

FINANCE COMMITTEE (No 28)
OPEN Session to be held on Thursday, 8 June 2006
In the Boardroom, 14th Floor, Windsor House,
42-50 Victoria Street, London, SW1H 0TL
Commencing at 0900 hours

AGENDA

1. Apologies for Absence
2. Approval of Minutes of the Previous Meeting held on 10 May 2006
3. Matters Arising and Outstanding Items

Business Items

Report Sponsor

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| 4. Improving Planning Consent Performance | Ben Plowden, Managing Director
Group Communications |
| 5. Publicity for the TfL Managed Investment Programme | Ben Plowden/ Chris Townsend |
| 6. Any Other Business | |

Date of Next Meeting: Thursday 14 September 2006 at 0900 hours

TRANSPORT FOR LONDON

MINUTES of the Finance Committee Meeting (No. 27) held in the Boardroom, 14th Floor, Windsor House, Victoria Street, London at 0900hrs on Wednesday 10 May 2006

Present: Sir Mike Hodgkinson Chair
Honor Chapman
Stephen Glaister
John Ormerod

In Attendance:

Stephen Allen	Director of Corporate Finance
Richard Browning	Dir of Group Business Planning & Performance
Naomi Connell	Director of Finance (LUL)
Stephen Critchley	Chief Finance Officer
Gareth John	Director of Legal and Compliance
Alistair Miller	Head of Finance, Surface Transport
Duncan Symonds	Commissioner's Chief of Staff
Valerie Todd	Int. Managing Director Group Services (17-18/05/06)
Jay Walder	Managing Director Finance & Planning
Clive Walker	Senior Audit Manager
Stephen Webb	Corporate & Deputy Head, Group Comms.
Richard Webster	Director of Finance, Surface Transport

Secretary: Horatio Chishimba Company Secretariat

ACTION:

14/05/06 Apologies for Absence

All Committee Members were present.

Declaration of Interests

There were no interests declared.

15/05/06 Minutes of Meetings held on 2 March 2006

The minutes of the Finance Committee meeting held on 2 March 2006 were approved as a correct record of the meeting and signed by the Chair.

Matters Arising from the minutes: There were no matters arising from the minutes.

Outstanding Items:

Consideration of timing of papers to the Finance Committee that dealt with preliminary works (minute ref 21/09/05): Jay Walder undertook to provide a report in the autumn.

Jay Walder

16/05/06 Operational and Financial Report

Stephen Critchley presented the report which informed the Finance Committee of TfL's financial position and highlighted related performance issues arising during the fourth quarter of 2005/06 and the main achievements of the full year.

Naomi Connell explained that following the increase of LU's risk provision in response to a number of high profile risk issues at the end of the third quarter, the provision had been managed down by £60m to within the original budget level.

FSC: Stephen Critchley informed the Committee that the Financial Service Centre had secured a refund for invoices overpaid in previous years. Software was in place to minimise the risk of duplicate payments in future there would also be an annual review to search for and recover any duplicate payments that did occur.

The Finance Committee **noted** the Operational and Financial performance for the fourth quarter of 2005/06.

17/05/06 Investment Programme Report

Stephen Critchley presented the quarterly report which informed the Finance Committee of the performance of the Investment Programme as well as progress made during the year against the 5 year Investment Programme.

Stratford Regional Station: The Committee discussed issues and concerns regarding the Stratford Regional Station development and **agreed** that a legal view be provided to the Committee. Legal would also provide confirmation of whom the S106 relating to the development was with.

Gareth John

Thames Gateway Bridge – Borough Agreement: Steve Allen reported that Bexley was only one of the five boroughs that had not agreed. However, Bexley was expected to join the other boroughs as it had no other recourse. An inspector's report was expected in the autumn.

Jay Walder gave a brief oral update on the ELL and the Olympic Report to the LDA which had been well received.

The Finance Committee **noted** the progress of the Investment Programme.

18/05/06 GLA Group Sustainable Procurement Policy – Direction and Delegation from the Mayor

Valerie Todd introduced the report which notified the Finance Committee of the GLA Group Sustainable Procurement Policy and the Direction and Delegation issued by the Mayor.

Governance: It was reported that a steering group, which included officers in TfL Legal, had been set and would oversee governance arrangements. The setting up of Best Value criteria would be carried out in conjunction with Legal through the steering group.

Following further debate the Committee **agreed** that a more detailed report, once prepared by the steering group, be provided at the September meeting and would include a section outlining what TfL would generically specify in order to make judgements on Best Value in contracts relating to procurement of goods, works and services.

Valerie Todd

The Finance Committee **noted** the GLA Group Sustainable Procurement Policy and the Direction and Delegation from the Mayor.

19/05/06 2007/08 Business Planning Process and Spending Review 2007

The Finance Committee received a report which summarised TfL's 2007/08 Business Planning process and provided an update on Spending Review 2007 and other Government discussions. Jay Walder reported that discussion with Board Members on SR2007 and Business Plan would take place in September.

Following further debate which included freight problems in London and the future of transport in the UK as a whole.

The Finance Committee **noted** the Business Planning process for the following year.

20/05/06 Any Other Business

There being no further business the meeting closed.

Chair _____ Date _____

TRANSPORT FOR LONDON
OPEN TfL FINANCE COMMITTEE

OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS:

TARGET DATE	OUTSTANDING ITEM	PERSON RESPONSIBLE	MINUTE NO:
AGENDA 08.06.06 (Item 6)	Lessons Learned from Planning Applications	Jay Walder	Mting 22 24/09/05

PAPERS DUE TO THE FINANCE COMMITTEE:

TARGET DATE	OUTSTANDING ITEM	PERSON RESPONSIBLE	MINUTE NO:
AGENDA 08.06.06	TIF (Transport Innovation Fund) ➤ Update on progress with the DfT regarding TIF as well as other emerging issues e.g. ELL.	Jay Walder	Mtg. 26 13/03/06
14.09.06	Prudential Indicators 2004/5 (final outturn)	Stephen Allen	Annual Standing Item
14.09.06	TfL Operational and Financial Report	Stephen Critchley	Quarterly Standing Item
14.09.06	Investment Programme Report	Stephen Critchley/ Richard Browning	Quarterly Standing Item
14.09.06	GLA Group Sustainable Procurement Policy ➤ Detailed report from the Steering Group to include section outlining what TfL would generically specify in order to make judgements on Best Value in contracts.	Valerie Todd	Mtg. 27 18/05/06
14.09.06	Consideration of the timing of papers to the Finance Committee that dealt with preliminary works	Jay Walder/ Peter McGuirk	Mting 22 21/09/05
14.09.06	Arrange for review of material presented to the Surface Advisory Panel and report on bus capacity utilisation / loading at a future Committee meeting, as part of the next year's planning cycle.	Jay Walder	Mting 24 33/11/05

14.09.06	A book of “before” and “after” would be established, to enable TfL to demonstrate the full scale of improvements achieved through the Investment Programme.	Stephen Critchley	Mting 24 34/11/05
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TRANSPORT FOR LONDON

STAFF SUMMARY

TFL FINANCE COMMITTEE

SUBJECT: IMPROVING PLANNING CONSENT PERFORMANCE

MEETING DATE: 8 JUNE 2006

1. Introduction:

At the Committee's meeting number 22, minute 24.09.05 the issue was raised of TfL's performance in getting Planning and other statutory consents for major pieces of capital expenditure. This report sets out some of the lessons that have been learned by TfL and the actions that are specifically being taken to improve performance in this area.

2 Background

In April 2005 Transport for London (TfL) embarked on an Investment Programme (IP) equating to a c. £10 billion investment over five years. TfL was able to secure this commitment largely due to its recent success in delivering several key initiatives e.g. Congestion Charging. TfL's success in maintaining momentum over the long term however, depends on its capability to deliver the new Investment Programme and that requires obtaining the relevant statutory consents which poses one of the main risk factors to successful project delivery.

There are two main types of consents which TfL needs to acquire for major capital schemes.

The first is Planning Permission which is in most cases granted by local authorities under the terms of the Town & Country Planning Acts.

The second is Transport & Works Act approval which is granted by the relevant Secretary of State.

TfL also on occasion has to receive consents under Highways Act legislation for the siting of equipment and makes use of Compulsory Purchase Order powers given to it in the GLA Act outside of the TWA framework.

3. Planning Permission

The award of Planning Permission is a non executive quasi judicial function of local authorities and as such is discharged (in relation to

most major applications) by a planning committee which cannot be politically whipped and which must be constitutionally and in terms of personnel independent from the Council's Executive Cabinet.

Members must have regard for the formal advice from officers contained in the relevant reports to the Committee.

The refusal of Planning permission can be appealed against to the Secretary of State who will usually appoint an inspector to hear the appeal and who will do so either in a public hearing or on the basis of written representations depending on the case.

There is no process for objectors to appeal against the award of planning permission but the decision making process of a Council Planning Committee is open to judicial review.

4. Transport and Works Act

This applies to rail, tram and guided busway projects (but not, for example, highway schemes). Approval under the Transport and Works Act (TWA) can be given by the Secretary of State though for larger schemes and if there are either a significant number of objections or objections by one or more statutory bodies, it is customary for an Inspector to be appointed to hold a public inquiry and subsequently advise the minister accordingly.

There is no direct recourse to an appeal process for a TWA refusal or approval though again the process is subject to judicial review.

5. General Performance

Research into TfL's performance as an applicant for Planning Permission has shown that the organisation is certainly no less successful than other major corporate bodies. There is however room for improvement.

In respect of TWA applications these are often contested and TfL's performance in respect of potentially controversial schemes is at least as good as other similar bodies.

In terms of improving performance in receiving planning permission the key factor is to get consent at the first attempt without having to appeal. There is almost always a delay of between 6 months and a year in having an appeal even heard and the outcome can never be guaranteed (although it should be possible in most cases to judge the likelihood of success).

Often the key to getting approval at the first asking is pre application discussions with the relevant planning authority and particularly the case officers who will formulate the advice to the Planning Committee.

For TWA applications the main factor to focus on is either avoiding public inquiry by minimising opposition and particularly that of statutory bodies and if drawn into an inquiry keeping that as short as possible.

Parts of TfL namely the DLR have enjoyed very high levels of success getting both planning and TWA consent, in no small part due to an ability to effectively engage with the less formal side of the processes. This success is being facilitated by a skilled in house team though it is fair to point out that the DLR has generally enjoyed limited opposition due to the brown field location of most of its development and well understood regenerative benefits.

Other parts of the organisation are coming up against substantial difficulties in trying to get consent for projects in densely built up residential areas where there may be perceived potential disbenefits to local residents despite large benefits to the wider community.

The volatile nature of local politics in a number of boroughs makes matters substantially harder than they might otherwise have been.

6. Analysis of Consent Processes and Performance

In the summer of 2005 an analysis of the Investment Programme was undertaken which found that some new build projects were slipping against plan - primarily due to an under-estimation of the difficulty of getting consent.

A Chief Officer Working Group (chaired by the then MD Surface) subsequently brought together a number of TfL experts to review both internal performance and external 'best practice'.

The main findings of this review were as follows:

- Lack of overall coordination of powers and consents processes;
- Some lack of awareness of the consents process across the business;
- Procurement frameworks sometimes restrict the selection of appropriate consultants;
- Excessive reliance on consultants for obtaining consents with a loss of project knowledge;
- Staff and consultant turnover resulting in loss of project knowledge.
- General lack of documented guidance;
- Some lack of definition of roles and responsibilities within project teams;
- Some lack of clarity and consistency over responsibility for consultations and communications;
- Room for improvement in liaison with planning authorities;

- Room for improvement in handover of projects from the Major Projects Business Unit to the Modes and from LUL's Strategy and Service Development Directorate to the Chief Programme Office;
- Irregular capture / communication of lessons learned from TfL projects.
- Optimistic timescales for obtaining consents;
- Room for improvement in the Business Case Development Manual guidance;
- Lack of robustness of traffic modelling.

The review indicated that TfL had already embedded much good practice in individual project teams and within individual modes however lessons learned related to:

- Developing greater consistency in the levels of understanding across project teams of consents processes, timescales and resources;
- Retaining knowledge within the project team, where the project traverses organisational boundaries;
- Engaging local authorities more in early consultations;
- Finding the right balance between using in-house project resources and employing professional specialists;
- Making most effective use of the professional services supplied by consultants and contractors;
- Responding well to third parties' consultations where TfL is a consultee;
- Developing TfL as a 'learning organisation'.

These reviews were brought back to the Chief Officer Working Group in order to formulate recommendations, which in turn were presented back to the IP Chief Officer Meeting (Dec 05) and ratified with a proposal for the initiative to be taken forward as a discrete project.

Project ACORN (Addressing Consent Risk Now) has been launched to deliver these recommendations.

7. Project ACORN

The focus of ACORN's work will be on improving the understanding of the consents process across the organisation with a particular emphasis on developing training materials and in house expertise.

A particular focus will be placed on looking at softer skills like how best to get a favourable outcome from a Planning Committee. This includes developing guidance on how to conduct pre and post application discussions and how to manage expert consultants and lobbyists.

Other areas where advice will be developed will include when to use or not use external advisers and how to negotiate with boroughs at officer and political level.

The project will cover key forms of consent including Highways Act powers and make reference to others as appropriate e.g. Compulsory purchase orders (CPOs).

The project is scheduled for six months to put foundations in place but it is envisaged that a post will be created to continue the development of best practice and to deliver an evolving training programme.

The overall objective is to ensure an increased level of skill across the organisation and a greater retention of knowledge.

8. Recommendation

The Committee are asked to note:

- the progress that has been made in understanding how TfL can improve its planning consent performance and
- work under way to embed good practice within the Business as a whole.

TRANSPORT FOR LONDON

FINANCE COMMITTEE

SUBJECT : PUBLICITY FOR THE TFL MANAGED INVESTMENT PROGRAMME

MEETING DATE: 8 JUNE 2006

1. PURPOSE

- 1.1 To update the Committee on the publicity that has supported the Investment Programme to date, and advise of future activities.

2 BACKGROUND

- 2.1 In order to communicate the involvement and commitment to improving London's transport infrastructure, a publicity campaign has been underway to support the Investment Programme. The publicity will also improve TfL's branding recognition and enhance the corporate image by providing information of interest and explaining the reasons for delays or obstruction in people's journeys.

3. PUBLICITY FOR THE TFL INVESTMENT PROGRAMME

Press and Broadcast

- 3.1 The press and broadcast strategy has ensured a steady stream of messages reinforcing the delivery of the Investment Programme. It is a continuing drive to highlight the achievements of the programme and covers national, regional and local media.
- 3.2 A rolling programme of media events has been begun to mark major delivery milestones. Recent examples include the unveiling of the 7th car upgrade on the Jubilee Line and the opening of the Western Ticket hall at King's Cross. In all of these cases, high-profile launch events have been arranged with key figures – for example, the new Secretary of State for Transport, Douglas Alexander, attended the King's Cross ticket hall opening.
- 3.3 The Investment Programme is mentioned at the heart of all media communications, whether story releases or media travel updates. All updates about tube upgrades, for example, make it clear that the improvements are part of the Investment Programme. We also include the Investment Programme in our messages.

- 3.4 The local desk – which focuses on local newspapers, local radio stations and minority publications across London – has mainstreamed the Investment Programme into its work, both tailoring events such as the Kings Cross ticket hall opening for local media, and organising smaller-scale local events to highlight other Investment Programme milestones, such as the Greenwich Station transport interchange.

Works Hoardings

- 3.5 The works hoardings signage strategy delivers corporate signage to the construction site, including following logos: Investment Programme, Mayor of London, Transport for London, and other parties involved in the project. On long-term projects, they also include text and images explaining what works are being undertaken.
- 3.5 To date, there has been TfL Investment Programme signage on 23 Underground Stations, 4 Surface Transport projects, 1 London Rail projects and 5 Borough projects. Campaigns have included long term “story boards” detailing works, a full colour promotion across 188 panels, a construction viewing platform, as well as consultation documentation. Examples can be seen in Appendix 1.
- 3.6 A new Investment Programme logo was launched in May 2006, and 15 sites have been branded accordingly. (For example, Hainault – see Appendix 1, Snaresbrook and Green Park). Included in these 15 sites are also short-term and small-site logo-only boards. This was to address the issue of time delays, as production and installation of the signs can take up to three weeks after the erected hoardings have been surveyed. They are particularly suited to escalators works on the Underground, and can currently be seen at Westminster, when exiting from the Jubilee Line.
- 3.7 In the immediate future, there are 12 Underground projects underway, 4 Surface Transport projects, 2 Borough Projects and an intention to raise the profile of London Rail. For the remainder of year, it is envisaged that another 45 Underground sites will be branded, with a further 8 escalator and lift projects. A recent communications drive has generated an increasing awareness for branding within all other areas of TfL, especially Surface Transport which will be a focus over the next few months.

4 RECOMMENDATION

The Committee requested to note the publicity that has been, and is about to be, put in place in respect of TfL’s Investment Programme.

APPENDIX 1
EXAMPLE OF NEW INVESTMENT PROGRAMME LOGO

