

Transport for London

Minutes of the Meeting

**Virtual Meeting on Microsoft Teams
10.00am, Wednesday 1 February 2023**

Members

Sadiq Khan (Chair)
Seb Dance (Deputy Chair)
Heidi Alexander
Kay Carberry CBE
Professor Greg Clark CBE
Anurag Gupta
Anne McMeel
Dr Mee Ling Ng OBE
Dr Nelson Ogunshakin OBE
Mark Phillips
Marie Pye
Dr Nina Skorupska CBE
Dr Lynn Sloman MBE
Ben Story
Peter Strachan

Government Special Representatives

Becky Wood
John Hall

Executive Committee

Andy Lord	Interim Commissioner
Glynn Barton	Interim Chief Operating Officer
Fiona Brunskill	Interim Chief People Officer
Howard Carter	General Counsel
Stuart Harvey	Chief Capital Officer
Lilli Matson	Chief Safety, Health and Environment Officer
Rachel McLean	Chief Finance Officer
Alex Williams	Chief Customer and Strategy Officer
Tricia Wright	Chief Officer – Pensions Review

Staff

Patrick Doig	Group Finance Director and statutory Chief Finance Officer
Jackie Gavigan	Secretariat Manager
Lorraine Humphrey	Director of Risk and Assurance
Kate Keane	Corporate Affairs Lead
Shamus Kenny	Head of Secretariat
Zoe Woodhams	Chief of Staff to the Chief Finance Officer

01/02/23 Apologies for Absence and Chair's Announcements

Apologies for absence had been received from Bronwen Handyside and Councillor Kieron Williams. Due to the industrial action on the railways, the meeting was being held virtually on Teams and, therefore, was not quorate. Two items on the agenda required decisions, approval of the minutes and a delegation in relation to the appointment of the Commissioner and these would be taken under Chair's Action.

The Chair welcomed everyone to the meeting, which was being broadcast live on the Greater London Authority website and would also be available on TfL's YouTube channel to ensure the public and press could observe the proceedings.

As previously discussed, Seb Dance was leading on the recruitment process for the role of Commissioner and was joined on the Appointment Panel by Professor Greg Clark CBE, Anne McMeel, Dr Mee Ling Ng OBE and Marie Pye. All Members would be kept updated on the progress of the recruitment campaign.

The Chair was pleased to announce that Patricia Obinna would shortly take up the role of Interim Director of Diversity and Inclusion, following a competitive recruitment process. The appointment was a 12-month secondment from her current role as the Head of Employment Law. She would work closely with the HR Leadership team and the Diversity and Inclusion team to implement a number of key actions, including launching Action on Inclusion.

The Chair reminded those present that safety was paramount at TfL and encouraged Members to raise any safety issues during discussions on a relevant item or with TfL staff after the meeting.

02/02/23 Declarations of Interests

All Members confirmed that their declarations of interests, as published on tfl.gov.uk, were up to date. There had been one change since the last meeting as, on 30 January 2023, Mark Phillips had stood down as a Trustee of Saffron Walden Choral Society.

There were no interests to declare that related specifically to items on the agenda.

03/02/23 Minutes of the Meeting of the Board held on 7 December 2022

The Board confirmed the accuracy of the minutes of the meeting of the Board held on 7 December 2022 and the Chair exercised Chair's Action to authorise their signature as a correct record.

04/02/23 Matters Arising, Actions List and Use of Delegated Authority

Howard Carter introduced the item. Since the meeting on 7 December 2022, there had been no use of Chair's Action, nor any other use of specific authority delegated by the Board to Committees.

The paper referred to one Mayoral Direction issued to TfL relating to permanent changes to free travel arrangements for older Londoners from 18 January 2023 (MD3014). Since the publication of the paper, a further Mayoral Direction had been issued in relation to March 2023 Fare Changes (MD3083).

Members were also asked to consider a delegation of the Board's authority to the Chair of TfL (in consultation with the Appointment Panel) to approve the appointment of a permanent Commissioner of Transport at the end of the current recruitment process. Members would be updated on the progress of the recruitment process after this meeting.

Members noted the progress against the actions from previous meetings, as set out in Appendix 1 to the paper. In relation to action 82/10/22 (7), a position paper on cyber security was being developed and a briefing would be arranged for Members.

The Board noted the paper and the Actions List, as set out in Appendix 1 of the paper.

The Chair, noting that all Members had received the paper and in consultation with available Members, who gave their views in discussion with each other and the Chair, delegated authority to the Chair of TfL, to be exercised in consultation with the Appointment Panel Chaired by the Deputy Chair, Seb Dance, to approve the future appointment of the Commissioner of Transport.

05/02/23 Commissioner's Report

Andy Lord introduced the report, which provided a review of the major issues and developments since the last meeting, and updated Members on significant projects and initiatives.

The key issues arising from the overview and discussion are summarised below:

- 1 The Commissioner thanked all colleagues across TfL, in particular frontline staff, who helped to keep London moving over the festive period. He had been out extensively on the network meeting key stakeholders and colleagues and observed the very detailed management of the TfL operation on New Year's Eve. He had also taken part in several site visits to see progress and developments first-hand, including notably to Old Street and Silvertown Tunnel, which was an impressive feat of engineering and construction.
- 2 During the festivities, TfL supported the Mayor's first public New Year's Eve event since 2019 and colleagues were integral to its planning and delivery. The Tube, DLR and, for the first time, the Elizabeth line ran throughout the night and special bus hubs were created to ensure everyone could travel home safely.
- 3 An increase in intoxication on the network was often a by-product of celebrations over the festive period, and some customers who could be vulnerable themselves were aggressive to other customers and staff. To help counter this, TfL's approach focused on engagement, education and enforcement to influence customer behaviour. Transport Support and Enforcement officers, British Transport Police and Roads and Transport Policing Command officers were deployed to priority

locations to tackle the triggers of work-related violence and aggression and support frontline colleagues. TfL had recently increased the size of its work-related violence team and was starting to see the benefits of that.

- 4 On the news concerning the Metropolitan Police over the past few weeks, the Commissioner's thoughts were with those affected by the horrendous incidents but he also acknowledged the many thousands of police officers and staff who continued to bravely serve and protect the transport network. TfL would continue to remain close to the leadership of its policing partners to become aware of any developments as they arose.
- 5 On 16 January 2023, under the leadership of Siwan Hayward OBE, Director of Security, Policing and Enforcement together with policing partners, TfL launched its bystander intervention campaign to help tackle sexual harassment. Research showed that bystander intervention could be an effective way of stopping sexual harassment before it happened, as bystanders played a key role in preventing, discouraging or intervening when an act of violence had the potential to occur. Bystanders could also support victims and report what they witnessed and details of incidents to transport staff or the police.
- 6 Research from London TravelWatch in 2021 found that 63 per cent of people would feel more confident in responding to a crime if they had more information about how to help. This approach was supported by London TravelWatch and other stakeholders who had a role in tackling violence against women and girls. The report highlighted the work of TfL alongside colleagues in the police services on this critical initiative. Fortunately, incidents were low across the network, but any number of incidents was too many.
- 7 On progress with one of the key priorities of winning back customers, TfL continued to see a strong return to the network, with demand over the previous two weekends in stations in tourist and shopping areas very close to the same weekends in January 2020, before the coronavirus pandemic. TfL was working to ensure that the recovery in demand in these Zone 1 locations continued and strengthened, and spread to the rest of the network and throughout the days of the week.
- 8 The Commissioner announced that a significant milestone was achieved today as there had been more than 100 million journeys on the Elizabeth line since its opening in May 2022. Data also revealed that ridership on the line was currently above expected levels with around 600,000 journeys made each day, meaning the railway was one of the busiest in the UK and was on track to break even by the end of the 2023/24 financial year. The data clearly showed the popularity of the capital's newest transport option and the benefit of investing in transport in London.
- 9 The five most popular journeys made on the Elizabeth line all included Tottenham Court Road, with the most popular journey on the line being Tottenham Court Road to Stratford. The popularity of Tottenham Court Road had propelled the station into the top five most-used stations in the TfL network, above Waterloo and Liverpool Street stations. Business groups and small businesses in and around the new stations across the Elizabeth line had hailed its transformative effect since its launch. For many businesses, the new railway helped power growth and recovery by attracting new customers.

- 10 The Elizabeth line connected world-leading financial sectors in the Square Mile and Canary Wharf to key business and events hubs in the east including the Royal Docks, and to London's cultural and creative heart in the West End. Access to Heathrow Airport had also been transformed for customers and businesses all over London and the South-East.
- 11 Since opening, despite one recent media report, the Elizabeth line had proven to be one of the most reliable railways in the country. Data from the most recent four-week period showed an overall industry performance rating of nearly 93 per cent, compared to the average industry performance of 78.5 per cent. The railway was regularly in the top three performing railways in the country. London Underground was one of the other top three, which was a real credit to the operations teams.
- 12 Customer satisfaction for the line had to date also been extremely high. According to TfL's Customer Satisfaction Survey, the Elizabeth line achieved the highest score across all TfL services between July and September 2022.
- 13 The Commissioner congratulated Glynn Barton, Howard Smith, Director of the Elizabeth line and his leadership team, TfL frontline staff and Mass Transit Railway (MTR) colleagues on the ground at stations, and operational and maintenance staff, who had all contributed to the line's huge success and was an outstanding achievement.
- 14 He thanked Network Rail colleagues under Andrew Haines leadership as Chief Executive. Delivery of the Elizabeth line was a joint enterprise, and without the close collaboration and partnership of TfL and Network Rail, the three once separate railways of the Elizabeth line, East, West and Central, would not have come together as smoothly to deliver these great demand figures.
- 15 The Commissioner also thanked Jim Crawford, outgoing Chief Programme Officer for Crossrail, who was integral to ensuring TfL had a railway to operate so successfully. His leadership and determination had been exemplary and he wished him all the best in his new role as Programme Director for the Trans-Pennine Rail upgrade. Finally, he thanked Nigel Holness, Managing Director of the Elizabeth line at MTR, who had ensured the integrated service was delivered so successfully from May 2022, including through running before Christmas. Nigel was starting a new position at MTR in February 2023 and would be replaced by Mike Bagshaw, who would continue his excellent work.
- 16 On the success of the Elizabeth line, the Chair thanked Anne McMeel and Dr Nelson Ogunshakin OBE in particular for their invaluable oversight from the beginning of the project and Heidi Alexander for all her hard work in driving the railway forward. He added that Andy Lord's transition to Commissioner had been seamless and exemplary and thanked him for his leadership and performance.
- 17 The commissioning of the ELR300 signalling software upgrade over Christmas had been a great success and the final timetable would go live on 21 May 2023, boosting frequency in central London to 24 trains per hour in the peak, providing new access to Heathrow Airport and improving journey times on the west of the railway.

- 18 On the Elizabeth line Whitechapel interchange section, Glynn Barton would look into whether the precinct roundabout and Whitechapel Road outside of the station formed part of TfL's road network and would discuss the safety concerns raised with the relevant borough. **[Action: Glynn Barton]**
- 19 10 January 2023 marked 160 years since the first Tube journey took place between Paddington and Farringdon stations, on what was then the Metropolitan Railway. To mark this milestone birthday, the Mayor and the Commissioner met with four London Underground staff members who have given a total of 160 years of service in a range of roles across the organisation. The celebration took place at Baker Street station, one of the original stations that opened on 10 January 1863, and a special 160th year roundel was unveiled, Love the Tube, which could be seen at stations across the network, including Gloucester Road, Brixton, Oxford Circus and Covent Garden.
- 20 Excellent progress was being made on the Four Lines Modernisation programme. The roll out of the new automated signalling on the Hammersmith & City line was completed and this huge undertaking further improved the line's reliability for customers. The area now operating under the new signalling contained 52 stations and four complex junctions, including the entire Circle and Hammersmith & City lines. This meant that the Victoria, Jubilee, Northern, Central, Circle and Hammersmith & City lines now had fully automated operations and signalling, making up 55 per cent of the Tube network, with automated signalling on the central section of the Elizabeth line also. The section from Dagenham Heathway to Upminster would be introduced in March 2023, which would extend the roll out on the District line and connect the first depot to the network.
- 21 A huge amount of work had been carried out into asset condition across TfL's portfolio, which had started in the first pandemic lockdown. An informal update on the information and the data behind it would be provided to Board Members at an appropriate forum or meeting. **[Action: Stuart Harvey]**
- 22 The Santander Cycles scheme saw a record number of hires in 2022, surpassing 11 million hires for the first time in any previous calendar year. In October 2022, 500 new e-bikes were launched to support the scheme's continued success, helping to break down the barriers that stopped some people from cycling, such as fitness, age and journey length. The introduction of e-bikes added to the scheme's popularity with more than 146,000 hires now made and e-bikes being ridden at an average rate of four trips per bike per day. The launch was supported by a marketing campaign to promote awareness among customers and would continue to run until spring 2023.
- 23 On 16 December 2022, in partnership with Southwark Council, TfL opened the last of seven new docking stations to expand the scheme in the borough. This allowed more people in Southwark to explore the capital in an affordable way that supported their physical and mental wellbeing, while helping to cut air pollution and protecting the local environment. To date, more than 8,500 hires had taken place from the new docking stations alone.
- 24 Alex Williams confirmed that his team was looking into the ability to upgrade the payment system on the Santander Cycles hire network to allow for contactless payments using mobile phones, as happened on other parts of the network. The issue was one of pace but would happen at some stage in the future.

- 25 HS2 Limited was carrying out an assessment of the feasibility of transporting materials by rail or conveyor from Euston, as recommended by Douglas Oakervee in a review commissioned by the Department for Transport (DfT). Outcomes were expected to be shared in early 2023. HS2 Limited began work on the Euston Road on 9 January 2023. In joint letters with the Chief Executive of Camden Council, the Commissioner had written to both the Chief Executive of HS2 Limited, Mark Thurston, and the Secretary of State for Transport, Mark Harper, to express their concerns from a safety, environmental and congestion perspective if the materials were removed by road. Updates would continue to be included in the Commissioner's Report, including any final decision that HS2 Limited made.
- 26 At Old Oak Common, TfL continued to work with HS2 Limited on the design development of the new surface intermodal area to ensure the requirements for buses, cycling and the new Elizabeth line station were met. Detailed planning and interface work was being developed for Network Rail's planned extensive blockade programme over Christmas 2023, to ensure the impacts on TfL's networks, services and work across the capital and operations programmes were understood and mitigated where necessary. More information would be available over the coming months.
- 27 From December 2022, a further six London Underground stations began offering high-speed mobile coverage to customers, as the next stage of the project with BAI Communications to bring coverage to the Tube network. Customers travelling between Kentish Town and Archway on the Northern line and between Holland Park and Queensway on the Central line had 4G mobile coverage, including in ticket halls and on platforms, as well as in tunnels between those stations. This enabled customers to get the latest travel information, access social media, check emails, make calls and stream videos while on the move on the Tube.
- 28 From this morning, 5G mobile coverage was also available for the first time on the Tube at Archway, Tufnell Park and Notting Hill Gate, including in the tunnels approaching the stations. By the end of 2024, all Tube stations, as well as the Elizabeth line, would have 4G and 5G-ready coverage. The next phase would deliver mobile coverage to more Central and Northern line stations, as well as tunnel sections, and would include notable stations at Euston, Oxford Circus and Tottenham Court Road by the end of March 2024.
- 29 To help clear London's polluted air and improve the health of people across the capital, the Ultra Low Emission Zone was expanding across all London boroughs from 29 August 2023. TfL was focused on supporting the successful implementation of the scheme and, in support of this, launched a multi-channel campaign on 9 January 2023 to raise awareness and educate Londoners and drivers from outside the capital to get ready for the expansion. It encouraged all drivers to check their vehicle to see how the expansion would affect them, using channels such as TV, radio, press, roadside posters, a door drop and customer emails.
- 30 To support Londoners on lower incomes, disabled Londoners, charities and micro-businesses, the Mayor would provide £110m in funding for a scrappage scheme, which opened to applications on 30 January 2023. Londoners receiving certain means-tested benefits and non-means-tested disability benefits could apply for grants of up to £2,000 to scrap their non-compliant cars or motorcycles. The

Commissioner thanked Alex Williams and Christina Calderato, Director of Transport Strategy and Policy, for all their work on the programme.

- 31 TfL was working hard to improve and strengthen its environmental credentials, including work to transition its buildings and construction to zero carbon emissions, generating energy from the network and improving carbon literacy for staff. Lilli Matson confirmed that TfL had reported last year in its annual reports on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). TfL was transitioning towards a mature understanding of managing risks and climate impacts, which was also being furthered by the carbon budgeting work. TfL was using the TCFD framework to assess physical and other climate risks, and the Climate Change Adaptation Plan would be discussed shortly at a meeting of the Safety, Sustainability and Human Resources Panel. **[Action: Lilli Matson]**
- 32 Industrial action on the National Rail network continued, and a limited amount on the TfL network, with knock on impacts on TfL services. The Commissioner apologised to customers for today's industrial action disruption on the west and south-west London bus network.
- 33 TfL continued to work with trade unions and to try and minimise the impact of the disruption on customers. The continued action was damaging to London and the economy, and to those who needed to use public transport to travel around the capital and country each day. TfL staff worked hard to keep customers informed and to keep as many services running as possible during these periods of action.
- 34 On pay, TfL confirmed last week that it would implement the two-year pay offer of four per cent for 2022 and 4.4 per cent for 2023, which provided certainty to colleagues. While not all trade unions involved accepted the offer, two had agreed, which was positive and supported TfL's belief that the offer was reasonable given its current financial position.
- 35 The results of the Fire Brigades Union (FBU) ballot were announced yesterday. No dates for industrial action had been given, as the FBU was delaying announcing any strike dates until after it had met fire service employers. TfL would monitor the situation and assess and plan for any potential impact to the network should any dates be announced.
- 36 On pensions, TfL submitted a comprehensive Pensions Options Paper that set out two broad categories of options in October 2022. In that paper, it raised issues and questions that required responses from Government to further develop any possible proposals and meet the next requirement in the funding settlement, which was scheduled to be completed by 31 January 2023. The DfT had written to TfL advising that it was still working on providing the responses and had therefore extended the milestone to 28 February 2023.
- 37 It remained the case that there were still no plans for the reform of TfL pensions, or any changes being proposed, and TfL had not assumed any financial savings with regards to pensions in the Business Plan. If any reforms were proposed in the future, it would consult fully with affected members and their representatives, as appropriate. If any proposals for change were made in the future, these would not have any impact on benefits built to date. TfL's focus remained on delivering its savings programme and achieving financial sustainability.

- 38 Proposals to deliver a 100 per cent affordable residential scheme next to Barkingside Tube station were approved by Redbridge Council on 11 January 2023. Mainly covering an area previously used as a builder's yard next to the station, the development would deliver 98 new homes, all of which would be affordable, as well as an enhanced public space. Delivered across three buildings, the new homes would be a mixture of one, two and three-bedroom properties and provided a mix of both social rent and shared ownership, which offered an affordable route into home ownership.
- 39 This was part of TfL's development activity taken forward through TTL Properties Limited, delivering thousands of new high-quality homes, including affordable housing, and vital revenue to reinvest back into the transport network.
- 40 On 18 January 2023, the Mayor announced that fares would increase on TfL services by 5.9 per cent on 1 March 2023, in line with the Government's increase to national rail fares. In addition, the Mayor confirmed that the temporary travel time restrictions on 60+ London Oyster Card and Older Person's Freedom Passes became permanent from 18 January 2023.
- 41 TfL had also considered a proposal to increase the age of eligibility for the 60+ London Oyster Card concession on a phased basis, so that the start date of eligibility would increase incrementally by around six months every year. The Mayor had confirmed that funding from the Greater London Authority (GLA) would be used to avoid this change and protect the concession for Londoners over 60 years old.
- 42 The Commissioner thanked everyone on his Executive team and all colleagues at TfL for their work over the past couple of months. A lot had been achieved and he was proud of what had been delivered. It had been an incredibly busy time with a huge number of challenges. TfL had risen to those challenges and continued to deliver excellent, safe services to Londoners throughout.
- 43 Alex Williams confirmed that there were currently 11,500 publicly accessible electric vehicle charging units on London's roads, which was one third of the supply in the entire country. TfL was working with the suppliers and the boroughs to reach the target of 40,000-60,000 units by 2030. It was also looking at using TfL land and land next to highways for charging units to ensure there was a good distribution across the capital. The Board would continue to be kept up to date on progress through the Commissioner's Report.
- 44 In relation to the existing action, Glynn Barton confirmed that a comprehensive note on the A40 joint expansion works was being drafted, to include the works on the A406 that impacted the A40, TfL works on the A40 and the utilities work, and would be circulated to Board Members.
- 45 The number of deaths and serious injuries on TfL roads where a 20 miles per hour speed limit was introduced had fallen dramatically by 25 per cent and by 63 per cent for collisions involving pedestrians. Rollout of the 20 miles per hour zones over the next two years was a relatively low-cost intervention that could help TfL to meet its Vision Zero targets by 2030. Lilli Matson confirmed that a deep dive discussion, including the broader system changes required to meet the Vision Zero targets, would take place at a future meeting of the Safety, Sustainability and Human Resources Panel.
[Action: Lilli Matson]

- 46 Alex Williams confirmed that the Government was expected to legislate to allow the use of private e-scooters but it was unclear when this would happen. Consequently, TfL had extended its e-scooter trial with the boroughs for another year. More details on the potential content of the legislation would be provided to Board Members when available. John Hall offered to assist with ensuring that the issue was picked up with the right DfT team. **[Action: Alex Williams]**
- 47 Andy Lord confirmed that the tragic death of a customer in a wheelchair who was taken down the escalator had occurred at Tooting Broadway station. TfL's thoughts were with the family and friends of the woman involved. It was not a step-free access station and was staffed at the time. Staff had intervened to strongly advise against doing so but the advice and support was ignored. She tragically fell out of the wheelchair and later died in hospital. Incidents of this nature were extremely rare, as were incidents involving pushchairs on escalators. Lilli Matson would circulate the latest data to Board Members. **[Action: Lilli Matson]**
- 48 Andy Lord confirmed that progress on meeting the wider conditions of the funding settlement would be included in future finance reports to provide assurance to the Board. **[Action: Rachel McLean]**
- 49 Glynn Barton confirmed that an issue had emerged with some electric buses in extreme temperatures that impacted their range, which could be compensated by adjusting routes. This could have been compounded by an electrical failure at one of the bus garages which was unrelated to the cold weather. If Anne McMeel could provide any specific details of her recent experience where the electric bus journey ended prematurely due to bad weather, Glynn Barton would confirm if it was related to that specific issue.
- 50 Alex Williams confirmed that slow progress with the Cockfosters station housing scheme was frustrating, which would provide 351 homes next to a station with local authority planning consent. TfL was waiting for a decision from the Secretary of State but he would raise it again with Tom Copley, Deputy Mayor for Housing at the GLA, to work to try to break the impasse. John Hall added that his understanding of the position was that the Government was waiting for another application from TfL. **[Action: Alex Williams]**

The Board noted the report.

06/02/23 Elizabeth Line Operations and Further Opening Stages

Andy Lord introduced the item, which provided a status update of the Elizabeth line operations and on the readiness for the final opening stage of the Elizabeth line railway including the remaining work on the Crossrail project.

The paper covered performance for the railway, including the new through running and enhanced timetable services, which had 22 trains per hour (tph) in the Central Operating Section at peak times, a near-doubling of service from 12 tph since opening in May 2022. Performance issues, collaboration with Network Rail and the next major software upgrade had been discussed under the Commissioner's Report (Minute 05/02/23).

Members noted that a significant amount of work was ongoing to evaluate the short to medium and long-term benefits of the new railway on productivity, employment, connectivity and the environment. This would inform business cases and funding models for future sustainable transport infrastructure projects. An update on this work was scheduled to be presented to the Elizabeth Line Committee in July 2023.

The Elizabeth line team would look at messaging on the service to encourage users, particularly those travelling with bags to and from Heathrow Airport, to spread out along the length of the trains. A Member also raised concerns about Reading station, which as a major interchange serving multiple lines did not have specific Elizabeth line signage.

The Board noted the paper.

07/02/23 Finance Report – Quarter 3, 2022/23

Rachel McLean and Patrick Doig introduced the item, which set out TfL's financial results to the end of Quarter 3, Period 9 of 2022/23 (year-to-date ending 10 December 2022).

TfL's financial performance was on track to deliver the Revised Budget approved by the Board in December 2022, and to achieve operational financial sustainability in 2023/24, as set out in the Business Plan. There were several external risks and headwinds to achieving financial sustainability heading into the next year, with continued substantial inflationary pressures and significant economic uncertainty.

The economy had been turbulent this year and was forecast to be relatively weak over the coming years, although other views predicted a shorter or shallower recession than previously feared. The next Office for Budget Responsibility (OBR) forecast would be released on 15 March 2023, alongside the Government Budget. TfL was protected on downside risk on revenue until the end of the funding settlement with Government but needed to continue to improve passenger income and ridership, to exit revenue support on the right trajectory. This was a key priority and work was underway with some encouraging signs, although it needed to be broader and not affected by economic headwinds.

On Quarter 3 performance, TfL continued to show good forecast accuracy even in these uncertain times, with year-to-date passenger income slightly ahead and one per cent better than the Revised Budget. Passenger journey levels overall were at 84 per cent of pre-coronavirus pandemic levels and remained broadly in line with the prior period and Budget. All modes were performing in line with or better than expected.

The financial effects of the Elizabeth line success to the end of Period 9 showed 32 million passenger journeys ahead of those originally budgeted, which was a £49m upside on passenger income. The Elizabeth line continued to show strong growth which offset some of the impact of industrial action on the National Rail network. TfL continued to work towards the full operating service of the line in May 2023.

By the end of the Business Plan, ridership on buses was expected to be at 91 per cent of pre-pandemic levels, and rail and Tube at 86 per cent. On other income, there was an adverse variance on TfL's extraordinary revenue grant of £52m, which was simply a timing difference which would reverse over the coming periods.

Operating costs were £23m lower than the Revised Budget. TfL had embedded the risks around rising inflation and some of the savings secured this year. The favourable variance reflected some reduction in maintenance costs and some one-off upsides. On a like-for-like basis, costs were £400m lower than before the pandemic in real terms on the operational expenditure account.

There was extensive work across the organisation and with the supply chain to identify and deliver efficiencies. TfL had further stretching targets embedded in its Budget and, as part of the detailed budget preparation work, was currently ensuring that these were deliverable and mitigating the impact of inflation on contracts where possible. It was working hard to address and reduce fare evasion and improve the bad debts position, as these payments could be invested for the benefit of customers and colleagues.

Capital enhancement was within one per cent of the Revised Budget. The underspend was due to slippage on third-party funded projects, largely due to factors outside TfL's control. The Revised Budget was forecast to deliver very close to the capital envelope set by the funding settlement over the full year and expected to be back on track.

Capital renewals were two per cent lower than the Revised Budget. The Revised Budget included the ambition to deliver the higher level of renewals of £635m set by the funding settlement and TfL was actively managing its renewals programme to achieve this.

A condition of the current funding settlement was that cash balances would average no more than £1.2bn for the duration of the settlement. Cash balances at the end of Quarter 3, excluding Crossrail construction, were just over £1bn. This was £250m lower than the start of the year and £150m lower than Revised Budget, largely a result of matured commercial paper which had not yet been re-borrowed, which TfL expected to re-borrow while managing cash to £1.2bn at year end.

Credit ratings agency Fitch had upgraded TfL's credit rating from A+ to AA- at the end of January 2023. This was back to the pre-pandemic position and in line with Fitch's current rating for the Government. Fitch had assigned a negative outlook, which reflected the negative outlook assigned to the Government's credit rating. This positive move was driven primarily by TfL's improving financial position and increasing ridership on the network.

TfL had gone live with the full implementation of SAP Ariba, a new procurement and payment system to improve efficiency and control of cashflow. The previous system was over 20 years old and implementing the new system was a huge and complex change that would bring big benefits.

TfL was keen to track the progress and outcome of the benefit of the carbon budget and incorporate it into business-as-usual reporting. This was being encouraged through the budgeting process, with the concept of spend to save in green and environmental areas becoming mainstream and part of routine budgeting and forecasting.

Patrick Doig confirmed that progress on all the conditions of the funding settlement was reported to each meeting of the Finance Committee, and also subject to scrutiny by the Board and the internal Oversight Group. TfL was comfortable with the progress made on meeting all the conditions to date.

When the funding settlement was agreed with Government in August 2022, inflation was a significant issue, so the settlement included an inflation review mechanism to reflect the growth in costs due to inflation in both 2022/23 and 2023/24. The mechanism only covered operating costs and was capped at £15m for this financial year. There was no cap for next year but the revision was subject to review of evidence by the Government. At the time of entering into the agreement, TfL expected increased inflation to create an operating cost pressure of £145m for 2023/24 compared to the March 2022 Budget. In the Business Plan, higher inflation expectations meant this increased to almost £300m, but with the latest OBR forecast published in November 2022, this pressure could increase to around £400m.

The Government asked TfL to provide evidence showing how the figures were calculated and how it was being impacted by inflation. Evidence for the financial year 2022/23 was submitted before Christmas 2022, and initial evidence for 2023/24 was submitted in January 2023. TfL continued to work with the Department for Transport to respond to questions and provide the information needed to validate the impact of inflation on its cost base. It hoped to receive an indication from Government soon on the outcome of these discussions both for 2022/23 and 2023/24. Given the scale of the pressure in 2023/24, the process would take longer and there would be an update when further progress was available.

Another element of the funding discussions in the short-term concerned whether TfL would be able to carry forward any potential underspend on the capital funding envelope this financial year. Focus was on delivery of services safely, on time, to scope and to budget. There was a provision, subject to review, for potentially carrying that funding forward and TfL would engage with Government post year-end when the quantum of any possible underspend was known.

Fiona Brunskill confirmed that data showed that the employee attrition rate overall was only 7.4 per cent with some hotspots in highly skilled areas where the rate was higher, such as finance, project management, engineering and technology and data roles. A strategic workforce planning dashboard had been developed to ensure appropriate benchmarking across the organisation and to review reward and job families. The non-permanent labour (NPL) numbers had significantly reduced since 2016 and NPL continued to be used in areas where the skills were in very high demand across the market and recruits only wanted contracting work.

When comparing the cost of using NPL contractors with permanent staff, TfL took the total reward package it could offer into account, including the cost of pensions and other benefits. Competition was high in the market hotspots where organisations had to pay a premium for NPL. Details of how the costs per head of NPL verses permanent labour and how overall costs were calculated would be brought to a meeting of the Remuneration Committee or the Safety, Sustainability and Human Resources Panel.

[Action: Fiona Brunskill]

The Board noted the report.

08/02/23 TfL Viewpoint Survey Results 2022

Andy Lord and Fiona Brunskill introduced the item, which provided an update on the key themes drawn from the annual employee survey, Viewpoint, results so far, along with how TfL was responding. The survey took place between 26 September and 21 October

2022. TfL's Total Engagement, Inclusion and Wellbeing at Work indices included on the TfL Scorecard were also measured from this survey.

TfL's Total Engagement was 59 per cent in 2022, which, while down from 61 per cent in 2021, was higher than before the coronavirus pandemic. This score was calculated by averaging the total number of positive responses received to the questions which made up the index. Employee engagement mattered as an engaged workforce directly correlated with improved performance in safety, reliability and customer service, along with increased productivity and retention.

The Inclusion index was 50 per cent in 2022, down one per cent on 2021, but up from 47 per cent in 2019. The Wellbeing at Work index was 56 per cent in 2022, also down one per cent from 2021. These measures differed slightly from the Total Engagement index, as they focussed on questions within the survey that helped to identify the culture of the organisation and the wellbeing of employees.

The response rate to the survey was 57 per cent, up from 54 per cent in 2021, with over 15,000 employees completing the survey.

The results of the survey were shared with all TfL staff on 23 November 2022 and were also shared and discussed with Company Councils in December 2022. Listening sessions were being held with staff in local areas and with Staff Network Groups to understand how the results might be improved.

The results were impacted by several external and internal factors, which included the impact of the drawn-out funding discussions and threat of moving into a managed decline scenario leading to uncertainty on TfL's future direction, as well as the cost-of-living crisis. Internally, there had been a high turn-over in the Executive Committee and other senior roles, with the departures of two key staff announced around the time the survey opened and with some parts of the organisation going through transformation.

Clear areas of focus, which were reflected in the survey results, included the need to embed the new Vision and Values by developing, investing in, and growing the capability of TfL's leaders, with a new leadership programme recently launched; to review and develop a new approach to pay and reward; and to address diversity and inclusion issues, which would be supported by the launch of Action on Inclusion.

Members discussed the results and the need to address neutral scores as well as low scores. They supported the need to support leaders and would discuss under the quarterly Human Resources reports to the Safety, Sustainability and Human Resources Panel how this was managed to avoid the risk of overwhelming leaders and staff with new initiatives. They also welcomed the focus on getting leaders to be more visible across the organisation.

As TfL now focused on building back ridership through better engagement with customers, work was required to improve working conditions for operational staff, many of whom had less flexibility in terms of working patterns and location and had also continued to work on the frontline during the pandemic and having to enforce coronavirus restrictions.

The Chair and Board recognised and valued the role of staff as TfL's most important asset, particularly their efforts and perseverance during the pandemic and the subsequent uncertainty over funding. The Board supported the efforts on talent management.

The Board noted the report.

09/02/23 Report of the meeting of the Programmes and Investment Committee held on 14 December 2022

The Chair of the Committee, Ben Story, introduced the item. The meeting had been held online, with decisions taken by Chair's Action. The Committee discussed safety, which was on a good trajectory, while recognising that there was always more to do.

The Committee discussed the good progress and well managed Investment Programme and noted potential cost and supply chain issues. It welcomed the good disclosure on where issues were known, particularly on the Four Lines Modernisation programme.

Two in-depth reviews were considered, in relation to the Old Street Roundabout project and on Road User Charging.

The Board noted the report.

10/02/23 Report of the meeting of the Land and Property Committee held on 16 January 2023

The Chair of the Committee, Professor Greg Clark CBE, introduced the item. This was the third meeting of the Committee, though there had been several briefings and site visits to keep Members up to date.

The Committee noted the good progress from the quarterly performance report and welcomed the evolution of its layout. Good progress was also being made on the approach to assurance, with management welcoming the input of the Independent Investment Programme Advisory Group sub-group

The Committee approved the Procurement and Commercial Strategy and proposals for the Bollo Lane and West London Development Joint Venture and noted the comprehensive update on the Build to Rent programme. It discussed but deferred a decision on the Commercial Office Investment Portfolio Joint Venture, which would be considered by the Committee via Chair's Action once further information was available.

The Board noted the report.

11/02/23 Report of the meeting of the Elizabeth Line Committee held on 24 January 2023

The Chair of the Committee, Heidi Alexander, introduced the item. The key issues considered by the Committee had been covered earlier in this meeting. The Committee had agreed to have in informal discussion in March 2023, rather than a meeting. The

next meeting would be in May 2023, with a further meeting in July 2023 after the final integration stage of the railway had been completed.

The Board noted the report.

12/02/23 Any Other Business the Chair Considers Urgent

There was no other urgent business.

13/02/23 Date of Next Meeting

The next scheduled meeting of the Board would be held on Wednesday 29 March 2023 at 10.00am.

The meeting closed at 1.10pm.

Chair: _____



Date: _____

