

TRANSPORT FOR LONDON

AGENDA

BOARD MEETING

TO BE HELD IN ROOM AG16
ROMNEY HOUSE, MARSHAM STREET, LONDON SW1P 3PY
ON THURSDAY 27TH JULY 2000, STARTING AT 1430 HRS

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. Please note that members of the press should use the Tufton Street Entrance.

1.	Apologies for absence	Oral Item
2.	Minutes of previous meetings 2.1 Board meeting (private) held on 3 rd July 2.2 Board meeting (public) held on 3 rd July	
3.	Matters arising	Oral Item
4.	Standing Orders 4.1 Amendment of Standing Orders 4.2 Progress in relation to Committees and Management Boards	Paper by TfL Paper by TfL
5.	Finance 5.1 2000/01 Budget Inheritance – initial report 5.2 Spending Review 2000 5.3 Approval of auditors recommended by the Audit Commission	Paper by TfL Paper by TfL Paper by TfL
6.	Fares Revision	Paper by TfL
7.	London Bus Network	Paper by TfL
8.	Company Cars	Paper by TfL
9.	Chair's actions for endorsement	Paper by TfL
10.	Any Other Business	Oral Item

Transport *for* London

Minutes of a meeting of the Board

held on Monday 3rd July 2000, starting at 1435 hrs
at Room AG16, Romney House, Marsham Street, London SW1P 3PY

Present: Ken Livingstone (Chair)
Dave Wetzel (Vice Chair)
Stephen Glaister
Kirsten Hearn
Mike Hodgkinson
Oli Jackson
Jimmy Knapp
Susan Kramer
Robert Lane
Joyce Mamode
Paul Moore
Steve Norris
David Quarmby
Tony West

In attendance: Bryan Heiser
Ellen Howard
Anthony Mayer
Maureen Nolan
Lynn Sloman
Michael Swiggs

6/00 INTRODUCTION AND CHAIR'S REPORT

The Chair welcomed all present on this occasion to the first public Board meeting of London's Transport Authority. There had never been a public meeting of this type among any of the predecessors of Transport *for* London and it was the Chair's intention that this precedent, now established, would continue, so that Londoners could see (and, through the Internet, participate in) the debate on transport issues.

The Chair said he had noted from the 3rd July edition of the Evening Standard that among the key priorities for The Mayor, in Londoners' opinion, making improvements in London's transport system would not only be an 'heroic' achievement, but would also improve the power of the Mayor to do other things for London.

The Chair welcomed the new Board members, and particularly Susan Kramer and Steven Norris, fellow Mayoral candidates in earlier months. The Chair stated he was determined to improve transport and looked forward to the future achievements of TfL.

7/00 APPOINTMENTS

7.1/00 Board Members and Advisors

It was **noted** that the Mayor had decided to be a member of the TfL Board and had made the following appointments to the Board:

Dave Wetzel (Vice Chair)
Stephen Glaister
Kirsten Hearn
Mike Hodgkinson
Oli Jackson
Jimmy Knapp
Susan Kramer
Bob Lane
Joyce Mamode
Paul Moore
Steve Norris
David Quarmby
Tony West

It was further **noted** that The Mayor had invited Lynn Sloman and Bryan Heiser to act as Special Advisors to the Board and that they would attend Board meetings and contribute to discussions, but would not be entitled to vote.

7.2/00 Statutory and Administrative Appointments

It was **noted** that John Hughes had been appointed as Chief Finance Officer but he had resigned this appointment. Pending recruitment of a replacement director, it was **agreed** that Simon Ellis be appointed Chief Finance Officer and Jeremy Howland be appointed as Deputy Chief Finance Officer.

It was **noted** that Anthony Mayer currently holds the position of Chief Executive of TfL on a transitional basis. It was **agreed** that the post be retitled Commissioner of Transport *for* London.

It was **agreed** that Michael Swiggs, Director of Corporate Services, be appointed Secretary to the Board and Maureen Nolan be appointed Assistant Company Secretary.

8/00 T/L STRUCTURE

8.1/00 Organisational Structure

The organisational structure outlined in Board Paper 3.1 was **agreed**, on a provisional basis.

8.2/00 Board Structure

The board structure illustrated in Board Paper 3.2, which showed the relationship between the Board, its four Committees, the proposed five Management Boards and the operating subsidiary companies, was **agreed** on a provisional basis.

Subject to obtaining further legal advice, it was **agreed** that the Chair should progress the terms of reference and Standing Orders of the Board Committees and Management Boards and determine the appointments or appointment processes as appropriate and that a progress report be presented at the next Board meeting.

Pending the investigation and development of the Management Boards and Committees, the following appointments were **agreed**:

Management Boards

<i>Street Management</i>	:	<i>Paul Moore (Chair)</i>
	:	<i>Lynn Sloman (Vice Chair)</i>
<i>Integration</i>	:	<i>Bob Lane (Chair)</i>
	:	<i>Nicky Gavron (Vice Chair)*</i>
	:	<i>Bryan Heiser (Vice Chair)</i>
<i>Corporate Services</i>	:	<i>Steve Norris (Chair)</i>
	:	<i>Kirsten Hearn (Vice Chair)</i>
<i>Rail Services</i>	:	<i>Susan Kramer (Chair)</i>
	:	<i>David Quarmby (Vice Chair)</i>
<i>Bus, Taxi & River Services</i>	:	<i>Dave Wetzel (Chair)</i>
	:	<i>Joyce Mamode (Vice Chair)</i>

Committees

<i>Executive Management</i>	:	<i>Dave Wetzel (Chair)</i>
<i>Remuneration</i>	:	<i>Ken Livingstone (Chair)</i>

* Pending confirmation that Nicky Gavron is legally authorised to act.

It was noted that membership of the other Committees would follow. The Chair invited Board members to advise Anthony Mayer if they wished to serve on any of the Management Boards or Committees.

8.3/00 Appointments to Senior Posts

It was **agreed** that the post of Commissioner of Transport *for* London and the six director posts (excluding London Underground, as TfL does not yet have control) should be the subject of a competitive selection process organised by PricewaterhouseCoopers, with the posts being advertised internally and externally. The Chair invited Susan Kramer and Steve Norris to be involved in the selection process and asked other Board members to advise him (by writing to Anthony Mayer) if they wished to be involved.

It was **agreed** that the Chair be given the authority to appoint the seven senior positions and determine the terms and conditions of appointment; and to determine the appropriate selection procedures.

9/00 **APPROVAL OF STANDING ORDERS**

Subject to the following amendment, the Board **agreed** the Standing Orders attached to Agenda Item 4, applicable from 3rd July 2000, until further revisions are developed and agreed.

The Board **agreed** the following wording in substitution for Standing Order 3.14:

In case of urgency, the Chair of the Executive Management Committee may authorise any action to be taken in the name of the Board. In the absence of the Chair of the Executive Management Committee, other Board members as agreed by the Board from time to time may act. In all cases, consultation must take place with Board members available. All Chairman's actions must be reported at the next meeting of the Board.

It was **agreed** that, in the absence of the Chair of the Executive Management Committee, the following Board members may take Chair's action:

- Paul Moore
- Bob Lane
- Joyce Mamode
- Ken Livingstone

It was **noted** that revised Standing Orders would be brought to the next Board meeting for approval. The Chair invited Board members to advise Anthony Mayer of any changes to the Standing Orders which they considered necessary.

The following changes were **agreed** to the membership of the Board of Transport Trading Limited:

- the resignation of John Hughes
- the removal of Denis Tunnicliffe and Derek Smith
- the appointment of Dave Wetzel (as Chair) and Joyce Mamode
- the appointment of Anthony Mayer
- the continuing appointments of Richard Smith, Clive Hodson and Michael Swiggs

- the appointment of Maureen Nolan as Company Secretary.

10/00 **INTERNAL POLICY STATEMENTS – T/L**

The Board **agreed** the Health & Safety Policy shown as Appendix A of Board Paper 5 and **noted** that a range of other policies and standards were being prepared. It was **noted** that there was a need for further review of policy issues, in particular in the area of employment.

11/00 **2000/01 BUDGET INHERITANCE**

The Board noted the inherited budget for TfL and **agreed** to a report from the Chief Executive at the September Board meeting, following a review. It was also **agreed** that a report on priority items should be considered at the next meeting.

12/00 PROCEDURAL ITEMS

12.1/00 Banking Arrangements

The following resolutions were **agreed**:

THAT it was, in the opinion of the Board members, for the benefit of Transport *for* London and for the purposes of its business that it should give the guarantee and sign and deliver to the Bank a guarantee from Transport *for* London and others;

THAT the Chief Finance Officer and the Secretary be authorised on behalf of Transport *for* London to sign the guarantee.

12.2/00 Adoption of Common Seal

The seal, an impression of which was tabled at the meeting, was **adopted** as the common seal.

12.3/00 LRT Pension Fund Interim Deed of Participation

The Interim Deed of Participation was **agreed**, subject to such amendments as may be authorised by the Chief Executive or the Director of Integration or their nominated representative and that the Secretary and Assistant Secretary of TfL are severally authorised to sign, seal and deliver the Interim Deed of Participation on behalf of TfL including any additional deletions and amendments so authorised.

12.4/00 Orders relevant to TfL made under GLA Act 1999

The Board **noted** the Orders (outlined in Appendix 1 of Board Paper 7.4) which were made on 3rd July 2000 and the consequences of those which were not in force by that date.

The Board **approved** the Agreement for Exercise of Functions Pending Transfer and authorised A. Mayer and M. Swiggs to execute the agreement on behalf of TfL.

12.5/00 Statutory Delegations

The Board **agreed** to delegate the discharge of the statutory functions of TfL, as outlined in the schedule attached to Board Paper 7.5, to the committees, officers, and/or subsidiaries of TfL as specified in said schedule.

12.6/00 Approval of meeting cycle

It was **noted** that there would be ten Board meetings held a year. It was further **agreed** that the next three meetings would be held on 27th July, 8th September, and 3rd October, times and venues to be confirmed.

It was **noted** that a schedule of meeting dates for the remainder of 2000 and the whole of 2001 would be circulated to Board members shortly.

13/00 **MANIFESTO OF THE MAYOR FOR LONDON**

The Board **noted** the manifesto of The Mayor and **agreed** to work with the Mayor to facilitate the development, securing and implementation of the Mayor's transport policies and strategy in accordance with their duties under the Greater London Authority Act 1999 and other laws.

14/00 **ANY OTHER BUSINESS**

Public Carriage Office

The Board **endorsed** the Chair's action to delegate power to Michael Swiggs to issue licences for drivers of hackney carriages, hackney carriages, and issue notices for unfit vehicles from 0730 on the morning of 3rd July

There being no further business, the meeting closed at 1525 hours.

TRANSPORT FOR LONDON

BOARD PAPER

SUBJECT: AMENDMENT OF STANDING ORDERS

MEETING DATE: 27 JULY 2000

1. INTRODUCTION

- 1.1 Standing Orders were approved by the TfL Board on 3 July 2000. Further refinements of the Standing Orders are necessary to allow decisions to be taken within the organisation that relate to its day to day functioning. The opportunity for amendment has also been taken in relation to references to the Chair and Vice Chair. Minor technical amendments have also been made.
- 1.2 Further changes to the Standing Orders are likely at the September Board meeting.

2. BACKGROUND

Standing Order No. 1 (Decision Making Structure and Proceedings)

- 2.1 The proposed significant amendments to Standing Order No 1 are:
- References to Chairman and Deputy Chairman have been changed to Chair and Vice Chair respectively.
 - Property transactions associated with constructing or improving a highway for which TfL is the highway authority and the value of the property is less than £1 million is no longer reserved to the Board.
 - Arrangements for delegation of financial authority have been revised to permit a scheme of delegation to be introduced for the Chief Executive's authority of £25m. and the authority of the Director of Performance and Finance in respect of traffic related agreements (Revenue Agreements). Both schemes require the approval of the Chair of the Executive Management Committee.

Standing Order No. 2 (Financial Regulations)

- 2.2 The proposed significant amendments to Standing Order No 2 are:
- The merging of the previously entitled section "Control of Cost Centre Budgets" into the "TfL Budget: Monitoring and Control" section.
 - The elimination of two paragraphs on detailed budgetary control procedures and the inclusion of the principles of these in a minor extension of paragraph 5.5 to provide greater clarity.

The Standing Orders also include minor drafting improvements and the renumbering of sections and paragraphs arising from the changes above.

3. TRANSPORT TRADING LIMITED

Clive Hodson has resigned as a director of Transport Trading Limited from 21 July 2000. Dick Halle is the suggested replacement.

RECOMMENDATION

It is recommended that the Board NOTE the resignation of Clive Hodson as a director of Transport Trading Limited from 21 July 2000 and APPROVE the appointment of Dick Hallé as a director of Transport Trading Limited.

It is recommended that the Board APPROVE the attached Standing Orders.

Anthony Mayer
(Transitional) Chief Executive
27 July 2000

TRANSPORT FOR LONDON

BOARD PAPER

**SUBJECT: PROGRESS IN RELATION TO COMMITTEES AND
MANAGEMENT BOARDS**

MEETING DATE: 27 JULY 2000

1. INTRODUCTION

At the meeting of the TfL Board of 3 July a prospective management structure for TfL was outlined, which was endorsed, subject to obtaining legal advice on a variety of matters including constitutions, memberships and relationships with existing subsidiary companies. This paper provides an update on progress. The proposed structure chart, as tabled on 3 July, is attached for reference.

2. BACKGROUND

2.1 The following can be concluded from the advice TfL has obtained:

(i) Bus/Taxi/River Services

It had been proposed that a ‘board’ be developed which provided direction to bus and river subsidiaries and to the Public Carriage Office (PCO). The inclusion of the PCO, which is a regulatory function of TfL within this structure, is not appropriate.

A Bus/River Board (depending on tax and financial advice) could be established by either incorporating a new over-arching subsidiary or appointing common board members to the existing companies and convene their meetings jointly. The latter is immediately achievable.

In either case, the Greater London Authority Act 1999 (the Act) does not impose specific restrictions as to who may be directors of these companies. Therefore, potential membership of the subsidiary company boards would not be confined to TfL Board Members or Officers.

(ii) Rail Services

A Board was proposed which would have responsibility for Docklands Light Railway Limited (DLR) and, in due course, London Underground Limited (LUL).

Subject to further taxation and financial advice, it is possible that this Board can be created as a subsidiary company, probably more appropriate once LUL joins TfL. As existing DLR non-executive

directors' terms of appointment expire in September, urgent attention is being given to the establishment of the 'designate' Rail Services Board. Common memberships of the 'designate' Rail Services Board and the DLR Board may be a means of achieving practical progress in the immediate future.

(iii) Integration and Corporate Services

Boards had been proposed for Integration and Corporate Services functions. Integration and Corporate Services cannot be incorporated as companies because of the functions and activities they perform.

The Act allows for functions to be delegated to 'bodies of members and officers' and Integration and Corporate Services could be 'bodies' within this definition. These bodies could be known as boards but are subject to restrictions on membership discussed below.

(iv) Street Management

The establishment of a subsidiary is appropriate for entities with primarily trading, not regulatory, functions. Pending further (early) consideration, in the short term it is not appropriate to change Street Management's current status as a division of TfL. Like the Integration and Corporate Services functions discussed above, a 'board' of members and officers could operate on a designate advisory basis.

(v) The Public Carriage Office

As indicated above, the PCO is a regulatory body and cannot be part of, or report to, a subsidiary. Therefore it could form part of the Corporate Services 'body of members and officers'.

(vi) Membership of Boards and Committees

Membership of 'boards' other than the boards of subsidiary companies, must be confined to Members of TfL and Officers. Other persons can attend as advisors but could not be part of decision taking processes. (Similar principles apply to the members and advisers of TfL board committees e.g. remuneration, health and safety, audit and executive management).

3. RECOMMENDATIONS

The TfL Board is asked to:

- (1) CONSIDER the summary of advice to date and to require a further update of structure and memberships at the September Board meeting.
- (2) NOTE that no amendments are required to the Standing Orders at this time to provide for changes in the management structure.
- (3) NOTE that designate 'boards' will begin to convene on an informal, advisory basis only.

Anthony Mayer
Transitional Chief Executive of TfL

TRANSPORT FOR LONDON

BOARD PAPER

SUBJECT : MONTHLY PERFORMANCE REPORT AND 2000/01 BUDGET

MEETING DATE : 27 JULY 2000

1. INTRODUCTION

- 1.1 Prior to the formal establishment of TfL, the predecessor bodies worked together to develop a framework for a monthly Performance Report to the Board. This paper presents the report for the period 1 April – 2 July 2000, and invites comment on the general format and content of the document to assist in developing a regular report that meets the needs of the TfL Board.
- 1.2 In addition, at the Board meeting on 3 July, Steven Norris asked for an assessment to be presented of any emerging concerns in relation to TfL's financial performance against the 2000/01 Budget.

2. PERFORMANCE REPORT

- 2.1 On this occasion, a copy of the full version of the Performance Report for June 2000 is attached. The report is designed to present top-level performance information to the Board, covering both TfL as a whole and the individual modes. It therefore includes:
- An Executive Summary outlining key trends and performance against budget.
 - A section on TfL wide performance measures. Pan-TfL measures (e.g. on overall perception levels) are still being developed and, pending their availability, this section includes, on a rotating basis, general background information to give an overview on a number of issues concerning transport in London. The June report deals with Revenue trends and Travelcards.
 - Summary performance indicators for all TfL modes. To keep the volume of information within manageable proportions, this presents data for up to about 6 indicators per mode. When specific performance issues need addressing in more depth, it is the intention that more detailed information should be provided – including information on 'exception' basis.
 - Summary performance indicators for LUL and National Rail services operating into London.
 - Corporate Health Indicators.
 - Summary information on financial performance.

2.2 The present format and content of the report should be regarded very much as an initial proposal which will be the subject of further refinement over the coming months to ensure that it meets the needs of the new organisation, including both the TfL Board and the GLA. We are aware that we need to develop more sophisticated indicators across TfL as a whole which measure progress in dealing with customers' key concerns. A research project is being undertaken commencing in August to identify these. Comments on the format and content of the report would therefore be welcomed from Board members.

3. 2000/01 TfL BUDGET

3.1 The position regarding the budget inherited from the predecessor bodies was summarised in the paper to the 3 July TfL Board.

3.2 The grant available to TfL in its first year was set by DETR following a process run by the Government Office for London (GOL) to assess the funding needs of the predecessor bodies, essentially to preserve existing programmes and service plans. It was set without provision being made for any new requirements – e.g. the establishment of new TfL activities, the current expected needs of Street Management etc. In addition, the budget contains no reserve or contingency provision.

3.3 The total grant available to fund TfL's services and activities for the year 2000/01 totals £400.7m. The inherited spending plans for the main businesses within TfL are set out in the attached Table 1.

3.4 Since the start of the present financial year, a number of risks and expenditure items have been identified that are not currently funded. These include the following:

- **Street Management** – changes totalling an additional £30m involved in establishing the Street Management function have been identified. The key components of the excess are:
 - unbudgeted Highways Agency transfer costs (accommodation, insurance, IT) - £8m
 - higher ex-borough highway and signal maintenance costs than anticipated - £3m
 - setting up costs for congestion charging - £3m
 - additional capital programme spend and lower sale receipts - £10m
 - working capital adjustment - £5m

GOL are maintaining the line that these costs (c.3% of TfL's overall budget) should be managed within the overall funding currently available to TfL.

- **London Buses** – there are growing and unbudgeted cost pressures to reflect higher quality services and to meet increasing demand. Also, although some allowance has been made for an increase in real wages of bus drivers, there is a risk of further escalation in bus tender prices in the light of current staff shortages.
- **Fares** – the inherited budget assumed a fares increase of 1% in real terms in January 2001. Fares options for next January are being developed and the latest position will be presented to the Board. Options for further improvement to bus fares and ticketing are also under consideration.

4. PERFORMANCE TO DATE AGAINST BUDGET

4.1 Expenditure against budget for the first 3 months of the year is summarised in Section 5 of the Board Performance Report.

4.2 The key variances are as follows :

Revenue Account

After three months trading, the net cost of TfL service provision is £11m less than budget at £41m. This is partly due to slower than expected spend on road maintenance and staff vacancies within Street Management and to lower contract payments paid to date to the private bus operators. The June forecast indicates that TfL's net costs of £234m are expected to be £3m less than the full year budget, of which almost all of the favourable variance results from improved ticket revenues.

Capital Programme

So far during the year, capital expenditure has fallen behind the budget phasing and is now £12m lower than budget on a year-to-date basis. The main areas of slippage include road renewal, land purchase and bus priority schemes within Street Management's budget. Capital expenditure for the full year remains forecast to be broadly in line with budget at £215m.

4.3 Allowing for the risks described in Section 3, the overall budget position is tight but at this stage during the year there should be no undue concerns that the position cannot be satisfactorily managed. No specific remedial action is recommended at this stage. The proposed 6-month budget review will ensure that if remedial action is needed then it will be taken.

5. RECOMMENDATIONS

The TfL Board is asked to:

- NOTE TfL's current performance as set out in the Board Performance Report;
- COMMENT on the general format and content of the Report; and
- NOTE the current position on the inherited 2000/01 budget.

Anthony Mayer
(Transitional) Chief Executive

July 2000

TABLE 1

Transport for London Final 2000/01 Budget

	Revenue Account		Capital Spend ⁽¹⁾	Other Items ⁽²⁾	Grant
	Cost	Income			
	£m	£m	£m	£m	£m
Transport Trading Limited					
London Buses ⁽³⁾	510.2	432.2	10.4	5.9	82.5
Docklands Light Railway	30.2	9.1	23.1	2.9	41.3
Other TTL Public Transport Services ⁽⁴⁾	39.9	14.7	8.4	0.8	32.8
Total TTL	580.3	456.0	41.9	9.6	156.6
Street Management	98.2	20.2	166.8	36.2	208.6
Public Carriage Office	5.1	4.3	2.6		3.4
Interim Transport Plans for GRN roads	5.5				5.5
Other TfL ⁽⁵⁾	30.5	2.4	2.4	3.9	26.6
Total TfL	719.6	482.9	213.7	49.7	400.7

- (1) Excluding expenditure funded by the private sector bus operators and PFI contractors.
- (2) Other items include income from property sales (£18.4m), third party contributions (£5.7m), payments to the Croydon Tramlink concessionaire (£6.3m) and movements in working capital balances including cash.
- (3) Includes budget for London Bus Services and East Thames Buses. Income represents revenue accruing to London Buses through gross cost contracts. Costs include full payments where bus service contracts are let on a gross cost basis, and net payments where operators bear the revenue risk.
- (4) Other TTL Public Transport Services include Croydon Tramlink, Victoria Coach Station, London River Services, Dial-A-Ride and Travel Information.
- (5) Other TfL costs include the Access & Mobility Unit, transport surveys (including LATS), transportation studies, traffic monitoring etc, as well as central costs.

Monthly Report to the TfL Board

June 2000

EXECUTIVE SUMMARY

This is the monthly performance report for June 2000 (including financial information up to 2nd July 2000). The performance data contained in the report has been provided by the TfL predecessor bodies on a 'shadow-running' basis and then collated by the TLT management accounts department in order to ensure that the reporting processes and systems are operating fully by 3rd July 2000. Some minor estimation has been included where consolidated TfL information is presented.

It is expected that the format and content of this report will be the subject of further refinement over the coming months to ensure that it meets the needs of the new organisation, and so we would welcome any feedback or comments on any aspect of the report, and this should be addressed to Leslie Gilbert on 020 7918 3774 or by e-mail to 'lesliegilbert@tfl.gov.uk'.

Key Modal Performance Measures

For this report, the modal measures for customer and business performance included in the TfL performance framework have been categorised as User Satisfaction, Volume of Demand, Reliability of Service and Cost & Efficiency, and all business units have been evaluated against these criteria.

The schedules on pages 3 and 4 summarise performance in June, indicating that for the main public transport modes (bus, Underground and light rail), performance in respect of user satisfaction, service reliability and demand was generally being maintained or improved. However, bus reliability (the percentage of schedule operated) fell from 97.3% in May to 96.8% in June.

The schedules also show that above budget or target performance in excess of 5% was achieved by :-

- **London Buses** – the cost per bus km of 15.2p was 2.6p better than budget almost all due to £0.9m (15%) lower net costs in June compared with budget which has reduced unit costs in the month by 2.75p per kilometre.
- **Docklands Light Railway** – the net subsidy in June recorded an 11% improvement compared to budget mainly due to improved revenues on the Lewisham concession.
- **Street Management** – the net cost of services was 54% (£3.6m) less than budget in June caused by slippage in expenditure on bus priority initiatives, road maintenance and staff costs.
- **Victoria Coach Station** – coach departures in June exceeded budget by 15% as a result of higher Airport services than assumed in the budget, and this resulted in a 12% improvement in net costs compared to budget.
- **Public Carriage Office** – slower revenue expenditure on start-up costs and staff vacancies for private vehicle licensing resulted in a £176k underspend in net costs during June.
- **Group Transport Services** – net costs fell below budget by £425k, due to a slower build-up of spend on marketing and expansion of Travel Information.
- **TfL Centre** – net costs in June were 11% less than budget mainly caused by unfilled staff vacancies that resulted in lower staff costs.

Areas where performance fell below budget by more than 5% in June included :-

- **Croydon Tramlink** – passenger journeys in June were 0.5 million less than target due to the delayed opening of the full system until after the beginning of the year.
- **London River Services** – passenger journeys were 30% lower than budget in June due to the dependency on services to the Dome, where attendances have been up to 50% less than expected.

- **Museum** – 15% lower visitor in June compared with budget, contributed to a £25k increase in net costs to £199k.

Corporate Health Indicators

Corporate Health indicators are included on pages 36 and 37 (for ex-LT staff only) of this report. As in the first two months of the year, no ill-health retirements were recorded in June, however early retirements increased to 0.32% of the workforce. The percentage of staff taking voluntary redundancy fell slightly to 0.65% from 1% of the workforce in May, while the proportion of working days lost due to sickness was 0.61 days per employee in June. Overall, this has meant that the attendance rate during June of 97.2% exceeded target by 1.1 percentage points.

Financial Performance

After three months trading, the net cost of TfL service provision is £11m less than budget at £41m. This is partly due to slower than expected spend on road maintenance and staff vacancies within Street Management and to lower contract payments paid to the private bus operators. The June forecast indicates that TfL's net cost of £234m is expected to be £3m less than the full year budget, of which almost all of the favourable variance results from improved ticket revenues on bus operations.

So far during the year, capital expenditure has fallen behind the budget phasing and is now £12m lower than budget on a year-to-date basis. The main areas of slippage include road renewal, land purchase and bus priority schemes within Street Management's budget. Capital expenditure for the full year remains forecast to be broadly in line with budget at £215m.

**Transport for London
Performance on Key Modal Measures
For June 2000**

	User Satisfaction		Volume of Demand		Reliability of Service		Cost and Efficiency
	June	Trend	June	Trend	June	Trend	June
London Buses			117m	↔	96.8%	↓	15.2p / km
Docklands Light Rail	64%	↔	2.8m	↑	96.6%	↑	£1.4m
Street Management			100	↔	98.5%	↑	£3.1m
Victoria Coach Station	75%	↑	17.0k	↑			£180k
Croydon Tramlink	*		1,392k	↑	99.6%	↑	
London River Services			175k	↓	99.2%	↓	
Dial-a-Ride			108.5k	↑			£9.89 / trip
Public Carriage Office			20.1k	↑			£27k
Museum			11.0k	↓			£199k
Woolwich Ferry			55.9k	↑	91.0%	↑	
Group Transport Services	92%	↑	339k	↑	81.2%	↓	£719k
TfL Centre							£1.6m
Underground	79%	↑	73.4m	↑	94.3%	↑	

Key :

	Adverse to budget / target by more than 5%
	Favourable to budget / target by more than 5%
	On or within 5% of budget / target
	Not applicable
↑	Trend shown compares June with last month / quarter
*	Data not available in June

See following pages for explanations of the measures

<u>EXECUTIVE SUMMARY – LEGEND</u>	May 2000	June 2000	Budget / Target
London Buses			
Demand – passenger journeys (m)	117	117	118
Reliability – bus km's operated (%)	97.3	96.8	97.2
Cost – subsidy per bus km (pence)	7.66	15.19	17.81
Docklands Light Rail			
Satisfaction – service performance (%)	64.2 ‡	64.2 ‡	83.5
Demand – passenger journeys (m)	2.71	2.84	*
Reliability – service reliability (%)	96.0	96.6	*
Cost – margin on franchise & Lewisham contracts (£m)	1.7	1.4	1.5
Street Management			
Demand – general traffic levels on GRN roads (index)	100	100	*
Reliability – traffic signals working (%)	95.0 ‡	98.5	95.5
Cost – net cost of services (£m)	3.8	3.1	6.7
Victoria Coach Station			
Satisfaction – with service provided (%)	72.0 ‡	75.0	72.0
Demand – coach departures (000's)	15.7	17.0	14.8
Cost – operating margin (£'000)	107	180	160
Croydon Tramlink			
Satisfaction – with service provided (%)	*	*	*
Demand – passenger journeys (000's)	300	1,392	2,162
Reliability – tram km operated (%)	98.7	99.6	98.0
London River Services			
Demand – passenger journeys (000's)	247	175	250
Reliability – journeys operated (%)	99.7	99.2	99.5
Dial – a – Ride			
Demand – number of trips (000's)	104.2	108.5	106.0
Cost – operating cost per trip (£)	9.98	9.89	10.15
Public Carriage Office			
Demand – number of Taxis licensed (000's)	19.9	20.1	19.6
Cost – net cost of services (£000's)	109	27	176
Museum			
Demand – total number of visitors (000's)	16.5	11.0	12.9
Cost – operating loss ('000)	262	199	174
Woolwich Ferry			
Demand – average passenger journeys per week (000's)	54.6	55.9	*
Reliability – hours of service compared with planned hours (%)	92.0	91.0	*
Group Transport Services			
Satisfaction – helpfulness of TICC operator (%)	91.0	92.0	91.0
Demand – total calls (000's)	325	339	*
Reliability – TICC calls answered compared to total calls (%)	88.0	81.2	*
Costs – net costs (£000's)	2,231	719	1,144
TfL Centre			
Costs – net costs (£000's)	2,196	1,585	1,776

* Data not available in June

‡ 4th quarter 1999/00 data

<u>EXECUTIVE SUMMARY – LEGEND</u>	Period 2 2000/01	Period 3 2000/01	Budget / Target
London Underground			
Satisfaction – customer satisfaction with overall service (%)	78.0‡	79.0	79.0
Demand – passenger journeys (000's)	71.2	73.4	71.7
Reliability – train kilometres operated (%)	93.9	94.3	94.6

* Data not available in June

‡ 4th quarter 1999/00 data

TRANSPORT FOR LONDON

BOARD PAPER

SUBJECT: **SPENDING REVIEW 2000**

MEETING DATE: 27 JULY 2000

1. INTRODUCTION

1.1. The purpose of this memorandum is to outline the government's Spending Review 2000 (SR2000) process and the anticipated activities required to progress the projects which are likely to be funded by the additional funds from it. The Board will be provided with an oral update at the meeting on the outcome of the government's decisions on funding levels.

2. BACKGROUND

2.1. Spending Review 2000 is the successor to the government's previous Comprehensive Spending Review (CSR), which set spending limits for the past three years. The review is not intended to open up the scale of debate between spending departments intended for the previous CSR, but rather to review spending within departments against government priorities. Transport is clearly a high priority and is expected to get a significant cash boost.

2.2. TfL's predecessors were closely involved in developing London's bid, although that pre-dated the GLA elections and consequently largely mirrored the government's own priorities. Nonetheless since the election there has been substantial dialogue between government and the Mayor over the content and scale of London's bid. A key issue has been the extent of the Mayor's requirement for revenue spending (notably for fares initiatives and conductors) as opposed to the government's priority on capital investment.

2.3. In addition to GLA/TfL funding, the level of funding for the Strategic Rail Authority will also be critical to dealing with London's transport problems.

2.4. Alongside SR2000, Lord MacDonald has been developing a 10 Year Transport Plan. This will provide the detail behind the bare financial announcements in SR2000. Again the Mayor has been consulted on the possible content of the Plan.

2.5. An announcement on SR 2000 and publication of the Transport Plan is expected on 18th/20th July 2000 and it is important that TfL is ready to move efficiently to ensure the effective allocation of funds across the Business Units and Boroughs. It is generally anticipated that substantial funds will be available over and above the 'baseline and pressures' total of £1.867 billion. This announcement will confirm the spend available for the three year period 2001/02, 2002/03 and 2003/04, although only 2001/02 is a firm commitment from government.

2.6. On the assumption that additional funds might be made available, the Mayor previously endorsed an outline proposal for the Government Office for London setting out his thinking on where some of the additional funding should be allocated. The estimated grand total cost of these schemes is in the order of £1.6 billion. Indications are that there is likely to be a shortfall against this 'bid'.

- 2.7. There is an immediate need to review the enhancement projects individually to ascertain what can practically be delivered and for what level of funding across the three year period. This process will be led by TfL Integration. This will provide a statement on the latest thinking on where the additional funds might be allocated across the projects and the respective Business Units.
- 2.8. So far, notional allocations have been at macro-programme level. Once these have been reviewed in the light of the outcome of SR2000, this will need to be brought to the TfL Board to be endorsed. These large generic programmes will need to be translated into prioritised and deliverable action plans across TfL. These will be a key focus of the Business Plans that will be presented to the Board later this year. These plans will need to incorporate the Mayor's and the TfL Board's priorities.
- 2.9. The aim of the Business Plan will be to describe how the Mayor's draft Transport Strategy could be implemented by specifying what each TfL Business Unit will achieve given the agreed expenditure levels. It will be a multi-modal plan that will simultaneously drive the business plans across TfL and bring them together into an integrated plan of action. These business plans will not only set out the financial spend but will also give a clear understanding of what will be delivered and how well this meets the Mayor's Transport Strategy objectives for London.
- 2.10. The business planning process will require clear and monitored action plans and programmes. TfL Integration will provide the focus for this work. These programmes will be clearly linked to the Mayor's and TfL's priorities and will incorporate clear deliverables and milestones. Performance will be monitored and actively managed in terms of meeting Action Plan deliverables and targets as defined by the Business Plan.
- 2.11. In addition to funding TfL's own businesses, funding will also be allocated to the Boroughs through the Interim Transport Plan (and in subsequent years Local Implementation Plans) programme. TfL Integration is responsible for reviewing the Borough Plans and making recommendations on allocations to TfL and the GLA. It is anticipated that some of the additional allocation from SR2000 should be issued to the Boroughs where they can effectively implement local schemes. These include pedestrian and cycling initiatives, bus priority, safe routes to school, green commuting, home zones, town centre enhancements, local safety improvements and so forth.

3. RECOMMENDATION

- 3.1. The Board is asked to note the current status of SR2000, and an oral report will be provided to give an update on the outcome of the government's funding decisions.

Richard Smith
Director of Integration

TRANSPORT FOR LONDON

BOARD PAPER

SUBJECT : APPROVAL OF AUDITORS

MEETING DATE : 27TH JULY 2000

1. INTRODUCTION

Under the Audit Commission Act 1998, the Audit Commission is responsible for appointing auditors to TfL for a specified period.

2. BACKGROUND

The Audit Commission wishes to appoint KPMG as the appointed auditor of TfL for the period to 31 October 2003.

Under the Audit Commission Act 1998, the provisional appointment is subject to consultation with TfL upon its inception.

3. RECOMMENDATIONS

The Board is asked to endorse the appointment of KPMG as auditors of TfL for the period to 31 October 2003.

Michael Swiggs
Director, Corporate Services
17th July 20

TRANSPORT FOR LONDON
BOARD PAPER

SUBJECT : **FARES IN 2001**

MEETING DATE : 27TH JULY, 2000

1 INTRODUCTION

1.1 This note aims to brief the TfL Board on fares proposals for London's buses, the Underground etc. for the year 2001. Key issues are highlighted for the Board's review and discussion.

1.2 While the decision on fares is for the Mayor, the GLA Act requires that London Regional Transport as the current holding company of London Underground is consulted and that the Mayor has regard to the impact on LRT's financial and other interests. This consultation is underway.

It is also intended to seek the views of the London Boroughs through the ALG, the London Transport Users' Committee, the London Business Board and the relevant trade unions. Travelcard prices are subject to agreement with the Train Operating Companies.

1.3 The Government's financial plan for London Transport assumed a fares increase in January 2001 1% greater than the annual rate of inflation. This would have amounted to a fares increase of 4.3%, yielding about £65m net, given the current inflation rate of 3.3%. By contrast, the proposals outlined in this paper will result in:

- Underground fares and Travelcards increasing only in line with current inflation; and
- bus fares being frozen, and falling in real, inflation-adjusted terms.

Taking bus and Underground services as a whole, the level of fares is proposed to increase by about 2.5% compared with the 4.3% originally planned by London Transport. After allowing for inflation on the level of real fares, the net yield will be about £45m. This includes the effects of extra demand generated by the frozen bus fares and additional bus revenue produced by the increase in Travelcard prices.

Overall, the present proposals will result in savings to passengers of about £30m compared with London Transport's original plan. Some £10m of this will be funded by revenue from new passengers attracted by fares being lower in real terms, and the remainder from additional funding secured by the Mayor and the GLA.

1.4 Taken in the round, the fares package proposed is intended:

- to deliver over £30m to support the development and modernisation of London Underground; and
- to promote the use of the bus as a cost-effective alternative to the private car and an increasingly overcrowded Underground;

The proposals should thus be regarded as a key first step towards a new integrated transport strategy for London.

2 BACKGROUND: BUS FARES

2.1 The Mayor's policy objectives

The Mayor's policy objectives are to freeze bus fares in cash terms and to review urgently the case for moving to a flat 70p bus fare across the whole of London.

2.2 Flat Fares

Bus fares were extensively restructured last January. The price of the All Zones Bus Pass was reduced. A 70p flat fare was introduced for travel outside Zone One with a fare of 100p for all other journeys.

Since then, travel by bus has grown significantly - trips are up about 5% year-on-year (3% above the underlying trends) - even though last January's package left the overall level of fares unchanged (some prices rose while others fell). Customers' perception of the value for money provided by the bus service has also improved.

Overall, the case for moving on to a completely flat bus fares structure seems strong. Zonal restrictions on bus travel could then be dropped completely - with a single Bus Pass range covering the whole of London. However, introducing a 70p flat fare structure in January 2001 does not appear affordable. Many fares would be reduced without offsetting increases elsewhere. It is proposed, therefore, to make the introduction of flat fares a medium-term objective but not to implement the change in January 2001.

2.3 Proposals for 2001

Instead, it is proposed to freeze bus fares at current values in January 2001 in line with the Mayor's policy objective. Tramlink fares will also be frozen.

An approach is also being made to the Transport Committee for London to seek their financial support for an extension of the Boroughs' Concessionary Fares scheme to include travel in the morning peak, enabling disabled people and Pensioners to travel on the buses free before 9am on weekdays.

2.4 Bus Ticketing Development

Longer term objectives for bus ticketing policy include:

- speeding up the bus service through simpler fares and more pre-paid ticketing;
- making the service more affordable for key groups such as families with children; and
- making the bus a cost-effective alternative for shorter distance Underground trips.

Ticketing initiatives under consideration consistent with these objectives and with the eventual move to a bus flat fare include:

- the introduction of bus carnet tickets;
- the sale of One Day Bus Passes on-bus;
- extended bus validity for Travelcards;
- standardising Night Bus fares; and
- improved ticketing for children.

The scope and feasibility of initiatives of this kind will be kept under review but are critically dependent on funding being available.

2.5 The Board's views of the bus proposals

The Board is invited to consider:

- the adoption of flat fares as a medium-term target for the buses; and
- the fares proposals outlined in 2.3 above;

The Board's views will be considered by the Mayor in formulating final proposals. The net cost of freezing bus fares rather than increasing fares as originally planned by London Transport will be in excess of £10m.

3 BACKGROUND: UNDERGROUND FARES

3.1 The Mayor's policy objective

The Mayor's policy objective is to freeze Underground fares in real terms, i.e. to increase Underground fares (single journey tickets and Travelcards) only in line with the general rate of inflation. However, this policy objective will be subject to consultation and the consideration of any impacts highlighted by the consultation.

3.2 General Proposals for January 2001

London Transport's practice over the last three years has been to benchmark its January price increase against the RPI (retail prices index) figure for the preceding July. This is expected to be about 3.3%. It is proposed to continue with this practice. The consensus amongst forecasters is that the rate of inflation is unlikely to fall below

current levels until next Spring and may well increase in the short term. The Travelcard Agreement between TfL and the Train Operating Companies also uses the July RPI as its benchmark for the following January.

Subject to the outcome of consultation, it is proposed, therefore, to increase the overall level of Underground fares by just over 3% to reflect the July RPI. This will yield a little over £30m in additional revenue per year. Compared with London Transport's original plan for an RPI plus 1% fares increase, there will be a net cost to the Underground of rather less than £10m.

The fares increases proposed also apply to the Docklands Light Railway.

3.3 Travelcard Prices

It is proposed to increase Travelcard prices broadly in line with July's RPI figure. Individual fares will rise by similar percentages though with some variations to reflect roundings etc. - these will affect one Day Travelcards in particular. These proposals are subject to negotiation and final agreement with the Train Operating Companies.

3.4 Single Ticket Prices

For some years, London Underground has set its fares in multiples of 10p. However, a 10p increase generally represents significantly more than 3%. This means that single fares would need to be largely frozen if no individual fare was to increase by more than RPI. Alternatively, above inflation increases for individual fares could be introduced. Such proposals would still remain consistent with the Mayor's policy objective which relates to Underground fares generally. In a low inflation environment, it does not seem unreasonable that certain fares increase in one year by more than inflation while being unchanged in others. An alternative would be to increase fares in 5p steps but this could add to customer delays and make the fare structure appear more complex.

Bearing these factors in mind, an Underground fares proposal based on selective 10p increases has been developed. Under the proposal:

- (1) all child single fares are frozen;
- (2) the Zone One adult fare is frozen;

This means that the £1.50 fare remains the same next year. However, it is proposed that it will be increased in January 2002 to £1.60, giving a rise of 6.7% over the two years, broadly equal to expected inflation.

- (3) outside central London, the fares for one and two zone trips are frozen; and
- (4) to achieve the needed fares increase in single ticket prices overall, all other single fares rise by 10p.

The largest percentage increases are for:

- the 3-zone non-central fare (160p to 170p, or 6.3%);
- the Zone 1 to 2 fare (180p to 190p, or 5.6%); and
- the Zone 1 to 3 fare (210p to 220p, or 4.8%).

It is proposed to hold these fares down in 2002 to ensure that fares increases match inflation taking one year with another.

3.5 Context: Fares and traffic trends

Zone One fares have increased by 50% over the last five years, which helps justify a halt to increases this year. On the other hand, Underground traffic generally is continuing to show robust growth, of about 6% year-on-year, leading to growing congestion and overcrowding in Zone One in particular. Appendices 1 and 2 provide background information on current ticket prices and user profiles. Appendix 3 contains details of the proposed changes to single fares.

3.6 The Board's views

The Board is invited to review the general proposal to increase Underground fares in line with inflation and, in particular, to consider the detailed proposals for single fares. The Board's view will be considered in the preparation of the Mayor's final proposals.

3.7 Proposed simplification of Bakerloo Line fares North of Queens Park

The railway service on the Bakerloo Line North of Queens Park is provided jointly by Silverlink Trains and London Underground. For historical reasons, national railway industry single fares have been charged on this section of the line (though Travelcards are accepted).

As part of the fares revision, it is proposed to include this section of line within the LU Zonal system for single fares as well as Travelcards. This will greatly simplify ticketing for passengers and also reduce single ticket prices from Bakerloo Line stations North of Queens Park to the rest of the Underground. This should substantially increase ridership. The cost of reducing the Underground element of the current single fares (about £0.3m), is included within the overall yield of the fares package.

This proposal is dependent on final agreement being reached with the local Train Operator (Silverlink).

3.8 Student Tickets

The scheme whereby students in London can register for reduced rate LT Cards and Bus Pass season tickets is proving a great success, with over 100,000 students registered. Following discussions with the National Union of Students, it is proposed to extend the scheme to operate over the summer months to cater, for example, for students who continue in study over that period. The exact timing of the implementation would be subject to consultation with the NUS and the participating colleges.

It is proposed to provide photocards with extended validity from summer 2001. In parallel with this, discussions with the Train Operating Companies are continuing to encourage their participation in the scheme.

4. RECOMMENDATION

This paper has described proposals to revise fares from January 2001 in ways that take into account the policy objectives of the Mayor.

The Board's views are sought on the proposals to freeze bus fares in January 2001 and to adopt bus flat fares as a medium-term objective.

The Board is also asked to review the proposals to increase Underground single fares in line with inflation and to avoid an increase in the Zone One fare in January 2001.

Subject to the views of the Board and subject to the consultation outlined in Section 1.2, the Board is asked to note that the Mayor will take the necessary action to finalise the fares revision. This will be reported to the Board in due course.

RICHARD SMITH
Director of Integration

UNDERGROUND USER PROFILE

Underground Users - Social Class

Ticket Type	Zones	Social Class				
		AB	C1	C2	DE	Total
Ordinary						
Carnet	1-1	30%	48%	15%	7%	100%
Single/return	1-1	28%	44%	16%	12%	100%
	1-2	25%	46%	16%	13%	100%
	1-3	26%	52%	14%	8%	100%
	1-4	29%	42%	21%	8%	100%
	1-5	34%	29%	22%	16%	100%
	1-6	30%	50%	9%	11%	100%
Ordinary Total		28%	45%	16%	11%	100%
One Day Travelcards						
	all	22%	46%	15%	17%	100%
Travelcard Season						
All Tickets	1-1	25%	52%	7%	16%	100%
	1-2	22%	51%	12%	15%	100%
	1-3	23%	52%	13%	12%	100%
Sold at Stations and Pass Agents	1-4	24%	53%	15%	9%	100%
	1-5	30%	54%	9%	7%	100%
	1-6	26%	52%	15%	7%	100%
Sold at Rail Stations	1-4	27%	57%	10%	6%	100%
	1-5	33%	59%	4%	4%	100%
	1-6	38%	50%	10%	2%	100%
T'card Season (all)		24%	52%	12%	12%	100%
Concessionary		9%	26%	13%	52%	100%
All Underground		22%	48%	14%	15%	100%
All bus users		11%	29%	17%	42%	100%
London population		20%	30%	16%	34%	100%

Underground Users - Place of Residence

	Within M25	Rest of SE	Other UK	Over-seas	Total
Zone 1-1	64%	15%	6%	14%	100%
Zone 1-2	87%	4%	2%	7%	100%
Zone 1-3	90%	4%	1%	5%	100%
Zones 1-4,1-5,1-6	80%	8%	3%	10%	100%
Outside Zone 1	90%	4%	1%	5%	100%
All Underground users	80%	8%	3%	9%	100%

MAIN UNDERGROUND FARES
From 9 January 2000

	Zones	Price (£)	
		Adult	Child
Single Ticket	1	1.50	0.60
	12	1.80	0.80
	123	2.10	1.00
	1234	2.60	1.20
	12345	3.20	1.40
	123456	3.50	1.50
	2,3,4,5,6	0.90	0.40
	23,34,45,56	1.20	0.60
	234,345,456	1.60	0.80
	2345,3456	2.00	1.00
	23456	2.20	1.10
Carnet (10 Z1 trips)		11.00	5.00
One Day Travelcard	12	3.90	n/a
	1234	4.10	n/a
	123456	4.70	2.00
	23456	3.50	n/a
One Day LT Card	12	5.00	2.50
	1234	6.00	3.00
	123456	7.50	3.30
Weekly Travelcard	1	15.30	6.50
	12	18.20	7.50
	123	21.70	10.00
	1234	26.80	12.50
	12345	32.40	13.70
	123456	35.40	15.00
	2,3,4,5,6	8.50	4.20
	23,34,45,56	11.50	5.70
	234,345,456	15.80	7.70
	2345,3456	20.00	10.00
23456	22.20	11.10	

Proposed Underground Fares For January 2001

Underground Ticket Prices - Adult

Current Prices - Singles (pence)

1	150					
2	180	90				
3	210	120	90			
4	260	160	120	90		
5	320	200	160	120	90	
6	350	220	200	160	120	90
	1	2	3	4	5	6

Z1 Carnet 1100

Changes (pence)

1	0					
2	10	0				
3	10	0	0			
4	10	10	0	0		
5	10	10	10	0	0	
6	10	10	10	10	0	0
	1	2	3	4	5	6

Z1 Carnet 50

Underground Ticket Prices - Child

Current Prices - Singles (pence)

1	60					
2	80	40				
3	100	60	40			
4	120	80	60	40		
5	140	100	80	60	40	
6	150	110	100	80	60	40
	1	2	3	4	5	6

Z1 Carnet 500

One Day Travelcard Prices - proposed

		Curre	New	Chng	% Ch
Adult	1-2	390	400	10	2.6
	1-4	410	430	20	4.9
	1-6	470	490	20	4.3
	2-6	350	350	0	0.0
Child	1-6	200	200	0	0.0

Travelcard Seasons

These are proposed to increase broadly in line with inflation

All Travelcard prices are subject to final agreement with the Train Operating Companies

New Prices - Singles (pence)

1	150					
2	190	90				
3	220	120	90			
4	270	170	120	90		
5	330	210	170	120	90	
6	360	230	210	170	120	90
	1	2	3	4	5	6

Z1 Carnet 1150

% Changes

1	0.0					
2	5.6	0.0				
3	4.8	0.0	0.0			
4	3.8	6.3	0.0	0.0		
5	3.1	5.0	6.3	0.0	0.0	
6	2.9	4.5	5.0	6.3	0.0	0.0
	1	2	3	4	5	6

Z1 Carnet 4.5

New Prices - Singles (unchanged)

1	60					
2	80	40				
3	100	60	40			
4	120	80	60	40		
5	140	100	80	60	40	
6	150	110	100	80	60	40
	1	2	3	4	5	6

Z1 Carnet 500

One Day LT Card Prices

		Curre	New	Chng	% Ch
Adult	1-2	500	510	10	2.0
	1-4	600	620	20	3.3
	1-6	750	770	20	2.7
Child	1-2	250	250	0	0.0
	1-4	300	300	0	0.0
	1-6	330	330	0	0.0

TRANSPORT FOR LONDON

BOARD PAPER

SUBJECT: LONDON BUS NETWORK

MEETING DATE: 27 JULY 2000

1. INTRODUCTION

This paper is seeking a resolution of the Board relating to the London bus network pending the implementation of the Mayor's transport strategy.

2. BACKGROUND

Section 181 of the GLA Act 1999 requires TfL to determine what bus services are required for the purpose of providing safe, integrated, efficient and economic transport services in Greater London. Collectively, these services are to be known as the "London bus network". It is proposed that the Board determine that the bus services currently operated under contract with London Bus Services Limited, those operated by London Buses Limited and rail and river replacement bus services provided from time to time constitute the London bus network until and unless the Board determines otherwise.

3. RECOMMENDATION

It is recommended that the Board RESOLVE that the bus services currently operated under contract with London Bus Services Limited, those operated by London Buses Limited and rail and river replacement bus services provided from time to time constitute the London bus network until and unless the Board determines otherwise.

Anthony Mayer
(Transitional) Chief Executive
27 July 2000

TRANSPORT FOR LONDON

BOARD PAPER

SUBJECT COMPANY CARS

MEETING DATE 27th JULY 2000

1. INTRODUCTION

This paper invites the TfL Board to agree a programme for the withdrawal of company cars from the remuneration packages of senior staff in TfL. (This paper and its proposals do not cover London Underground staff).

2. BACKGROUND

2.1 Transport for London must facilitate the discharge of the Mayor's duty to implement policies for the promotion of safe, integrated, efficient and economic transport facilities and services for Greater London.

2.2 In meeting this commitment, TfL does not employ chauffeurs, or use chauffeur driven car services (London Transport closed down its former in-house chauffeur team in 1992). All staff are advised to use public transport for work related journeys. This includes appropriate use of taxi services for which a corporate contract has been procured.

As part of this commitment, it is also important to revisit the terms and conditions of employees whose inherited employment contracts provide a company car as part of their remuneration package.

2.3 Forty nine (ex London Transport) staff have a car option as part of their employment contract. Currently 36 senior staff choose to have a company car. The value is based on a three-tier grade related allowance covering lease cost plus insurance. There is a cash incentive for staff to take a smaller more environmentally friendly vehicle, with the saving on the lease cost being shared between employer and employee. A further option is for staff not to take the car and to receive an allowance of 75% of the lease entitlement (13 staff in TfL choose the allowance rather than the car).

2.4 Cars are supplied on a lease basis, on 3 or 4 year terms. Early termination of the lease requires a payment by TfL of the balance of the lease cost to the leasing company. It is proposed therefore to withdraw cars progressively (as existing leases expire) and to compensate those staff losing their contractual entitlement. This compensation needs to be discussed with the staff and trade unions.

2.5 No recruit since May this year has received a car or allowance as part of their employment package. No new leases for vehicles will be entered into.

3. RECOMMENDATION

The Board is invited to agree the revised policy and to require the Director of Corporate Services to implement new arrangements, with appropriate compensation (to be agreed with the Vice Chair), in negotiation with the individuals affected.

Anthony Mayer
Transitional Chief Executive of TfL

TRANSPORT FOR LONDON**BOARD PAPER**

SUBJECT : CHAIR'S ACTIONS FOR ENDORSEMENT

MEETING DATE : 27TH JULY 2000

1. INTRODUCTION

Under the Standing Orders, the Chair has the power to take actions, subject to endorsement by the Board.

2. BACKGROUND

Since the previous meeting, the Chair has taken the following actions:

Date	Action
6 July	To complete the sale of property in Plumstead and purchase of property on the A13, agreed prior to 3 rd July 2000.
12 July	To complete the sale of property in Norman Road, Leytonstone, agreed prior to 3 rd July 2000.
17 July	Authorisation to execute an Assignment and License to Assign in relation to a lease of 15 Dacre Street
17 July	Provision of Letter of Comfort to the Directors of Docklands Light Railway Limited

3. RECOMMENDATIONS

The Board is asked to endorse the Chair's actions listed above.

Michael Swiggs
Director, Corporate Services