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## Confidential Minutes

Agenda item: 16  
Drafted: 11.05.18

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### Confidential minutes of the Board meeting held on 17 April 2018 at 169 Union Street, London SE1 0LL

These minutes are in addition to the public minutes of a meeting of the Board on the same date. The Board resolved, under section 15(2)(b) of schedule 18 of the Greater London Authority Act 1999, that by reason of the confidential nature of the item(s) to be discussed, it was desirable in the public interest that the public should be excluded for this part of the meeting.

#### Contents

1. TfL business plan
2. Minutes and declarations of interest
3. Rail Passenger Ombudsman Scheme
4. Meeting review

#### Present

##### Members

Jackie Ballard, Alan Benson, Richard Dilks, Glyn Kyle, Arthur Leathley (Chair), Abdi Osman, John Stewart

##### Secretariat

Tim Bellenger	Director, Policy and Investigation
Gytha Chinweze	Governance Officer
Janet Cooke	Chief Executive
Richard Freeston-Clough	Operations and Communications Manager
Vincent Stops	Policy Officer

## 1 TfL business plan

The Policy Officer (VS) gave a presentation on TfL's 2018/19-2022/23 business plan which was published in November 2017. The business plan reveals a £1bn shortfall in TfL's budget. He explained that in November 2015 the Chancellor of the Exchequer decided to remove the annual £700m revenue grant from TfL in two stages. In the TfL business plan published in March 2016 the grant for 2018/19 was recognised as £0.

The Policy Officer (VS) explained that outputs in the plan included an 11 per cent increase in passenger journeys, a continuation of the transformation agenda and the shelving of the Northern and Jubilee line upgrades. The £968m deficit is made up of losses on buses, the Elizabeth line and TfL Rail while London Underground makes money. In 2022/23 TfL are forecasting that they will have an operating surplus of £153m but this budget is balanced by carrying out no major road maintenance schemes.

The Policy Officer (VS) said that passenger numbers have been lower on buses and the Tube than previously predicted and pointed to some uncertainties such as whether people will use Thameslink rather than the Northern line or whether they will divert from London Underground and bus services to the Elizabeth line. He said that he had come up with a list of 24 possible reasons why passenger numbers have declined including the state of the economy, performance of the network, fares increases and the threat of terrorism. He said that while the Transport Commissioner has suggested that bus speeds were improving again, they have not quite recovered from the drop experienced over the last four years.

The Policy Officer (VS) said that TfL are expecting large increases in passenger numbers over the next few years, probably paying higher fares and this needs to happen if the public transport use targets in the MTS are to be met. TfL have compared their recent reductions in passenger numbers to the larger decreases experienced by National Rail operators and they credit this to the Mayor's fares freeze. TfL are expecting a 5% increase in passengers and a 20% increase in income.

The Policy Officer (VS) identified three main challenges for TfL: bus patronage must rise to meet the MTS targets at the same time as bus service km are reducing, another round of road works and when congestion is increasing; how to fund roads maintenance and getting a commitment to road user charging at some point.

The Board agreed that London TravelWatch needed to do more work to understand the assumptions and figures behind the passenger predictions made in the business plan and London TravelWatch officers will talk to TfL officers about this.

**Action: Policy Officer (VS)**

The Board agreed that London TravelWatch would keep pushing on bus priority measures and enforcement as this is even more important as the business plan relies on increased bus usage, roads pricing and cycling.

The Policy Officer (VS) said he was disappointed that TfL has still not provided a list of maintenance tasks which have been put on hold for two years.

**2 Minutes and declarations of interest**

The confidential minutes of the meeting of 27 February 2018 were agreed and signed as a correct record. There were no additional declarations of interest.

**3 Rail Passenger Ombudsman scheme**

The Chief Executive gave an update on progress with the Rail Passenger Ombudsman Scheme (RPOS). She explained that the DfT initially looked into some form of alternative dispute resolution (ADR) attached to the Consumer Rights Act but this fell apart because of internal changes at the DfT. In 2016 the (then) Rail Minister asked for an ombudsman to be established to improve complaints handling. The Rail Delivery Group (RDG) proposed their own ADR scheme which, at the time seemed like an improvement for passengers and London TravelWatch and Transport Focus agreed with the idea. The proposal was for a voluntary third stage beyond London TravelWatch and Transport Focus which would have to be impartial in a way that passenger bodies could not.

However, at the end of 2016/17, the RDG decided not to proceed and in April 2017 they agreed on an ombudsman scheme and a task force was established. London TravelWatch has played a role helping shape it and since August has received cost recovery in recognition of the resources it has committed. The proposal was that the RPOS would take the second stage appeals direct for passengers. This could happen without changes to legislation as it was voluntary and the RDG would fund it. The proposed governance arrangements included an arms length body with an arms length board and a passenger representative nominated by London TravelWatch or Transport Focus. The hope was that it would start in September 2017 but the timescale slipped. Four weeks ago London TravelWatch realised that further changes to the proposed scheme were now being proposed. The ORR have been consulting and now want train operators to signpost to the ombudsman first rather than leaving this to London TravelWatch or Transport Focus for qualifying passengers. They also said that they would be consulting to make the scheme mandatory as a condition of getting a licence and this would include Eurostar and TfL Rail. London TravelWatch responded to the consultations saying that this would be confusing for passengers given the other services provided by TfL.

The CEO explained that the procurement process has been proceeding and that London TravelWatch looked through the ITT with Transport Focus. One requirement was for bidders to have ombudsman status in another area. The CEO had assumed that this was an aspiration and that the term 'ombudsman' was shorthand. London TravelWatch and Transport Focus commented on the bids but did not see any paperwork in advance and were not able to take paperwork away.

The CEO said that a preferred supplier had been agreed but they do not think they could get ombudsman status within a year. She said she was concerned that the scope of the scheme has changed. Within the last two to three weeks it had been proposed that the ORR will now have a different role, changing what was always going to be a hybrid scheme with London TravelWatch and Transport Focus in the feedback loop.

The CEO said she would like to see the RDG to go back to the bidders and renegotiate and have a third stage ADR after London TravelWatch and Transport Focus. She said that costs will be added into the next franchise scheme so the scheme will not be free to passengers who will end up paying through unregulated fares increases or tax rises.

The CEO said that last summer at the suggestion of the Board she did send an email to the DfT, setting out London TravelWatch's concerns about the scheme. She said that the RDG were coming to see London TravelWatch on 19 April separately from Transport Focus and she would liaise with the Chair after this meeting.

It was suggested that a letter could be sent to the Transport Minister outlining London TravelWatch's concerns and asking for clarity.

**Action: CEO**

#### **4 Meeting review**

The Board agreed that the meeting had been useful although there was probably too much content for one meeting with two external speakers.

The Board identified a risk with the ombudsman and for passengers with the TfL business plan. It noted that the chairing arrangements had been changed to mitigate any potential conflict of interest for the Crossrail item.