

Transport for London

Minutes of the Meeting

**Chamber, City Hall, Kamal Chunchie Way, London, E16 1ZE
10.00am, Wednesday 8 June 2022**

Members

Sadiq Khan (Chair)
Seb Dance (Deputy Chair)
Julian Bell
Kay Carberry CBE (via Teams)
Professor Greg Clark CBE
Anurag Gupta
Bronwen Handyside
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 Representative

Becky Wood

Executive Committee

Andy Byford	Commissioner
Howard Carter	General Counsel
Patrick Doig	Group Finance Director and statutory Chief Finance Officer
Stuart Harvey	Chief Capital Officer (via Teams)
Andy Lord	Chief Operating Officer
Gareth Powell	Chief Customer and Strategy Officer
Tricia Wright	Chief People Officer

Staff

Sarah Gasson	Chief of Staff, Commissioner
Jackie Gavigan	Secretariat Manager
Joanna Hawkes	Director of Corporate Finance
Shamus Kenny	Head of Secretariat
Stuart Reid	Head of Insights and Direction (for Lilli Matson, Chief Safety, Health and Environment Officer) (via Teams)
Alex Williams	Director of City Planning

33/06/22 Apologies for Absence and Chair's Announcements

The Chair welcomed everyone to the meeting, which was being broadcast live on the Greater London Authority website and on YouTube to ensure the public and press could observe the proceedings and decision-making.

An apology for absence had been received from Heidi Alexander. Apologies for lateness had been received from Professor Greg Clark CBE and Ben Story.

The Chair thanked Heidi Alexander for agreeing to remain a Member of the Board and as the Chair of the Elizabeth Line Committee, as she had previously considered stepping down once the Elizabeth line went into operational service.

He reported that Julian Bell had stood down as a Councillor for the London Borough of Ealing but would continue to represent London Councils on the Board until his term of office expired in September 2022. The Chair was liaising with London Councils on its nomination for a successor.

May 2022 had been a very busy month for TfL, with three major changes that would boost the economy and support London's recovery.

The most significant change was the successful launch of the Elizabeth line on 24 May 2022, with the opening of the central tunnel section and the rebranding of the services to the east and west. The Chair was proud to join Her Majesty the Queen, the Earl of Wessex, the Prime Minister and the Secretary of State for Transport on 17 May to mark the opening of the line and hundreds of thousands of passengers on 24 May when the Elizabeth line opened to the public. The opening of the Elizabeth line was a landmark moment in the history of TfL's public transport system and a gamechanger for Londoners and visitors to the capital, providing new journey options. Not only would the Elizabeth line help TfL build a better and greener London for everyone, but it would also help ensure that TfL played its part in powering the national recovery from the coronavirus pandemic. A more detailed update was provided elsewhere on the agenda. The Chair thanked everyone involved in getting the line built and launched.

On 16 May 2022, the Bank branch of the Northern line reopened following a blockade required to support a major part of the Bank station capacity upgrade programme. Customers were now using the new spacious southbound platform and new customer concourse. The entire upgrade programme would be completed later in 2022, delivering step-free access to the Northern line, a new station entrance and new, easier and more direct interchanges.

On 21 May 2022, Night Tube services resumed on the Jubilee line, following the earlier return of services on the Central and Victoria lines and some Night Overground services. Night Tube services on the Northern and Piccadilly lines would return later in the year. These services boosted the night-time economy, assisted night workers, made journey times shorter and offered safer routes home for all customers.

With the Elizabeth line now in service, the Crossrail project was moving into its substantial completion phase and, consequently, Mark Wild and other senior Crossrail staff left the project at the end of May 2022. Mark Wild joined TfL in 2016 as the Managing Director of London Underground and stepped in to rebuild and lead the Crossrail programme in November 2018. On behalf of the Board, the Chair expressed his gratitude for Mark's time and commitment to delivering the line into operation and wished him every success for the future. He also thanked Hannah Quince for her contribution as Chief of Staff from September 2019.

On behalf of the Board, the Chair also thanked Alex Batey, the Director of Investment Delivery Planning, who would leave TfL at the end of July 2022 to take up a role at HS2.

Alex started at TfL almost 20 years ago on the civil engineering graduate scheme and had made a tangible and lasting contribution to shaping the future of TfL. The loss of another talented individual highlighted the need to secure certainty on TfL's future funding and address pay disparities, which had seen TfL fall behind other major transport and infrastructure providers.

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.

34/06/22 Declarations of Interests

All Members confirmed that their declarations of interests, as published on tfl.gov.uk, were up to date and there were no additional interests that related specifically to items on the agenda.

Since the last meeting of the Board, there had been three changes to declarations made by Members:

- (a) Julian Bell had established a management consultancy company and was no longer a strategic advisor for BECG (Built Environment Communications Group). He had also stood down as a Councillor for the London Borough of Ealing, from his role as a member of the association of Labour Councillors and from London Councils' Transport and Environment Committee;
- (b) Professor Greg Clark CBE had stepped down from his role at HSBC Group on 26 May 2022; and
- (c) Ben Story had started a new role as Chief Operating Officer of Sustainable Development Capital LLP at the start of May 2022.

35/06/22 Minutes of the Meeting of the Board held on 23 March 2022

The minutes of the meeting of the Board held on 23 March 2022 were approved as a correct record and the Chair was authorised to sign them, subject to the following amendments that:

- (a) the Minute attendance for Peter Strachan be corrected to read 'up to Minute 21/03/22' in the list of Members' attendance on page 1; and
- (b) the spelling of Gareth Powell's name be corrected in paragraphs 16 and 19 in Minute 20/03/22.

36/06/22 Matters Arising, Actions List and Use of Delegated Authority

Howard Carter introduced the paper. Since the last meeting, there had been no use of Chair's Action by the Chair, nor any use of specific authority delegated by the Board to Committees, nor any new Mayoral Directions to TfL.

Members noted the progress against the actions from previous meetings, as set out in Appendix 1 to the paper, most of which were completed.

The Board noted the paper.

37/06/22 Commissioner's Report

Andy Byford 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 It had been an incredible month for the Crossrail project. On 17 May 2022, Her Majesty the Queen and His Royal Highness the Earl of Wessex visited Paddington station in advance of the start of revenue services. They were joined by the Prime Minister, Mayor and Secretary of State for Transport for the unveiling of a plaque to celebrate the completion of the line named in Her Majesty's honour, which will be on permanent display at Paddington station.
- 2 Ahead of the official opening of the Elizabeth line, the Commissioner was joined by more than 250 colleagues, stakeholders and key figures who had been instrumental in the delivery of the Elizabeth line for an event at Canary Wharf Elizabeth line station on 23 May 2022. In addition to this, iconic locations around the capital turned purple in celebration of the occasion, including Tower Bridge, the London Eye, City Hall and the Gherkin. The launch was also celebrated with the help of local school children who created and displayed decorations and artwork for nine new stations on the Elizabeth line.
- 3 The line opened for revenue service on 24 May 2022, with customers welcomed by the Mayor, Mark Wild, Howard Smith, Andy Lord and the Commissioner on the first trains from Paddington and Abbey Wood. The successful launch of the Elizabeth Line was the proudest moment of the Commissioner's career. He had said that it would open in the first half of 2022 and had met the key challenge to the team of being open in time for the Queen's Platinum Jubilee.
- 4 He thanked colleagues for the continuous hard work to get the line opened on time for the capital and the benefits of the railway were also being felt throughout the country. As of 7 June 2022, there had been over 2.6 million trips made on the central line of the Elizabeth line since its opening. Over the Jubilee weekend, 1.16 million journeys were made on the whole line, which stretched from Reading and Heathrow in the west to Shenfield and Abbey Wood in the east. Of these, around 625,000 were made using the central section.
- 5 Focus had already turned to the opening of Bond Street station and the next phase of the programme, which was getting customers in from the east and the west through the central section tunnels in autumn 2022.
- 6 The Chair thanked the Commissioner for his leadership and achievements, which led to the successful and flawless opening. He also thanked the team for their incredibly hard work in the operation of trial running and ensuring there were no setbacks when the opening launched.

- 7 The Commissioner confirmed that work was underway to analyse the complex information on abstraction and modal shift to identify the impact of the Elizabeth line on journey patterns and to ensure TfL was meeting customer needs. A report would be brought to the Board in due course.

[Action: Gareth Powell/Shashi Verma]

- 8 On 16 May 2022, the Commissioner was joined by the Mayor for the reopening of the Bank branch of the Northern line, following a 17-week closure. He thanked Stuart Harvey and his team for their hard work to get the project delivered on time and on budget. These improvements had been welcomed by Londoners and local businesses using the network.
- 9 TfL was on track to achieve financial sustainability on its operations by April 2023. At that point, it would no longer need Government operational funding support but would need continued support for vital capital investment to avoid the managed decline of London's transport network.
- 10 A scenario of managed decline would be a disastrous outcome for London and the UK. It would lead to decreasing service levels, worsening reliability, decreasing income and deteriorating assets leading to increasing maintenance costs. This would ultimately fail to support long-term financial sustainability, as well as failing to meet Mayoral and Government policy objectives, placing jobs around the UK at risk and putting London at a disadvantage against its global competitors. In a managed decline scenario, safety would always remain at the forefront but services would not be at the standards TfL was known for, which was disappointing for its valued customers and staff.
- 11 The Mayor had already set out a range of proposals that would help support TfL's financial sustainability in the future but it was essential that agreement was reached with Government on longer term capital support during this funding period. This was necessary to protect jobs across the country, ensure London's recovery and deliver for TfL's customers now and for the future. TfL continued to engage with Government officials on the next step of the funding negotiations.
- 12 Sadly, there had been two cyclist fatalities involving collisions with buses in recent months. The first occurred on Seven Sisters Road at the junction with Stroud Green Road on 16 April 2022 and the other at the junction of Lambeth Road and Kennington Road on 2 May 2022.
- 13 TfL had also tragically lost a trams colleague in a cycling collision on 30 May 2022. Thoughts and condolences from TfL colleagues were extended to their family and friends during this difficult time and TfL continued to offer any support it could.
- 14 All of these incidents were currently under investigation to help the organisation and police colleagues determine root cause and contributory factors.
- 15 Now more than ever, TfL needed to agree a longer-term funding agreement with Government to ensure it had the funding required to achieve the Vision Zero ambition of eliminating all death and serious injury on the road network by 2041.
- 16 The Commissioner apologised to Londoners for the impact of the industrial action on the London Underground network on 6 June 2022. The action was damaging

to London and the economy, especially at a time when public transport played a crucial role in the capital's recovery. TfL continued to engage with the National Union of Rail, Maritime and Transport Workers (RMT) to find a resolution to the dispute to avoid future disruption.

- 17 The Commissioner thanked colleagues for their support in keeping the network going as much as possible. Due to their efforts, TfL was able to operate some level of service across 170 of London Underground's 272 stations and was also able to run services on all lines other than the Victoria and Waterloo & City lines.
- 18 On 1 June 2022, TfL launched proposals on reshaping the central and inner London bus network. The six-week consultation set out how TfL would ensure the bus network continued to provide Londoners with the service they needed, while responding to Government requirements to make further savings.
- 19 The Government set a number of conditions before providing emergency funding, including requiring a plan setting out how to achieve significant financial savings and reduce service levels. This plan included proposals for reducing the extent of the bus network by four per cent by 2024/25.
- 20 TfL had worked to ensure that the bus kilometres removed from the network were in locations that already had a higher provision of buses. The bus routes proposed for changes or withdrawal were already well served by other routes meaning services would more than meet demand and allow passengers to still make the same journeys, with an additional interchange in some instances.
- 21 Taking this approach reduced the effect on passengers as much as possible and allowed for investment in outer London where there was a clear need for more buses due to higher demand, whilst ensuring a continued reliable network of routes in central and inner London. Passengers could also make use of the 'Hopper' fare introduced by the Mayor, meaning no extra costs would be incurred by passengers for changing buses within an hour.
- 22 While buses remained the most popular form of transport in London, demand on many central and inner London bus routes had reduced. Ridership on some routes had been declining since 2014, and by 2019 passenger levels had fallen by nine per cent as improvements to rail services and walking and cycling infrastructure provided new alternatives, especially in central and inner London.
- 23 If a sustainable new funding agreement could not be achieved, TfL could be required to reduce bus services by nearly 20 per cent. This was an outcome that it would continue to try and avoid, as a 20 per cent reduction of the bus network would see some Londoners disconnected from communities and places of work, with a disastrous outcome to the economy.
- 24 On 20 May 2022, TfL launched a consultation on plans to expand the Ultra Low Emission Zone (ULEZ) to cover almost the whole of the capital from 29 August 2023. This was one of many schemes proposed by TfL and the Mayor to help tackle the capital's toxic air crisis, the climate emergency and traffic congestion. This consultation would also be supported by a revision of the Mayor's Transport Strategy.

- 25 TfL was also asking Londoners to help shape the future of road user charging in the capital, which could include scrapping existing charges such as the Congestion Charge, and replacing them with a single road user charging scheme that used more sophisticated technology to make it as simple and fair as possible for Londoners.
- 26 The tough emission standards had already been hugely successful in central London, helping reduce lethal nitrogen dioxide at the roadside by around half. In outer London, more than four out of five vehicles were already compliant with the ULEZ standards, representing great progress towards TfL's goal of cleaner air for the capital. The organisation also continued to ensure that its own bus fleets reduced harmful emissions, with more than 800 zero emission tailpipe buses, making it the largest green fleet in western Europe.
- 27 The Commissioner thanked the Mayor for sharing his concerns over loss of key personnel that had come about during this period of ongoing financial uncertainty. Another departure, albeit always planned, was that of Mark Wild, Chief Executive Officer for Crossrail, who was stepping down following the successful transfer of the Elizabeth line to TfL. The Commissioner thanked Mark for his incredible hard work and support during his time on the Crossrail project. Andy Lord, Chief Operating Officer, and Howard Smith, Director of the Elizabeth Line, would now be responsible for the service and the delivery of the next stage of the project.
- 28 Mark had joined the Crossrail programme on 19 November 2018 to lead the hugely complex project through its final phases, including trial running, trial operations and the opening of the central section following the departure of former chairman Sir Terry Morgan. Previous to joining the team, Mark was Managing Director for London Underground bringing his previous experience as special advisor to the Minister and Secretary of The State Government of Victoria in Australia. The Commissioner wished Mark all the best in his future endeavours.
- 29 On the sustained loss of talent and qualified people from TfL due to future uncertainties, Tricia Wright confirmed that a deeper dive discussion into the retention and attraction of staff would be carried out at the Safety, Sustainability and Human Resources Panel and that the details would be shared with Members.
[Action: Tricia Wright]
- 30 It was the first year under the Talent Strategy that the revised performance and readiness model had been used for employees and lessons were being learnt. Information would be included in the pay gap report being taken to the next meeting of the Safety, Sustainability and Human Resources Panel on how the Talent Strategy and succession planning was being used to further reduce the ethnicity and gender pay gaps, including action to increase declaration rates for the disability pay gap. The report would include emerging data and themes on employee readiness to stretch and strengthen in their careers.
[Action: Tricia Wright]
- 31 Howard Carter confirmed that TfL was proactive in bringing prosecutions wherever it could to tackle fraud on the network, resulting in some good successes. Publicity of the action taken was also an effective deterrent and was often picked up by local newspapers. The Press office would consider whether there was any further action that could be taken to widen circulation and raise public awareness.
[Action: Matt Brown]

- 32 Some Members had recently attended a briefing on Cyber Security and noted that TfL faced several threats and vulnerabilities, which was normal for an organisation of its size and particularly in the current climate. Andy Byford confirmed that activity in this area would be highlighted as a specific item in his Commissioner's reports to the Board going forward. **[Action: Andy Byford]**
- 33 On the coroner's inquest into the tragic fatality that occurred on the Bakerloo platform at Waterloo underground station on 26 May 2020, Andy Lord confirmed that a full investigation was carried out with and lessons learnt. TfL would be participating in the inquest later this year and measures to further improve risk assessment had been introduced, including upgrading the quality of driver CCTV.
- 34 On the Rotherhithe Tunnel refurbishment, Andy Lord confirmed that, owing to the current funding challenges, the tendering process for the detailed design and build stage had been paused. He would look at the current prioritisation to see if any progress could be made on the project, although it was a significant expenditure. **[Action: Andy Lord/Stuart Harvey]**

The Board noted the Commissioner's Report.

38/06/22 Elizabeth Line Operations and Further Opening Stages

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

The Elizabeth line opened on 24 May 2022 to an incredible reception from Londoners and transport enthusiasts from around the world. The celebratory response to the opening saw around 260,000 journeys made on the new central section between Paddington and Abbey Wood across its opening day. Across the whole line from Reading and Heathrow in the west to Shenfield and Abbey Wood in the east, more than 460,000 journeys were made.

The Elizabeth line would have a transformational impact on London. The railway had opened up new journey options, was supporting jobs and generating a huge economic boost, not only for London but for the whole country. The increase in central London's rail capacity of 10 per cent was the largest single increase in decades and would support the capital's regeneration and recovery from the pandemic.

Initial reliability of the central section had been good, with 100 per cent of services achieving the reliability standard on the second day of operations. While long term performance would inevitably be slightly lower, the first few days of reliability reflected the additional resources in place to support opening and the work put in by the operations team.

TfL Rail services on the east and west delivered a performance measure of 92.3 per cent during period 13 (6 – 31 March 2022). The overall annual trend ended the year at 94.2 per cent. Going forward, performance of operational service would be reported as the Elizabeth line as all services between Reading and Heathrow to Paddington and Shenfield to Liverpool Street, previously operating as TfL Rail, had been rebranded.

Work continued to allow a series of testing and software updates in preparation for more intensive services. Bond Street's new Elizabeth line station would open to passengers later this year. Following the opening of the central section, direct services from Reading, Heathrow and Shenfield were expected to connect with the central section in autumn 2022 and with full services across the entire route introduced by May 2023.

The works to support this were being progressed with the development of the Delivery Control Schedule, which would provide a baseline to measure performance and outline all remaining works to the final stage of the programme. The start date for full Elizabeth line services was linked to improved reliability growth and successful commissioning of further upgrades to signalling and rolling stock software, which were planned for after the opening of the central section of the railway.

Network Rail station upgrade works on the east continued at Ilford and Romford. Ilford's entry into service was currently forecast for summer 2022, with good progress being made in relation to the ticket hall slab replacement and associated demolition works. Romford station had experienced delays with gaining acceptance of the fire strategy and design, as well as general assurance to enable handover, however all parties were collaborating to achieve the earliest possible opening date.

The Board noted the paper.

39/06/22 Finance Report - Quarter 4, 2021/22

Patrick Doig introduced the report, which set out TfL's financial results to the end of Quarter 4, 2021/22, the year-to-date ending 31 March 2022. It provided a summary of financial performance against the Revised Budget approved by the Board on 28 July 2021 and last year.

The TfL Budget 2022/23, presented to the Board on 23 March 2022, confirmed its path to financial sustainability from April 2023. The 2022/23 financial year would be the last year it required Government revenue support due to the coronavirus pandemic.

The results for the financial year 2021/22 showed that TfL was on track for financial sustainability and that, through its strong management grip, had carefully controlled costs whilst attracting customers back to the network. The combination of rising income and flat costs meant it was on a declining trajectory of Government revenue support which provided the confidence needed to achieve financial sustainability.

However, the organisation faced several significant external headwinds and risks, such as funding uncertainty, low economic growth, rising inflation and the cost-of-living crisis. It was also facing the dire consequences of implementing the current managed decline budget, unless further capital funding could be secured from Government. These risks highlighted the critical importance of securing longer-term funding from Government.

There were 16 days left until the current funding agreement expired, and although TfL had been in regular dialogue with Government, it still had not received substantive detail on the Government's proposal that would enable meaningful discussions to start. TfL was confident it had delivered each and every funding condition and met every information request. It now needed the Government to deliver on its commitment and provide a longer-term capital funding proposal.

The pandemic had a devastating impact on TfL's income. In the financial year 2020/21, passenger income fell to only £1.6bn, down two-thirds from £4.8bn the previous year. The pandemic was the sole reason that TfL needed Government revenue support to continue its operations. It was grateful to Government for the ongoing revenue support provided, now totalling around £5bn. In financial year 2020/21, TfL received £2.4bn in Government grant and borrowed an additional £600m, totalling around £3bn of support to offset the income lost from the pandemic.

The financial results for 2021/22 showed that TfL and London were recovering from the pandemic and the organisation was on the path to financial sustainability with a declining trajectory of Government revenue support. Increasing revenue and careful cost control meant that TfL only received £1.7bn of Government revenue support. Combined with utilising £300m of its cash reserves, TfL required £2bn of pandemic support in 2021/22, down from around £3bn the year before.

This was achieved by drawing customers back onto the network. Journeys were up from 40 per cent of pre-pandemic levels at the start of the year to 68 per cent at the end of the year. Overall, the number of passenger journeys had almost doubled compared to 2020/21. Accordingly, passenger income doubled to over £3.1bn but remained around £1.6bn lower than pre-pandemic levels. However, passenger income was just over £300m down from Budget, largely as a result of a more limited return to the workplace than expected, driven by the ongoing impacts of the Delta variant last summer, as well as the impacts from the two Omicron waves. This shortfall in revenue was offset through the top-up mechanism in the funding agreement with Government.

Other operating income was £42m lower than Budget, driven by lower ULEZ income. The expanded ULEZ zone introduced in October 2021, alongside the tighter Low Emission Zone standards for heavy vehicles introduced in March 2021 across London, were expected to reduce nitrogen oxide emissions from road transport by 30 per cent. However, the positive outcome of higher than expected compliance rates and lower volumes meant revenue had been significantly lower than budgeted. Due to the uncertainty on ULEZ volumes prior to go-live, TfL held a central contingency to cover a potential financial shortfall so the contingency provision was used to offset the shortfall experienced in ULEZ income.

In terms of Government grant, the Revised Budget set out a Government base funding requirement of £1.9bn for 2021/22. TfL received only £1.4bn of base funding during the year so £500m less than needed. To manage within that reduced envelope, TfL maintained tight operating cost control, with like-for-like costs flat for the past five years. In real terms adjusting for inflation, costs were down £700m since 2017/18. Last year, operating costs were £450m lower than Budget, with underlying cost reductions and savings of almost £200m, which contributed to meeting the shortfall in Government funding.

The remainder of the shortfall was offset by constraining capital investment. TfL's capital expenditure was just over £350m lower than Budget. The lack of Government funding, coupled with the short-term and stop-start nature of the agreements, meant TfL was not able to commence new enhancements schemes or proactively manage the renewals portfolio to the Budget figure. Consequently, this created a backlog of work leading to additional resource and cost pressures. The external auditors, EY, had recently written to the Audit and Assurance Committee to highlight the issue that short-term funding was having on TfL's ability to deliver value for money.

These measures meant TfL was able to manage within the reduced Government funding envelope received, whilst maintaining cash reserves above the minimum of £1.2bn. However, this could not be repeated with less funding than requested in the financial year 2022/23, as the latest Budget was already on a managed decline basis. All the uncommitted enhancement schemes had already been removed, capital renewal had been reduced to the bare minimum and TfL had already removed almost all the contingencies and provisions from the Budget.

In the current financial year ahead, TfL remained on the path to financial sustainability and continuing declining trajectory of Government revenue support. The Budget for financial year 2022/23 was based on a total of £1.2bn Government revenue support, with no further borrowing or use of cash. The required pandemic support had decreased from £3bn in 2020/21, to £2bn last year, to £1bn this year and would reduce to zero next year.

Although journeys have been steadily rising, the Budget assumed further growth over the coming year with London Underground forecast to reach 80 per cent of pre-pandemic demand in the autumn and buses up to around 85 per cent. Post-pandemic travel patterns and new behaviours were not clear and, although the Budget was prudent, this remained a risk as further growth may not occur.

This was compounded by macroeconomic uncertainty. Weak economic growth and the cost of living crisis would be a downward pressure on demand. Furthermore, inflationary pressures were increasing on TfL's cost base, making it harder to keep like-for-like costs flat. TfL now had less resilience to manage these risks. During last year due to explicit Government funding conditions, it had run down its cash reserves and was now managing to an average of £1.2bn, rather than this being an absolute minimum. The year end cash position was slightly above £1.2bn, but only due to the timing of payments and receipts over year-end.

All these risks had led to the recent credit rating downgrade by Moody's from A3 to Baa1. Although Standard & Poor's had recently reaffirmed its A+ rating, this was based on the expectation of securing longer-term Government funding.

Securing longer-term Government funding would remove the funding uncertainty risk and would largely remove the risks TfL was facing on demand, by continuing the revenue top-up mechanism. Having a longer term deal would allow TfL to plan effectively and to have the management space to best manage the inflationary pressure on costs. Securing additional capital funding would allow the worst of the managed decline scenario to be avoided.

Patrick Doig confirmed that the annual business planning process had started and a longer-term funding deal would allow TfL to look at key drivers, inflationary and downside scenarios and how to mitigate them, and build them into a return to more strategic planning. He would be engaging with the Board and seeking Members input on the Business Plan in autumn 2022. **[Action: Patrick Doig]**

The Board noted the report.

40/06/22 Delivering the Mayor's Transport Strategy 2021/22 Annual Update

Alex Williams introduced the fifth annual progress report summarising delivery of the Mayor's Transport Strategy (MTS) and the relevant elements of the London Environment

Strategy. A cohesive, strengthened approach to the MTS was required to enable TfL to protect the health of Londoners, to prevent a long-term car-led recovery, and to respond to the climate emergency. TfL continued to successfully work with the Government and London boroughs to improve levels of active travel, reduce road danger, and better public transport to encourage new homes and jobs, but securing stable long-term funding for TfL was key to unlocking the full benefits of the MTS vision.

The overarching aim of the MTS was to reduce Londoners' dependency on cars and to increase the active, efficient and sustainable mode share of trips in London to an ambitious 80 per cent by 2041. Progress toward that target had been impacted by the coronavirus pandemic but there was a steady progress on public transport demand, though still below the pre-pandemic level.

Members commended the Chair on being led by strategy, standing by it and having clear metrics against which progress could be measured. The impact of TfL's financial position was evident on the trajectory toward many ambitious targets and the MTS and available funding would feed into the next business planning round. Members also recognised that many measures required TfL to work in partnership with London Councils and the boroughs and an active programme of engagement took place.

On healthy streets, the introduction of low traffic neighbourhoods, which was accelerated during the pandemic, had generated strong views from different interest groups. Members commended the Mayor and the Councillors that had supported these measures and welcomed the growing body of evidence that showed their positive impact on safety and environmental improvements. Members also welcomed the delivery on cycling infrastructure and the Cycling Action Plan, which was also addressing diversity issues. It was recognised that more work was required in some boroughs, particularly in outer London and engagement was underway with Chief Executives and borough leaders following the recent local elections. TfL was also doing more to promote the evidence for the benefits of increased walking and cycling.

On the environment, there had been big improvements in air quality supported by the Ultra Low Emission Zone. More work was required to address higher standards introduced to tackle Particulate Matters and Nitrous Oxide levels. Carbon emissions had been reduced as people moved to cleaner vehicles though the target to decarbonise by 2030 remained ambitious. Work continued to improve the availability and location of electric vehicle charging infrastructure. TfL was also working on how to better publicise the importance of improving air quality for health and the positive impact of measures introduced to reduce transport pollution. TfL was also working collaboratively with boroughs to ensure they worked on complementary measures and looked at things beyond transport that would also improve air quality.

On a good public transport experience, the introduction of the Bus Action Plan was very important. Substantial progress had been made on step-free access, supported by the Northern line extension and the Elizabeth line but financial support was required to drive this work forward. An update would be provided to the Customer Service and Operational Performance Panel on the progress on step-free access and options to review and revise the target to reduce journey times for journeys that were not step-free.

[Action: Alex Williams]

The recommencement of Night Tube services was welcomed, with more lines to restart later in the year. Work was ongoing to address the industrial action. Work was also continuing to address noise complaints, particularly on the Northern line.

On new homes and jobs, TfL's investment in schemes like the Northern line extension, the Elizabeth line and the Barking Riverside extension to the Overground had a significance impact. TfL had its own ambitious plans to develop housing on its own land and Members emphasised the need to encourage the development of net-zero homes, particularly given the environmental and cost of living benefits and to look at the experience of other major transport organisations across the world that had developed their land. This work would be overseen by the new Land and Property Committee.

The Board noted the paper.

42/06/22 Collective Executive Decision Making

Howard Carter introduced the item, which sought to enable TfL's Chief Officers to make certain decisions collectively and sought approval to amend TfL's Standing Orders to facilitate that and related changes.

The Board noted the paper and authorised the General Counsel to implement the changes to Standing Orders, as described in the paper.

43/06/22 Board Effectiveness Review 2022

Howard Carter introduced the paper, which provided an update on the issues for consideration that arose from the Board Effectiveness Review 2021, reported to the Board on 8 December 2021. Members were also asked to approve the proposed scope of an externally led Board Effectiveness Review for 2022.

Members noted that there had been four new Members appointed to the Board, including a new Deputy Chair, after the fieldwork for the 2021 review had been completed. Members believed that the Board was working effectively and continued to provide support and challenge to the executive.

For the 2022 review, Members suggested that this also consider how the Government Special Representatives and the London Council's representative on the Board had operated.

The Board noted the paper and approved the scope for the externally led Board Effectiveness Review 2022, as set out in the paper.

44/06/22 Report of the meetings of the Elizabeth Line Committee held on 24 March and 25 May 2022

In the absence of the Chair, the Vice-Chair of the Committee, Anne McMeel, introduced the item. The key issues considered by the Committee had been covered earlier in this meeting. The meeting of the Committee, held on 25 May 2022, agreed it would now focus on the final phases of delivery and receiving operational performance metrics, which was currently proving extremely reliable. The Committee had also given its thanks to Mark Wild and Hannah Quince for their contribution to the project.

The Board noted the report.

45/06/22 Report of the meeting of the Programmes and Investment Committee held on 18 May 2022

The Chair of the Committee, Ben Story, introduced the item. He highlighted the cross-cutting reviews by the Independent Investment Programme Advisory Group. These showed that the Project Management Office had been reinvigorated and TfL was spending its money wisely and getting good value for money. Good progress was also being made on reducing the number of outstanding recommendations from assurance reviews, which had risen during the coronavirus pandemic.

The Committee was aware of and concerned by the impact on TfL of the lack of funding certainty and the loss of key talent. An example of the negative impact was that the Surface Transport Asset Renewals Programme had a budget significantly lower than the 'Do Minimum' scenario needed to maintain the current condition of the assets. Consequently, TfL's assets were now subject to a 'Managed Decline' scenario where it was forecast that asset condition would deteriorate in 2022/23.

The Board noted the report.

46/06/22 Report of the meeting of the Audit and Assurance Committee held on 6 June 2022

The Chair of the Committee, Mark Phillips, introduced the item. The meeting reviewed the draft Annual Report and Statement of Accounts and thanked the Finance team for the huge amount of work undertaken, alongside the work on securing funding settlements and meeting funding conditions.

The Annual Report was a high-quality document and reflected the enormous amount of work that TfL had done over the last financial year.

The external auditors, EY, had raised the ongoing impact on efficiency caused by the short-term funding settlements as well as progress on improving procurement. The Committee had a helpful discussion with EY on TfL's financial position and a further briefing would be held prior to the accounts being submitted to the Board to discuss any issues arising from the audit and EY's view on TfL as a going-concern in light of the funding situation at the time.

The Committee also discussed internal assurance processes and welcomed the responses from management on recommendations.

The Board noted the report.

47/06/22 Any Other Business the Chair Considers Urgent

There was no other urgent business.

48/06/22 Date of Next Meeting

The date of the next meeting was scheduled for Wednesday 27 July 2022 at 10.00am.

The meeting closed at 1.10pm.

Chair: _____

Date: _____