

Transport for London

Minutes of the Meeting

**Chamber, City Hall, Kamal Chunchie Way, London E16 1ZE
10.00am, Wednesday 29 March 2023**

Members

Sadiq Khan (Chair)
Seb Dance (Deputy Chair)
Heidi Alexander (via Teams, from Minute 18/03/23)
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
Councillor Kieron Williams

Government Special Representatives

Becky Wood
John Hall

Executive Committee

Andy Lord	Interim Commissioner
Matt Brown	Director of Communications & Corporate Affairs
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
Sarah Gasson	Chief of Staff to the Commissioner
Jackie Gavigan	Secretariat Manager
Lorraine Humphrey	Director of Risk and Assurance
Shamus Kenny	Head of Secretariat
Peter McNaught	Director of Operational Readiness (for Glynn Barton, Interim Chief Operating Officer)

Also in attendance

Emma Gould Deloitte Board Advisory Team

14/03/23 Apologies for Absence and Chair's Announcements

An apology for absence had been received from Bronwen Handyside. Heidi Alexander was attending via Teams and was able to participate in the discussion but did not count towards the quorum. The meeting was quorate. Glynn Baton was unable to attend the meeting and was represented by Peter McNaught.

The Chair welcomed everyone to the meeting, which was also being broadcast live on the Greater London Authority website and on TfL's YouTube channel to ensure the public and press could observe the proceedings and decision making. He welcomed Emma Gould from the Deloitte Board Evaluation Team. Deloitte was undertaking an independent external review of the effectiveness of the Board and its governance processes, and its report would be submitted to a future meeting.

The Chair had accepted the paper on TfL's Prudential Indicators (Minute 22/03/23) as a late urgent item on the agenda as the Prudential Indicators had to be approved at this meeting. The paper was published on 22 March 2023, as not all information was available at the time the papers were published on 21 March 2023.

On 22 March 2023, Baroness Casey of Blackstock released an independent report that found institutional racism, misogyny and homophobia within the Metropolitan Police Service. The Chair commented on the importance of all public bodies considering and reflecting upon that report. On the day the report was published, Andy Lord messaged all staff reaffirming that TfL was committed to establishing a progressive, inclusive culture, which had no place for such behaviours and encouraging any staff that saw behaviours that fell short of those demanded at TfL to raise them immediately.

London's transport network was key to building a safer, more accessible, and more prosperous city for everyone and to the capital's wider economic recovery. The Chair was pleased to note the completion of the Bank Station Capacity Upgrade project on 27 February 2023. The extensive works had transformed Bank station into a world-class station, fit to serve a financial district of international renown.

Members had been kept informed of the progress of the recruitment process for the Commissioner. A change to the Appointment Panel was set out in Minute 17/03/23.

Becky Wood would step down from her role as the Government's Special Representative in June 2023. On behalf of the Board, the Chair thanked Becky Wood for her contributions to the meetings of the Board, the Finance Committee and the Programmes and Investment Committee and her invaluable input into discussions with Government.

The Chair paid tribute to Sam Mullins OBE who had announced that he would stand down as Director and Chief Executive of the award-winning London Transport Museum, once a successor was appointed, after 28 years in the role. Under his direction, the the Museum became the world's leading museum of urban transport. It had transitioned to charitable status and had an extensive outreach work programme, which included the delivery of the STARS programme on behalf of TfL, helping to shape a greener and healthier city. Sam Mullins was awarded an OBE in 2018 for his significant contribution to the London Transport Museum.

On behalf of the Board, the Chair also expressed its condolences to the family of Oscar Roith CB; FREng; FIMEchE; FRSA; DSc; MA(Cantab), who died on 6 February 2023, aged 95. Oscar Roith was appointed to the Board of London Transport following the

Fennell Enquiry into the King's Cross Fire. He served as a Member from 1988 to 1995 and was the Chair of its Safety Audit Committee. He was instrumental in overseeing the implementation of safety improvements and a much-improved safety culture that also reduced crime across the bus, Tube and rail networks.

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 the appropriate member of the Executive Committee after the meeting. There were no specific issues raised at the meeting.

15/03/23 Declarations of Interests

All Members confirmed that their declarations of interests, as published on tfl.gov.uk, were up to date. There had been three changes since the last meeting of the Board:

- (a) Dr Lynn Sloman MBE was no longer the Chair of the Welsh Government's Roads Review Panel, as that review had been completed;
- (b) Professor Greg Clark CBE was no longer a member of the London Economic Action Partnership Board as it had held its last meeting on 7 March 2023. The Chair thanked him for his service over the previous 10 years; and
- (c) Ben Story, as the Chief Operating Officer of Sustainable Development Capital LLP, had a potential conflict of interest on any Treasury Management discussions. He took no part in the recent discussion of that item at the meeting of the Finance Committee on 8 March 2023.

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

16/03/23 Minutes of the Meeting of the Board held on 1 February 2023

Subject to the correction of the first line of Minute 08/03/23, to refer to Andy Lord, not Andy Byford, the Board approved the minutes of the meeting held on 1 February 2023 and the Chair was authorised to sign them.

17/03/23 Matters Arising, Actions List and Use of Delegated Authority

Howard Carter introduced the item. Since the meeting on 1 February 2023, there had been no use of Chair's Action, nor any other use of specific authority delegated by the Board to Committees.

The paper reported the change to the Commissioner Appointment Panel, with Peter Strachan replacing Professor Greg Clark CBE, who had stood down due to other commitments. The Appointment Panel now comprised: Seb Dance, Anne McMeel, Dr Mee Ling Ng OBE, Marie Pye and Peter Strachan.

The paper referred to two Mayoral Directions issued to TfL since the last meeting, relating to Low-Paid Transport Workers' Concession Scheme (MD3079) and March 2023 fare changes (MD3104). Following the publication of the paper, a further Direction was received, MD3097, to provide further financial support for Seven Sisters Market traders, extending the support previously provided, while a permanent relocation for the market was delivered.

The paper requested a delegation of authority to the General Counsel to make changes to Standing Orders, in due course, to reflect the close out of the Crossrail project and standing down of the Elizabeth Line Committee.

Updates had also been provided against each action.

The Board noted the paper and:

- 1 noted the change to the Commissioner Appointment Panel;**
- 2 authorised the General Counsel, in due course, to make any amendments to Standing Orders and the Terms of Reference of the Committees and Panels necessary to reflect the close out of the Crossrail project and standing down of the Elizabeth Line Committee, as outlined in the paper; and**
- 3 noted the actions list, set out in Appendix 1 of the paper.**

18/03/23 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 the teams who had worked hard to keep London moving despite wintry weather, strong winds and industrial action, and everyone across TfL and beyond who had helped TfL continue to make good progress on its projects and priorities.
- 2 Since the last update, he had spent time meeting colleagues and stakeholders across the network and the city. Highlights included the new DLR trains at Beckton, the opening of the final phase of Bank station and visiting Tottenham Court Road to see the development of 4G and 5G mobile coverage across the Tube network, which would be transformational.
- 3 London's boroughs were essential partners in helping TfL achieve its goals and make London a cleaner, greener place. The Commissioner had met with the leaders of Croydon, Kingston and Sutton Councils over the last few weeks and would continue engaging with boroughs across the capital over the coming months.
- 4 The Commissioner and the Minister for Roads and Local Transport, Richard Holden, had visited Bexleyheath bus garage to see the future of green travel, with TfL's electric bus fleet and rapid wireless bus charging. He joined the Secretary of

State for Transport, Mark Harper, on his first journey on the Elizabeth line in February 2023, which provided a great opportunity to discuss their shared priorities.

- 5 The Commissioner had also met with stakeholders to understand their priorities and how they could make the case together for further investment in London's transport network and infrastructure. He had recently joined the Confederation of British Industry members to hear from other business leaders and had meetings with other business groups planned over the coming weeks.
- 6 TfL was aware that it needed to do more to publicise the great work of the organisation and its people and demonstrate its diversity, innovation and capacity. Emma Strain had recently been appointed as the Director of Customer to help raise awareness with communities, business sectors and key stakeholders. Board Member Anurag Gupta had recently attended an event with the Treasury Minister, Association of Investment Companies and other City investors who had not been aware of the innovative work TfL was doing in the control centres using artificial intelligence. The Commissioner asked if Anurag could share the details of the people who attended so he could reach out to them. **[Action: Andy Lord]**
- 7 On 21 March 2023, the Deputy Mayor and the Commissioner appeared before the London Assembly Transport Committee for a general question and answer session, which covered the priorities for TfL and a range of important issues for London, including Vision Zero, active travel and funding.
- 8 Safety remained TfL's top priority and it continued to work closely with the police, learn from safety incidents and focus its efforts on achieving Vision Zero. The Vision Zero dashboard was published on TfL's website, following suggestions from stakeholders including the London Assembly. The tool brought together Metropolitan and City of London Police data from January 2015 to February 2023 and made it easier for people to access and interpret London's roads policing and enforcement data, which would be updated regularly. The dashboard had been welcomed by stakeholders and TfL looked forward to receiving further feedback.
- 9 From 30 March 2023, 20mph speed limits would be brought in on TfL's roads in Camden, Islington, Hackney, Haringey and Tower Hamlets. Banners were being put in place to ensure drivers were aware of the new lower speed limits, which were a vital part of the Vision Zero work. Members welcomed the progress on the programme to extend the 20mph speed limit on roads and police action to enforce it, given the success of the existing restrictions in reducing death and serious injury to vulnerable road users. An update on 20mph zones would be shared with Members, which would include a map showing current and planned zones, details of the level of speeding convictions within current zones and the work done and planned to raise awareness to change driver behaviours in 20mph zones. **[Action: Lilli Matson]**
- 10 The report, published on 22 March 2023, on the Metropolitan Police Service (MPS) from Baroness Casey made for very difficult reading. The Commissioner gave assurance that everyone was fully committed to rejecting any form of discrimination at TfL. The behaviours revealed by the report had no place in any organisation and TfL continued to establish a progressive, inclusive culture that valued diversity in all its forms. Following a long and detailed period of development, TfL would shortly publish its Action on Inclusion strategies for both colleagues and customers, that set out how this culture would be embedded within TfL, making the organisation

and its services inclusive and accessible for everyone. The Executive team would update Board Members on the Action on Inclusion strategies.

- 11 The Commissioner had met with Sir Mark Rowley, Commissioner of the MPS, on 24 March 2023, to discuss the report and to offer him support on any actions required. If anyone had concerns about any of the issues raised in the report or wanted to call out behaviours that did not meet TfL's standards, they were encouraged to speak to their line manager or another member of the TfL leadership team.
- 12 TfL had supported its full-time Transport Salaried Staffs Association (TSSA) officer, who was a witness in the Baroness Helena Kennedy KC report, which identified sexual harassment, discrimination and bullying within the union. TfL had reached out to the TSSA President and had offered to support the organisation in making corrective action.
- 13 Members welcomed the measures being taken to address crime and anti-social behaviour on public transport and noted that the transport and security officers also supported vulnerable people on the network.
- 14 Celebrations to mark the 160th anniversary of the London Underground continued with an evening to recognise the achievements of staff, suppliers and partner organisations at the London Transport Museum in February 2023.
- 15 The collaboration between teams at TfL and MTR Elizabeth line was rewarded when they won the Special Award at the Golden Whistles event, one of the most prestigious events in the railway industry. Howard Smith was also recognised with a lifetime achievement award. In addition, the Northern line won a Gold award in the London Underground category and the Hammersmith & City and Circle lines won Silver awards.
- 16 TfL continued to work hard to attract more people back to its services and to keep improving the customer experience with a range of projects and campaigns. On 28 March 2023, proposals were announced for a network of express bus routes, in a boost to the outer London bus network. The Superloop would connect town centres, hospitals, stations and transport hubs, adding up to five million additional operated kilometres to the bus network, on top of the additional one million announced in February 2023.
- 17 TfL looked forward to hearing from its customers and stakeholders on these proposals, which supported post-coronavirus pandemic travel patterns and would see six new routes and four existing routes rebranded. The first consultation would be launched in April 2023, with an update on progress in the next report. The Commissioner thanked Alex Williams, Glynn Barton, Matt Brown and their teams for the fantastic work on this project, which was the biggest change to the bus network in nearly 20 years.
- 18 Huge progress had been made at Bank station, with the completion of the station capacity upgrade. This included step-free access to the Northern line for the first time and improved step-free access to the DLR. The Commissioner was joined by the Mayor for the final opening and he extended his thanks to everyone who contributed to the success of the project, which was already benefitting customers and had turned Bank into a station that people actively chose to use.

- 19 From next year, there would be new air-conditioned trains on the DLR network. The Mayor and the Commissioner had visited the Beckton Depot to see the first train, which would transform journeys and the customer experience and help support future growth in east London. The new state-of-the-art trains also featured walk-through carriages, increased capacity and improved accessibility and real time customer information.
- 20 The Elizabeth line continued to be transformational to people travelling across London and the South East. The Office of Rail and Road had confirmed that one in six of all UK rail journeys were now made on the line, which was a ringing endorsement. The same data also confirmed the Elizabeth line was the most on time rail operator in the country in terms of punctuality. This was a great achievement and TfL was focused on delivering the next stage of the Elizabeth line in May 2023, increasing peak train frequencies through the central operating section, reducing journey times in the west and providing additional capacity to Heathrow Airport and the final connectivity from east to west.
- 21 Following the news of potential delays to the HS2 project, the Commissioner was urging all parties to work together to avoid Old Oak Common being used as a temporary terminus for an extended period. This could cause issues with Elizabeth line capacity unless appropriate steps were taken and the Mayor was working hard to make this case and would continue to do so. There had already been some positive engagement with other stakeholders and the Department for Transport (DfT) on the matter.
- 22 TfL and other stakeholders were in discussion with the DfT to ensure that the HS2 terminus was delivered as soon as possible and that, if there was any delay, the opportunity was taken to review the plans to ensure the best outcome for Londoners. The operations team was doing all it could to minimise disruption from the current works on the Euston Road. TfL would also encourage the DfT to adopt a similar joint-stakeholder group approach to support the station and surrounding area at Old Oak Common.
- 23 Despite the huge negative impact of the coronavirus pandemic on TfL's income and recent economic pressures, its annual Budget for the coming financial year showed that the organisation could now fully cover operational costs while investing in new bus services, Tube improvements and walking and cycling schemes across the capital and outer London. The Commissioner thanked Rachel McLean, the Finance team and Executive team colleagues for the huge amount of work it had taken to get TfL to this position.
- 24 TfL continued to work closely with the Government on the review of its pension arrangements, as required by the funding settlement, and had written to the Government to explain that TfL was unable to progress until it had certain assurances and further information. It remained the case that no changes to the TfL pension were currently being proposed, nor any financial savings assumed, but TfL would continue to engage and work with Government to see how it could progress.
- 25 Preparations continued for the expansion of the Ultra Low Emission Zone (ULEZ) across all London boroughs. New data released showed that nine in 10 cars seen driving in outer London on an average day meet the ULEZ standards. A £110m scrappage scheme had been launched, which was already helping those who needed it to switch from older, more polluting vehicles. Capita managed a range of

road schemes on TfL's behalf, including ULEZ, and the Commissioner and Alex Williams visited their headquarters last month to see how they were preparing for the expansion.

- 26 Members would be kept up to date on the progress of the application for judicial review made on behalf of five councils challenging the Mayor's decision to expand ULEZ London-wide and to approve funding for a scrappage scheme.
- 27 On 27 March 2023, TfL announced that it would allocate more than £65m in funding for London's boroughs in 2023/24. This included nearly £39m allocated to outer London as they continued their vital work making the capital's roads safer and more attractive for those walking, cycling and using public transport. The funding would help progress four bus priority schemes, five Liveable Neighbourhood projects, more than 150 proposals for new or upgraded pedestrian crossings, more than 100 school street schemes, and cycle training for more than 60,000 people in total.
- 28 Zero emission buses were key to helping TfL achieve its goal for net-zero carbon emissions. It had passed its target for zero emission bus roll-out, with 955 now in the fleet. Work continued towards the objective of converting the entire fleet to zero emission no later than 2034, with an aspiration to achieve this by 2030, and the Board would continue to be updated on progress. The key areas of focus for the Bus Action Plan for 2023/24 were increasing outer London capacity, accelerating the number of zero emission buses subject to additional funding and improving the customer offer such as trialling countdown signage at bus stops.
- 29 The Superloop buses would all be low emission but would not all be zero emission from the start, as no zero emission vehicle could complete the whole of route 26 on one charge. TfL was looking at the potential of innovative technology, such as wireless super chargers and bus stop charging, so that every route that had the capability would be zero emission and the entire network would be eventually.
- 30 The Commissioner was in dialogue with other cities with large bus networks to meet the challenge of accelerating zero emission vehicles across the country. There was a capacity issue with manufacturers at present and he would meet with manufacturers and other cities in the coming months. Updates would continue to be provided in the Commissioner's Report.
- 31 As the initial trials of new technology around fatigue management with bus operators and trade unions progressed and more data was produced, TfL would look at how it could be rolled out more widely across its services. TfL was working closely with suppliers and required fatigue plans for bus and tram operators, as fatigue management was a shared issue across the industry.
- 32 TfL's carbon literacy training continued to roll out at pace and there was evidence of it helping to make real change, with colleagues immediately applying the knowledge from the training to change the way they planned and delivered projects. More than 500 senior leaders, including the Executive Committee, had completed the training. The opportunity to participate in the training had also been offered to Board Members.
- 33 Glynn Barton's team looked at how TfL upgraded, replaced and built new infrastructure on the road network from a nature and climate change perspective, including planting wildflower verges and installing sustainable drainage to prevent

flooding but more could be done. Lilli Matson confirmed that TfL's key priorities across the network were decarbonisation, adaption and managing for biodiversity. TfL already had a nature capital account for the estate which delivered over £300m of value to London through its natural benefits every year. The plan for green infrastructure and biodiversity would come forward later in 2023/24 and would be shared with the Board. **[Action: Lilli Matson]**

- 34 TfL's Climate Adaptation Plan was published on 13 March 2023. Climate adaption needed to be a core part of discussions on new capital investment and property development, as well as in the next budget and business plan cycle. A lot of investment was required and, by achieving operational financial sustainability, TfL could ensure it continued to invest in renewals. Long-term capital funding was also needed for major infrastructure, particularly to make progress on the road network. The Plan outlined the substantial challenges and risks faced and work such as increasing sustainable drainage was underway, which needed to be mainstreamed into projects where possible. The business planning process would include consideration of the expenditure required. **[Action: Lilli Matson]**
- 35 The Customer Service and Operational Performance Panel would receive an update on the consultation launched on 27 February and closing on 12 May 2023 to improve taxi and private hire vehicle standards. **[Action: Helen Chapman]**
- 36 The Commissioner had written to the DfT asking for approval of the outstanding Section 163 agreements for property development and had subsequently received approval of all of them, apart from Cockfosters which was being reviewed. Real progress was being made on the work of TTL Properties Limited and at the Land and Property Committee, and more updates on property and housing would be included in future reports to the Board. **[Action: Andy Lord]**
- 37 Glynn Barton and the operational teams were working to make streets more efficient and manage signal timings for priority road users, including lane rental and working with boroughs and utility companies to move it forward. Board Members were offered a separate briefing and the opportunity to visit the control centre to see how the teams operated and the innovative technology. **[Action: Glynn Barton]**
- 38 On behalf of TfL and the Executive Committee, the Commissioner thanked Becky Wood for all that she had done in her time as Government Special Representative to provide guidance, support and challenge, and wished her all the best in her new role.
- 39 The Commissioner also thanked all TfL colleagues for their work over the past couple of months. Everyone had risen to the challenge of keeping the capital moving and delivering a safe, reliable and affordable service to Londoners, while encouraging walking, cycling and public transport, and he was very proud of everything TfL had achieved.

The Board noted the report.

19/03/23 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. He thanked the frontline staff and all the teams involved with the day to day and strategic running of the Elizabeth line, particularly during the recent days of industrial action.

Overall, performance remained good with a sustained positive trend and customer satisfaction was high and the strongest of all TfL modes. Passenger journeys were in line with the budget, with revenue exceeding budget due to higher-than-expected yield following the commencement of through running. March 2023 had seen the highest number of passengers on a single day and the busiest Saturday.

Challenges remained on the west of the railway and with reliability overall. Andy Lord had met with the Chief Executive of Network Rail and was pleased with the good collaboration with all partners and a solution-orientated approach. Members noted that services on the day of the meeting had been impacted by a line-side fire near Maidenhead.

The key focus for everyone was the final stage of the Crossrail project, which was on track to be fully transitioned to TfL by the end of May 2023 and the introduction of the integrated full timetable on 24 May 2023. The full integration and new timetable would increase services to Heathrow and to Liverpool Street National Rail station result in faster running times between Reading and Paddington and improved journey times for customers travelling from the west into central London and increase peak services from 22 to 24 trains per hour in the central section. This represented a further significant step up in terms of the operation of the Elizabeth line and customers and stakeholders had been informed of the planned closure at Easter for the latest software upgrades to enable these changes to happen.

Members on the Elizabeth Line Committee had received a full update on performance, finance and progress on completing the project for final integration in March 2023. The Committee would meet in May 2023, shortly before full integration and it was proposed that the last meeting would be in July 2023, where it would also consider the lessons learnt from the project.

After May 2023, the timetable would be kept under review and the Customer Service and Operational Performance Panel would be updated on performance and reliability including how performance on the west of the line was being managed with Network Rail. A report to the Elizabeth Line Committee would include more details on the full integration of the project into TfL and the transition into business-as-usual processes and reporting to Committees and Panels. **[Action: Howard Smith]**

The Board acknowledged the contribution of Members to the successful delivery of the project, in particular Heidi Alexander as chair of the Elizabeth Line Committee and Anne McMeel and Dr Nelson Ogunshakin OBE for their roles on the Crossrail Board from 2018 and on the Committee.

The Board noted the paper.

20/03/23 TfL Budget 2023/24

Rachel McLean and Patrick Doig introduced the item, which sought approval of TfL's Budget for 2023/24. The Budget updated the assumptions for 2023/24, which were set out in the 2023 Business Plan approved in December 2022, and included the latest

information on journey trends, inflation, progress with savings and the most recent delivery schedules for the Investment Programme. It also reflected the outcomes of the Mayor's Budget finalised in February 2023, which included the funding to retain more inner London bus services, provide additional bus kilometres in outer London and one-off funding for cycle schemes.

TfL was still facing considerable risk and uncertainty with its finances and Rachel McLean expressed her gratitude for the work carried out by managers, Executive Committee colleagues and the Finance team which had resulted in an improvement in the forecast operating surplus in the next financial year from £5m to £79m, £74m better compared with the Business Plan forecast.

Like the Business Plan, the Budget was another major milestone in TfL's recovery from the impact of the coronavirus pandemic on its finances, and a key step in removing its reliance on Government funding for anything other than capital investment. It had been acknowledged by Government that TfL, in common with other public transport authorities, would continue to need support for capital investment.

The Budget supported TfL's commitment to get everyone home safe and healthy every day and to continue to invest in vital improvements, in particular work to end violence towards woman and girls, to reduce serious injuries to transport users and workers, and to progress initiatives which reduced workplace violence and aggression.

TfL continued to provide sustainable travel by increasing and improving bus services, bringing the Elizabeth line to 24 trains per hour in the busiest times after the May 2023 integration, improving cycling and walking facilities and introducing the first of the new state-of-the-art DLR trains into service.

Investment would continue in staff welfare facilities and the Action on Inclusion programme would be launched later in 2023. TfL would continue to deliver on its climate budget commitments, including the expansion of more zero emission buses, and the Power Purchase Agreements procurement to improve the proportion of energy bought from renewable sources.

Delivery of these outcomes and reaching the right trajectory of income and costs before the exit from the current funding settlement was a key priority. The most significant risks to that delivery were: the forecast recovery in income, which was substantially dependent on overall economic factors; the outcome of discussions with Government particularly on how the inflation mechanism in the funding settlement would operate; and continuing to build on the successful track record of lowering like-for-like costs.

TfL's costs were impacted by a range of external price indices and fuel and energy costs. At the time of the Business Plan, TfL expected inflationary cost pressures of around £400m but, through the Budget process, had mitigated the impact down to around £280m as compared to the Budget set in March 2022, despite the significant increases in inflation.

Inflationary pressure could not be fully mitigated, given the challenging savings targets embedded in the Budget. TfL remained vigilant in light of the continued economic headwinds but overall operating risks and opportunities were in balance in the Budget, with £200m of risks offset by the equivalent amount of opportunities.

Considering the most recent office accommodation and economic forecasts, ridership was expected to grow by a further seven per cent by the end of 2023/24 but was subject to a high degree of uncertainty. To mitigate reliance on passenger income, TfL had increased total income from other sources by 14 per cent on a like-for-like basis, while reducing passenger income as a percentage of total income from 72 per cent to 65 per cent.

TfL expected to create an operating surplus in 2023/24 of around £80m, with all Department for Transport (DfT) base funding being allocated to capital. The level of passenger demand growth would drive the extent to which, if any, TfL would need to rely on the Government revenue top-up arrangement. The operating surplus was used to fund capital investment as well as supporting a return to prudent, incremental borrowing to finance new investment. Opportunities were taken as they arose to refinance debt to make savings to help support the operating account.

Discussions with Government on inflation funding for 2023/24 were ongoing and TfL hoped to get final confirmation in the coming weeks to enable more efficient and effective planning for the year ahead. The DfT was reviewing TfL's £279m inflation claim and if TfL did not receive the revision to Government funding anticipated to reflect the impact of inflation, it would need to rebalance the Budget through measures to increase income or reduce cost.

The renewals budget in 2022/23 was increased from £600m to £635m mid-year as part of the funding settlement and, while TfL had delivered more than the original budget, it had not been possible to increase delivery to fully meet the capital envelope for renewals. TfL aimed to maximise delivery within the £635m envelope and would confirm the final request once the year-end number was known in the coming weeks. It was estimated that around £15-25m would be needed to roll forward as the assets continued to need that level of investment.

Preliminary discussions on longer-term funding had also commenced but no mechanism was in place to provide funding for 2024/25, although the Government had recognised that TfL was not able to fund major projects and renewals from its own sources of income. Without the funding, TfL would need to significantly reprioritise the existing plan. Flexibility in 2024/25 was limited, especially within major rolling stock and signalling investment programmes where most expenditure was contractually committed through the Piccadilly line and DLR fleet replacements. This reprioritisation would also impact 2023/24, as TfL would need to slow, stop or defer investment in programmes ahead of the 2024/25 financial year commencing.

The Government recognised the benefits that long-term funding certainty could bring for transport, in terms of value for money to the taxpayer, and had provided eight regions outside of London with London-style long-term transport investment settlements. A second phase was announced which extended them by a further five years to March 2032 and gave those regions the certainty and long-term planning horizon to tackle key strategic challenges, optimise asset replacement, innovate with their supply chain and drive value for money.

TfL was optimistic that, if it continued to work collaboratively with Government, a similar long-term funding investment settlement could be secured for London, TfL, the boroughs and the supply chain across the country.

The Board noted that the detailed work on the TTL Properties Limited Budget and Business Plan was slightly behind the development of the wider TfL plans and more detail would be provided in the next Finance Report to the Board.

[Action: Rachel McLean]

Members welcomed the £6m investment in the Superloop infrastructure for its environmental and connectivity benefits in the context of the London-wide Ultra Low Emission Zone expansion and for the economic recovery of borough town centres and the night economy. TfL had forecast some increase in revenue in return on the £6m investment and was carrying out a lot of work on the bus network through the bus action plan, investment in bus lanes and building more kilometres into the service. Information on the return on investment in terms of what had proven to be the most effective in supporting customers and managing finances would be brought to future Board meetings once the data was available.

[Action: Rachel McLean]

Rachel McLean confirmed that delivery of the net zero strategy had been a key consideration in the budget process with TfL colleagues encouraged to bring forward investment that supported net zero. TfL would be doing more work on spend to save to make additional progress towards net zero and provide ongoing operational savings. Supply chain partners were fully engaged and Stuart Harvey had been working with the rail industry associations and other groups to explore what more could be done to help those partners to deliver more efficiently and cost effectively to TfL.

On engaging energy procurement partners in net zero delivery of the lowest cost energy, Lilli Matson would look into ways of getting more engagement and faster progress from the Crown Commercial Service, who played a vital role in energy procurement as TfL's current supplier.

[Action: Lilli Matson]

On the capital expenditure of just five per cent for delivery of Healthy Streets, Alex Williams confirmed that the appropriate level of funding had been discussed at length as part of the Business Plan and that securing £150m on a recurring basis had been a significant achievement. The prioritisation of capital funding would be reviewed on a yearly basis as part of the business planning discussions.

[Action: Alex Williams]

Implicit in the Budget was TfL maintaining a certain credit rating, level of debt and debt pricing. Members asked, if Government funding was not available, what would TfL's debt capacity be at various rating levels, what was the link to pricing and was there a case for borrowing against investment for the benefit of future generations. Patrick Doig confirmed that the price of TfL's debt was largely determined by the Public Works Loan Board and independent of its credit ratings. More detailed analysis of TfL's true debt capacity at different rating levels, what that meant for carrying costs going forward and how to balance capacity, rating and cost would be brought to a future meeting of the Finance Committee.

[Action: Rachel McLean]

The Board noted the paper and approved the TfL Budget for 2023/24.

21/03/23 2023/24 TfL Scorecard

Alex Williams introduced the item. The TfL scorecard was the primary tool for tracking in-year progress against TfL-wide strategic objectives, and incentivising senior managers to make strategically aligned decisions. The 2023/24 TfL scorecard was aligned with TfL's

Vision and Values and the Mayor's Transport Strategy, ensuring that the focus for the next year moved the organisation towards its long-term ambitions.

The scorecard for 2023/24 built on the scorecard for 2022/23, with several key changes including senior leadership representation, customer journey time, and the London-wide Ultra Low Emission Zone delivery milestone.

The measures selected for the 2023/24 scorecard had a balanced approach across the five key themes and encapsulated TfL's priorities of attracting customers back onto the network, empowering and supporting colleagues, rebuilding finances, and protecting and improving the environment. The targets set a bold yet achievable level of ambition for 2023/24. They were aligned both to the assumptions in TfL's Budget (approved earlier in the meeting) and the ambitions in the Business Plan approved in December 2022.

Members welcomed the new scorecard and the assurance that it drove behaviours and decisions, as progress against the metrics were tracked throughout the year and fed into performance objectives and reviews.

Lilli Matson confirmed that the measure for reducing the number of people killed or seriously injured on the roads was stretching, an eight per cent increase on the current measure, and was in line with the trajectory to achieve a 70 per cent reduction from the 2010-14 average by 2030. TfL was committed to its Vision Zero ambition but needed more work on enforcement and behaviour change to achieve it.

Stuart Harvey confirmed that he was comfortable that the Investment Programme milestones were achievable, despite being challenging due to inflation and other factors.

Alex Williams would look at how the metric for CO₂ emissions from TfL operations and buildings (ktonnes) was expressed for the future, but was confident that the target was achievable and greater headway would be made in the future once Power Purchase Agreements were in place.

The Board noted the paper and:

- 1 approved the 2023/24 TfL scorecard; and**
- 2 noted the approach to Business Area scorecards for 2023/24.**

22/03/23 TfL Prudential Indicators 2023/24 to 2025/26

The Chair had agreed to the late publication of the paper, as the Prudential Indicators needed to be approved at this meeting and not all information was available at the time the papers were published.

Patrick Doig introduced the item, which set out the proposed TfL borrowing limits and other Prudential Indicators. These were consistent with the approved Treasury Management Strategy for 2023/24 and the principles underpinning the proposed long-term TfL Capital Strategy. These limits and indicators were based on figures in the 2023/24 TfL Budget and the 2023 TfL Business Plan.

TfL was required to adopt Prudential Indicators which supported decision making on planned capital expenditure, borrowing and treasury management activities. The

Prudential Indicators crystallised the borrowing limits set by the Budget through the operational boundary, which was the planned level of debt and had been held flat at around the same level since 2020/21. This had been achieved through sound financial management, Government funding support and refinancing debt at lower value to reduce the overall debt levels. This would increase over the next year for the Ultra Low Emission Zone expansion but would end the year at a reasonable level of planned debt. Indicative figures for 2024/25 and 2025/26 showed borrowing and surplus increasing but would be revisited again in the business planning period and in 12 months' time.

The authorised limit was the ceiling at which TfL could issue debt and was set above the operational boundary. Headroom was created through short-term refinancing fluctuations, which had been exercised through the refinancing of a £500m bond in August 2022 and saved a significant amount. There was also contingency in cash balances, a small amount in the Budget and in balance sheet capacity. The Greater London Authority financing facility was still in place, which TfL could call upon in case of significant financial shocks.

Members asked if future papers could include an indication of what the debt service recovery issue was at the authorised limit and the Interest Coverage Ratio limits, to provide a better view of whether the limits were prudent. Only the statutory ratios were included but various other ratios were calculated as part of the paper and would be incorporated going forward, including in the Finance Committee papers.

[Action: Patrick Doig]

On the estimates of ratio of financing costs to net revenue stream, Patrick Doig would report back on why there was a three per cent increase on TfL Corporation proposed indicators between 2024/25 and 2025/26, while the other statistics appeared to remain steady.

[Action: Patrick Doig]

The Board noted the paper and:

- 1 approved the TfL Prudential Indicators as set out in Appendix 1 of the paper;**
- 2 approved the Treasury Management Indicators as set out in Appendix 2 of the paper for 2023/24 and the following two years; and**
- 3 approved the Annual TfL Policy Statement on Minimum Revenue Provision set out in section 6 of the paper.**

23/03/23 Report of the meeting of the Safety, Sustainability and Human Resources Panel held on 22 February 2023

The Chair of the Panel, Dr Lynn Sloman MBE, introduced the item and highlighted the Panel's discussion on Enterprise Risk 2 – Attraction, Retention, and Wellbeing of Our Employees. It discussed the emerging colleague strategy and the One TfL Programme, and the data led work to attract and retain staff, manage talent and on strategic workforce planning.

The Board noted the report.

24/03/23 Report of the meeting of the Programmes and Investment Committee held on 1 March 2023

The Chair of the Committee, Ben Story, introduced the item.

The Committee discussed the overall progress of the Investment Programme, which in the performance year had delivered 15 out of the 21 strategic milestones on time or early. It welcomed the rigour of the assurance provided by the Project Assurance team and the Independent Investment Programme Advisory Group and that the industry-wide shortage of engineers continued to be a risk to the delivery of programmes.

The Committee discussed an update on the achievements and progress of the London Underground Enhancements Programme and approved a reduction in Programme and Project Authority. Significant progress had been made on improving stations and meeting the Mayor's Transport Strategy goals for step-free journey times and would receive a future briefing on step-free access prioritisation.

The Committee also welcomed the positive collaboration with the Department for Transport, which was fully funding TfL to deliver a programme expanding pay as you go on rail across the south-east of England.

The Board noted the report.

25/03/23 Report of the meeting of the Remuneration Committee held on 2 March 2023

The Chair of the Committee, Kay Carberry CBE, introduced the item.

Like the Safety, Sustainability and Human Resources Panel, the Committee had been updated on resourcing issues and welcomed the data led processes and the expectation that positive results from the new initiatives would be evident within a year.

The Committee considered the annual review of remuneration across TfL. It noted the complexity of the pay arrangements and the work underway to rationalise these through the development of a reward strategy. The implementation of the strategy was expected to address the recent increase in negative feedback on pay and pay fairness from the Viewpoint staff survey and other feedback channels.

The Board noted the report.

26/03/23 Report of the meeting of the Finance Committee held on 8 March 2023

The Chair of the Committee, Anne McMeel, introduced the item. The Committee had approved the Treasury Management Strategy and Policies for TfL and its property company TTL Properties Limited and the Investment Management Strategy for Non-Financial Assets.

There was a detailed discussion on taxi fares and tariffs ahead of changes being approved.

The Committee discussed the good progress of the Procurement and Commercial Improvement Programme in improving processes and governance, including the positive impact of the roll-out of the SAP Ariba programme. It noted the findings of the Independent Investment Programme Advisory Group's (IIPAG) review and that the Procurement and Commercial team now fell within the remit of the Chief Finance Officer and her plan to address outstanding issues had been supported by IIPAG. The Committee would review progress again at a future meeting.

The Committee was updated on the strategy for the ongoing provision of critical radio communication and data network services on the London Underground, and the proposed approach to execute and deliver the strategy. A Chair's Action request would be submitted shortly for approval to invest further in the Connect System infrastructure.

The Committee also approved arrangements for termination of leases and purchase of the London Overground Class 378 fleet.

The Board noted the report.

27/03/23 Report of the meeting of the Audit and Assurance Committee held on 15 March 2023

The Chair of the Committee, Mark Phillips, introduced the item. Prior to the meeting the Committee had a briefing on cyber security and requested that the Executive Committee complete a desk top exercise to fully assess the risk.

The Committee requested enhanced reporting on Enterprise Risks to all Committees and Panels, so that changes in risk probability or impact were clear.

The Committee considered the Independent Investment Programme Advisory Group's (IIPAG) quarterly report, noting the good progress on climate adaption measures and the Procurement and Commercial Improvement Programme. It approved a change to the IIPAG Terms of Reference and requested that IIPAG consider reviewing projects across the capital programme comparing their original budget, schedule and business plan benefits against final position.

The Board noted the report.

28/03/23 Report of the meeting of the Customer Service and Operational Performance Panel held on 22 March 2023

The Chair of the Panel, Dr Mee Ling Ng OBE, introduced the item. During the discussion of the Customer Service and Operational Performance – Quarter 3, 2022/23 report, the Panel noted that tram performance was impacted by asset renewal issues that required investment. It was also reassured that TfL's contact centres were prepared for the expected volume of calls in advance of the expansion of the Ultra Low Emission Zone.

On electrified travel devices (micromobility) the Panel supported continued lobbying for primary legislation to ensure they had safety features for users and vulnerable road

users and that manufacturers addressed safety issues such as battery overheating and fires.

The Panel also discussed the International Benchmarking Report 2023. While TfL was best in class in many indicators, the age of its networks impacted some performance and cost metrics. On step-free access, TfL was in the bottom quartile and while improvements had been accelerated, this required continued focus, support and investment.

The Board noted the report.

29/03/23 Report of the meeting of the Land and Property Committee held on 23 March 2023

The Chair of the Committee, Professor Greg Clark CBE, introduced the item. In addition to meetings, the Committee continued to hold regular briefings and site visits and welcomed the leadership being demonstrated by Graeme Craig, supported by Alex Williams and Rachel McLean.

The Committee discussed and noted the following TTL Properties Limited (TTLP) strategies: Corporate Strategy; Investment Strategy; Environmental, Social and Corporate Governance Strategy; and People Strategy.

The performance of TTLP was discussed, including the development of a scorecard. The assurance reports noted good progress, with resourcing remaining the key challenge to the business.

The Board noted the report.

30/03/23 Any Other Business the Chair Considers Urgent

There was no other urgent business to discuss.

31/03/23 Date of Next Meeting

The next scheduled meeting of the Board would be held on Wednesday 7 June 2023 at 10.00am.

The meeting closed at 1.00pm.

Chair: _____

Date: _____