Improved facilities for bus users, cyclists & pedestrians, including enlarged interchange facility. New taxi rank & Ride area, construction of 'Cycle Station' (secure parking)

### Deliverables:

- Commence and Complete Cycle Station Phase 5

### Indicators of success:

Description	Target
Complete Phase 4A Wells Terrace	Mar 2005
Complete Cycle Park Phase 5	Apr 2005
Complete Phase 4B Station Place	Jun 2006

## 145 Greenwich Waterfront Transit

### Description:

Greenwich Waterfront Transit GWT is a proposed high quality public transport 16km link between Greenwich, North Greenwich, Woolwich, Thamesmead and Abbey Wood. GWT is being developed in 3 infrastructure phases and two operational phases. The first infrastructure and operational phases are programmed for completion and commencement of services, respectively, in 2008/09.

**Deliverables:**

- Recommendation of GWT Phase 1 and 2a Infrastructure alignment
- Compiled GWT Phase 1/2a hand-over documents
- Demonstrable feasibility of Phase 2a alignment
- Agreement on principles of Phase 3 alignment

**Indicators of success:**

Description	Target
Formal Safeguarding (Phase 1) by London Borough of Greenwich	Mar 2005
Handover (of GWT Phase 1) to Surface Transport	Mar 2005
PRG decision on GWT Phase 1	Jul 2005

**146 Other Interchange Projects****Description:**

The development of a number of interchange projects prioritised in accordance with the Interchange Plan but taking account of modal, property development and other relevant factors.

**Deliverables:**

- Feasibility studies completed
- Planning, Design & Approvals completed
- Procurement/Contracts and Handover Implemented completed
- Final payments/fund transfers on completion of construction by Mode/Borough
- Lessons learnt Benefits Realisation completed

**Indicators of success:**

Description	Target
Feasibility studies completed	24
Planning, Design & Approvals completed	16
Procurement / Contracts and Handover Implemented completed	15
Final payments / fund transfers on completion of construction by Mode/Borough	13
Lessons learnt / Benefits Realisation completed	7

**147 Other Transport Planning****Description:**

Includes the following components:

- Directors own costs
- Directors Direct Staff
- Business Operations - This area responsible for developing effective Systems and Processes, lead the Organisational Change programme, HR/Recruitment, Business Support and Financial/Business Planning, support the Director in department and own activities

**Deliverables:**

- Business Planning - Pull together TPP Business Plan and input into F & P Business Plan.
- Budgets - Agree budgets with TPP Management team and acquire sign off from B Broe
- Forecasting - Manage and deliver consolidated departmental forecasts on SAP by the end of each period.

**Indicators of success:**

Description	Target
TPP Forecasts for each period are accurate within 10% of budget and on time	Apr 2005
Ensure that TPP's 2005/06 Efficiency target is achieved by April 2006	Apr 2006
All staff have up to date Performance and Development Plans	Jun 2005
Update 2005/06 Plan Financials	Jun 2005
Budgets: ensure that TPP Budgets reflect new matrix organisation	Jun 2005
Collation and submission of 2006/07 Business Plan	Aug 2005
An improvement in systems and processes by 80%	Dec 2005

**148 Transport Network Planning****Description:**

The Transport Network Planning (TNP) team comprises the former Planning Tools & Evaluation and also transport planners formerly in the Strategy & Policy team. TNP leads the planning and development of the spatial transport aspects of the Mayor's strategies and policies, with a multi-modal, strategic and longer-term focus. The team also supplies tools, processes and data to support TfL's strategic transport planning, business planning, major projects and the development of strategies and policies.

**Deliverables:**

- Transport analyses to support SR2004 and 2004 Business Planning round, including transport accessibility and capacity modelling for on-going discussion with DfT. SR2004 and Business Plan information according to key milestones, with final SR2004 data by June 2004.
- Thames Gateway capacity and accessibility analysis and establish transport strategy for Thames Gateway, as input to the submission to Thames Gateway UDC
- Transport planning and analyses for the Sub-Regional Development Frameworks, required as part of the implementation of the London Plan. Includes accessibility analyses and transport capacity modelling.
- Develop transport planning data and analysis for on-going strategy development, and updated transport capacity and accessibility analyses for London Plan Annual Report.
- Distribution on extranet of results of LATS-based information on Londoners' travel.
- Provide strategic and multi-modal support for development of major projects, including Thames Gateway Bridge and transit schemes.
- Develop and implement LTS, Rail plan, CAPITAL and PTAL accessibility tools to facilitate other deliverables, and establishment of catalogue of key information. Develop TfL Policy Model.

- Co-produce annual London Atmospheric Emissions Inventory March 2006

**Indicators of success:**

<b>Description</b>	<b>Target</b>
LTS: Implementation of more efficient and proprietary software	May 2005
Continuous London Travel Demand Survey: First year report of LTDS results	Jul 2005
TfL Transport Policy Model: Application of Policy Tool for the development of Transport Strategy	Jul 2005
Travel Demand: Updated multi-mode travel demand database	Jul 2005
Romulus: Develop Phase II of the Extranet system for disseminating information on Londoners' Travel Patterns	Sep 2005
Thames Gateway: Review prioritised transport programme to meet optimum mix of housing and employment development in the Thames Gateway	Dec 2005
London Plan: Transport input to London Plan annual report	Dec 2005
Network Plans and Sub-regional Development Frameworks: Network Plans and TfL inputs to completed Sub-regional Development Frameworks	Dec 2005

## 150 Strategy and Policy

**Description:**

Policy and Strategy undertakes two broad work-streams:

- Strategy - Group Transport Planning and Policy (GTPP) is preparing for any future revision to the Mayor's Transport Strategy through on-going strategy development work, termed Transport 2025, a twenty year look-ahead to find the best transport solutions for the challenges that TfL faces over that period. This work is co-ordinated with the revision to the London Plan, and will feed into any future revision of the Mayor's Transport Strategy, possibly in 2007 or 2008. In the meantime, GTPP continues to monitor progress against the existing Mayor's Transport Strategy and the Borough's local implementation plans (via Borough Partnerships).
- Policy development - this includes lobbying and influencing European legislative proposals, input into modal policy development, working with Business Planning, working to define and monitor environment deliverables and defining best practice through benchmarking.

**Deliverables:**

- Completion a document that takes a twenty-year look-ahead for transport within London
- On-going strategic monitoring of progress against the objectives of the existing Mayor's Transport Strategy and Borough's local implementation plans
- development of a travel demand unit within TfL
- Completion of GLA Environmental Budget, and environmental section of TfL Business Plan

**Indicators of success:**

<b>Description</b>	<b>Target</b>
Completion of a freight strategic choices paper for the LSDP	Jul 2005
Completion of GLA Environmental Budget and environmental section of TfL Business Plan	Nov 2005
On-going strategic monitoring of progress against the objectives of the existing Mayor's Transport Strategy and Borough's local implementation plans	Dec 2005
Completion of T2025 document	Mar 2006

**151 Stratford****Description:**

An outline application for a 12 m sq.ft. Stratford City development was approved September 2004. The CTRL station is under construction and will be opening in 2007. DLR are building a new platform. Back ground growth has been identified in the London Plan 2016. The quality & status of the interchange link between the station & town centre still to be resolved. Discussions on managing the increased demand are ongoing Crossrail line 1 is proposed to serve the existing station. Identification of Station & service enhancements required for the Olympic bid and for Lower Lea Master planning

**Deliverables:**

- Delivery of outline proposals to Olympic Team requirements
- Delivery of further developed proposals to Olympic Team requirements
- Presentation to IOC
- Establish possession programme.
- Complete feasibility stage activity to Grip level 4

**Indicators of success:**

<b>Description</b>	<b>Target</b>
Delivery of outline proposals to Olympic Team requirements	Apr 2004
Delivery of further developed proposals to Olympic Team requirements	Jun 2004
Acceptance of single option Grip level 3	Dec 2004
Presentation to Olympics Transport Committee	Jan 2005
Presentation to IOC	Feb 2005
Establish Possession Programme	Mar 2005
Complete Feasibility Stage Activity to Grip level 4	May 2005
Establish Programme for the Project Lifecycle	Jun 2005
Olympic Games decision	Jul 2005

**152 Thames Gateway Bridge****Description:**

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



**Deliverables:**

- Complete Public Inquiry
- Obtain Secretary of State Decision for Powers

**Indicators of success:**

Description	Target
Public Inquiry - Attend Public Inquiry and address answers to questions raised during the Public Inquiry	Jun 2005

**157 West London Tram****Description:**

Subject to the outcome of the appropriate consultation processes, the West London Tram project will deliver a 20km tram facility that links Shepherd's Bush to Uxbridge. The tram will travel along the Uxbridge Road corridor; it will consist of approximately 45 stops with trams travelling every 3 minutes at peak times. The service is projected to carry approximately 50m passengers per annum. The tram will replace the two major bus routes (207 and 607) that currently run along the corridor and carry 23.7m passengers per year.

**Deliverables:**

- Deposit Transport Works Order (TWO) Application

**Indicators of success:**

Description	Target
Consolidated Design Freeze	May 2005
Surface Transport Approval	Jun 2005
TfL Board Approval	Nov 2005
TWO Deposit	Mar 2006

**158 Croydon Tramlink Extensions****Description:**

This activity represents funding for detailed development of business case and feasibility design of Croydon Tramlink extensions from Crystal Palace to Beckenham Junction as a railway conversion. This activity represents progress on The Mayor's Transport Strategy 2001 where a commitment was made to 'explore the potential for extending the Tramlink network where doing so could help meet the objectives of the Transport Strategy cost effectively'

**Deliverables:**

- Development of business case and feasibility design

**Indicators of success:**

Description	Target
Completion of all route option business cases	Aug 2005
Submission of Transport Works Act (TWA) Application	Jun 2006

## 159 Olympic Games Bid

### Description:

Generate Transport element of London 2012 Olympic bid and subsequent preparation for the technical of the bid by the IOC.

### Deliverables:

- Support for the London 2012 Olympic bid

### Indicators of success:

Description	Target
Host city election: Olympic Bill lodged in Parliament	Jul 2005
Host city election: London nominated in Singapore following Olympic Transport Strategy proposal submitted to IOC in November 2004	Jul 2005

## 197 MD Finance and Planning

### Description:

Managing Director of Finance and Planning & direct support staff.

### Indicators of success:

Description	Target
Delivery of Business Planning System on SAP	Jul 2005

## 198 Oystercard

### Description:

Responsible for performance and development of Oystercard.

### Deliverables:

- Deliver prototype add value device for retailers
- Installation of Oystercard equipment at 100 National Rail stations

### Indicators of success:

Description	Target
Deliver prototype add value device for retailers	Jun 2005
Achieve 99.5% LUL and LBSL equipment performance	Dec 2005
Installation of Oystercard equipment at 100 National Rail stations in Greater London	Dec 2006

## 200 Group Treasury Bank Interest

### Description:

Group Treasury manage and control effective cash funding across all TFL Business units. There is also a necessity to monitor funding at a programme level, especially in relation to those where prudential borrowing is to be applied

## 161 London Transport Insurance (Guernsey)

### Description:

London Transport Insurance (Guernsey) is a wholly-owned subsidiary of TfL. It was established for the sole purpose of purchasing insurance in a more cost-effective manner than relying solely on commercial insurers.

### Deliverables:

- Service Level Agreement with appropriate Performance measures
- Cover Notes to be issued within 30 days of renewal and in any event before premium payment is requested
- Debit Notes for all premiums to be issued within 60 days of renewal
- Policy wordings to be issued within 3 months of renewal
- Claims funding handling arrangements to be concluded for all fronted or reinsured insurance covers.

## 162 Group Services

### Description:

The Group Services directorate is responsible for providing a range of business services to support the delivery of TfL's strategic and tactical goals. The directorate provides the Group components of Human Resources, Procurement, Property & Facilities, and Information Management, ensuring pan-TfL alignment, efficiency, and effectiveness in each function. In addition, Group Services will provide Human Resources, Procurement, Property & Facilities, and Information Management services to the Group Service functions.

### Deliverables:

- Supporting core Group Services functions.

### Indicators of success:

Description	Target
Budget- To work within the agreed Group Services budget based on the activity level specified during the Business Planning round (2005/06).	Mar 2006
E&I- To make progress on the percentages concerning EMG/females/disabled in the Group Services workforce.	Mar 2006
Group Services Procurement Efficiencies- Achieve the procurement efficiency saving target (minimum of £1.4m in 2005/06)	Mar 2006

## 164 Property

### Description:

Group Property manages the commercial aspects of the TfL Group's property related dealings, including the letting of rented sites, property acquisition, disposal and development, and consultancy services in relation to rating, planning and general advice which TfL requires from time to time as a large, property owning organisation.

**Deliverables:**

- Continue to manage the Client Business's requirements in an efficient and effective manner, maximising available resources.
- Achieve optimum balance of returns from the Group's surplus property portfolio, having full regard for the Mayor's emerging social benefit commitments to the London Community.

**Indicators of success:**

<b>Description</b>	<b>Target</b>
Manage Division's operating costs within agreed budgets year on year	Mar 2006
Achieve rental growth on the let estate at least equal to the private sector IPD Benchmark rate	Mar 2006
Achieve timely disposal of surplus property in line with agreed strategy	Mar 2006
Continual improvement to client satisfaction levels	Ongoing

**Impacts on Equality & Inclusion:**

- Group Property will actively work with the Mayor's Office, English Partnerships, the London Boroughs, and the London Development Agency to ensure that TfL fully participate in any appropriate schemes to provide social benefit from property development opportunities.

**165 Facilities****Description:**

The Department seeks to provide TfL Group with a fully customer focused and business driven, total facilities management service, incorporating industry best practice that ensures efficient and effective service delivery, enshrining continuous improvement and best value as central to its operation.

**Deliverables:**

- Group Facilities will continually develop a Strategy, to deliver an efficient, cost effective and flexible core of accommodation to service the changing needs of the TfL group Client Base.
- Group Facilities will maintain and continually improve the standard of accommodation provided to the TfL Group, ensuring that all relevant legislative and TfL policy directives are applied.
- Facilities Service Contracts will be rationalised.
- A new charging regime will be introduced, ensuring Clients are charged a fair rate for their occupation and in compliance with new Inland Revenue rules for Transfer Pricing.

**Indicators of success:**

Description	Target
New charging regime agreed with clients and introduced	Apr 2005
Reduced number of Service Contracts, and more efficient contract management structure	Jun 2005
Deliver Interim Accommodation Plan	Oct 2005
Minimal non compliance notices	Ongoing

**Impacts on Equality & Inclusion:**

- Group Facilities have an obligation to comply with all legislative and TfL policy requirements relevant to the occupation of TfL's business premises. This will include social inclusion aspects such as the Disability Discrimination Act, which are embedded into the business plan activity.

**166 Group HR Corporate****Description:**

Group HR will provide specialist HR capability in leading and setting group wide strategy and policy in consultation with the business unit HR teams. Group HR will cover; Resourcing, Talent management, Organisational Development, and Compensation & Benefits. Group HR incorporates the Corporate Centre HR function which will serve the day to day HR needs of the Corporate directorates.

**Deliverables:**

- Development of the management & admin comp & bens framework
- Harmonisation of Terms and Conditions
- Implementation of Talent Management Strategy to identify
- Implementation of the new TfL wide performance management process
- Production of integrated progression resourcing & training plans
- The management of a number of organisation design and modal transformational change projects

**Indicators of success:**

Description	Target
Performance Management- Implementation of the new TfL wide performance management process	Apr 2005
Direct Employee Engagement Strategy- will be rolled out from April 2005.	Apr 2005
Comp & Bens Framework- Cont. development of the management & admin comp & bens framework creating a sustainable & acceptable approach to reward.	Mar 2006
Harmonisation of Terms and Conditions - which will put all appropriate groups of staff on comparable terms and conditions.	Mar 2006
Talent Management Strategy- Implementation of Talent Management Strategy to identify, develop and retain TfL's top talent	Mar 2006
Recruitment- Running down conventional recruitment activity; Executive search work; Employer Branding work	Mar 2006
Performance Management- Continuation of learning sets around organisational performance priorities	Mar 2006

<b>Description</b>	<b>Target</b>
HR Planning model- to produce integrated progression resourcing & training plans in addition to data on internal attrition & employment market conditions.	Mar 2006
Organisational Change- The management of a number of organisation design and modal transformational change projects.	Mar 2006
Strategy for Learning & Development- Revised Industrial Relations /Employee Relations and Human Resources strategy for Learning & Development	May 2006

## 167 Group HR Services

### **Description:**

HR Services will deliver high volume services to all of TfL. These will include Resourcing, Learning and Development, and HR Systems & administration.

### **Deliverables:**

- To operate within agreed budgetary, financial and staffing levels

### **Indicators of success:**

<b>Description</b>	<b>Target</b>
Budget - To work within the agreed Group Services budget based on the activity level specified during the Business Planning round 2005/06.	Mar 2006
Service Delivery- To provide services defined in the Client Guide & Service Proposition at the service standards agreed with each Mode/Directorate	Mar 2006
Reduction in expenditure- Achieve efficiencies of £340k in Resourcing external expenditure (leveraging econs of scale & imp of enhanced controls)	Mar 2006
Reduction expenditure- Achieve efficiencies of £800k in L&D external expenditure (leveraging econs of scale & imp. of enhanced controls)	Mar 2006
Continuous improvement - Identify continuous improvement opportunities for 2006/7 to deliver further 12 FTE headcount reduction	Mar 2006
Business Planning - Develop 2006/7 account plans (inc. resourcing, L&D, etc) for each Mode/Directorate	Mar 2006

## 168 Information Management

### **Description:**

The Group IM function will play a central role in enabling TfL to realise its aspiration of providing a truly integrated travel network. To meet TfL needs, Group IM will develop a TfL-wide IM strategy and set of common standards and policies. The fundamental principle of local management of local IM assets will continue. Also, IM systems that are core to business operations will remain the remit of Business IM teams.

**Deliverables:**

- Group IM will develop of a core set of strategic capabilities, which support common requirements across TfL and improve the availability of information for all TfL employees, stakeholders and customers.

**Indicators of success:**

Description	Target
Start implementation of TfL-wide document management (CS-PR01/CS-PF03/CS-Pj08)	Jul 2005
Improvements in IM practice to reflect FOIA experiences (CS-Pf01/CS-PJ02/CS-PJ08)	Sep 2005
100% E and I compliance for IM systems and interfaces (CS-Pj01)	Mar 2006
Rationalisation of desktop processes to lever maximum benefit new group-wide desktop services contract (CS-PF02/CS-Pj03 )	Mar 2006
Implementation of improved information search tools (CS-PF04/PJ10)	Mar 2006

**169 BIP Capability Stabilisation (Momentum)****Description:**

The capability stabilisation programme provides a coordinated approach to improve the performance of SAP supported processes and to realise efficiency benefits across the business. This programme has been titled Momentum – making SAP work better for the business.

The key focus of the programme is to work across all business areas to develop common business processes using standard SAP systems functionality. Momentum is therefore a vehicle for a continuation of the business improvement and change programmes to deliver real efficiencies across TfL businesses.

**Deliverables:**

The momentum programme includes comprehensive process reviews of the following areas:

- Purchase to Pay
- Inter-company
- Cash Management
- Reporting
- Shift Planning
- IT Support
- Master Data
- SAP Roles & Licence Management
- Planning and Consolidation
- Investment Management
- Occupational Health & Sickness Reporting
- Personnel Cost Planning
- Integrated Workflow for Starter/Leavers
- Borough Partnerships

**Indicators of success:**

<b>Description</b>	<b>Target</b>
Implement Investment Management	April 2005
Implement e-Procurement improvements	May 2005
Complete SAP Support centre delivery	June 2005
Complete SAP Roles Rationalisation	June 2005
Implement Business Planning systems	July 2005
Implement Financial Consolidation systems	Oct 2005
Completion of Shift Planning improvements	Oct 2005

**Impacts on Equality & Inclusion:**

- No known substantial positive or adverse impacts to any of the target groups

**170 Procurement****Description:**

The Group Procurement function headed by David Williams, will provide strategic direction to the different modes on what, where and how to procure goods and services across TfL.

**Deliverables:**

- Continue to co-ordinate and execute procurement within their respective businesses, whilst aligning their operational activities to the overall strategic direction set by Group Procurement.

**Indicators of success:**

<b>Description</b>	<b>Target</b>
Consolidation of Professional Consultancy-Establish group wide Consultancy frameworks inc. best practice, incentivisation plans & 3rd party management	Mar 2006
Total FM Property Support - Following BV review. Implement group wide contracts covering all aspects of FM managed jointly across TfL.	Mar 2006
Construction Engineering Project - Joint Streets and Road Network initiative to develop Construction and Engineering supply chain.	Mar 2006
Restructure / headcount targets - Programme intended to optimise the size, shape and structure of Group Procurement.	Mar 2006
Equality and Inclusion - The key procurement activity with Equality and Inclusion is supplier selection and engagement.	Mar 2006

**138 - General Contingency****Description:**

The General Contingency is a central budgetary provision intended to cover unforeseen items of expenditure occurring anywhere in the Group. As items emerge which require additional funding, budget is vired from the central contingency fund to the relevant area within the Group.



## **140 - Over-programming**

### **Description:**

This is a negative provision based on the general assumption that within TfL's overall project programme a given level of slippage will occur. The projects likely to slip are not individually identified, but as and when projects fall behind budget, the central credit is released to the appropriate modal activity.

**TRANSPORT FOR LONDON**

**STAFF SUMMARY  
TFL BOARD**

**SUBJECT: Treasury Management Strategy and Prudential Indicators**

**MEETING DATE: 23 March 2005**

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**1. PURPOSE**

1.1 Under TfL's Treasury Management Policy Statement, we must adopt a Treasury Management Strategy for each year. This sets out how TfL will manage its investments (ie cash balances). In addition under CIPFA's Prudential Code, the Board is required to adopt Prudential Indicators which support the planned borrowing. The Board is asked, on the recommendation of the Finance Committee, to approve the attached Treasury Management Strategy and Prudential Indicators.

**2. PRUDENTIAL BORROWING ASSUMPTIONS**

2.1 TfL issued bonds of face value £200m in December 2004 as the first issue under the Medium Term Note programme. The net borrowing is £196m after taking account of the discount at which the bonds were issued and netting off costs of issue in accordance with agreed accounting principles. That means we have authority for a further £204m borrowing for the financial year 2004/05. Government has however indicated that they will agree that future borrowing is deferred to the later years of the five years of the Investment Programme. Subject to receiving that formal agreement from Government, we do not intend to enter into any further borrowing this financial year.

2.2 The Mayor sets the borrowing limit after consultation with TfL. The Business Plan has been prepared on the basis of borrowing £550m in 2005/06, and this remains our intention. The GLA and the Mayor's office are aware of this, and we expect by the time of the Board meeting on 23 March to have been formally consulted on that basis, which will allow the Board formally to adopt the borrowing limit. The Prudential Indicators have been prepared on the basis of borrowing £550m in 2005/06.

2.3 We do however intend to enter into a finance lease for DLR rolling stock (discussed in another paper for this meeting). The prudential borrowing regime distinguishes between long-term obligations (which include the London Underground PPP and DLR PFI contracts for example) from direct borrowing (as undertaken under the MTN programme or through borrowing from the Public Works Loans Board). The DLR rolling stock finance lease, worth £48m, will count as a long-term obligation rather than direct borrowing.

### **3. FUTURE INVESTMENT STRATEGY**

- 3.1 We are working to integrate the borrowing and investment management strategies since a major factor in the assumptions of cash available to be invested is dictated by the future borrowing profile. The first step in this process is to undertake an Asset/ Liability Management Study. This aims to model the future resources and commitments of TfL and derive an optimal borrowing strategy. This work is well underway with Morgan Stanley and we will present a paper to the next Finance Committee meeting with recommendations on borrowing and investment strategies.
- 3.2 In the mean time, the Board needs to adopt a Treasury Management Strategy for the financial year 2005/06. A recommended strategy is attached. This is likely to require revision once the full results of the Asset/ Liability Management Study are known and recommendations for a borrowing strategy presented.
- 3.3 We are also working to develop the Treasury management function as previously discussed. We advertised for external investment managers in the Official Journal of the European Union in September 2004 and 21 respondents were able to present suitable qualifications. The next stage would, subject to the conclusions of the Asset/Liability Management Study, be to move to a full Invitation to Tender and shortlist suitable advisers. However, we have had legal advice that (unlike local authorities) we do not currently have the powers to outsource the full range of investment management functions (since the relevant part of local authority legislation does not apply to TfL). We are working with the Government Office for London to correct this omission and hope to be able to proceed shortly. We will then be able to co-ordinate the appointment of managers with approval of a revised investment strategy.

### **4. RECOMMENDATION**

- 4.1 The Board is asked to APPROVE:
- i) the Treasury Management Strategy;
  - ii) the Prudential Indicators; and
  - iii) subject to the Mayor's consultation, a direct borrowing limit for 2005/06 of £550m.

# TRANSPORT FOR LONDON

## Treasury Management Strategy 2005/06

### Summary

This report sets out the Treasury Management Strategy recommended for 2005/06.

### Background information

1. TfL has adopted key recommendations of CIPFA's Code of Practice for Treasury Management in the Public Services (The Treasury Code).
2. The Treasury Code requires that the TfL Board will receive an annual strategy and plan in advance of the year. This strategy is submitted in accordance with that requirement.
3. TfL follows the investment guidance issued by the Secretary of State under Section 15(1) (a) of the Local Government Act 2003. The guidance issued by the ODPM requires an Annual Investment Strategy that contains specific reference to the security and liquidity of investments. This strategy incorporates those requirements.
4. Additionally under Part 1 of the Local Government Act 2003, local authorities are required by Regulation to have regard to the Prudential Code for Capital Finance (The Prudential Code).
5. The Prudential Code requires the Authority to set a number of Prudential Indicators relating to prudence, affordability, capital expenditure, debt and investments. This strategy incorporates Prudential Code Indicators, which are based upon the budget to be submitted to the TfL Board. They are set out at Appendix 1.
6. The following statement of strategy is a continuation of the prudent and conservative investment policy initiated last year.
7. TfL is considering the implications of its overall asset and liability management, with analysis continuing on its overall exposure to inflation and interest rates as they affect its commercial markets (passenger levels fare revenues, and costs) and in its financial activities (financing costs and investment returns on cash balances). The results of this analysis may lead to significant changes in the recommended Treasury management policies. Treasury and Corporate Finance will submit any recommended amendments to the strategy with the results of this asset/liability analysis.

## Strategic objectives

8. The objectives underpinning the strategy for 2005/06 are as follows:
- To undertake treasury management operations with primary regard for the security and liquidity of capital invested with reference to ODPM guidance.
  - To maximise the yield from investments consistent with the security and liquidity objectives identified above.
  - To ensure that sufficient cash is available to enable TfL to discharge its financial obligations in accordance with approved spending plans.
  - To undertake treasury management activity with regard to Prudential Code Indicators.

## The investment strategy

9. All cash balances will be invested in accordance with the Treasury Code and with regard to ODPM guidance, which requires a prudent approach to the investment of surplus funds with priority given to security and liquidity. Under the guidance, investments fall into two separate categories, either specified or non-specified investments, which take into account the required liquidity levels of the business.

10. While TfL's liquidity levels are substantial, Treasury does not recommend changing the investment policy of maintaining short-term, high-security specified investments (as described below) until the results of the asset/liability management study are completed and incorporated into a revised plan.

## Specified investments

11. Specified investments offer high security and high liquidity and satisfy the conditions set out below:
- The investment is denominated in sterling and any payments or repayments in respect of the investment are payable in sterling only.
  - The investment is not a long-term investment (i.e. has a maturity of less than one year).
  - The investment does not involve the acquisition of share or loan capital in any body corporate.
  - The investment is either:
    - made with the UK Government, or
    - made with a body or in an investment scheme which has been awarded a high credit rating by a credit rating agency
12. It is proposed that specified investments include the following institutions – exposure limits for each institution have not changed since last year's policy apart from the inclusion of building societies in the Prime 1 category. Exposure limits are applied as noted below:
- Debt Management Office (National Loans Fund) - **No Limit**
  - Gilt Repos (Aaa) - **No Limit**
  - UK Clearing Banks - **£40m**

- UK banks, foreign banks and institutions (e.g. building societies) with a high credit rating<sup>1</sup> (Moody's Prime 1) - **£35m**
- UK banks, foreign banks and institutions (e.g. building societies) with a high credit rating<sup>1</sup> (Moody's Prime 2) - **£20m**
- Money Market Funds (Aaa) – **£100m in total.**

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<sup>1</sup> These banks must either be incorporated in the UK or if incorporated outside the EEA (European Economic Association), be authorised by the FSA (Financial Services Authority) to accept deposits through a branch in the UK. Other institutions must be incorporated in the UK.

13. A **high credit rating** is interpreted as a short term rating of no less than Moodys Prime 2, or equivalent with another rating agency (strong ability for repayment of senior short-term debt obligations) or a long term Aaa rating. For the Guernsey insurance company, Guernsey branches of banks must have the above ratings and Money market funds must have a long term rating of no less than Aaa (best quality).

14. If an amendment to the credit rating means an institution no longer meets the minimum requirement, that institution will be removed immediately from the counterparty lending list. Should an institution, not on the counterparty list, achieve the minimum rating, that institution can then be added to the counterparty list.

### **Non-specified investments**

15. Non-specified investments do not, by definition, meet the requirements of a specified investment. The ODPM guidance requires an articulated risk management strategy and greater detail of the intended use of non-specified investments due to greater potential risk.

It is proposed not to invest in Non-specified investments unless prior approval, to a comprehensive strategy and risk assessment containing appropriate exposure limits, has been obtained from the Finance Committee.

### **Liquidity of investments**

16. Each investment decision is made with regard to cash flow requirements resulting in a range of maturity periods within the investment portfolio. Under current TfL Treasury Management Strategy, all investments are short term having a maturity of less than one year. Any proposal to change this approach will require prior approval from the Finance Committee as described above.

### **Treasury Management Prudential Code Indicators**

17. The Prudential Code has a key role in capital finance decisions with objectives that are designed to ensure capital investment plans are affordable, prudent and sustainable. The prudential indicators specific to treasury management are designed to ensure that treasury management (both in financing and investment) is carried out in accordance with good professional practice and in accordance with the principles contained in the Treasury Code.

The Prudential Code requires indicators for TfL Corporate – the local authority. However, as TfL is required to deliver many of its services through subsidiaries, Group indicators are also provided.

### **Interest rate exposures**

18. The purpose of the prudential indicators on fixed and variable interest rate exposures is to set ranges that will limit exposure to excessive interest rate movement. The indicator required by the Prudential Code considers the net position of borrowing and investment. For clarity, TfL sets separate limits for borrowing and investment components which form the net cash/borrowing position.

### **Investment Maturity Limit**

19. As an additional measure the Prudential Code requires that a limit is set for sums that are invested for periods longer than 364 days. There is no current proposal to invest beyond 364 days, but this could change as part of a revised strategy informed by the asset/liability analysis.

### **Short term borrowing**

20. Short-term borrowing may only be undertaken for working capital purposes. In May 2003 the Board placed a limit on short-term borrowing for such purposes of £40m. Amounts in excess of £20m must be approved by the Managing Director, Finance and Planning (or in his absence, the Chief Finance Officer) and borrowing in excess of £30m must be approved by the Commissioner (or in his absence, the Managing Director, Finance and Planning). Given TfL's anticipated liquidity for the coming year, these limits remain sufficient to provide the required flexibility to enable TfL to pay its liabilities on the due dates.

### **Long Term Borrowing**

21. TfL has HM Treasury approval to borrow up to £3,300m over the years 2004/05 to 2009/10 to support its capital investment programme. £196m has been borrowed to date, with a maturity profile of equal instalments over the five years 2031 – 2035. In 2005/06, TfL has approval to raise a further £550m to fund capital investment.

### **External debt**

22. The Mayor has yet to set the 'authorised limit' for external debt in accordance with the Local Government Act 2003 for 2005/06. External debt comprises both direct borrowing and long-term liabilities up to £2,500m for the Group (TfL Corporation and its subsidiaries). For the Corporation, this amounts to £885m.

It should be noted that, in accordance with a specific requirement of the Prudential Code, projected net borrowing at 31 March 2005 and 2006, is less than the Capital Financing Requirement at 31 March 2007 and 2008 respectively.

## **Financial implications**

23. The budgetary assumptions discussed in this strategy and attached indicators are consistent with those in the budget proposals for 2005/06. The indicators, reflecting the projected financial activities through 2007/08, are considered against TfL's business plan and reflect financing that is consistent with previous projections and which is prudent, affordable and sustainable.



## **THE PRUDENTIAL INDICATORS**

## TRANSPORT for LONDON

<b>Prudential Indicators for Prudence and Affordability</b>			
<b>Estimates of ratio of financing costs to net revenue stream</b>	<b>Budget 2005- 06</b>	<b>Plan 2006- 07</b>	<b>Plan 2007- 08</b>
<b>TfL Corporation</b>	<b>(0.2)%</b>	<b>2.6%</b>	<b>5.8%</b>
<b>TfL Group</b>	<b>9.2%</b>	<b>12.8%</b>	<b>16.8%</b>
Comprising:			
PPP finance leases	4.2%	4.9%	5.7%
On-balance sheet PFIs	1.4%	1.7%	1.6%
Direct borrowing and other financing*	3.6%	6.2%	9.5%
<b>Estimates of ratio of payments to gross revenue stream (this Indicator is not required by the Prudential Code)</b>			
	<b>Budget 2005-06</b>	<b>Plan 2006-07</b>	<b>Plan 2007-08</b>
Payments due under PPP	25.2%	25.0%	24.1%
Payments due under On-balance sheet PFIs	0.7%	0.8%	0.8%
Payments due under direct borrowing	1.1%	1.9%	2.6%
<b>Net Borrowing and the Capital Financing Requirement**</b>			
	<b>TfL Group</b>	<b>TfL Corporation</b>	
	£m	£m	
Net Borrowing /(Investment) including long term liabilities at 31 March 2006	980	(275)	
Capital Financing Requirement at 31 March 2008	3,700	1,875	
* The line titled 'Direct Borrowing and other financing' includes net depreciation charged to TfL's group revenue account.			
** The Prudential Code requires that Net Borrowing at 31 March 2006 will not exceed the Capital Financing Requirement at 31 March 2008.			
***The Prudential Code requires information in respect of TfL Corporation and also requires the effect of subsidiaries to be taken into account. Accordingly Group figures are also stated.			

<b>Prudential Indicators for Capital Expenditure and External Debt</b>			
<b><u>Estimates of Capital Expenditure (Annual)</u></b>			
	<b>Budget 2005-06 £m</b>	<b>Plan 2006-07 £m</b>	<b>Plan 2007-08 £m</b>
<b>TfL Corporation</b>	<b>1,020</b>	<b>1,060</b>	<b>1,325</b>
<b>TfL Group</b>			
Acquired	900	810	1,025
PPP finance leases	690	670	690
On-balance sheet PFIs	150	0	0
<b>TfL Group Total</b>	<b>1,740</b>	<b>1,480</b>	<b>1,715</b>
<b><u>Estimates of Capital Financing Requirement (Cumulative)<sup>1</sup></u></b>			
	<b>Budget 2005-06 £m</b>	<b>Plan 2006-07 £m</b>	<b>Plan 2007-08 £m</b>
<b>TfL Corporation</b>	<b>775</b>	<b>1,325</b>	<b>1,875</b>
<b>Total TfL Group</b>	<b>1,950</b>	<b>2,800</b>	<b>3,700</b>
<b><u>Operational Boundary<sup>2</sup></u></b>			
	<b>Budget 2005-06 £m</b>	<b>Plan 2006-07 £m</b>	<b>Plan 2007-08 £m</b>
<b>TfL Corporation</b>			
Borrowing	750	1,350	1,900
Long term liabilities	85	85	60
<b>Total Operational Boundary for External Debt in TfL Corporation</b>	<b>835</b>	<b>1,435</b>	<b>1,960</b>
<b>TfL Group</b>			
Borrowing	750	1,350	1,900
Long term liabilities	1,390	1,650	1,920
<b>Total Operational Boundary for External Debt in TfL Group</b>	<b>2,140</b>	<b>3,000</b>	<b>3,820</b>
<b><u>Authorised Limit<sup>3</sup></u></b>			
	<b>Budget 2005-06 £m</b>	<b>Plan 2006-07 £m</b>	<b>Plan 2007-08 £m</b>
<b>TfL Corporation</b>			
Borrowing	800	1,400	1,950
Long term liabilities	85	85	85
<b>Total Authorised Limit for External Debt in TfL Corporation</b>	<b>885</b>	<b>1,485</b>	<b>2,035</b>
<b>TfL Group</b>			
Borrowing	800	1,400	1,950
Long term liabilities	1,700	2,000	2,250
<b>Total Authorised Limit for External Debt in TfL Group</b>	<b>2,500</b>	<b>3,400</b>	<b>4,200</b>

<sup>1</sup> The Capital Financing Requirement is the amount of capital expenditure yet to be financed by grant, asset sales proceeds or debt.

<sup>2</sup> The Operational Boundary is a calculation based upon the cash flows in the Budget and Plan. If breached, it is a warning that financial plans may require review and amendment.

<sup>3</sup> The authorised limit is the maximum amount that TfL may borrow legally.

## Prudential Indicators for Treasury Management

### Interest Rate Exposures

	<b>Budget</b>	<b>Plan</b>	<b>Plan</b>
	<b>31 Mar 06</b>	<b>31 Mar 07</b>	<b>31 Mar 08</b>
	£m	£m	£m
Principal outstanding on borrowing	(800)	(1,400)	(1,950)
Principal outstanding on investments	1,350	1,250	1,050
<b>Net Investments/(Borrowing)</b>	<b>550</b>	<b>(150)</b>	<b>(900)</b>

Borrowing upper limit – fixed	100%	100%	100%
Borrowing upper limit – variable	75%	50%	50%
Investments upper limit – fixed	50%	50%	50%
Investments upper limit – variable	100%	100%	100%

If this indicator is broken it serves as a warning to management that the interest rate risk strategy is not being adhered to.

### Maturity Structure of Borrowing

	<b>Budget</b>	
	<b>31 Mar 06</b>	
	Upper	Lower
< 1year	5%	0%
1year to < 2 years	10%	0%
2 years to <5 years	30%	0%
5 years to <10 years	50%	0%
10 years and above	100%	20%

This indicator represents limits (for fixed rate debt) of the percentage of borrowing maturing in the future periods above as a total of fixed rate borrowing outstanding.

Actual amounts will depend on the projects financed and which ones have been converted into long-term obligations

### **Total Principal sum Invested for more than 364 days**

	<b>Budget</b>	<b>Plan</b>	<b>Plan</b>
	<b>31 Mar 06</b>	<b>31 Mar 07</b>	<b>31 Mar 08</b>
	£m	£m	£m
<b>Total Invested more than 364 days</b>	<b>0</b>	<b>0</b>	<b>0</b>

**TRANSPORT FOR LONDON**

**STAFF SUMMARY**

**TFL BOARD**

**SUBJECT: A406 Hanger Lane Bridges Replacement Scheme – Compulsory Purchase**

**MEETING DATE: 23 March 2005**

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**1. PURPOSE**

- 1.1 To seek approval in principle to the making of a compulsory purchase order if land required for the scheme to replace two bridges taking the A406 Hanger Lane (part of the North Circular Road) over LUL and Network Rail lines cannot be acquired by agreement or through other statutory processes.

**2. BACKGROUND**

- 2.1 Waldegrave Road Bridge and South Bridge carrying the A406 Hanger Lane over LUL District and Central Lines and Network Rail Great Western Lines including Heathrow Express do not meet current safety standards and are deteriorating due to historic lack of maintenance.
- 2.2 The original Waldegrave Road Bridge constructed in 1897 is a single span of riveted wrought iron girders supporting brick jack arches and concrete slabs and carries one lane of traffic each way. A structural assessment carried out in 1990 established that the bridge was seriously under strength and would require a vehicle load restriction of 17 tonne to allow it to continue to be used safely. As a result of this assessment, a temporary steel overbridge was erected to carry Hanger Lane traffic.
- 2.3 A structural assessment of South Bridge carried out in 1997 concluded that it had no capacity to support accidental wheel loads mounting the footways, the parapets had a capacity equivalent to P4 rather than P6 high containment parapets, and the piers did not have the capacity to resist collision loads from train impact.
- 2.4 The existing bridges have been judged to be able to continue to accept traffic only because of implementation of risk measures that were always considered to be temporary, but have been in place for some years. They are continuing to deteriorate and have now reached a condition where maintenance engineers are not able to state with confidence that they will continue to be adequate. Implementation of weight restrictions on the A406 would have major adverse implications for traffic as it is a major traffic route and an accident affecting the Great Western Line tracks would seriously disrupt the rail link between Heathrow and Central London.

- 2.5 TfL officers have been liaising with Ealing Council since 2001 on proposals for urgent replacement of the two TfL bridges (see scheme plan at appendix A). TfL's proposals for replacement of the bridges have been consistently supported by Ealing Council officers and were accepted by the majority of visitors to the public exhibition of the proposed scheme held in Ealing in September 2003. A decision on planning permission for the scheme was expected on 23 February 2005. This subsequently has been postponed to seek an Ealing 'Cabinet' decision on 15 March 2005.
- 2.6 The proposed scheme involves both construction of the new bridges and realignment of the carriageway. TfL requires land owned by Ealing Council, a small part of a property owned by a private individual and rights over Network Rail railway land to facilitate this (see appendix B). There is no feasible alternative scheme that could avoid the need to acquire these interests.
- 2.7 TfL has been negotiating with the various landowners (for some time in the case of Ealing Council) but may have to resort to compulsory purchase powers to acquire these land interests if they cannot be secured through voluntary negotiation. This project has been heavily delayed and this action may need to be taken to move it forward. Any use of compulsory purchase powers will be limited to the acquiring of the minimum amount of land required for the construction and operation of the scheme.
- 2.8 The compulsory acquisition of land interferes with owners' rights of property under Article 1 of the First Protocol to the European Convention on Human Rights which forms part of English law under the Human Rights Act 1998. However, the interference is made for a legitimate aim and is in the public interest. Further, compensation would be paid under the statutory code and in all circumstances the proposed acquisition is proportionate and justified.
- 2.9 The scheme is fully funded in the Budget and Business Plan including provision for compulsory purchase if needed.

### **3. RECOMMENDATIONS**

- 3.1 It is imperative that TfL has a means of taking the scheme forward. Having approval in principle from the Board for the making of a compulsory purchase order would allow the scheme team to take this forward quickly if it becomes necessary.
- 3.2 The Board is asked to give APPROVAL, in principle, for TfL to make a compulsory purchase order if this becomes necessary for the acquisition of the land interests required for the A406 Bridges Replacement Scheme and to note that the final decision to make the compulsory purchase order will be taken by the Managing Director, Surface Transport.

# **Appendix A**

## **Scheme Plan**





# **Appendix B**

## **Land Acquisition Plan**

TRANSPORT FOR LONDON

STAFF SUMMARY  
TFL BOARD

**SUBJECT:** Formation of an Associate Company to Represent the UK Tram Industry– “UKTram Limited”

**MEETING DATE:** 22 March 2005

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**1. PURPOSE / INTRODUCTION**

- 1.1 In October 2004, a new National Tramways Forum (“UKTram”) was established by TfL London Trams, together with the Passenger Transport Executives Group (PTEG), the Confederation of Passenger Transport (CPT) and the Light Rapid Transit Forum (LRTF).<sup>1</sup>
- 1.2 UKTram was established for the purpose of enabling key public and private sector stakeholders in the UK tramway industry to present a single, unified front in dealing with government and statutory bodies in developing a coordinated and structured approach to regulation, procurement and standardisation within the industry. It is intended that UKTram will in particular address many of the issues that were raised in the National Audit Office Report “Improving Public Transport in England Through Light Rail” (the NAO Report) and the Transport White Paper.<sup>2</sup> The principal aims of UKTram are to:
- increase standardisation of technical solutions to tramway engineering;
  - promote common standards and best practices in the operation and maintenance of tramways;
  - provide a common pool of tramway expertise available to government, promoters and operators alike; and
  - reduce the duration and cost of tramway development for both public and private sectors thereby increasing the market base and capacity / capability to deliver tramways in the UK.
- 1.3 It is now proposed that UKTram be incorporated as a company limited by guarantee. It is proposed that the company, tentatively named “UKTram Limited”, will be owned in equal shares by London Bus Services Limited (LBSL), PTEG, CPT and LRTF.

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<sup>1</sup> A description of each of these organisations is contained in section 2.6.

<sup>2</sup> The NAO Report issues are discussed further in Annex 1.

- 1.4 In accordance with paragraph 11(xiv) and (xx) of TfL Standing Order 2, the TfL Board is required to approve the formation of any Associate or Joint Venture Company by TfL or its subsidiaries and approve the memorandum and articles of association of any Associate or Joint Venture Company in which TfL or any of its subsidiaries has a shareholding.
- 1.5 The **purpose** of this paper is to inform the TfL Board of the proposal to establish UKTram Limited and invite the Board to:
- (a) approve the formation of UKTram Limited - a company limited by guarantee that will be owned in equal shares by LBSL, CPT, PTEG, and the LRTF; and
  - (b) delegate to General Counsel or the Managing Director Surface Transport the power to approve the memorandum and articles of association and other associated documents and arrangements of UKTram Limited.

## **2. BACKGROUND**

### **2.1 Establishment of UKTram**

2.1.1 During 2003, TfL London Trams, through discussions with tramway promoters and operators identified that the ad-hoc nature of tramway development in the UK was leading to an escalation in costs, realisation of risks for both public and private sectors and disengagement of the private sector developers, operators and financiers from future tramway developments. This latter issue was felt to be of critical importance to the future development of tramways in the UK as the sector has to date been reliant on off-balance sheet PFI funding.

2.1.2 The NAO Report (April 2004) examined the performance of modern light rail schemes in the UK and highlighted the problems faced by the tramway industry that were contributing to the financial and transportation underperformance on some schemes. The NAO Report identified a number of key factors affecting the success of tramway and light rail schemes and made a number of recommendations which are summarised in Annex 1.

2.1.3 UKTram was formed following a year long consultation within the tramway industry on the necessity for establishing a body to represent tramways and, in particular, address many of the issues raised in the NAO Report and the Transport White Paper. In addition UKTram will address proposed changes in safety legislation and European proposals for greater harmonisation within the industry.

### **2.2 Objectives of UKTram**

2.2.1 UKTram is an umbrella body bringing together the public and private sector organisations with an interest in the future development of tramways in the UK. The development of UKTram is overseen by a steering group made up of representatives of each of the member organisations (refer to section 2.6 below).

- 2.2.2 UKTram is not intended to be a traditional trade body with a primarily lobbying function, but is proposed to be an organisation capable of working with government to deliver many of the recommendations in the NAO Report and present a single voice for the industry.
- 2.2.3 The main objectives of UKTram are to address the issues that have resulted in the underperformance of some tram schemes and escalation in the cost of new schemes. The activities of UKTram in meeting these objectives will be carried out through a series of working groups:
- Working Group 1: **Standards** - the promotion and development of industry standards, codes of practice and guidelines covering the technical design, construction and operation of tramways;
  - Working Group 2: **Peer Review** – the provision of a peer review function to scrutinise project proposals and to provide a technical forum within which the degree of skill and competence within the industry can be enhanced;
  - Working Group 3: **Legislative Review** - scrutinising and responding on behalf of the industry to proposals for European and national legislative change. Promotion of changes to UK legislation such as the proposed changes to UK tramway safety regulations and the recently published Urban Rail Directive; and
  - Working Group 4: **Procurement and Funding** - developing more appropriate models for risk management and risk transfer and of identifying options for new and more efficient procurement and funding models.
- 2.2.4 The initial proposals for work to be undertaken by these working groups can be found at Annex 2.
- 2.2.5 London Trams and the Major Projects Business Unit are leading the development of UKTram through the steering group and staff of both teams are expected to take active roles both on the working group steering committees and through contributions to the working groups.
- 2.2.6 The Head of London Trams and Project Director, Light Transit will ensure that all those involved in the planning, implementation and operation of TfL's tram schemes are informed of the activities and outputs of UKTram and that DLR and London Rail in particular are engaged in areas of common interest.
- 2.2.7 The Managing Director, Surface Transport will provide updates on the activities and progress of UKTram Limited as part of the regular reporting to the Surface Advisory Panel.

## **2.3 Incorporating UKTram as a Company**

- 2.3.1 It is possible for UKTram to remain an unincorporated association, rather than incorporate it as a company. However if UKTram is not incorporated, officers of UKTram could potentially be personally liable for the actions or debts of the association or for claims such as breach of contract or any damage caused by negligence. A major advantage of incorporation is that the company will be party to all relevant contracts (such as employment contracts, property contracts, contracts to purchase or provide services), thereby taking the officers out of the “front line” of potential personal liability.
- 2.3.2 The directors of an incorporated company would not be personally liable to creditors of the company (unlike the position for the unincorporated association) nor would they be liable for the negligent acts of the company’s employees (although they would of course remain liable for their own such acts). If the company has insufficient assets to meet a claim or debt, then, in the absence of wrong-doing on the part of the directors, there is no recourse to them. Incorporation would not protect the directors against any actions undertaken by them that are not within the objects of the company or in accordance with the powers given to them in the memorandum and articles of association of the company. However such objects and powers are generally very comprehensive.
- 2.3.3 Participants in UKTram have indicated their concern at participating in an organisation that could expose them and their companies / organisations to unlimited liabilities. Incorporating UKTram as a limited liability company is seen as the best means of protecting officers and member organisations against such liabilities.

## **2.4 Incorporation as a Company Limited by Guarantee**

- 2.4.1 UKTram Limited will not be a profit-making organisation and it is proposed that it will be a company limited by guarantee. Not-for-profit companies are generally formed as companies limited by *guarantee* rather than companies limited by *shares* primarily because a shareholding in a company is generally viewed as an income-producing asset, the objective of a company limited by shares being usually to make a profit and distribute that profit to the shareholders.
- 2.4.2 It is also important to bear in mind the perception of interested bodies, for example public bodies and grant-making bodies will often require that charitable grants or public funds are only to be given to companies limited by guarantee where there is a prohibition in its constitution on the distribution of profits to members.
- 2.4.3 A company limited by guarantee is a registered company in which the liability of members is limited in the memorandum of association to such amount (usually nominal) as they respectively undertake to contribute to the assets of the company in the event of its being wound up.

## 2.5 Statutory Powers

2.5.1 TfL has the power to form companies for the purpose of carrying on any activities which TfL has power to carry on or carrying on such activities together with activities which TfL does not have power to carry on.<sup>3</sup> TfL has the power to provide or secure the provision of public passenger transport services to, from or within Greater London and the power to do such things as are calculated to facilitate, or are conducive or incidental to, the discharge of any of its functions. This power will enable TfL to be involved in UKTram Limited as it will assist TfL in developing and delivering a better public tram service in Greater London.

2.5.2 While TfL has the power to form UKTram Limited, it is restricted from forming such a company except through one of its subsidiary companies (or a company which TfL formed or joined with others in forming).<sup>4</sup> It is therefore proposed that **LBSL** (of which London Trams is a division) forms UKTram Limited (together with CPT, PTEG and LRTF).

## 2.6 Membership

2.6.1 It is proposed that the following bodies, in addition to LBSL, will each own 25% of the company:

- **The Confederation of Passenger Transport (CPT)** is the trade body representing public transport operators in the UK. The CPT Fixed Track section represents the interests of the operators of tramways and light railways;
- **The Light Rapid Transit Forum (LRTF)** was formed in 2003 as a private sector body aimed at promoting the development of tramways and light railways in the UK. The LRTF brings together private sector designers, contractors, system suppliers and financiers
- **Passenger Transport Executives Group (PTEG)** is the body which brings together the seven passenger transport executives in the UK. In addition, promoters of tramways outside of the PTE areas are able to participate in PTEG as affiliates.

2.6.2 It is proposed that direct membership of UKTram Limited will be limited to these four founding bodies with the facilities and services of UKTram being available to bodies belonging to the founder members organisations. Access to the facilities and services of UKTram will be available to other interested parties on payment of an annual subscription.

2.6.3 The structure of UKTram Limited is designed to give an equal voice to both the private and public sectors, considered essential to give the organisation credibility both within the industry and with local and national government.

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<sup>3</sup> Section 156(1) of the Greater London Authority Act 1999 (the GLA Act).

<sup>4</sup> Section 157 of the GLA Act and the Transport for London (Specified Activities) Order 2000.

2.6.4 The governing bodies of CPT, PTEG and LRTF have approved in principle the formation of the company. Both PTEG and LRTF are establishing their own incorporated companies in order to participate in UKTram Limited. Final approval is being sought by these organisations concurrently with TfL's approvals process. The incorporation of UKTram Limited is therefore conditional on these organisations also gaining their internal approvals.

## **2.7 The DfT Position**

2.7.1 The Department for Transport (DfT) has been briefed about the proposals for UKTram and has, since October 2004, attended the UKTram steering group meetings. The DfT has declined to become a member of UKTram Limited but remain supportive of the proposals and will be invited to board meetings in an advisory and observational role.

2.7.2 At the Public Accounts Committee hearing into the NAO Report, David Rowlands of the DfT stated that the DfT would expect the industry to adhere to guidelines and standards produced by UKTram Limited. The DfT has indicated (and reiterated at the UKTram Steering Group on 25 February) that whilst it will not fund the core running costs of UKTram Limited, it will consider substantive funding of the activities of the working groups where these are expected to provide either reductions in the capital cost of projects or better risk profiles within projects.

## **2.8 Memorandum and Articles of Association**

2.8.1 The Memorandum of Association of the company will set out the objects (i.e. purpose) of the company. The objects will be drafted widely to ensure that the company is able to carry out all activities required to meet the aims of addressing the findings of the NAO Report and of representing the industry in dealings with government. The Articles of Association of the company will be largely standard with certain amendments to reflect the nature of the association including the need to ensure flexibility going forward.

2.8.2 Meetings of the company will not be quorate unless all members, represented by at least one director, are present. All business arising at board meetings shall be determined by resolution. On general issues the voting will be on the basis of one vote per director and on membership issues the voting will be on the basis of one vote per member organisation. Voting will be on the basis of a simple majority, with deadlocking accepted and seen as beneficial. The chair of the company will not have a casting vote. It is proposed that the chair will be appointed on a two yearly rotational basis from the Board. The Steering Group of UKTram will determine the appointment of the Company Secretary to UKTram Limited prior to the establishment of the company.

## **3. ALTERNATIVES**

3.1 **Do Nothing.** As discussed above, the issues raised by the NAO Report and the Transport White Paper need to be considered and a co-ordinated response agreed by the UK tram industry. This process will need to be carried out whether or not UKTram Limited is established. If UKTram Limited is not established, TfL's response would need to be entirely self funded and would

lack the weight of a co-ordinated response from the tram industry. The costs incurred by TfL in responding to these reports on a stand-alone basis would be in-line with its contribution for spending on UKTram Limited, though the ongoing benefits would not arise. Furthermore there is a real risk that continued fragmentation will lead to multiple solutions to the similar problems, making challenge during the development process increasingly likely, increasing both the risk and cost of developing new projects, particularly if proposed changes to safety regulations and the Urban Rail Directive come in to force.

This alternative is not considered to be a practical or economic option and is therefore **not** recommended.

**3.2 UKTram as an unincorporated association:** It is possible for UKTram to remain as an unincorporated association, though this is not a preferred option by the parties involved.

**3.2.1** As noted above, if UKTram is not incorporated, officers of UKTram could potentially be personally liable for the actions or debts of the association or for claims such as breach of contract or any damage caused by negligence. The UKTram steering group members have indicated that, given the scope of activities of UKTram, they and their parent organisations would be unlikely to accept such a potential liability. Incorporating UKTram as a limited liability company is seen as the best means of protecting officers and member organisations against such liabilities.

**3.2.2** In the event that UKTram Limited is not established, it is likely that the members would seek to continue as an unincorporated association. However, given the liabilities potentially arising from some of the proposed activities it is possible that the scope of UKTram's activities could be severely curtailed and that it would revert to being little more than a 'traditional' trade body.

**3.2.3** As an unincorporated association, it is likely that the costs would be marginally reduced by removing the fees associated with statutory requirements imposed upon companies. The total saving is estimated to be no more than £10k p.a. against core fixed costs, whilst discretionary costs would be largely unchanged.

**3.2.4** There are a few disadvantages and costs associated with incorporation (refer to section 4) however it is believed that the advantages of incorporation outweigh such disadvantages and costs. This alternative is therefore **not** recommended.

**3.3 Incorporate UKTram as a company limited by shares (rather than by guarantee):** The usual objective of a company limited by shares is to make a profit and distribute that profit to the shareholders – as a shareholding in a company is generally viewed as an income-producing asset. Not-for-profit companies are generally formed as companies limited by guarantee rather than companies limited by shares. As UKTram will be a non-profit making organisation, this alternative is **not** recommended.



#### 4. IMPACT ON FUNDING

- 4.1 There would be two separate funding requirements for UKTram Limited: working group costs and core costs.
- 4.2 **Working group costs:** These are the costs incurred in carrying out the activities of UKTram Ltd (as described in section 2.2.2 and Annex 2). London Trams and the LRTF has established that a budget of £500k to £750k will be required to complete the full stage 1 work plan. The DfT has indicated to the UKTram steering group that it would be prepared to provide substantive funding for activities that demonstrate benefits either through reduction in the capital cost of projects (e.g. through quantifiable reductions in risk premiums or improved management of risk and financial performance of schemes) or through increased efficiency in the approval and procurement process. Other funding sources could include the EU and sponsorship with interested private sector companies.
- 4.3 Following the agreement of the initial scope of works and of outline funding requirements, UKTram Ltd will approach the EU and potential sponsors to seek such additional external funding. It is anticipated that UKTram Limited will, particularly in respect of activities aimed at harmonisation of standards and removing barriers to tramway development, seek funding from the EU either directly or through participation in projects such as Libertin and LiRa2.
- 4.4 Whilst the cost of the working groups may be high, it is anticipated that there will be little or no demand for additional funding from the founder members to support these activities. Where such funding is considered necessary it will be subject to evaluation of the benefits of the work to the members and will be borne equally between the parties.
- 4.5 **Core running costs:** The proposal is for the four founding bodies of UKTram Limited to meet the core day to day running costs of the organisation. These would be through charges to member organisations or payments in kind, though core running costs will be mitigated in part by external subscriptions.
- 4.6 A summary of the core running costs is given below and further detail is provided in Annex 3. These figures are estimated, and the level of core costs will be reviewed by the members in order to keep expenditure to the minimum level consistent with meeting the aims of UKTram Limited.
- 4.7 Core running costs are made up of mandatory costs and discretionary costs. Mandatory costs are those that are directly associated with the management of the company. Discretionary costs are dependent upon the level of activity of UKTram and the figures shown are the maximum levels of expenditure considered credible by the January 2005 steering group meeting. Within the discretionary costs are allowances for a phased provision of 1.5 additional staff (including accommodation) within London Trams to provide managerial and administrative support to UKTram, establishing and maintaining an extranet service and the provision of 6 monthly technical conferences for members. Following the steering group meeting on 25 February, forecasts

were revised in line with recommendations from steering group members and the DfT. The revised core funding requirements given below, which the prospective members of UKTram are currently considering, will be tabled for agreement at the UKTram steering group on 23 March.

	2005/6	2006/7	2007/8	2008/9
<b>Expenditure</b>				
<i>Mandatory Costs</i>				
Secretariat, Audit and accounting charges	£1,000	£9,000	£10,000	£10,000
<i>Discretionary Costs</i>				
London Trams administrative support costs (staff, accommodation, phones, IT etc),	£42,000	£77,000	£106,000	£110,000
core support activities	£39,000	£34,000	£41,000	£42,000
Working Group support costs	Transferred to working group costs			
Total Outgoings	£82,000	£120,000	£157,000	£162,000
<b>Income</b>				
<b>Subscriptions / sponsorship</b>	(£29,000)	(£18,000)	(£19,000)	(£19,000)
TfL contribution	(£44,750)	(£83,250)	(£113,750)	(£118,000)
Member contributions (excluding TfL)	(£8,250)	(£18,750)	(£24,250)	(£25,000)
Total Income	(£82,000)	(£120,000)	(£157,000)	(£162,000)

Table 1: UKTram Limited Maximum Estimated Annual Running Costs

- 4.8 The revised current proposal is for London Trams to bear its internal (staff and accommodation) costs associated with provision of the management and administrative support function to UKTram Limited. This will be considered as a contribution in kind towards the cost of running the business.
- 4.9 All cash / external transactions of UKTram Limited will be aggregated and uniformly distributed between the members. Cash transactions are forecast to be £11k in 05/06 rising to £33k in 08/09 .
- 4.10 It is anticipated that member contributions will be drawn down annually in advance with adjustments to take account of any surplus arising from income received through sponsorship and subscriptions from stakeholders outside of the member organisations. It is proposed that any income should be offset against all members 'cash' contributions
- 4.11 As noted above, the level of income from CPT, PTEG and LRTF membership commitments and sponsorship is being considered concurrently with this paper by these organisations. The level of income from subscriptions is not expected to significantly impact upon the total level of member contributions.

4.12 The core costs currently exclude allowances for Professional Indemnity Insurance (PI) and Directors & Officers Insurance (DOI) being taken out by UKTram Limited because UKTram Limited will not, initially, undertake activities requiring PI (although this will be kept under review). UKTram policy is that DOI cover for Directors of UKTram Limited will be provided through the members' or nominees parent company existing DOI policies.

## **5. RECOMMENDATIONS**

5.1 The TfL Board is asked to NOTE the contents of this paper; and

5.2 The TfL Board is further asked to

- (a) APPROVE the formation of an associate company limited by guarantee - "UKTram Limited" – which will be owned in equal shares by London Bus Services Limited (LBSL), the Confederation of Passenger Transport (CPT), UK Passenger Transport Executives Group (PTEG), and the Light Rapid Transit Forum (LRTF). The main purpose of UKTram Limited will be to represent the UK tramway industry in dealing with government and statutory bodies in developing a coordinated and structured approach to regulation, procurement and standardisation within the industry; and
- (b) DELEGATE to General Counsel or the Managing Director Surface Transport the power to:
  - (i) approve the memorandum and articles of association of UKTram Limited and any subsequent changes to such memorandum and articles of association; and
  - (ii) agree any associated documents or arrangements required to facilitate the establishment and operation of UKTram Limited.

### **Annexes:**

1. Summary of key issues from the National Audit Office Report "Improving Public Transport in England Through Light Rail"
2. Proposed Work Programme for UKTram Working Groups
3. Estimate of Annual Running Costs of UKTram Limited

In the event of any queries on the content of this paper, please contact:

Philip Hewitt  
Head of London Trams  
Ext. 659 362

**Summary of key issues from the National Audit Office Report “Improving Public Transport in England Through Light Rail” (April 2004)**

The National Audit Office made the following recommendations in respect of future tramway developments in the UK:

- i) DfT should, in conjunction with scheme promoters undertake detailed cost and benefit assessments of existing and future schemes in order to identify costs (at one year after opening) and benefits, including longer term economic and social impacts after 3 to 5 years.

DfT should require promoters to design in and implement:

- ii) Measures to integrate ‘light rail’ and other modes of transport including physical interchanges, through ticketing and passenger information systems.
- iii) Complementary measures such as park and ride schemes
- iv) Measures to secure speedy and punctual light rail services

Working with Industry and promoters DfT should:

- v) evaluate different procurement models for light rail, including evaluation of the most cost effective procurement models and means of improving the financial viability of schemes.

The DfT should seek efficiency savings by requiring:

- vi) Greater standardisation in the design of systems, vehicles and methods of construction, seeking evidence of use of previous experience from other systems.

The DfT should:

- vii) With HMRI, consider the case for developing safety standards specific to light rail.
- viii) Require promoters to implement adequate proposals for the management of costs and risks associated with utilities diversions.
- ix) Re-assess the level of contribution made by light rail promoters to the cost of utility diversions under the New Roads and Street Works Act.
- x) Request the DTI consider inclusion of light rail schemes within the eligibility for grants for energy saving technologies and should also consider establishing its own grant scheme for the promotion and development of innovative light rail technology.

- xi) Require promoters to consult with the rail industry over alternative proposals for heavy rail conversion, substitution or track sharing.
- xii) Identify barriers to the use of the Transport Act 2000 to raise funds for light rail projects and the steps needed to enable the implementation of the Act.
- xiii) Identify the areas most suited to light rail developments and prioritise light rail schemes on the basis of their business case and fit to transport policy.

In response to these recommendations UKTram proposes to:

- Determine best practice in the integration of public and private transport modes and to review proposals for new schemes to ensure that opportunities for integration have been realised within the commercial and legal constraints of the markets within which schemes are to operate. UKTram may also propose to government ways in which the legal and administrative framework could to be modified to achieve best value.
- Determine and provide guidance on best practice in the UK and Europe on the provision of complementary measures in the design of new tram schemes. To determine appropriate models of funding both capital and additional operating costs for such measures.<sup>5</sup>
- Determine best practice in the provision of tram and public transport priority, to produce technical guidance on the design of priority treatment and to undertake research to gain departmental and local authority acceptance of priority standards.
- With the DfT and other parts of HMG, to develop and monitor the performance of standard models for the procurement and funding of tramways
- With the DfT and other parts of HMG, To develop tramway specific technical and operational standards and best practice guidelines
- With the DfT and HMRI, to develop tramway specific and appropriate guidance and standards for safety (and access with respect to the Rail Vehicle Accessibility regulations).
- To develop a standard, societal risk based model for the management of utilities in the design and construction of tramways

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<sup>5</sup> Presently all such costs appear to be directly associated with the tramway and are thus one of the reasons they do not appear to offer good value for money.

- With the government, to review the applicability and appropriateness of the New Roads and Street Works Act and the Transport and Works Act to tramway major transport projects.

## Proposed Work Programme for UKTram Working Groups

### Working Group 1 - Standards

#### **Activity 1 - Stray Current Protection and Diversion/Protection of Utilities**

*Problem identified:*

Stray current protection and protection or diversion of utilities are very costly (up to 25% of project costs), are high risk, and can severely impact on scheme progress. Yet in many cases the work is unnecessary or grossly over-specified. Promoters have to pay 92.5% of costs, and there is evidence that utilities insist on protection in order to acquire updated assets at little cost to themselves. Continental practice is for the utilities or other public sector bodies to pick up any costs incurred, not the tram project; as a result, in many cases a decision is taken to live with the consequences of no protection, rather than incur probably unnecessary costs. The National Audit Office identified this as a key issue.

*Scope of Work:*

- Assess current UK practice on recent schemes and analyse differences in approach.
- Review recent work of PTEG
- Review European best practice (3 recent schemes, 1 each in France, Germany, and Spain/Portugal).
- Discuss issues with utilities (National Joint Utilities Group).
- Review legislative framework.
- Make recommendations for change.
- Note possible overlap with activities 5 and 6 below.

#### **Activity 2 – Common Tram Design Standards and DDA/RVA**

*Problem identified:*

The DDA and the interpretation of the DDA by the RVA regulations have increased costs. The adoption of a standard specification for accessibility should reduce costs.

*Scope of Work:*

- Review output of the Libertin access working group.
- Review legislative issues in the UK, i.e. DDA and RVA. Do they impose additional constraints? Is there a case for amendment of the regulations to comply with standard European practice?
- Consult with vehicle manufacturers to ensure proposals are practical and cost effective.

### **Activity 3 – Signing and Marking of Tramways**

#### *Problem identified:*

The signing and marking of tramways in the UK is not as distinct or consistent as it could be, with the result that there is potentially a greater risk to motorists, pedestrians and the reliable operation of the tramway than there should be. The inability to use standard “No entry” signs on tram-only streets, vehicles parking within the swept path, and motorists and pedestrians failing to see approaching trams are particular areas of concern. “Tram Lanes” do not legally exist in the way that bus lanes do.

#### *Scope of Work:*

- Establish existing practice by reference to second generation UK schemes.
- Review European practice. Are there lessons for the UK to learn?
- Make recommendations to the DfT to change current practice / amend the law, as necessary.

### **Activity 4 – Noise and Vibration**

#### *Problem identified:*

Noise measurement, testing and compliance requirements have tended to be adapted from heavy rail. These are generally ill-suited to modern low-floor urban street tramways.

Noise is a highly sensitive issue for the public, with potentially high costs for tramways in the powers and operational phases of schemes. In the case of Croydon Tramlink TfL alone is faced with managing some 1800 “Part 1 claims” with a claimed value of £34m.

#### *Scope of Work:*

- What standards have been applied in UK schemes? How have they differentiated between different environmental areas? What subsequent problems have been encountered, and how could they have been avoided?
- Review output of Libertin Noise Working Group and the application of VDV154 to UK tramways.
- Draw up a matrix of acceptable levels of noise and vibration by type of location.
- Establish best practice guidelines for the evolution, monitoring and mitigation of both long-term and short-term noise events.
- In conjunction with WG4 recommend where noise management responsibility should lie in tramway organisational structures.



## **Activity 5 - Network Rail Interface**

### *Problem identified:*

There are a wide range of issues concerning Network Rail, eg : the costs of stray current protection, Electro Magnetic Interference (EMI) protection, problems of track and signalling maintenance where there is parallel running, and various issues concerning the sharing of station facilities. There is a belief that costs could be saved by identifying best practice to deal with these issues.

### *Scope of Work:*

- This activity represents the first stage of the study.
- A report will be prepared which examines the different experiences of tramway and National Rail interfaces through case studies of:
  - Midland Metro
  - Manchester Metrolink
  - Nottingham Express Transit (NET)
  - Croydon Tramlink
- The report will compare and contrast the experiences on each of these schemes, drawing out common themes and areas of particular risk for the tram industry.
- The report will conclude by recommending areas for further review with Network Rail in order to define clear interface guidelines aimed at reducing management and cost risks.

## **Activity 6 – Trackform Design**

### *Problem identified:*

There is an on-going debate in the industry over the best trackform design and the effect on the highway. Different designs have been used on UK systems, and there is concern that these may have been over-engineered in order to meet unrealistic utility company requirements. The result has been to make trackform designs difficult and time-consuming to install and maintain, causing extensive track closures and significant service and traffic disruption.

There is also concern that the trackforms used in the UK may result in sub-optimal highway design, potentially increasing risks to highway users and with potential impacts on insurances for all concerned with tramway development.

### *Scope of work:*

- Review applications in the UK. What has been used where and why?
- Review practice in France, Germany, and the USA.
- Establish best practice (ie: embedded rail or coated rail), and recommend a choice of 2 or 3 designs depending on the prevailing ground conditions, highway surface, topography, etc.

## **Working Group 2 – Peer Review**

### **Activity 7 – Environmental Benefits**

#### *Problem identified:*

Two distinct problems have been identified. Firstly, UK tram schemes have not always managed to maximise the environmental benefits. Secondly, the appraisal techniques required to be used by scheme promoters do not capture these benefits in a generally accepted quantifiable manner.

#### *Scope of work:*

- Review of current UK practice in valuing the various environmental aspects of schemes (eg: effect on CO<sup>2</sup> emissions, energy efficiency, visual impact, noise, road traffic levels, social inclusion, re-generation, etc).
- Produce best practice guidelines on how environmental issues on tramways should be determined, appraised, and evaluated.
- Review “New Approach to Assessment” (DfT) in relation to PFI procurement strategies and funding, and make recommendations on how these benefits should be captured in appraisals.

## **Working Group 4 – Procurement and Funding**

### **Activity 8 – Systems Integration**

#### *Problem identified:*

There have been a number of problems with systems integration generally on UK schemes. This has become a procurement and funding problem as bidders have increasingly attached risk premiums to this area, thereby increasing costs.

#### *Scope of work:*

- Review of UK problem cases, ie: Birmingham, Sheffield, Croydon. Why did the difficulties occur, how were they resolved, and how could they have been avoided in the first place?
- A report will be produced based on the above case studies, which will examine interface and integration problems on UK schemes (eg: wheel/rail, tram/signals, pantograph/OHLE etc) and the way in which interface and integration risks were managed on each project.
- The report will identify common themes across the UK tram industry and will, by assessing practice on successful mainland European schemes (eg: Lyon? Nantes?) recommend guidelines for the allocation of integration and interface management responsibilities within future UK schemes.

## **Activity 9 – Performance Specification**

### *Problem identified:*

There is no standard operational performance measure in UK tram procurement documentation. Some schemes define large numbers of performance targets, each with their own bonus/penalty regime. These can be badly specified and impractical, leading to time-consuming re-negotiation by bidders, and adding cost and complexity to schemes with little real benefit to the promoters.

### *Scope of Work:*

- Review recent procurement documentation for UK schemes. Which performance measures were easiest to understand, and worked best in practice?
- Review performance measures used in France, Germany, and the USA. Could any of them form the basis of a standard performance measure in the UK?
- Develop a standard performance measure consisting of key performance indicators (KPIs) which are easy to understand, and which are measurable, manageable, and objective.

## **Activity 10 – Standard Specification Template**

### *Problem identified*

Bespoke specifications are costly to produce, review and bid against and lead to an increase in cost and risk to bidders and promoters in reaching a common understanding of the specified requirements and the allocation of risk within contracts.

### *Scope of work*

- Review and build upon the Libertin proposals for common EU specification templates covering infrastructure, vehicles and operations.
- With working group 1, establish standard terms and references for population of the specification template.
- Assess the output of Libertin and other EU harmonisation projects to identify which proposals for common standards and practices can be adopted and adapted for UK use.
- Ensure that the standard specification template is compatible with procurement models for both system supply, renewal and maintenance.
- Work with Libertin / Libertin 2 in further developing and testing the standard template.

**Estimate of the Annual Running Costs of UKTram Limited**

Refer to attached spreadsheet

TRANSPORT FOR LONDON

STAFF SUMMARY  
TFL BOARD

**SUBJECT:** Formation of an Associate Company to Represent the UK Tram Industry– “UKTram Limited”

**MEETING DATE:** 22 March 2005

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**1. PURPOSE / INTRODUCTION**

- 1.1 In October 2004, a new National Tramways Forum (“UKTram”) was established by TfL London Trams, together with the Passenger Transport Executives Group (PTEG), the Confederation of Passenger Transport (CPT) and the Light Rapid Transit Forum (LRTF).<sup>1</sup>
- 1.2 UKTram was established for the purpose of enabling key public and private sector stakeholders in the UK tramway industry to present a single, unified front in dealing with government and statutory bodies in developing a coordinated and structured approach to regulation, procurement and standardisation within the industry. It is intended that UKTram will in particular address many of the issues that were raised in the National Audit Office Report “Improving Public Transport in England Through Light Rail” (the NAO Report) and the Transport White Paper.<sup>2</sup> The principal aims of UKTram are to:
- increase standardisation of technical solutions to tramway engineering;
  - promote common standards and best practices in the operation and maintenance of tramways;
  - provide a common pool of tramway expertise available to government, promoters and operators alike; and
  - reduce the duration and cost of tramway development for both public and private sectors thereby increasing the market base and capacity / capability to deliver tramways in the UK.
- 1.3 It is now proposed that UKTram be incorporated as a company limited by guarantee. It is proposed that the company, tentatively named “UKTram Limited”, will be owned in equal shares by London Bus Services Limited (LBSL), PTEG, CPT and LRTF.

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<sup>1</sup> A description of each of these organisations is contained in section 2.6.

<sup>2</sup> The NAO Report issues are discussed further in Annex 1.

- 1.4 In accordance with paragraph 11(xiv) and (xx) of TfL Standing Order 2, the TfL Board is required to approve the formation of any Associate or Joint Venture Company by TfL or its subsidiaries and approve the memorandum and articles of association of any Associate or Joint Venture Company in which TfL or any of its subsidiaries has a shareholding.
- 1.5 The **purpose** of this paper is to inform the TfL Board of the proposal to establish UKTram Limited and invite the Board to:
- (a) approve the formation of UKTram Limited - a company limited by guarantee that will be owned in equal shares by LBSL, CPT, PTEG, and the LRTF; and
  - (b) delegate to General Counsel or the Managing Director Surface Transport the power to approve the memorandum and articles of association and other associated documents and arrangements of UKTram Limited.

## **2. BACKGROUND**

### **2.1 Establishment of UKTram**

2.1.1 During 2003, TfL London Trams, through discussions with tramway promoters and operators identified that the ad-hoc nature of tramway development in the UK was leading to an escalation in costs, realisation of risks for both public and private sectors and disengagement of the private sector developers, operators and financiers from future tramway developments. This latter issue was felt to be of critical importance to the future development of tramways in the UK as the sector has to date been reliant on off-balance sheet PFI funding.

2.1.2 The NAO Report (April 2004) examined the performance of modern light rail schemes in the UK and highlighted the problems faced by the tramway industry that were contributing to the financial and transportation underperformance on some schemes. The NAO Report identified a number of key factors affecting the success of tramway and light rail schemes and made a number of recommendations which are summarised in Annex 1.

2.1.3 UKTram was formed following a year long consultation within the tramway industry on the necessity for establishing a body to represent tramways and, in particular, address many of the issues raised in the NAO Report and the Transport White Paper. In addition UKTram will address proposed changes in safety legislation and European proposals for greater harmonisation within the industry.

### **2.2 Objectives of UKTram**

2.2.1 UKTram is an umbrella body bringing together the public and private sector organisations with an interest in the future development of tramways in the UK. The development of UKTram is overseen by a steering group made up of representatives of each of the member organisations (refer to section 2.6 below).

- 2.2.2 UKTram is not intended to be a traditional trade body with a primarily lobbying function, but is proposed to be an organisation capable of working with government to deliver many of the recommendations in the NAO Report and present a single voice for the industry.
- 2.2.3 The main objectives of UKTram are to address the issues that have resulted in the underperformance of some tram schemes and escalation in the cost of new schemes. The activities of UKTram in meeting these objectives will be carried out through a series of working groups:
- Working Group 1: **Standards** - the promotion and development of industry standards, codes of practice and guidelines covering the technical design, construction and operation of tramways;
  - Working Group 2: **Peer Review** – the provision of a peer review function to scrutinise project proposals and to provide a technical forum within which the degree of skill and competence within the industry can be enhanced;
  - Working Group 3: **Legislative Review** - scrutinising and responding on behalf of the industry to proposals for European and national legislative change. Promotion of changes to UK legislation such as the proposed changes to UK tramway safety regulations and the recently published Urban Rail Directive; and
  - Working Group 4: **Procurement and Funding** - developing more appropriate models for risk management and risk transfer and of identifying options for new and more efficient procurement and funding models.
- 2.2.4 The initial proposals for work to be undertaken by these working groups can be found at Annex 2.
- 2.2.5 London Trams and the Major Projects Business Unit are leading the development of UKTram through the steering group and staff of both teams are expected to take active roles both on the working group steering committees and through contributions to the working groups.
- 2.2.6 The Head of London Trams and Project Director, Light Transit will ensure that all those involved in the planning, implementation and operation of TfL's tram schemes are informed of the activities and outputs of UKTram and that DLR and London Rail in particular are engaged in areas of common interest.
- 2.2.7 The Managing Director, Surface Transport will provide updates on the activities and progress of UKTram Limited as part of the regular reporting to the Surface Advisory Panel.

## **2.3 Incorporating UKTram as a Company**

- 2.3.1 It is possible for UKTram to remain an unincorporated association, rather than incorporate it as a company. However if UKTram is not incorporated, officers of UKTram could potentially be personally liable for the actions or debts of the association or for claims such as breach of contract or any damage caused by negligence. A major advantage of incorporation is that the company will be party to all relevant contracts (such as employment contracts, property contracts, contracts to purchase or provide services), thereby taking the officers out of the “front line” of potential personal liability.
- 2.3.2 The directors of an incorporated company would not be personally liable to creditors of the company (unlike the position for the unincorporated association) nor would they be liable for the negligent acts of the company’s employees (although they would of course remain liable for their own such acts). If the company has insufficient assets to meet a claim or debt, then, in the absence of wrong-doing on the part of the directors, there is no recourse to them. Incorporation would not protect the directors against any actions undertaken by them that are not within the objects of the company or in accordance with the powers given to them in the memorandum and articles of association of the company. However such objects and powers are generally very comprehensive.
- 2.3.3 Participants in UKTram have indicated their concern at participating in an organisation that could expose them and their companies / organisations to unlimited liabilities. Incorporating UKTram as a limited liability company is seen as the best means of protecting officers and member organisations against such liabilities.

## **2.4 Incorporation as a Company Limited by Guarantee**

- 2.4.1 UKTram Limited will not be a profit-making organisation and it is proposed that it will be a company limited by guarantee. Not-for-profit companies are generally formed as companies limited by *guarantee* rather than companies limited by *shares* primarily because a shareholding in a company is generally viewed as an income-producing asset, the objective of a company limited by shares being usually to make a profit and distribute that profit to the shareholders.
- 2.4.2 It is also important to bear in mind the perception of interested bodies, for example public bodies and grant-making bodies will often require that charitable grants or public funds are only to be given to companies limited by guarantee where there is a prohibition in its constitution on the distribution of profits to members.
- 2.4.3 A company limited by guarantee is a registered company in which the liability of members is limited in the memorandum of association to such amount (usually nominal) as they respectively undertake to contribute to the assets of the company in the event of its being wound up.



## 2.5 Statutory Powers

2.5.1 TfL has the power to form companies for the purpose of carrying on any activities which TfL has power to carry on or carrying on such activities together with activities which TfL does not have power to carry on.<sup>3</sup> TfL has the power to provide or secure the provision of public passenger transport services to, from or within Greater London and the power to do such things as are calculated to facilitate, or are conducive or incidental to, the discharge of any of its functions. This power will enable TfL to be involved in UKTram Limited as it will assist TfL in developing and delivering a better public tram service in Greater London.

2.5.2 While TfL has the power to form UKTram Limited, it is restricted from forming such a company except through one of its subsidiary companies (or a company which TfL formed or joined with others in forming).<sup>4</sup> It is therefore proposed that **LBSL** (of which London Trams is a division) forms UKTram Limited (together with CPT, PTEG and LRTF).

## 2.6 Membership

2.6.1 It is proposed that the following bodies, in addition to LBSL, will each own 25% of the company:

- **The Confederation of Passenger Transport (CPT)** is the trade body representing public transport operators in the UK. The CPT Fixed Track section represents the interests of the operators of tramways and light railways;
- **The Light Rapid Transit Forum (LRTF)** was formed in 2003 as a private sector body aimed at promoting the development of tramways and light railways in the UK. The LRTF brings together private sector designers, contractors, system suppliers and financiers
- **Passenger Transport Executives Group (PTEG)** is the body which brings together the seven passenger transport executives in the UK. In addition, promoters of tramways outside of the PTE areas are able to participate in PTEG as affiliates.

2.6.2 It is proposed that direct membership of UKTram Limited will be limited to these four founding bodies with the facilities and services of UKTram being available to bodies belonging to the founder members organisations. Access to the facilities and services of UKTram will be available to other interested parties on payment of an annual subscription.

2.6.3 The structure of UKTram Limited is designed to give an equal voice to both the private and public sectors, considered essential to give the organisation credibility both within the industry and with local and national government.

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<sup>3</sup> Section 156(1) of the Greater London Authority Act 1999 (the GLA Act).

<sup>4</sup> Section 157 of the GLA Act and the Transport for London (Specified Activities) Order 2000.

2.6.4 The governing bodies of CPT, PTEG and LRTF have approved in principle the formation of the company. Both PTEG and LRTF are establishing their own incorporated companies in order to participate in UKTram Limited. Final approval is being sought by these organisations concurrently with TfL's approvals process. The incorporation of UKTram Limited is therefore conditional on these organisations also gaining their internal approvals.

## **2.7 The DfT Position**

2.7.1 The Department for Transport (DfT) has been briefed about the proposals for UKTram and has, since October 2004, attended the UKTram steering group meetings. The DfT has declined to become a member of UKTram Limited but remain supportive of the proposals and will be invited to board meetings in an advisory and observational role.

2.7.2 At the Public Accounts Committee hearing into the NAO Report, David Rowlands of the DfT stated that the DfT would expect the industry to adhere to guidelines and standards produced by UKTram Limited. The DfT has indicated (and reiterated at the UKTram Steering Group on 25 February) that whilst it will not fund the core running costs of UKTram Limited, it will consider substantive funding of the activities of the working groups where these are expected to provide either reductions in the capital cost of projects or better risk profiles within projects.

## **2.8 Memorandum and Articles of Association**

2.8.1 The Memorandum of Association of the company will set out the objects (i.e. purpose) of the company. The objects will be drafted widely to ensure that the company is able to carry out all activities required to meet the aims of addressing the findings of the NAO Report and of representing the industry in dealings with government. The Articles of Association of the company will be largely standard with certain amendments to reflect the nature of the association including the need to ensure flexibility going forward.

2.8.2 Meetings of the company will not be quorate unless all members, represented by at least one director, are present. All business arising at board meetings shall be determined by resolution. On general issues the voting will be on the basis of one vote per director and on membership issues the voting will be on the basis of one vote per member organisation. Voting will be on the basis of a simple majority, with deadlocking accepted and seen as beneficial. The chair of the company will not have a casting vote. It is proposed that the chair will be appointed on a two yearly rotational basis from the Board. The Steering Group of UKTram will determine the appointment of the Company Secretary to UKTram Limited prior to the establishment of the company.

## **3. ALTERNATIVES**

3.1 **Do Nothing.** As discussed above, the issues raised by the NAO Report and the Transport White Paper need to be considered and a co-ordinated response agreed by the UK tram industry. This process will need to be carried out whether or not UKTram Limited is established. If UKTram Limited is not established, TfL's response would need to be entirely self funded and would

lack the weight of a co-ordinated response from the tram industry. The costs incurred by TfL in responding to these reports on a stand-alone basis would be in-line with its contribution for spending on UKTram Limited, though the on-going benefits would not arise. Furthermore there is a real risk that continued fragmentation will lead to multiple solutions to the similar problems, making challenge during the development process increasingly likely, increasing both the risk and cost of developing new projects, particularly if proposed changes to safety regulations and the Urban Rail Directive come in to force.

This alternative is not considered to be a practical or economic option and is therefore **not** recommended.

**3.2 UKTram as an unincorporated association:** It is possible for UKTram to remain as an unincorporated association, though this is not a preferred option by the parties involved.

**3.2.1** As noted above, if UKTram is not incorporated, officers of UKTram could potentially be personally liable for the actions or debts of the association or for claims such as breach of contract or any damage caused by negligence. The UKTram steering group members have indicated that, given the scope of activities of UKTram, they and their parent organisations would be unlikely to accept such a potential liability. Incorporating UKTram as a limited liability company is seen as the best means of protecting officers and member organisations against such liabilities.

**3.2.2** In the event that UKTram Limited is not established, it is likely that the members would seek to continue as an unincorporated association. However, given the liabilities potentially arising from some of the proposed activities it is possible that the scope of UKTram's activities could be severely curtailed and that it would revert to being little more than a 'traditional' trade body.

**3.2.3** As an unincorporated association, it is likely that the costs would be marginally reduced by removing the fees associated with statutory requirements imposed upon companies. The total saving is estimated to be no more than £10k p.a. against core fixed costs, whilst discretionary costs would be largely unchanged.

**3.2.4** There are a few disadvantages and costs associated with incorporation (refer to section 4) however it is believed that the advantages of incorporation outweigh such disadvantages and costs. This alternative is therefore **not** recommended.

**3.3 Incorporate UKTram as a company limited by shares (rather than by guarantee):** The usual objective of a company limited by shares is to make a profit and distribute that profit to the shareholders – as a shareholding in a company is generally viewed as an income-producing asset. Not-for-profit companies are generally formed as companies limited by guarantee rather than companies limited by shares. As UKTram will be a non-profit making organisation, this alternative is **not** recommended.

#### 4. IMPACT ON FUNDING

- 4.1 There would be two separate funding requirements for UKTram Limited: working group costs and core costs.
- 4.2 **Working group costs:** These are the costs incurred in carrying out the activities of UKTram Ltd (as described in section 2.2.2 and Annex 2). London Trams and the LRTF has established that a budget of £500k to £750k will be required to complete the full stage 1 work plan. The DfT has indicated to the UKTram steering group that it would be prepared to provide substantive funding for activities that demonstrate benefits either through reduction in the capital cost of projects (e.g. through quantifiable reductions in risk premiums or improved management of risk and financial performance of schemes) or through increased efficiency in the approval and procurement process. Other funding sources could include the EU and sponsorship with interested private sector companies.
- 4.3 Following the agreement of the initial scope of works and of outline funding requirements, UKTram Ltd will approach the EU and potential sponsors to seek such additional external funding. It is anticipated that UKTram Limited will, particularly in respect of activities aimed at harmonisation of standards and removing barriers to tramway development, seek funding from the EU either directly or through participation in projects such as Libertin and LiRa2.
- 4.4 Whilst the cost of the working groups may be high, it is anticipated that there will be little or no demand for additional funding from the founder members to support these activities. Where such funding is considered necessary it will be subject to evaluation of the benefits of the work to the members and will be borne equally between the parties.
- 4.5 **Core running costs:** The proposal is for the four founding bodies of UKTram Limited to meet the core day to day running costs of the organisation. These would be through charges to member organisations or payments in kind, though core running costs will be mitigated in part by external subscriptions.
- 4.6 A summary of the core running costs is given below and further detail is provided in Annex 3. These figures are estimated, and the level of core costs will be reviewed by the members in order to keep expenditure to the minimum level consistent with meeting the aims of UKTram Limited.
- 4.7 Core running costs are made up of mandatory costs and discretionary costs. Mandatory costs are those that are directly associated with the management of the company. Discretionary costs are dependent upon the level of activity of UKTram and the figures shown are the maximum levels of expenditure considered credible by the January 2005 steering group meeting. Within the discretionary costs are allowances for a phased provision of 1.5 additional staff (including accommodation) within London Trams to provide managerial and administrative support to UKTram, establishing and maintaining an extranet service and the provision of 6 monthly technical conferences for members. Following the steering group meeting on 25 February, forecasts

were revised in line with recommendations from steering group members and the DfT. The revised core funding requirements given below, which the prospective members of UKTram are currently considering, will be tabled for agreement at the UKTram steering group on 23 March.

	2005/6	2006/7	2007/8	2008/9
<b>Expenditure</b>				
<i>Mandatory Costs</i>				
Secretariat, Audit and accounting charges	£1,000	£9,000	£10,000	£10,000
<i>Discretionary Costs</i>				
London Trams administrative support costs (staff, accommodation, phones, IT etc),	£42,000	£77,000	£106,000	£110,000
core support activities	£39,000	£34,000	£41,000	£42,000
Working Group support costs	Transferred to working group costs			
Total Outgoings	£82,000	£120,000	£157,000	£162,000
<b>Income</b>				
<b>Subscriptions / sponsorship</b>	(£29,000)	(£18,000)	(£19,000)	(£19,000)
TfL contribution	(£44,750)	(£83,250)	(£113,750)	(£118,000)
Member contributions (excluding TfL)	(£8,250)	(£18,750)	(£24,250)	(£25,000)
Total Income	(£82,000)	(£120,000)	(£157,000)	(£162,000)

Table 1: UKTram Limited Maximum Estimated Annual Running Costs

- 4.8 The revised current proposal is for London Trams to bear its internal (staff and accommodation) costs associated with provision of the management and administrative support function to UKTram Limited. This will be considered as a contribution in kind towards the cost of running the business.
- 4.9 All cash / external transactions of UKTram Limited will be aggregated and uniformly distributed between the members. Cash transactions are forecast to be £11k in 05/06 rising to £33k in 08/09 .
- 4.10 It is anticipated that member contributions will be drawn down annually in advance with adjustments to take account of any surplus arising from income received through sponsorship and subscriptions from stakeholders outside of the member organisations. It is proposed that any income should be offset against all members 'cash' contributions
- 4.11 As noted above, the level of income from CPT, PTEG and LRTF membership commitments and sponsorship is being considered concurrently with this paper by these organisations. The level of income from subscriptions is not expected to significantly impact upon the total level of member contributions.

4.12 The core costs currently exclude allowances for Professional Indemnity Insurance (PI) and Directors & Officers Insurance (DOI) being taken out by UKTram Limited because UKTram Limited will not, initially, undertake activities requiring PI (although this will be kept under review). UKTram policy is that DOI cover for Directors of UKTram Limited will be provided through the members' or nominees parent company existing DOI policies.

## **5. RECOMMENDATIONS**

5.1 The TfL Board is asked to NOTE the contents of this paper; and

5.2 The TfL Board is further asked to

- (a) APPROVE the formation of an associate company limited by guarantee - "UKTram Limited" – which will be owned in equal shares by London Bus Services Limited (LBSL), the Confederation of Passenger Transport (CPT), UK Passenger Transport Executives Group (PTEG), and the Light Rapid Transit Forum (LRTF). The main purpose of UKTram Limited will be to represent the UK tramway industry in dealing with government and statutory bodies in developing a coordinated and structured approach to regulation, procurement and standardisation within the industry; and
- (b) DELEGATE to General Counsel or the Managing Director Surface Transport the power to:
  - (i) approve the memorandum and articles of association of UKTram Limited and any subsequent changes to such memorandum and articles of association; and
  - (ii) agree any associated documents or arrangements required to facilitate the establishment and operation of UKTram Limited.

### **Annexes:**

1. Summary of key issues from the National Audit Office Report "Improving Public Transport in England Through Light Rail"
2. Proposed Work Programme for UKTram Working Groups
3. Estimate of Annual Running Costs of UKTram Limited

In the event of any queries on the content of this paper, please contact:

Philip Hewitt  
Head of London Trams  
Ext. 659 362

**Summary of key issues from the National Audit Office Report “Improving Public Transport in England Through Light Rail” (April 2004)**

The National Audit Office made the following recommendations in respect of future tramway developments in the UK:

- i) DfT should, in conjunction with scheme promoters undertake detailed cost and benefit assessments of existing and future schemes in order to identify costs (at one year after opening) and benefits, including longer term economic and social impacts after 3 to 5 years.

DfT should require promoters to design in and implement:

- ii) Measures to integrate ‘light rail’ and other modes of transport including physical interchanges, through ticketing and passenger information systems.
- iii) Complementary measures such as park and ride schemes
- iv) Measures to secure speedy and punctual light rail services

Working with Industry and promoters DfT should:

- v) evaluate different procurement models for light rail, including evaluation of the most cost effective procurement models and means of improving the financial viability of schemes.

The DfT should seek efficiency savings by requiring:

- vi) Greater standardisation in the design of systems, vehicles and methods of construction, seeking evidence of use of previous experience from other systems.

The DfT should:

- vii) With HMRI, consider the case for developing safety standards specific to light rail.
- viii) Require promoters to implement adequate proposals for the management of costs and risks associated with utilities diversions.
- ix) Re-assess the level of contribution made by light rail promoters to the cost of utility diversions under the New Roads and Street Works Act.
- x) Request the DTI consider inclusion of light rail schemes within the eligibility for grants for energy saving technologies and should also consider establishing its own grant scheme for the promotion and development of innovative light rail technology.

- xi) Require promoters to consult with the rail industry over alternative proposals for heavy rail conversion, substitution or track sharing.
- xii) Identify barriers to the use of the Transport Act 2000 to raise funds for light rail projects and the steps needed to enable the implementation of the Act.
- xiii) Identify the areas most suited to light rail developments and prioritise light rail schemes on the basis of their business case and fit to transport policy.

In response to these recommendations UKTram proposes to:

- Determine best practice in the integration of public and private transport modes and to review proposals for new schemes to ensure that opportunities for integration have been realised within the commercial and legal constraints of the markets within which schemes are to operate. UKTram may also propose to government ways in which the legal and administrative framework could to be modified to achieve best value.
- Determine and provide guidance on best practice in the UK and Europe on the provision of complementary measures in the design of new tram schemes. To determine appropriate models of funding both capital and additional operating costs for such measures.<sup>5</sup>
- Determine best practice in the provision of tram and public transport priority, to produce technical guidance on the design of priority treatment and to undertake research to gain departmental and local authority acceptance of priority standards.
- With the DfT and other parts of HMG, to develop and monitor the performance of standard models for the procurement and funding of tramways
- With the DfT and other parts of HMG, To develop tramway specific technical and operational standards and best practice guidelines
- With the DfT and HMRI, to develop tramway specific and appropriate guidance and standards for safety (and access with respect to the Rail Vehicle Accessibility regulations).
- To develop a standard, societal risk based model for the management of utilities in the design and construction of tramways

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<sup>5</sup> Presently all such costs appear to be directly associated with the tramway and are thus one of the reasons they do not appear to offer good value for money.



- With the government, to review the applicability and appropriateness of the New Roads and Street Works Act and the Transport and Works Act to tramway major transport projects.

## Proposed Work Programme for UKTram Working Groups

### Working Group 1 - Standards

#### **Activity 1 - Stray Current Protection and Diversion/Protection of Utilities**

*Problem identified:*

Stray current protection and protection or diversion of utilities are very costly (up to 25% of project costs), are high risk, and can severely impact on scheme progress. Yet in many cases the work is unnecessary or grossly over-specified. Promoters have to pay 92.5% of costs, and there is evidence that utilities insist on protection in order to acquire updated assets at little cost to themselves. Continental practice is for the utilities or other public sector bodies to pick up any costs incurred, not the tram project; as a result, in many cases a decision is taken to live with the consequences of no protection, rather than incur probably unnecessary costs. The National Audit Office identified this as a key issue.

*Scope of Work:*

- Assess current UK practice on recent schemes and analyse differences in approach.
- Review recent work of PTEG
- Review European best practice (3 recent schemes, 1 each in France, Germany, and Spain/Portugal).
- Discuss issues with utilities (National Joint Utilities Group).
- Review legislative framework.
- Make recommendations for change.
- Note possible overlap with activities 5 and 6 below.

#### **Activity 2 – Common Tram Design Standards and DDA/RVA**

*Problem identified:*

The DDA and the interpretation of the DDA by the RVA regulations have increased costs. The adoption of a standard specification for accessibility should reduce costs.

*Scope of Work:*

- Review output of the Libertin access working group.
- Review legislative issues in the UK, i.e. DDA and RVA. Do they impose additional constraints? Is there a case for amendment of the regulations to comply with standard European practice?
- Consult with vehicle manufacturers to ensure proposals are practical and cost effective.

### **Activity 3 – Signing and Marking of Tramways**

#### *Problem identified:*

The signing and marking of tramways in the UK is not as distinct or consistent as it could be, with the result that there is potentially a greater risk to motorists, pedestrians and the reliable operation of the tramway than there should be. The inability to use standard “No entry” signs on tram-only streets, vehicles parking within the swept path, and motorists and pedestrians failing to see approaching trams are particular areas of concern. “Tram Lanes” do not legally exist in the way that bus lanes do.

#### *Scope of Work:*

- Establish existing practice by reference to second generation UK schemes.
- Review European practice. Are there lessons for the UK to learn?
- Make recommendations to the DfT to change current practice / amend the law, as necessary.

### **Activity 4 – Noise and Vibration**

#### *Problem identified:*

Noise measurement, testing and compliance requirements have tended to be adapted from heavy rail. These are generally ill-suited to modern low-floor urban street tramways.

Noise is a highly sensitive issue for the public, with potentially high costs for tramways in the powers and operational phases of schemes. In the case of Croydon Tramlink TfL alone is faced with managing some 1800 “Part 1 claims” with a claimed value of £34m.

#### *Scope of Work:*

- What standards have been applied in UK schemes? How have they differentiated between different environmental areas? What subsequent problems have been encountered, and how could they have been avoided?
- Review output of Libertin Noise Working Group and the application of VDV154 to UK tramways.
- Draw up a matrix of acceptable levels of noise and vibration by type of location.
- Establish best practice guidelines for the evolution, monitoring and mitigation of both long-term and short-term noise events.
- In conjunction with WG4 recommend where noise management responsibility should lie in tramway organisational structures.

## **Activity 5 - Network Rail Interface**

### *Problem identified:*

There are a wide range of issues concerning Network Rail, eg : the costs of stray current protection, Electro Magnetic Interference (EMI) protection, problems of track and signalling maintenance where there is parallel running, and various issues concerning the sharing of station facilities. There is a belief that costs could be saved by identifying best practice to deal with these issues.

### *Scope of Work:*

- This activity represents the first stage of the study.
- A report will be prepared which examines the different experiences of tramway and National Rail interfaces through case studies of:
  - Midland Metro
  - Manchester Metrolink
  - Nottingham Express Transit (NET)
  - Croydon Tramlink
- The report will compare and contrast the experiences on each of these schemes, drawing out common themes and areas of particular risk for the tram industry.
- The report will conclude by recommending areas for further review with Network Rail in order to define clear interface guidelines aimed at reducing management and cost risks.

## **Activity 6 – Trackform Design**

### *Problem identified:*

There is an on-going debate in the industry over the best trackform design and the effect on the highway. Different designs have been used on UK systems, and there is concern that these may have been over-engineered in order to meet unrealistic utility company requirements. The result has been to make trackform designs difficult and time-consuming to install and maintain, causing extensive track closures and significant service and traffic disruption.

There is also concern that the trackforms used in the UK may result in sub-optimal highway design, potentially increasing risks to highway users and with potential impacts on insurances for all concerned with tramway development.

### *Scope of work:*

- Review applications in the UK. What has been used where and why?
- Review practice in France, Germany, and the USA.
- Establish best practice (ie: embedded rail or coated rail), and recommend a choice of 2 or 3 designs depending on the prevailing ground conditions, highway surface, topography, etc.

## **Working Group 2 – Peer Review**

### **Activity 7 – Environmental Benefits**

#### *Problem identified:*

Two distinct problems have been identified. Firstly, UK tram schemes have not always managed to maximise the environmental benefits. Secondly, the appraisal techniques required to be used by scheme promoters do not capture these benefits in a generally accepted quantifiable manner.

#### *Scope of work:*

- Review of current UK practice in valuing the various environmental aspects of schemes (eg: effect on CO<sup>2</sup> emissions, energy efficiency, visual impact, noise, road traffic levels, social inclusion, re-generation, etc).
- Produce best practice guidelines on how environmental issues on tramways should be determined, appraised, and evaluated.
- Review “New Approach to Assessment” (DfT) in relation to PFI procurement strategies and funding, and make recommendations on how these benefits should be captured in appraisals.

## **Working Group 4 – Procurement and Funding**

### **Activity 8 – Systems Integration**

#### *Problem identified:*

There have been a number of problems with systems integration generally on UK schemes. This has become a procurement and funding problem as bidders have increasingly attached risk premiums to this area, thereby increasing costs.

#### *Scope of work:*

- Review of UK problem cases, ie: Birmingham, Sheffield, Croydon. Why did the difficulties occur, how were they resolved, and how could they have been avoided in the first place?
- A report will be produced based on the above case studies, which will examine interface and integration problems on UK schemes (eg: wheel/rail, tram/signals, pantograph/OHLE etc) and the way in which interface and integration risks were managed on each project.
- The report will identify common themes across the UK tram industry and will, by assessing practice on successful mainland European schemes (eg: Lyon? Nantes?) recommend guidelines for the allocation of integration and interface management responsibilities within future UK schemes.

## **Activity 9 – Performance Specification**

### *Problem identified:*

There is no standard operational performance measure in UK tram procurement documentation. Some schemes define large numbers of performance targets, each with their own bonus/penalty regime. These can be badly specified and impractical, leading to time-consuming re-negotiation by bidders, and adding cost and complexity to schemes with little real benefit to the promoters.

### *Scope of Work:*

- Review recent procurement documentation for UK schemes. Which performance measures were easiest to understand, and worked best in practice?
- Review performance measures used in France, Germany, and the USA. Could any of them form the basis of a standard performance measure in the UK?
- Develop a standard performance measure consisting of key performance indicators (KPIs) which are easy to understand, and which are measurable, manageable, and objective.

## **Activity 10 – Standard Specification Template**

### *Problem identified*

Bespoke specifications are costly to produce, review and bid against and lead to an increase in cost and risk to bidders and promoters in reaching a common understanding of the specified requirements and the allocation of risk within contracts.

### *Scope of work*

- Review and build upon the Libertin proposals for common EU specification templates covering infrastructure, vehicles and operations.
- With working group 1, establish standard terms and references for population of the specification template.
- Assess the output of Libertin and other EU harmonisation projects to identify which proposals for common standards and practices can be adopted and adapted for UK use.
- Ensure that the standard specification template is compatible with procurement models for both system supply, renewal and maintenance.
- Work with Libertin / Libertin 2 in further developing and testing the standard template.

**Estimate of the Annual Running Costs of UKTram Limited**

Refer to attached spreadsheet

TRANSPORT FOR LONDON

STAFF SUMMARY  
TFL BOARD

**SUBJECT:** Annual Workforce Composition Report

**MEETING DATE:** 23 March 2005

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**1. INTRODUCTION**

- 1.1 This report is the result of a formal request by Kirsten Hearn, TfL Board Member.
- 1.2 The monitoring of the workforce is essential to TfL and has enabled us to track the representation of women, Black & Minority Ethnic employees<sup>1</sup> and disabled employees in the workforce at all levels in order to attract and retain a workforce which reflects the community it serves. The data allows for Analysis of the workforce and provides a backdrop for the setting of targets where there is under representation of particular target groups.

To date target groups have been based on single, social identifying factors, such as gender, ethnicity and disability. It is acknowledged that this is an area of monitoring which needs to be further developed in order to reflect the fact that individuals may belong to more than one target group.

The information here is also reported to internal & external bodies allowing further sharing of information and independent scrutiny of data.

The purpose of this report is to provide a positional statement that will present an overall picture of the TfL workforce, highlight the current position on recruitment data and staff turnover and report progress towards equality targets pan TfL and by mode.

**2. BACKGROUND TO REPORT**

- 2.1 In terms of workforce monitoring it is evident that there is much good practice across all modes, albeit different ways of collecting and presenting workforce data. Information is being used to empower managers with real-time workforce data to enable future resource planning, assist ongoing identification of areas of under representation. This facilitates targeted action planning and presents modes with an opportunity to further develop equality

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<sup>1</sup> LUL adopted the term BME (Black & Minority Ethnic) in its reports in line with the GLA and TfL in April 2004. This term BME covers the ethnic classifications as highlighted in point 3 as defined under the census classifications. Prior to this the term EMG – Ethnic Minority Group was used in workforce composition reports to describe Black African, Black Caribbean, Black Other, Bangladeshi, Asian Indian, Pakistani, South East Asian, Asian Other

<sup>3</sup> Please note that depending on date workforce composition report is produced, overall employee numbers may vary slightly. This does not effect over percentages. These figures are from SAP TfL wide reporting.



targets and action plans, build on current success and learning from the challenges faced.

- 2.2 This report provides a starting point for reviewing these practices with a view to developing a consistent reporting and monitoring approach that will culminate in the publication of an annual workforce monitoring report.

### **3. TFL WORKFORCE**

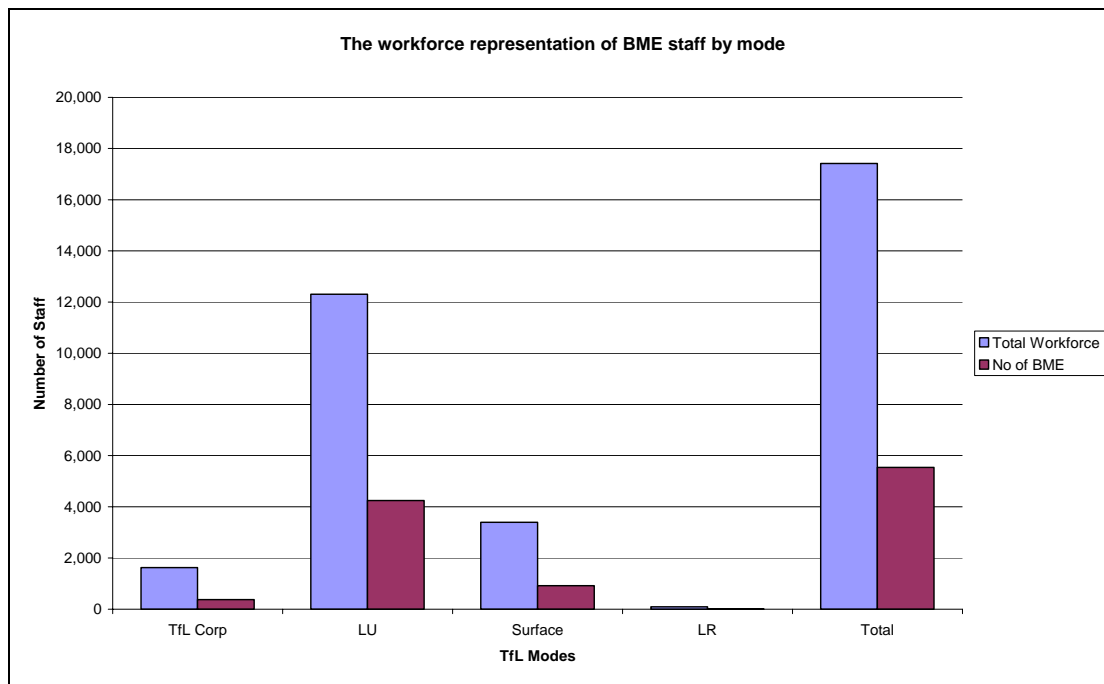
- 3.1 The overall TfL workforce composition (at Period 10) is 17,413<sup>3</sup> of which 31.8% are Black & Minority Ethnic, 21.3% Women and 0.4% disabled staff.
- 3.2 Black & Minority Ethnic Representation pan TfL - The Black & Minority Ethnic representation for TfL overall, is 31.8%, compared to 29%<sup>5</sup> of Black & Minority Ethnic groups in London, and 24% of all London workers. The largest Black & Minority Ethnic employee representation is within London Underground and Surface. An example of the jobs where black and ethnic minority staff are most represented can be seen in London Underground, where 38% of staff are in operational posts such as customer service assistants and station supervisor roles.
- 3.3 The issue of representation in terms of race is very different to that of gender (where there is significant under representation). While there is not an issue of under representation of Black & Minority Ethnic employees overall within TfL there is very clear evidence that the representation of Black & Minority Ethnic employees decreases considerably the higher up the management chain one climbs. The underlying assumption is that there is not an issue in attracting Black & Minority Ethnic candidates to the organisation. However there are issues of bias within the recruitment process at either shortlisting and/or appointment levels of Black & Minority Ethnic candidates particularly to management grades.
- 3.4 There is currently a strategic initiative to introduce a new recruitment monitoring system (IGRASP) that will allow for equality monitoring of recruitment.
- 3.5 A further example of work being undertaken by London Underground to eliminate racial bias from the recruitment process includes the further review of selection tools within recruitment campaigns. Bias in selection tools for Customer Service Assistants (CSAs) and Supervisors was identified and subsequently changed. Further evaluation is now being undertaken across other grades and roles where assessment tests form part of the selection process.
- 3.6 Under representation has also been identified as a major issue for

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<sup>5</sup> Figures from Mayor of London Publication – Pushing back the Boundaries June 2003

PCO. Taxi drivers remain overwhelmingly white and male. In October 2004 taxi drivers were 98.5% male and 95.6% white. Last year's review recommended that the PCO should proactively set appropriate applicant targets and consider ways of attracting more women and black and minority ethnic 'Knowledge' applicants. An example of action taken to increase diversity within the PCO is the introduction of a positive action poster campaign which shows a more representative picture of the workforce. The PCO has made some progress in encouraging wider diversity; applicants in 2004/05 were 75% white and 97% male.

Mode	Total Workforce	No of Black & Minority Ethnic	% of Black & Minority Ethnic
TfL Corp	1,621	375	23.1
LU	12,303	4,243	34.5
Surface	3,398	919	27.0
LR	91	8	8.8
Total	17,413	5,545	31.8



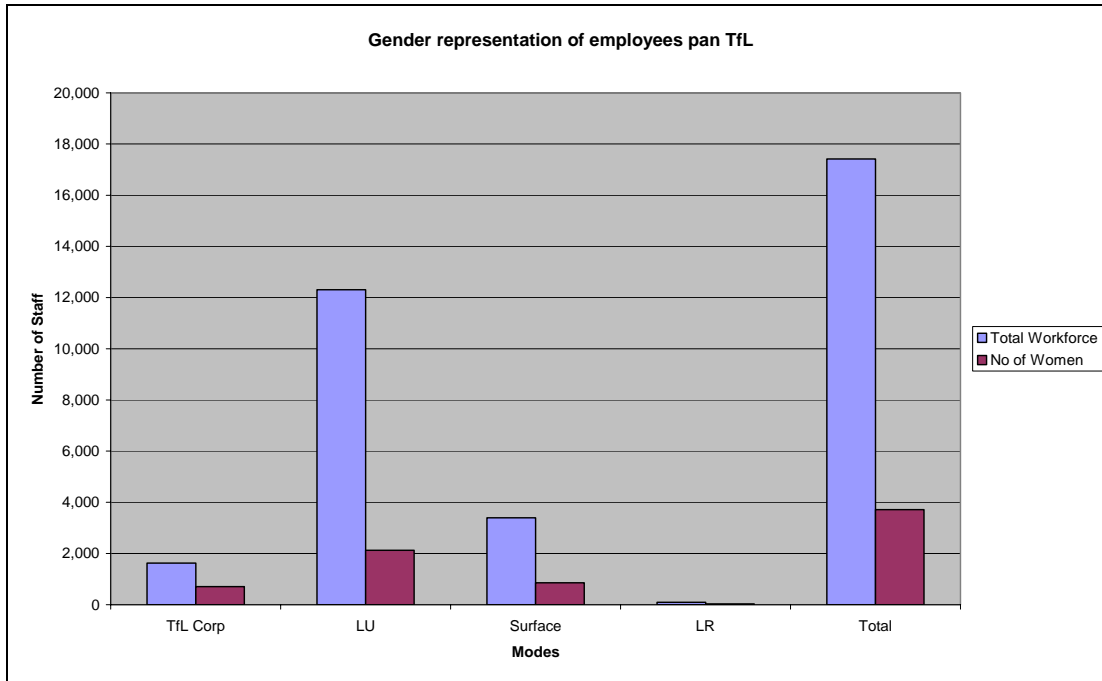
#### 4. GENDER REPRESENTATION PAN TFL.

4.1 The representation of women in TfL is 21.3%. This is significantly lower when compared to the 45.7%<sup>6</sup> women working in London. The largest numbers of women are employed in Corporate TfL, and the lowest within London Underground.

<sup>6</sup> Data sourced from 2001 Census commissioned table M248:Sex & Age & Economic Activity (exc. FTE Students)

- 4.2 The transport industry is still widely perceived as a male dominated industry and it is 'expected' that women will be over represented in "white collar" areas particularly administration and severely under represented in operational areas.
- 4.3 "White collar" areas are perceived as more flexible environments, more accommodating of care responsibilities, offering flexible working, job sharing, whilst operational work is shift based, and facilities can be sub standard.
- 4.4 TfL's main area of concern remains the low numbers of women employed in the organisation. TfL have started to focus on getting the right message to specific groups of women, rather than assuming all women respond to the same hiring proposition – which they don't. TfL's unique approach to using the creative resource of recruitment advertising agencies and smart media buying has enabled a 30% increase in female candidates who have passed first stage sifting for recruitment as customer service assistants. TfL are also looking at candidate pools which will develop women candidates for jobs which have been traditionally male dominated in the past.
- 4.5 London Underground has had considerable success in raising the numbers of women train operators with the overall percentage increasing from 2.6% in 2000 to 6.6% in 2004. This improvement has been the result of improved facilities for women (for example the Dignity at Work programme), culture change through an equality based development programme (Managing Diversity Competence Programme) and targeted advertising.
- 4.6 Expanding the number of women employees in the bus industry, particularly, women bus drivers, remains a Mayoral priority for the second term. Currently c7% of bus company employees (and c6% of bus drivers) are women.
- 4.7 A 2004 research report into the position of women in the bus industry highlighted shift working patterns, garage culture and the lack of facilities as the key obstacles to expanding women's employment.

Mode	Total Workforce	No of Women	% of Women
TfL Corp	1,621	706	43.6
LU	12,303	2,127	17.3
Surface	3,398	852	25.1
LR	91	29	31.9
Total	17,413	3,714	21.3



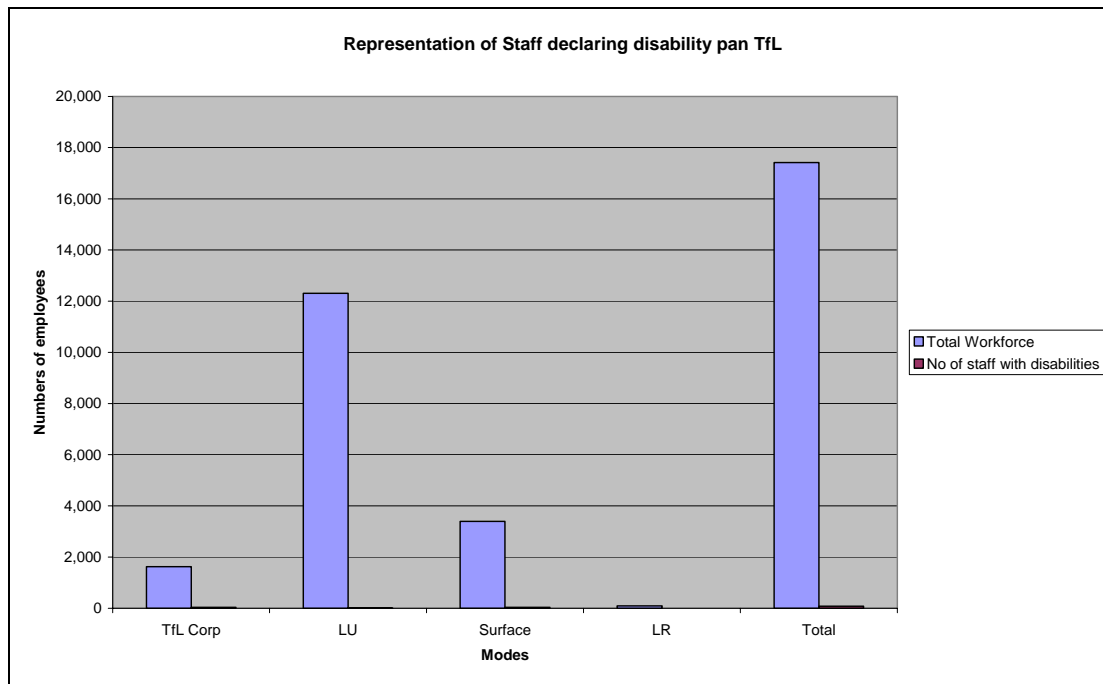
## 5. REPRESENTATION OF DISABLED STAFF

5.1 The representation of TfL employees declaring a disability is 0.4%; this is significantly lower than the 7.7% of disabled people working in London. We accept the numbers of employees declaring disability is extremely low, and there is still much work to be done in attracting more people with disabilities to TfL as an Employer of Choice and ensuring the culture is one that is inclusive and committed to supporting disabled people in employment. It is expected that disabled people will be more likely to declare their disability if they have confidence in the organisation.

5.2 It is widely recognised that disability audits are likely to show an underestimate of the actual number of disabled people in the workforce. This is due to a range of factors which are likely to lead to under-declaration:

- Anxiety about confidentiality may deter some people.
- Many people who are technically protected by the Disability Discrimination Act reject the label “disabled” either because of the perceived stigma attached, or because they associate “disability” with very serious and visible physical or mental impairment.
- Some people will reject the word “disabled” as simply irrelevant, given that they are doing a good job and any barriers they face have been removed.
- Asking “are you disabled?” can cause anxiety through fear that disclosure could lead to discrimination, to disadvantage or could change the way colleagues behave.

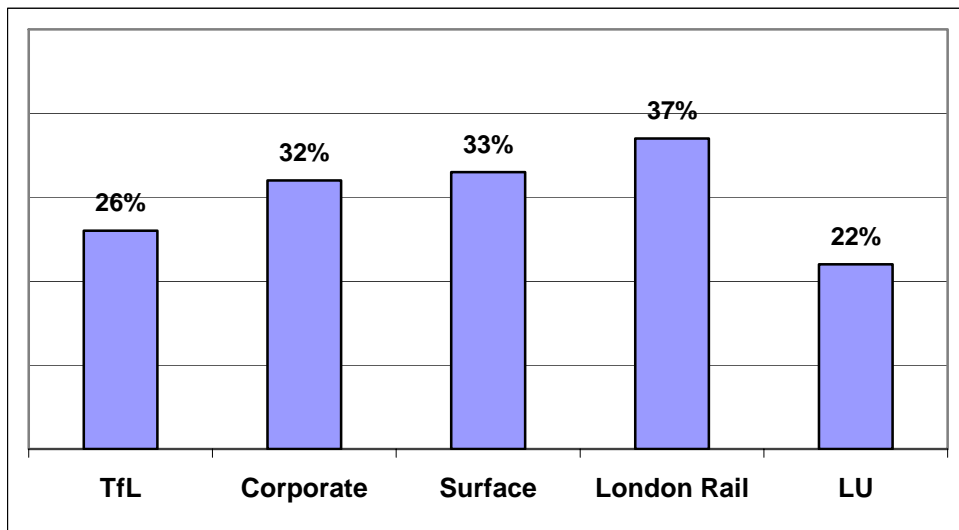
Mode	Total Workforce	No of Disabled Staff	% of Disabled Staff
TfL Corp	1,621	32	2.0
LU	12,303	5	0.0
Surface	3,398	37	1.1
LR	91	1	1.1
Total	17,413	75	0.4



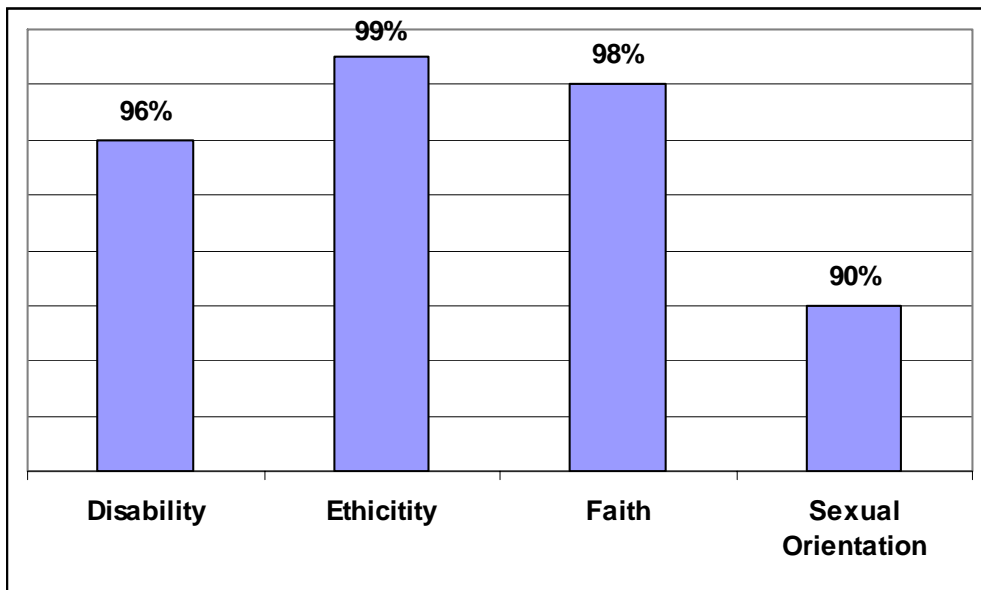
## 6. INTRODUCTION OF MONITORING OF SEXUAL ORIENTATION AND FAITH PAN TFL AND DISABILITY MONITORING FOR LUL

- 6.1 Following the new employment regulations covering sexual orientation and religion & belief, TfL, as part of the Equality Audit exercise undertaken in April 2004, introduced monitoring on sexual orientation and faith for the first time. In addition, London Underground introduced disability monitoring for the first time. The overall responses were low, but encouraging considering the sensitive nature of the data.

## Equality Questionnaire Response Rate – TfL wide and by mode



## Response rates per question



- 6.2 The overall response rate to the questionnaire, of 26% is considered very good for a self-completion survey, and particularly encouraging considering the sensitive nature of the data being collected.
- 6.3 Results from this survey and on-going monitoring statistics will be available via SAP from April 2005, and will be regularly reported to the Board, alongside gender, ethnicity and disability data, thereafter.

## 7. RECRUITMENT DATA

- 7.1 The introduction of the e-recruitment system – I-grasp, will ensure that all information and data will be captured centrally. Additionally, the functionality of this system enables truly accurate reports for all modes to be produced.
- 7.2 The figures relating to resourcing and recruitment for the past year have been compiled from a number of different sources. This has been due to the extensive re-organisation of the HR function over the past few months.

## 8. TURNOVER DATA

- 8.1 The internal and external movement of staff is critical when analysing staff retention and identifying potential areas of concern, and equality target/s forecasting. Reports have been created within SAP to allow for detailed monitoring of turnover by all equality targets groups and can be reviewed to a detailed level of an individual job group for example, allowing analysis of wastage levels of women in train operators or senior management. These reports are currently being tested by SAP team.

## 9. HEADLINE PROGRESS TOWARDS TFL EQUALITY TARGETS

- 9.1 The following section reports on current progress towards pan TfL equality targets which are an aggregation of targets established across each mode.
- 9.2 It is evident from initial review of the equality target setting process that there are variations in approach. It is necessary to build on good practice from all modes to build a single methodology in establishing equality targets pan TfL. This needs to be further developed by enhancing links between action plans put in place to achieve forecast targets.

### TfL Equality Targets for Women

Headline	Baseline August 04	Target March 05/06 <sup>7</sup>	Actual January 05 (pd 10)
Women in Senior Management	19.1%	23.5%	<b>17.9%</b>
Women Overall	21.3%	24.3%	<b>21.3%</b>

- 9.3 TfL's target for women's employment is probably over-ambitious; to achieve an increase in overall women's employment from 21% to 24% by 31 March 2006 would entail recruiting women at c45% of total recruitment whereas their recruitment percentage has stayed steady at 29% over the last eighteen months. TfL will review their current future targets to ensure they are realistic.

<sup>7</sup> These figures have been reported in the TfL business plan 2005/06 – 2009/10 and GLA Equality & Budget Submission 2005/06 and TfL business plan 2005

### TfL Equality Targets for Black and Minority Ethnic

Headline	Baseline August 04	Target March 05/06	Actual January 05 (pd 10)
Black & Minority Ethnic staff in Senior Management	6.6%	9.7%	<b>6.7%</b>
Black & Minority Ethnic Staff Overall	31.8%	To be maintained at or above 25%	<b>31.8%</b>

- 9.4 A full review and analysis of recruitment, and turnover data will be undertaken at the 31<sup>st</sup> March 2005, as part of the Equality Targets monitoring process. This will ensure targets established are realistic and achievable. In order to achieve equality targets it will be necessary to review alongside equality target action plans to enable appropriate action to be implemented.

### TfL Equality Targets for Disabled Staff

Headline	Baseline August 04	Target March 05/06	Actual January 05 (pd 10)
Disabled staff overall	1.4%	2.4%	<b>0.4%</b>

- 9.5 TfL must, in future, be seen as an exemplary employer for disabled people. To this end, we have to build on work already undertaken, for example, the workforce audit to improve access to the work environment and the introduction of the Two Ticks (positive about disability) process.

## 10. GRIEVANCE & DISCIPLINARY

- 10.1 TfL statistics show that Black & Minority Ethnic staff are disproportionately more likely to be the subject of disciplinary procedures. In the eighteen months to September 2004 41% of disciplinaries were started against Black & Minority Ethnic staff, (32% of staff overall are Black & Minority Ethnic).

## 11. RECOMMENDATIONS

- 11.1 The Board is invited to NOTE that:

- (a) TfL will keep under review its workforce targets to ensure they are realistic and achievable.



- (b) TfL will produce a Human Resources strategy which builds on current equality programmes to ensure TfL meets its workforce targets for 2005/6-2009/10.
- (c) TfL will produce an Annual Board report on workforce composition and HR strategy, and plans for achieving workforce diversity and equality.

**TRANSPORT FOR LONDON**

**STAFF SUMMARY  
TFL BOARD**

**SUBJECT: Report from Finance Committee**

**MEETING DATE: 23 March 2005**

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**1. PURPOSE**

- 1.1 To report to the Board on matters discussed at the Finance Committee on 9 March 2005.

**2. BACKGROUND**

- 2.1 The Committee discussed a number of items which are the subject of papers considered elsewhere on the agenda: the 2005/6 Budget, the Treasury Management Strategy and Prudential Indicators, the formation of the associate company UKTram Limited and the A406 Hanger Lane bridge replacement scheme compulsory purchase.
- 2.2 The discussion of the 2005/6 Budget focussed on the changes that had been made since the Business Plan was approved by the Board in October 2004 and the implications for future reporting to the Committee so that it can most easily discharge its monitoring function. In particular, staff numbers are budgeted to increase in 2005/6 despite the expanded efficiencies programme and the Committee will be reviewing in more detail at its next meeting the reasons for this (such as the increasing level of capital investment).
- 2.3 Further work is being carried on the borrowing and ash management strategies and this will also be considered at the Committee's next meeting. There was a useful discussion of the content of these strategies which identified a number of aspects which members would like to see specifically addressed.
- 2.4 The Committee considered a paper on West London Tram and received a presentation on the results of the public consultation and the project's business case. It is expected that approval to submit the application for a Transport and Works Act will be sought from the Board in October after consideration by the Finance Committee. Members recognised that the case for the tram is underpinned by a number of technical matters and requested that an independent evaluation of these be consulted to inform their deliberations in October. They also identified a number of other areas which they would expect to be fully briefed on in the autumn, including the likelihood of securing funding for the construction phase of the project.

2.5 The next regular meeting of the Finance Committee will take place on 3 May 2005.

**3. RECOMMENDATION**

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

**TRANSPORT FOR LONDON**

**STAFF SUMMARY  
TfL BOARD**

**SUBJECT:** Report from Safety Health and Environment Committee Meeting – 3<sup>rd</sup> March 2005

**MEETING DATE:** 23<sup>rd</sup> March 2005

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**1. INTRODUCTION**

1.1 To update the Board on Health, Safety and Environmental (HSE) matters.

**2. BACKGROUND**

2.1 The main matters at the meeting were a review of the Q3 performance of the businesses, consideration of aspects of Environmental activities in TfL, Crime, a Legal Compliance Report and an update on Powered Two Wheeler Casualty Trends.

**3. IMPACT ON FUNDING**

3.1 There are no financial implications.

**4. RECOMMENDATION**

4.1 The Board is asked to NOTE the content of the report.

Further details on the content of the report can be obtained from:  
Richard Stephenson (Tel: 0207 941 4905)  
Director Group HSE

**Report to TfL Board from 3 March 2005,  
Safety Health and Environment Committee**

**1) Q2 HSE REPORTS FROM THE BUSINESSES WERE REVIEWED**

**Rail**

- 1.1 Members noted the continued good safety performance in Docklands Light Railway Ltd (DLRL), Serco Docklands Ltd (SDL) and City and Greenwich Lewisham Rail (CGLR). It was also noted that Safety Case/HSE Management System Audits had been completed. Improvement plans based on audit findings are in preparation.

The Committee noted the good performance of DLRL with regard to sickness absence; for 2003/04 5.2 days per employee were lost and for 2004/05 year to date 1.4 days per employee has been lost.

**Surface Transport**

- 1.2 A joint working group of London Buses and Operators continues to address improvements to the new ATLAS incident reporting system.
- 1.3 There was a fatal accident involving a fall from a Routemaster bus in Blackstock Road N5 and another on board a bus involving a fall down stairs; Crofton Road Bromley.
- 1.4 Both the incidents are under investigation.

**LUL**

- 1.5 All safety performance indicators and precursor trends were stable or improving in LUL, PPP and PFI companies.
- 1.6 It was noted that the upward trend in the number of workplace violence incidents had slowed with a 20% fall in the number of physical assaults and a 2% decrease overall i.e. including verbal assaults.
- 1.7 Whilst there were no Major incidents in the reporting period it was noted that there had been a Platform Train Interface incident that had resulted in a fatality in February. There was also an incident in January, where, following what is believed to have been a suicide, traction current could not be immediately turned off. This was the result of a series of simultaneous system failures. Both of these incidents are under formal investigation at the present time.
- 1.8 Signals Passed At Danger is showing an encouraging trend which is expected to continue into Q4.

## **Corporate Directorates**

- 1.9 It was noted that a review of management of HSE risks in Major projects across TfL would be undertaken to ensure that there were no unwarranted differences of significance.
- 1.10 It was noted that a review on fire safety arrangements across the head office portfolio is scheduled for Q4.

## **2) ENVIRONMENTAL MATTERS - BENEFITS**

- 2.1 Each business is responsible for the management of its environmental matters supported by local professional staff. Group Transport Planning & Policy (GTPP) is responsible for co-ordinating TfL's environmental reporting and monitoring of progress. GTPP facilitate an internal environment forum, the Environmental Liaison Group (ELG), whose purpose is to share information and best practice and to co-ordinate projects, plans and processes. The ELG comprises representatives from all directorates.
- 2.2 GTPP report TfL's environmental plans and performance in various ways:
- A published Environment Report (2002 and 2004). It is anticipated another report will be published in the autumn of 2005 (2005/06 Q3).
  - Writing the environment section of the Business Planning Guidelines (2004/05 Quarter 4) and producing the environment section of the Business Plan (2005/06 Q2).
  - An environment budget for the GLA and London Assembly. Last year was the first year of its production and it is expected one will be required this year 2005/06 Q3).
  - Audit Committee reports on TfL's progress in implementing the Mayor's environmental strategies. A paper was last submitted in 2004.
- 2.3 The plan for 2005 is to move more towards a quantitative reporting basis, whilst maintaining the established project-reporting process. Key performance indicators are being developed by the ELG for each environmental objective. Baseline data is being collected for 2003/04 and in the summer data will be collated for 2004/05. Both data sets will be reported in the 2005 Environment report. Continuous improvement in future years is expected and projection and targets will be developed in order to manage TfL's environmental performance.
- 2.4 The performance indicators have been drafted and are to be approved by the relevant operational modes and directorates. The aim is to have performance indicators that apply pan-TfL wherever possible.
- 2.5 The collecting of performance indicator data is subject to continuous improvement. This year, TfL is measuring its own activities where it has greatest control or where contracts are in place. In future years TfL will more fully address the performance of contractors, e.g. for waste TfL currently has data only for LU commercial and industrial waste but the aim is to have all contractors/franchisees ultimately i.e. including buses, trams, DLR etc.

2.6 The key performance indicators for the tier one objectives are currently:

Reduce pollutant emissions to air:

- Nitrogen oxide (NOx) emissions: total and per modal passenger km
- Fine particles (PM10) emissions: total and per modal passenger km
- Sulphur dioxide (SO2) emissions: total (stationary)

Reduce energy consumption:

- Carbon dioxide (CO2) emissions: total and per modal passenger km
- Percentage of renewable energy (of electricity portfolio)

Reduce noise and vibration:

Investigating:

- Number / proportion of properties exposed to road traffic and rail noise levels within a given noise band
- Percentage of TLRN surfaced with Stone Mastic Asphalt (Streets)

Interim modal performance indicators:

- Number of complaints (and potentially) time to respond (LU)
- Number of written complaints (Victoria Coach Station)

2.7 The baseline data for each performance indicator, (i.e. current performance) represents TfL's contribution. TfL is working with the GLA to put the performance indicators and baseline data into the broader London context by comparing TfL's contribution to each indicator to the transport sector as a whole and to the contribution from all sources in London.

### **3) ENVIRONMENTAL MATTERS – RISKS**

3.1 The Committee was advised that work is in progress to address the relative environmental risks across TfL with a view to assessing the adequacy of current mitigation measures and options for additional ones should they be considered necessary.

### **4) CRIME/HATE CRIME**

4.1 It had been hoped to deliver a report on Crime/Hate Crime to the meeting but collection and collation of the data are still ongoing.

4.2 The Committee will receive a report on Crime/Hate Crime once available.

4.3 The Committee received an oral update on restructuring of the basis of TfL's management relations with the British Transport Police(BTP) and the Metropolitan Police Service(MPS). In essence there is now a high level 'single point' relationship through the Director of the Transport Policing and Enforcement. This 'single point' relationship ensures that TfL communicates clear strategic priorities to both policing agencies and maximises the impact of their activities.

## **5) LEGAL COMPLIANCE REPORT**

- 5.1 The Committee received a Legal Compliance Report in relation to HSE matters for the period September 2003 – October 2004.
- 5.2 There were no reported non compliances in the period September 2003 – April 2004.
- 5.3 In the period May 2004 – October 2004 LUL received 10 formal contravention notices from London Fire Emergency Planning Authority (LFEPA). The problems identified have all been rectified and processes put in place to prevent a re-occurrence. The Committee expressed concern re 6 contraventions at Holloway Road Station but received assurance that appropriate action had been taken and that in general LUL's performance in relation to fire safety measures was regarded as good by LFEPA.
- 5.4 Surface Transport was notified by LFEPA that King's Building lacked adequate signage and fire suppression system in the basement, this has now been resolved by Group Property.
- 5.5 It was confirmed that the Committee would receive regular legal compliance reports.

## **6) SECURITY AND RESILIENCE REVIEW UPDATE**

- 6.1 The Committee was updated on security and resilience matters. A Resilience Steering Team chaired by General Counsel, Fiona Smith, has been created to provide Chief Officer/Managing Director level guidance on Resilience matters.
- 6.2 It was noted that the Resilience Review which had commenced mid 2004 had been concluded with a report-out to the Resilience Steering Team.
- 6.3 It has been agreed that to enhance the management of Resilience across TfL Group HSE will play a co-ordinating role in relation to Resilience that parallels its HSE role i.e. being responsible for Group level Resilience policy and strategy and providing Group Level assurance processes.

## **7) UPDATE ON POWERED TWO WHEELER CASUALTY TRENDS**

- 7.1 While good progress is now being made in reducing Powered 2 Wheeler (P2W) Killed and Seriously Injured casualties (KSI), it is clear that we will not achieve the target 40% reduction from the 1994-98 baseline by 2010.
- 7.2 TfL activities to improve safety for P2W riders have included:
- Advertising programmes
  - BikeSafe training



- 7.3 Additional initiatives planned are:
- A rider training programme suitable for referral by the Police/Courts
  - Additional rider education/awareness courses
  - A new advertising campaign focussed on 'filtering' collisions and correct clothing.
- 7.4 There are strategic options that could affect the numbers of motorcycles and P2W casualties which might be considered, some of which are:
- Extending the congestion charging regime to motorcycles.
  - Possibility of allowing motorcycles in bus lanes (current trials in London are inconclusive as yet).
  - Changing the rules for obtaining licences; including:
    - removing the 'direct access' route
    - changing the age at which licences can be obtained
    - changing the power of the machine allowed for new / young riders
  - Changing the testing regime, with the objective of raising the skills and awareness of new riders.
  - Changes in the motorcycle design to include safety equipment such as rider airbags and leg protectors
  - Fitting of Intelligent Speed Adaptation (ISA) devices, to keep motorcycles to the speed limits.
- 7.5 Some of these are included in current TfL studies, such as the ISA research work, whereas others are entirely with the remit of the Department for Transport.

**DOCUMENTS SEALED ON BEHALF OF TRANSPORT FOR LONDON**  
**26 January – 8 March 2005**

**Property Transactions**

- 1 TP1 Land Registry Form
- 2 DS1 Land Registry Form

**Highway Agreements**

- 1 Agreement, Section 8 of the Highway Act 1980
- 1 Agreements, Section 38 of the Highway Act 1980
- 1 Licence, Section 177 of the Highway Act 1980
- 3 Agreement, Section 278 of the Highway Act 1980

**Agreements with London Boroughs**

- 1 Agreement, Section 106 of the Town and County Planning Act 1990

**Trust Deeds**

- 1 Trust Deed for the Supplementary Scheme

**Thames Gateway**

- 1 Thames Gateway (A 2012 GLA Road Agreement)

**LRT Pension Fund**

- 1 Deed of Variation

***The TfL Seal Register will be available for inspection by Board Members at the meeting.***