

Date: 17 March 2022

Item: Enterprise Risk Update – Major Service Disruption (ER3)

This paper will be considered in public

1 Summary

- 1.1 The impact of the global coronavirus pandemic has meant that significant elements of Enterprise Risk 3 (ER3) Major Service Disruption have been realised. Over the last two years, we have been enacting our crisis management processes which formed part of the controls captured as part of this risk. The annual review of ER3 was undertaken through the lens of our response to the pandemic and the effectiveness of our mitigation actions.
- 1.2 A paper is included on Part 2 of the agenda, which contains exempt supplemental information pertaining to the strategic risk deep dive. The information is exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the business and financial affairs of TfL that is commercially sensitive and likely to prejudice TfL's commercial position. Any discussion of that exempt information must take place after the press and public have been excluded from this meeting.

2 Recommendation

- 2.1 **The Panel is asked to note the paper.**

3 Summary

- 3.1 On 23 March 2020, the UK was placed under national lockdown, with all but essential travel prohibited. At the same time, we saw an increase in colleague absences as they either became ill, were shielding or had to self-isolate. This included colleagues who are directly employed by us as well as colleagues within our supply chain. To enable us to keep our services running to support those who needed to travel, we had to make immediate operational changes, for example, to reduce Tube and bus service levels, closing certain Tube stations and the entire Waterloo & City line, as well as suspending Night Tube services. This unprecedented action enabled us to continue with a reliable, albeit reduced, service, which allowed critical workers to travel to and from work. At the height of the pandemic, we saw increases of colleague absence at all levels. For example, on London Underground, frontline absence levels peaked at 34 per cent, but we still kept services running.
- 3.2 The pandemic highlighted our risk and requirement for resilience in critical roles, for example in Service Control Centres and Signalling Areas where we were

exposed to the risk of whole shift teams potentially contracting the virus. Learning points from the pandemic have been fed into our operational resilience plans.

- 3.3 At the beginning of the pandemic, we saw passenger demand across all our public transport modes significantly reduce by approximately 95 per cent on the Tube network and by 85 per cent on the bus network. Over the last two years, we have seen passenger demand slowly increase but not to pre-pandemic levels. In response to the Delta and more recently the Omicron variants, where people have been asked to once again to work from home, we have seen a reduction in passenger demand, although not to the same extent as at the beginning of the pandemic.
- 3.4 Passenger demand is slowly increasing following the easing of the most recent 'Plan B' government guidance in response to the Omicron variant. Demand on Buses is now at 75 per cent, Rail including London Overground and DLR is at 61 per cent, TfL Rail is at 90 per cent and the Tube is at 63 per cent of our pre-pandemic levels. Continued reduction in demand in response to the variants further impacts all our revenue streams, particularly fares. The long-term implications of such a reduction in funding are now well documented and we continue to work with the Department for Transport (DfT) to agree a long-term funding deal. If unresolved, the reduction in funding will lead to negative impacts on London's public transport services, including our ability to invest in our assets for maintenance and renewals, as well as our wider investment programme. We are planning for a 'managed decline' scenario, which will mean scaling back support for active travel schemes, reduce bus and Tube services, halt station upgrades and the renewal of roads and bridges. If this situation arises, incidences of service disruption may become more prevalent.
- 3.5 Throughout the pandemic, we adapted our services across the network to support people being able to move around safely. This included the installation of signage and announcements encouraging social distancing, the installation of hand sanitisers at stations and the use of cleaning products that last for up to 28 days to kill viruses and bacteria. On our buses, we reduced maximum capacity numbers to support social distancing and introduced special school services.
- 3.6 As reported to the Panel in February 2021, to enable us to respond to the ever changing environment, we instigated a series of command and control structures to replace our business as usual governance and decision-making processes and whilst we have been able to reinstate our business as usual processes as we came out of each wave of the pandemic, we have retained the Senior Executive Team (SET), which is chaired by the operational leads (i.e. the Managing Directors of London Underground and Surface Transport) as this provides a clear and effective mechanism to receive updates from operational teams and act as an escalation point to facilitate quick and efficient decision-making. This 'command and control' structure is replicated across the operational business areas, creating a robust but streamlined governance process. The frequency that SET meets reduces as we move out of each phase of the pandemic, but the agile structure allows us to reinstate at an appropriate frequency as and when needed. SET has now been stood down, but a revised format has been established to retain the quick and effective decision making process that has worked for us throughout the pandemic.

- 3.7 To ensure we remained in regular communication with the DfT to advise on policy and to assist in maintaining our service, we established new processes and reporting structures to share data and information about things like passenger demand, colleague absence and our service levels. This ensured the DfT was always armed with the latest information to support effective decision making.
- 3.8 On Saturday 27 November 2021, we reinstated Night Tube services on the Central and Victoria lines and on Friday 17 December the Night Overground service between Highbury & Islington and New Cross Gate returned, continuing to support London's recovery, including the night-time economy. We also reinstated Waterloo & City line services in June 2021 but suspended the service again in December 2021 following Government guidance to work from home. The service was reintroduced on 10 January 2022.
- 3.5 In November 2021, we carried out a pan-TfL covid review, capturing over 600 lessons learned across nine themes. The themes cover categories such as governance, resilience and preparedness through to customer experience. The outputs from the review are being analysed with recommendations developed by the end of March 2022.

4 Conclusion

- 4.1 The crystallisation of this risk and our ability to provide a good level of service against an ever changing and challenging environment over the last two years is testament to the actions of our colleagues and supply chain, working together to deliver a safe and reliable service every day.
- 4.2 The pandemic continues to highlight that the key driver to major service disruption is insufficient funding to maintain and renew our assets. The significant drop in our revenues has constrained our ability to sustain investment in our assets. If not addressed, this will have a direct impact on our ability to deliver a safe, integrated, efficient and economic transport service and has become the key risk to TfL.

List of appendices to this report:

None

A paper containing exempt supplementary information is included on Part 2 of the agenda.

List of Background Papers:

None

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