

# Subject: Viability of Transport for London's Sponsored Transport Schemes

Report to: Budget and Performance Committee

Report of: Executive Director of Secretariat

Date: 25 June 2014

This report will be considered in public

## 1. Summary

- 1.1 This paper proposes that the Committee undertakes an investigation into the viability of Transport for London (TfL) transport schemes that are part-funded by the private sector, setting out the terms of reference, scope and methodology for the project.

## 2. Recommendations

- 2.1 **That the Committee agrees the terms of reference for the proposed investigation, as set out in paragraph 4.2 of this report.**
- 2.2 **That the Committee notes the report, puts questions to the guests and notes the discussion.**

## 3. Background

- 3.1 Ridership levels and income have both been less than originally expected for the Emirates Air Line and the Barclays Cycle Hire Scheme. The Mayor launched these schemes on the basis that the income generated through usage and from securing sponsorship partners would make them cost effective for London. Now that these schemes are established pieces of London's transport system, there is an opportunity to assess their financial performance, how much these schemes are costing TfL, and the benefits they are generating.
- 3.2 This investigation will build on the Committee's previous work, including the February 2012 report, *Whose brand is it anyway?*, which led to TfL establishing a policy on sponsorship.
- 3.3 By examining the Emirates Air Line and the Barclays Cycle Hire Schemes, this investigation would aim to influence thinking on proposed new transport infrastructure for which private sector investment is expected.

## 4. Issues for Consideration

- 4.1 The project scoping paper for the investigation is attached to the report at **Appendix 1**.

- 4.2 The proposed terms of reference for the Committee’s investigation are:
- To examine how much the Emirates Air Line and Barclays Cycle Hire Scheme have cost TfL and how this compares with original expectations;
  - To examine the role that sponsorship has played in making these schemes financially viable and how TfL can go about maximising sponsorship from similar schemes in the future;
  - To examine TfL’s current plans for the Emirates Air Line and Cycle Hire Scheme and how these are expected to affect usage, income and profitability.
- 4.3 Under this proposal, the Committee will hold two meetings and produce a report of its findings with recommendations to the Mayor and TfL.

## 5. Legal Implications

- 5.1 The Committee has the power to do what is recommended in this report.

## 6. Financial Implications

- 6.1 There are no direct financial implications of this report.

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### List of appendices to this report:

Appendix 1 – *Viability of TfL’s sponsored transport schemes – project scoping paper.*

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| <b>Local Government (Access to Information) Act 1985</b>                                 |
| List of Background Papers: None  |
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