

Transport for London

Minutes of the Meeting

**Chamber, City Hall, Kamal Chunchie Way, London E16 1ZE
10.00am, Wednesday 13 December 2023**

Members

Sadiq Khan (Chair)
Seb Dance (Deputy Chair)
Heidi Alexander
Kay Carberry CBE
Professor Greg Clark CBE (via Teams)
Councillor Ross Garrod
Anurag Gupta
Anne McMeel
Dr Mee Ling Ng OBE
Dr Nelson Ogunshakin OBE
Mark Phillips
Marie Pye
Dr Lynn Sloman MBE

Government Observers

David Coles
Emma Ward (for John Hall)

Executive Committee

Andy Lord	Commissioner
Glynn Barton	Interim Chief Operating Officer
Fiona Brunskill	Chief People Officer
Andrea Clarke	Interim 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

79/12/23 Apologies for Absence and Chair's Announcements

Apologies for absence had been received from Bronwen Handyside, Dr Nina Skorupska CBE and Peter Strachan. Professor Greg Clark CBE attended the meeting via Teams and was able to participate in discussions but did not count towards the quorum. The meeting was quorate. The Government's Special Representative, John Hall, was also unable to attend the meeting and was represented by Emma Ward, the DfT's Director General for Roads, Places and Environment Group.

The Chair welcomed everyone to the meeting, including Emma Ward and Councillor Ross Garrod, who was attending his first meeting as a Member, following his appointment to the Board from 3 November 2023. The meeting was 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.

The item on the Draft TfL Business Plan 2024 Update, marked to follow on the agenda and published on 11 December 2023, had been accepted as an item of urgent business by the Chair as not all information had been available when the Board papers were published.

The Chair expressed his deep concern about the performance issues on the Elizabeth line and their impact on passengers in recent weeks, which did not meet the high standards to which TfL aspired. He was particularly concerned about the disruption caused to passengers on 7 December 2023 by damage to overhead lines to the west of Paddington by a train from a different operator which meant Elizabeth line passengers were on trains for several hours while the issue was addressed. He had written to Andy Lord, Steve Murphy, Chief Executive Officer MTR UK and Andrew Haines, Chief Executive of Network Rail to see what more could be done to improve the reliability of the infrastructure and service and how to improve customer communications.

On senior officer appointments, the Chair congratulated Claire Mann, who had been appointed as the new Chief Operating Officer from the end of March 2024. Claire was currently Managing Director of South Western Railway, and had served as TfL's Director of Bus Operations between 2017 and 2021. Glynn Barton, the interim Chief Operating Officer since October 2022, would remain in post until the end of March 2024, when he would then take on the role of Director of Buses. The Chair thanked Glynn for the leadership he had and would continue to provide.

Louise Cheeseman would retire as TfL's Director of Buses on 15 December 2023. On behalf of the Board, the Chair thanked her for her service and wished her a long and happy retirement. Louise joined TfL in 2021, and had led on: efforts to build back demand for bus services, following the coronavirus pandemic; the launch of new Superloop services; the release of TfL's Bus Action Plan and Bus Safety Strategy; the delivery of the 1,000th electric bus; and the launch of the Women in Bus and Coach network.

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.

80/12/23 Declarations of Interests

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

81/12/23 Minutes of the Meeting of the Board held on 18 October 2023

The minutes of the meeting of the Board held on 18 October 2023 were approved as a correct record, and the Chair was authorised to sign them.

82/12/23 Matters Arising, Actions List and Use of Delegated Authority

Andrea Clarke introduced the item. Since the meeting on 18 October 2023, there had been no use of Chair's Action, nor any other use of specific authority delegated by the Board to Committees.

There had been no Mayoral Directions issued to TfL. It was noted that the Mayoral Direction in relation to giving notice on the withdrawal of Day Travelcards, reported to the meeting on 25 July 2023, was no longer applicable. As provided for within the Mayoral Decision, an agreement had been reached with the Department for Transport and Train Operating Companies which was financially acceptable to TfL.

Since the last meeting, the Deputy Chair, in consultation with Councillor Ross Garrod and relevant Chairs, had exercised the delegation from the Board to appoint Councillor Ross Garrod to the Audit and Assurance Committee and the Customer Service and Operational Performance Panel. Members had been informed of the appointments.

The paper also provided an update on progress against actions agreed at previous meetings.

The Board noted the paper and noted:

- 1 the appointment of Councillor Ross Garrod as a Member of the Board;**
- 2 the exercise of authority delegated by the Board to the Deputy Chair to appoint Councillor Ross Garrod to the Audit and Assurance Committee and the Customer Service and Operational Performance Panel; and**

3 the actions list, set out in Appendix 1 of the paper.

83/12/23 Commissioner's Report

The Commissioner 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 After a very competitive process, Claire Mann had been appointed as TfL's Chief Operating Officer. Claire returned to the organisation after three years as Managing Director of South Western Railway. Her former roles at TfL included Director of Bus Operations and Customer Service Director at London Overground and she brought a wealth of experience from several other Director level positions across the public transport industry.
- 2 Glynn Barton would continue in the role until Claire joined TfL at the end of March 2024. The Commissioner thanked Glynn for his huge contribution as interim Chief Operating Officer over the past 14 months. Glynn would take on the role of Director of Bus following the retirement of Louise Cheeseman. The Commissioner wished Louise all the best and thanked her for her significant contribution to TfL.
- 3 The Commissioner was taking a period of medical leave, effective from the end of 2023, to undergo surgery. He was grateful to Rachel McLean, Chief Finance Officer, who would act as Commissioner during this period and hoped to return in time for the next Board meeting.
- 4 Discussions with Government on capital funding were constructive and progressing well. Thanks to the combined collaborative efforts of the Permanent Secretary, Bernadette Kelly, and her Department for Transport (DfT) team led by Emma Ward, plus John Hall and Sam Collins-Hill, working alongside Rachel McLean, Patrick Doig and TfL's Finance team, the Commissioner was confident that a settlement would soon be reached.
- 5 While TfL could fund most of its capital investment programme for 2024/25, it needed some Government support so that projects critical to London could be delivered, including the new fleet of Piccadilly line trains, over half of which would be built in Goole in Yorkshire. The Commissioner continued to engage with key stakeholders across London and the wider country, including borough and political leaders and, along with the Deputy Mayor, had recently met with Huw Merriman, the Minister of State for Rail and High Speed 2 (HS2).
- 6 Given the current position of discussions with Government, the Board was not being asked to agree the 2024 Business Plan at this meeting but instead to delegate agreement of the Plan to the Board's Finance Committee. TfL hoped to positively conclude discussions with Government shortly and the Board would be updated as soon as possible.

- 7 Sustained economic investment would not only benefit London but the country as a whole. As stated in the Hatch report, released in October 2023, for every £1m TfL spent, 16 jobs were supported in the wider economy. This impacted around the country, as two-thirds of TfL's suppliers were based outside of London, with large numbers in the North-West and West Midlands. A total of 29,000 jobs were supported outside of London, which was the equivalent of the number of people TfL directly employed. TfL understood the national economic situation and the position that the Government was in. The Commissioner welcomed the support given to date and the reference in the Autumn Statement to funding towards highway maintenance and a new bus network in Thamesmead.
- 8 TfL was on track to deliver an operating surplus for the first time in its history, which was a remarkable achievement and turnaround of the situation it faced during the coronavirus pandemic. There was strong passenger demand across the network and, on 12 December 2023, TfL announced that ridership figures to stations close to Christmas attractions were exceeding pre-pandemic levels this year. Entries and exits at Oxford Circus on 24 November 2023 (Black Friday) were 27 per cent higher than usual, and bus demand was eight per cent higher in 2023 than in 2022.
- 9 To continue this trend and to boost growth and productivity in London and across the country, TfL needed capital funding investment and a long-term settlement and the certainty that it provided for projects, suppliers and for London.
- 10 TfL had recently completed its investigation into the incident at Clapham Common station on 5 May 2023, of an uncontrolled evacuation of a Northern line train following the activation of emergency alarms on the train and in the station. The investigation showed that the incident was caused by debris on a component underneath the train, which produced an acrid smell which led to customers raising the alarms.
- 11 The London Fire Brigade had attended the incident and confirmed there was no fire. Station staff and the train driver responded appropriately to the incident and the safety of customers or staff was not compromised at any point. The investigation also showed that the station was staffed in accordance with the levels required to safely operate and carry out any emergency evacuations.
- 12 The investigation report made seven recommendations to ensure TfL could apply any learnings from the incident in future. These included monitoring the effectiveness of the cleaning regime on Northern line trains, reviewing staff guidance and undertaking further work to explore some of the factors that may have contributed to the incident and the passenger reaction. The Commissioner apologised for any distress caused to customers involved in or affected by the incident.
- 13 There had been a rise in protests across London in the context of the tragic events in the Middle East and a rise in reported incidences of hate crime. All

hate crimes had been reported to the police and investigations and arrest enquiries continued. TfL's Safer Transport teams were working with partners, including the British Transport Police (BTP) and local policing teams, to provide enhanced patrols at the hotspot locations. Some were incidents where bus stops were vandalised with graffiti and the teams had worked quickly to remove it, firstly taking photos of any hate crime or politically motivated graffiti, and reporting it to the police.

- 14 TfL wanted everyone to be safe when travelling around London, without fear of abuse. Hate crime had no place on the network for customers or colleagues. TfL operated a clear campaign across its services that encouraged passengers and staff to stand in solidarity against hate and abusive behaviour. Along with Seb Dance, the Deputy Mayor for Transport, the Commissioner met with leadership organisations from both the Jewish and Muslim faiths to reiterate these messages and make sure that their concerns were heard.
- 15 Along with some Executive team colleagues, the Commissioner had also met with Jewish and Muslim staff in TfL. He thanked all colleagues involved in managing and ensuring the safe and reliable service for everyone using the network for their extremely hard work during the recent events and significant demonstrations across London, along with the Metropolitan Police Service (MPS) and BTP.
- 16 Along with increasing ridership on the network, there had been an increase in levels of some crime types and on some modes, which largely reflected national crime trends rising from the lower volumes recorded during the coronavirus pandemic. Levels of crime and the risk of anyone being a victim or witness of a crime on TfL's public transport networks remained low. Millions of journeys were made every day, with the very large majority going without incident and serious crime was extremely rare.
- 17 However, TfL was not complacent and there were hundreds of police officers and enforcement staff patrolling the network at all times of the day to prevent crime and anti-social behaviour, alongside operations to target offenders and hotspot locations. TfL was actively promoting the importance of reporting crime on the transport network, especially crimes that were underreported such as hate crime, sexual offences and harassment, so it could take action against offenders and put measures in place to prevent it happening again.
- 18 It was always a busy time of year across the capital with traditional firework displays, many sporting events, the State Opening of Parliament, Remembrance events and now the annual Winter Wonderland in Hyde Park, which drew a huge number of visitors. The Commissioner thanked all colleagues who had worked closely with organisers and contributed to ensuring that these events were and continued to be a success.
- 19 On Remembrance Sunday the Commissioner was proud to attend, meet, inspect and see off the members of the London Transport Old Comrades Association, which was made up of former and current colleagues who had served in the armed forces. This year marked the 100th anniversary since it was

given the right to march past the Cenotaph by King George V. TfL was the only civilian organisation entitled to do so to honour the efforts of colleagues from the London General Omnibus Company, who took soldiers to the frontline in World War II and brought injured soldiers back.

- 20 On 25 November 2023, the first of the new Superloop services, the SL10 running between Harrow and North Finchley, was launched to complement the existing Superloop services launched in the summer. In 2024, TfL would be introducing the next three Superloop services: SL2 between Walthamstow Central and North Woolwich; SL3 between Thamesmead and Bromley; and SL5 between Bromley and Croydon. The final Superloop service, SL4 between Canary Wharf and Grove Park, using the new Silvertown Tunnel, was due to be launched in 2025.
- 21 Average weekly demand data showed a 62 per cent increase in customers using the SL7 service, which operated between Heathrow Central and West Croydon, since the route was renumbered as part of the Superloop rebranding and its frequency doubled, with no corresponding detriment to parallel routes. Data also indicated that demand on all Superloop routes was increasing above the network average level. The Commissioner thanked all those involved with the delivery and operation over the past months and paid tribute to Glynn Barton and Alex Williams and their teams, for all the work done to create and launch the service so quickly.
- 22 TfL's focus was on the level of bus provision needed in outer London with the appropriate funding, thinking innovatively around branding and marketing the bus network and faster journey times to increase patronage. It would continue to actively engage with the boroughs on the bus network, including connecting to town centres in other boroughs and how to better manage road works and delays. The Mayor's £6m investment to improve the outer London bus network was fully allocated and a list of the bus routes and changes to deliver that improvement would be provided to Members. **[Action: Alex Williams]**
- 23 While the overall performance of the Elizabeth line was strong, there had been reliability issues on the service. The Network Rail infrastructure on the western section was the key challenge and failures of points, the signalling system and problems with the overhead line electrification disrupting services. TfL continued to focus on train reliability and performance.
- 24 On 7 December 2023, damage caused to Network Rail's overhead power lines involving another operator caused significant disruption to all services but particularly to the Elizabeth line customers, as well as all train operators out of and into London Paddington station. This resulted in customers on four Elizabeth line services being stopped for a considerable time away from stations and subsequently being de-trained in location via the track. Services were impacted for two subsequent days while the damage was rectified. This was a significant incident and the operators involved were working together as an industry to ensure they learnt from it.

- 25 The Commissioner apologised to affected customers for the disruption and thanked staff involved in the de-trainment, who worked calmly and safely to assist passengers from the train. The length of time customers spent stranded was not acceptable and a full review was underway. The Commissioner met regularly with Andrew Haines, Chief Executive of Network Rail, on these issues and performance, and the two organisations were working closely together. Network Rail was leading on the investigation into the root cause of the event and TfL was leading the investigation into passenger welfare and recovery, alongside Great Western Railway, with independent Chairs of both investigations.
- 26 Network Rail had introduced a range of measures at operational level to improve its response and maintenance of existing infrastructure. Some personnel changes had been made and additional resources put into the critical part of the network. TfL was meeting with Network Rail next week to understand the quantum of total funding that could be invested in the Thames Valley and when and the priority infrastructure that needed upgrading. A future update would be provided to the Board. **[Action: Andy Lord / Howard Smith]**
- 27 The Elizabeth line played a vital role in connecting people to their jobs, homes, leisure activities and international travel since it opened in May 2022, as well as driving London and the UK's economic recovery, with strong demand for journeys from outer-London, Berkshire and Essex into central London over the past year of through running. The busiest day on the line was recorded on 6 December 2023 with 769,000 journeys made.
- 28 Overall, the Elizabeth line had been one of the most popular and punctual railways in the country since opening, with around 4.3 million passenger journeys now taking place each week and more than 270 million journeys since it opened. TfL recognised that delays and cancellations were extremely frustrating for customers but the line continued to perform well and overall customer satisfaction remained very high.
- 29 After almost two decades of effective joint sponsor working, TfL and the DfT had endorsed final completion of the Crossrail project. This critical milestone meant that, having considered the evidence provided by Crossrail and Network Rail, as well as the outcomes of the assurance reviews, the known obligations were closed or transferred appropriately into TfL and the Network Rail route teams. This was achieved while also revising down the final cost for the project to within the current funding envelope. This removed the £15.5m potential funding pressure previously reported and brought the total final cost to £147m below the last estimate declared by the outgoing Crossrail Board.
- 30 Since the transfer of responsibility for the project from Crossrail to TfL, all the outgoing Crossrail Board's operational and financial milestones had been beaten under TfL's leadership. This outstanding outcome was thanks to the hard work and focus of many colleagues, past and present, particularly Andy Byford, the former Commissioner, but especially Rachel McLean, Chief Finance Officer, who was formerly the Crossrail Chief Finance Officer, and Howard Smith, Director of the Elizabeth line.

- 31 Bernadette Kelly, the Permanent Secretary for the DfT, and the Commissioner had agreed to establish the Elizabeth line Strategic Direction Group, in line with the recommendations of the Infrastructure and Projects Authority's review into the closeout and management of benefits of the Crossrail project. The bi-annual meeting would bring together the senior executives of the key organisations including the DfT, Network Rail, HS2 and other operators. It aimed to secure continued investment in the network, manage the integration with other projects including HS2, coordinate the development of proposed schemes and provide direction for future activities and decisions.
- 32 A large amount of work had been done on the learning legacy of the Crossrail project, with significant evidence of the economic benefits of the Elizabeth line to London. Mark Harper, the Secretary of State for Transport, and Huw Merriman, the Minister of State for Rail and HS2, also recognised the benefits and TfL would continue to discuss with DfT colleagues how the learning could be used to help inform Treasury views on other major projects in the future.
- 33 Crossrail International was a DfT organisation but TfL would look into the linkage with the Elizabeth line Strategic Direction Group and other projects.
[Action: Andy Lord / Howard Smith]
- 34 On 31 October 2023, the Ultra Low Emission Zone (ULEZ) one month on report was published which, among several very encouraging findings, showed a significant reduction of 45 per cent in the number of non-compliant vehicles seen driving in London on an average day compared with June 2023. The report clearly demonstrated how the scheme was already working well. The Commissioner thanked everyone involved who had worked tirelessly to deliver the expansion over the past months.
- 35 A criminal investigation had been launched by the MPS in relation to an explosion in Sidcup, in which a ULEZ camera and surrounding property were damaged. The incident was being treated as a deliberate act and was caused by a low sophistication improvised explosive device. Although not currently being treated as terrorism, officers from the Counter Terrorism Command, which included those with specialist expertise in explosives, were leading the investigation, working in close liaison with local officers in the area.
- 36 Vandalism of TfL property and the intimidation of staff was unacceptable, and the Commissioner expressed his relief that no one was injured in this incident. TfL recognised the right to peaceful protest but those who committed criminal damage to ULEZ cameras, any of the infrastructure or vehicles, or abused and intimidated staff would be prosecuted. TfL was working closely with the MPS and assisting in their investigations.
- 37 On 9 November 2023, the Commissioner along with members of the Executive team attended the second You Matter Awards ceremony at the London Transport Museum. More than 300 people attended the awards, which were an opportunity for colleagues to recognise peers across the organisation who had gone above and beyond in their roles, with categories ranging from Green

Awards, Safety and Security Awards, a Lifetime Achievement Award and a People's Choice Award. It showcased the breadth of important work delivered by TfL and celebrated some of its amazing colleagues.

- 38 The Commissioner was also proud to see TfL colleagues achieve recognition from other organisations, including winning awards at the Business Culture Awards, City Transport and Traffic Innovation Awards, and the Brake Global Fleet Champions Awards. On 12 December 2023, TfL won the Prince Michael International Road Safety Award for its Bus Safety Standard and received separate awards for its Direct Vision Standard and Fleet Intelligent Speed Assistance programmes, as well as the overall Premier Award. This was a great achievement and recognition for the teams at TfL and the Commissioner congratulated everyone involved.
- 39 There had been a huge amount of hard work and significant progress made in the period and the Commissioner thanked all colleagues across the organisation for their dedication and commitment, and thanked in advance those who would keep the network running over the festive period.

The Board noted the report.

84/12/23 TfL 2024 Draft Business Plan Update

In accordance with section 100(B)(4) of the Local Government Act 1972, the Chair had agreed to accept this item as an item of urgent business on the grounds that not all information was available at the time the Board papers were published.

Rachel McLean, Alex Williams and Patrick Doig introduced the item, which set out TfL's draft 2024 Business Plan for the three years from 2024/25 to 2026/27. TfL remained in ongoing discussions with Government on capital funding for 2024/25, which had not yet concluded. Therefore, the 2024 Business Plan was provided in draft for the Board to note and a delegation of authority was sought for the Finance Committee to approve the 2024 Business Plan once TfL had certainty on Government capital funding, including any necessary amendments for any shortfall in the capital funding request.

In addition to the Plan, the Greater London Authority (GLA) Budget submission included a Capital Strategy, setting out a vision of TfL's future investment for 20 years, and the London Climate Budget, setting out TfL's operational carbon emissions to 2030, which were also appended to the paper for the Board to note.

Publication of the Plan was an important milestone for TfL. It was essential that its annual budget was based on a sound medium-term financial plan, which set out the finances, outcomes, service delivery and impact on customers and colleagues, safety and security, and green initiatives that TfL was pursuing. The Plan set the direction of the organisation and was an evolution from the 2023 Plan, aligning high standards for services, improvements for the city and the Mayor's Transport Strategy outcomes.

It was a financially constrained Plan, so some good projects could not be included. It would be a challenge to secure all the funding sought for the already constrained Plan. TfL was focussed on constructive funding discussions with Government and would work through the details with the Finance Committee and the Programmes and Investment Committee as required.

It set out a powerful economic case for investment in London and public transport, as transport unlocked growth in jobs, homes and economic added value across the country. Current engagement with Government related to 2024/25 and TfL acknowledged the constraints on national finances. It continued to make the case for a multi-year funding settlement that would unlock the highest returns and best value for money, such as the type of deal Network Rail recently received with funding certainty to 2029.

The additional investment that had already been announced was welcomed and TfL was progressing to operational financial sustainability this financial year and to fund major projects in future years. This £3bn turnaround in finances meant TfL was on track to end reliance on Government support on the operating account by 31 March 2024.

This success was built on the hard work and consistently safe and reliable services delivered every single day by operational colleagues. It enabled TfL to continue to build passenger journey numbers from 3.2 billion last year, to forecasting 3.8 billion journeys by 2024/25, and four billion in 2026/27. It was also dependent on capital delivery of major projects such as the Northern Line Extension, Barking Riverside, Bank station redevelopment and the Elizabeth line, and increased income from growth in the bus network. Surplus growth every year was reinvested back into the network and into services for customers.

As the Plan looked forward for three years, several assumptions had to be made. TfL would monitor and manage a range of anticipated impacts and build its resilience over the duration of the Plan to respond to risks and maximise the opportunities ahead.

When developing the Plan, TfL consulted extensively with Board Members, boroughs, Deputy Mayors and stakeholder groups. It listened to the feedback received and adapted the Plan as a result. This engagement at the formative stage would continue going forward. Key changes since the 2023 Plan included: the reintroduction of inflationary increases in the Healthy Streets funding from 2025/26 onwards; a five per cent increase in spending across several portfolios in the capital renewals programme; the incorporation of the GLA funding for Superloop services and further incremental growth in bus services in outer London; and increased funding for the Sustainable Housing and Accessibility Fund to deliver the next round of step-free access stations.

Other highlights were: the continuation of the Places for London programme to start on site to build 20,000 new homes on TfL land by 2031, with over 4,300 residential units completed or started across London; developing the feasibility case on the DLR extension to Thamesmead, which could unlock 25,000 to 30,000 new homes in east London; and TfL's work to decarbonise its transport operations which could progress

at a faster rate if further funding was available, for example by accelerating the key deliverable of a fully zero emission bus fleet from 2034 to 2030.

Despite challenging headwinds and macro-economic factors, TfL continued to reduce costs and was committed to doing so across the course of the Plan. Last financial year, it committed £600m of operating savings by 2025/26, building on the £1.1bn of savings already delivered between 2016/17 and 2021/22. The Plan stretched the target to £650m over the same time period, to continue offsetting the impact of inflation and so that, on a like-for-like basis, operating costs in 2026/27 would be lower than the current financial year of 2023/24 in real terms.

Passenger journeys were forecast to return to pre-pandemic levels of four billion per annum by 2026/27. In 2024/25, journeys were expected to grow by six per cent year-on-year, mainly through economic growth, increased office utilisation and activity in central London. Fares were assumed to increase by four per cent next financial year in line with the August 2022 funding agreement, although the actual fare level would be a decision for the Mayor.

TfL expected to grow its operating surplus by around £500m by 2026/27 and reinvest it into improving the city and supporting the national economy. With a growing operating surplus, the Plan assumed approximately £250m of incremental annual borrowing and TfL would continue to assess the affordability of any assumed borrowing before entering into any new borrowing commitments.

Maintaining cash balances were a primary buffer against any potential future shocks and TfL expected to grow the balance to £1.4bn by the end of the Plan period, as operating costs rose over time. Although the pandemic saw a material reduction in TfL's usable accounting reserves to below the £500m target at the end of 2022/23, it had a clear plan to return to the target General Fund balance of £500m by March 2026, through an increasing operating surplus, growing cash balances and a prudent approach to future borrowing.

Inflation remained a key risk, with the actual rate tracking relatively closely to TfL's assumptions over the past six months. The recent November 2023 forecast expected that inflation could stay higher for longer, which would increase TfL's costs and place pressure on demand as household budgets remained constrained.

The modelling assessed a range of scenarios showing the potential financial outcomes and macro-economic factors to assist in ensuring TfL could mitigate against the possible downside impacts to the Plan. The risk analysis excluded any changes to Government funding based on the ongoing discussions. A thorough Equality Impact Assessment had been completed and summarised in Appendix 1.

Emma Ward, Government Observer, welcomed the Plan and thanked the Executive team for their engagement on it. The fiscal context remained challenging with departmental budget pressures on capital portfolios, although there had been a sustained Government commitment to TfL of more than £6bn over the last few years. Discussions with TfL around next year's capital funding were constructive and ongoing, and she thanked Rachel McLean, Patrick Doig and their teams for

providing all the information needed to progress the discussions, which she hoped would conclude as quickly as possible.

The Chair thanked Emma Ward for her explanation of the context and added that the financial support from Government had been crucial to keep TfL's services running. TfL was asking for a quarter of the capital budget to fund the already constrained Plan. He expressed concern at the consequences of lack of investment in renewals and assets, as stopping or reducing capital funding meant economies of scale were lost. He was grateful that there was a better relationship between TfL and Government and awaited resolution of the funding discussions. If Government's aspiration of growth was to materialise, London could only play a key part if public transport was running fully in line with the Plan and TfL was properly funded.

The Board noted the paper and the draft Business Plan in Appendices 1 and 2 and the Capital Strategy and London Climate Budget submissions in Appendices 3 and 4 (that form part of the Greater London Authority Budget submission) of the paper and, recognising that a decision on approval of the draft Business Plan could not currently be made:

- 1 delegated approval of the draft Business Plan for 2024 (with any necessary amendments) to the Finance Committee;**
- 2 delegated approval to the Finance Committee to change the TfL Scorecard target for capital expenditure, required as a result of the Department for Transport inflation funding outcome for 2023/24, to align to the 2024 TfL Business Plan; and**
- 3 approved the change to the 2023/24 TfL Scorecard following confirmation of 2022/23 year-end safety results.**

85/12/23 Finance Report – Period 7, 2023/24

Rachel McLean introduced the item, which set out TfL's financial results to the end of Period 7, 2023/24 (the year-to-date ending 14 October 2023). A similar paper, including additional divisional detail, was considered by the Finance Committee on 22 November 2023. The presentation had been updated to reflect that Moody's had upgraded TfL's long-term credit rating from Baa1 to A3 and changed the outlook from stable to positive in November 2023.

The performance results demonstrated that TfL was successfully delivering its financial strategy by growing revenue, continually improving efficiency, building resilience and continuing to invest. It remained on track to deliver its budget, achieve an operating surplus in 2023/24 and therefore deliver operational financial sustainability.

On passenger demand, TfL was targeting journey growth of six per cent over the full year on top of the 31 per cent increase in 2022/23. At Period 7, cumulative year-on-year journey growth was almost eight per cent in the year to date. Overall, total revenue was just above budget.

Like-for-like operating costs were falling in real terms, with costs at six per cent higher than last year, despite year-on-year inflation of around 10 per cent. Core operating costs were on budget and total operating costs were currently one per cent lower than budget, mainly from contingency not yet used.

Capital renewals were four per cent below budget, but TfL was confident it would finish the year on or slightly above budget due to strong delivery.

In the year-to-date, the operating surplus was £142m, which was £58m better than budget but this was driven by the contingency variance which would be needed in the second half of the year. Other income and costs were broadly in line with budget.

Over the remainder of the year, the favourable surplus position was expected to trend back towards the budget target, due to the timing of contingency. The renewals spend was expected to ramp up to reach the available funding and some costs were back-ended in the year, such as rolling stock lease costs and bus contract renewals. There were still risks for the remainder of the year but TfL was on track to deliver on budget.

The Board noted the Finance Report.

86/12/23 Travel in London 2023 Annual Overview Report

Alex Williams introduced the report, which provided a summary of key trends and developments affecting travel in London, in the context of the aims of the Mayor's Transport Strategy. The report also provided an evidence and analysis base for the general use of stakeholders and policymakers.

He highlighted the recovery from the coronavirus pandemic. While the sustainable mode share had dipped, it was expected to be 64 per cent by end of 2023, although there remained a big difference between the sustainable mode shares between inner and outer London. Cycling had increased 20 per cent since the pandemic, helped by safer routes, which was a substantial increase since 2016. The report also showed changes in ridership since the pandemic, with figures still low on some days. The step-free access programme was ahead of the original schedule but there was still more to do.

The analysis of the impact of the Elizabeth line was also highlighted, particularly in attracting around 38 per cent of new passengers. The Elizabeth line, along with the extensions of the Overground to Barking Riverside and the Northern line showed the benefit of transport investment.

Improving London's air quality was a high priority. The report showed the impact of the Ultra Low Emission Zone in accelerating the shift to cleaner vehicles with 95 per cent of vehicles meeting compliance standards, compared to 39 per cent in 2017.

The trend for trip making on all modes showed 20 per cent reduction over the last decade. This was attributed to a range of factors, including internet shopping, hybrid

working as a result of the pandemic and the impact of the London Plan and special planning in creating a denser city that encouraged more walking. The report included information on the demographics on walking and cycling and Alex Williams would circulate details of the demographics for other transport modes.

[Action: Alex Williams]

Members welcomed the sustained reduction in the number of people killed on London's roads. While the trend in injuries had increased, in part due to e-mobility, the overall trajectory was heading in the right direction. While achieving the zero fatalities by 2030 goal was challenging, the evidence from the work on buses had shown that focussing on key drivers for safety had a real impact.

Members noted that there was a live and active debate on how to innovate to make public transport a better experience to stimulate travel demand, and to encourage a more even distribution of travel times to avoid overcrowding.

The Board noted the Travel in London 2023 Annual Overview Report.

87/12/23 Catford Town Centre – Compulsory Purchase Order

Alex Williams introduced the item. TfL was working together with the London Borough of Lewisham (LB Lewisham) to deliver a comprehensive set of highway improvements to Catford town centre. The Catford Town Centre Realignment Project (the Scheme) involved realignment of the A205 South Circular and removal of the gyratory to improve pedestrian and cyclist safety including reconfigured crossings, segregated cycle lanes and placemaking to support active travel as the main transport choice in LB Lewisham's wider regeneration of Catford.

Most of the land required for the Scheme was owned by TfL or by LB Lewisham, but a Compulsory Purchase Order (CPO) was necessary to support the timely acquisition of the areas of land and rights required to deliver the Scheme. The principle of the making of a CPO was a matter reserved for the Board.

On 6 December 2023, the Programmes and Investment Committee noted an update on the Catford Town Centre project, as part of the paper on the Safe and Healthy Streets Programme. It approved entering into a funding agreement with the LB Lewisham to receive £10m of Housing Infrastructure Fund funding and supported Board approval in principle for the CPO.

The Board noted the paper and approved the principle of the making of a Compulsory Purchase Order for the acquisition of the Property Interests for the Scheme, as shown on the plan at Appendix 1 of the paper.

88/12/23 Report of the meeting of the Remuneration Committee held on 9 November 2023

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

The Committee discussed the development of strategic workforce planning and the work to manage succession better, particularly for hard to fill roles. This linked to wider work on the development of a new reward strategy.

It also discussed the benchmarking report, which again showed that the remuneration for TfL's most senior staff was below its peers and there were similar gaps across the organisation, particularly in hard to fill roles. This emphasised the critical importance of the work to develop the employee proposition beyond pay.

The Board noted the report.

89/12/23 Report of the meeting of the Safety, Sustainability and Human Resources Panel held on 15 November 2023

The Chair of the Panel, Dr Lynn Sloman MBE, introduced the item.

The Panel discussed the long-term strategic and systemic lessons from the Sandilands Tram overturning, building on previous Board discussions. The strategic actions were being taken forward and were expected to be completely or substantially completed by the end of 2023/24.

The implementation of the Corporate Environment Plan by Capital was discussed, with good progress made over the year. The Panel Chair thanked Stuart Harvey for the work of his team.

The Panel also discussed several people issues, including the TfL Change Landscape, which was a wide-ranging programme to improve performance and efficiency. A key principle of the programme was to implement change that drew upon the first-hand knowledge and experience of front-line staff. A briefing for all Board Members was being scheduled for early 2024.

The Board noted the report.

90/12/23 Report of the meeting of the Finance Committee held on 22 November 2023

The Chair of the Committee, Anne McMeel, introduced the item. The Committee had a detailed discussion on TfL's finances.

The Committee approved Procurement Authority for energy purchasing with the Crown Commercial Service, which provided good value to TfL given the volatility in energy prices. It also welcomed the item on forthcoming key procurement activities, which showed there were 247 contracts to be let over the next two years. A similar paper would also be submitted to forthcoming meetings of the Programmes and Investment Committee.

The Board noted the report.

91/12/23 Report of the meeting of the Audit and Assurance Committee held on 29 November 2023

The Chair of the Committee, Mark Phillips, introduced the item. A highlight from the meeting was the thorough discussion on cyber security, which was a key concern of the Committee.

The Board noted the report.

92/12/23 Report of the meeting of the Customer Service and Operational Performance Panel held on 5 December 2023

The Chair of the Panel, Dr Mee Ling Ng OBE, introduced the item. The Panel discussed the strategic approach to tackling fare evasion as part of the item on customer safety and security.

The Panel noted that on Assisted Transport Services, the one-stop shop had gone live two-months ahead of schedule. On Dial-a-Ride, a new booking app had been launched and additional drivers were being employed due to rising demand.

Following a previous discussion on the performance of the Woolwich Ferry, the Panel Chair thanked Glynn Barton and his team for organising a site visit and briefing, which had given Members a greater understanding of the challenges.

The Board noted the report.

93/12/23 Report of the meeting of the Programmes and Investment Committee held on 6 December 2023

The Chair of the Committee, Dr Nelson Ogunshakin OBE, introduced the item. The Investment Programme for Quarter 2, 2023/24 was largely on schedule and there remained good input and dialogue between project teams and the Independent Investment Programme Advisory Group, though more work was required to pick up and address cross-cutting themes.

The Committee noted the progress on the Bakerloo line upgrade and approved authorities in relation to the iBus2 contract award and the Safe and Healthy Streets Programme.

The Deputy Chair of TfL chaired the meeting for the discussions on the Elizabeth Line: Service Frequency Increase for High Speed 2 and High Speed 2 Programme: TfL Resources.

The Board noted the report.

94/12/23 Any Other Business the Chair Considers Urgent

There was no other urgent business to discuss.

95/12/23 Date of Next Meeting

The next scheduled meeting of the Board would be held on Wednesday 7 February 2024 at 10.00am.

The meeting closed at 12.31pm.

Chair: _____

Date: _____