

Transport Committee

11 October

Transcript of Agenda Item 6: Question and Answer Session with the Transport Commissioner and the Managing Director for Surface Transport at Transport for London

Caroline Pidgeon (Chair): Let's move then to our main item of the day which is a question and answer session with Peter Hendy, Commissioner for Transport for London (TfL) - welcome back before the Committee, Peter - and, for the first time, Leon Daniels who is Managing Director of Surface Transport and has been there, I think, since April 2011? Thank you both for coming along.

The purpose of this session is for us to hold TfL to account and to follow up a lot of the detailed Committee work that we have done over the last few years, but also to look at some of the big strategic issues that are affecting TfL. I think, certainly since you have had the role, Peter, in 2006, you look at what has been a huge growth in demand in terms of passengers but we have seen, in recent years, TfL's four-year grant reduced by around £2 billion and also you have now got responsibility for Crossrail and all of the Tube upgrades, so it is a real shift in some ways in terms of the work of TfL and the priorities. We are going to pick up a lot of issues today from our previous work and to look at some of those challenges going forward.

If I could kick off the questioning, by looking at the 2012 Games; I think TfL has called it 100 continuous days of extraordinary operation. I know you issued a press release embargoed until this morning with some of the information about how you are working with businesses but, within that, I think we feel that a third of Londoners have got to change their travel patterns for it to work in the Games period and it is a huge concern in our report we did on the Olympic and Paralympic Games. How certain are you that you are going to be able to achieve that?

Peter Hendy (Commissioner, TfL): London got the Games in 2005 and since then there has been a huge programme of investment in order to improve many of the links, particularly to Stratford. All of the substantive investment is finished. It is all open. The last bit was the Docklands Light Railway (DLR) extension to Stratford International. The upgrade of the North London line and all that sort of stuff is all done. The first thing to say is that the big capital projects are all completed.

So far as the operation goes, the 100 days of extraordinary operation is not to be confused with the very many fewer days of the operation of the Olympic road network and Paralympic road network. The 100 days refers to the whole of the summer of 2012 when we need to deal, hopefully anyway, with another Jubilee for the Queen and various other things. What I regard that as describing is the management challenge in TfL during a summer in which we have to cope with the normal summer's events, hopefully a big Royal event at the end of May or the beginning of June, and the Olympics and the Paralympics together with stuff like the Notting Hill Carnival and so on. I do not want that confused with the days of the operation of the

Olympic Route Network (ORN) because if the media are here and report that the ORN will be running for 100 days that is entirely incorrect.

We have put a press release out today which talks about having now covered over 500,000 employees in our advice to employers about the effects of the Games on travel demand management. The programme to deal with that has stepped up a gear.

What is really important is this 30% is an average figure and one of the things that we are now getting out in much greater detail than we were previously is a description for people who need to know about which parts of the networks - the road network, the Tube network and so forth - will be under pressure and which parts are not. If your daily journey is between Harrow and Stockley Park Business Centre [in Hillingdon], however you do it, it will not be affected at all. There will be no effect on your journey. Let's take another random example. If you are at London Metropolitan University in the Holloway Road and you are starting your examination schedule on the opening day of the Games, providing most of your students live down Green Lanes and round the back of Holloway, I do not see that that will be a problem. If, however, you are a big employer at Canary Wharf or round here then there will be some issues because some of the networks will be more crowded; either the road network because of the operation of the ORN and the places people go during the Olympics, or the Tube because of the pressure put on to it.

What we have got to do in those cases is, first of all, to describe what is going on. I have got in front of me, amongst other things, every report you have written in the last 18 months together with our reply but that is not what is top of the pile. What is top of the pile is a series of maps that describe, for example, the extent of the ORN on every day from the week before the Games to the day after the Paralympics, because it changes. If you are doing deliveries, if you have a business round here for example, and you need to either have stuff delivered to you or you want to get stuff out, then you need to know how that changes day by day. Some days will be worse than others.

Similarly, we are getting out information by half-hour periods about the state of pressure on some of the Tube stations that really matter. We have started to get that out. I did a presentation for some small and medium-sized businesses at an event attended by the Mayor three weeks ago, hosted by BT, and we were able to show, for example, at London Bridge, at many times of the day, there is no pressure at all. Some times in the Olympic 19 days, or whatever it is, there will be times when London Bridge will, on our predictions, be very crowded. One or two of the days it will be very, very crowded and the best thing you could probably do if you happen to be here on a day that the Equestrian event turns out at Greenwich is to have a beer before you go home because you will not be able to get in the station for a bit.

That does not mean you cannot get home. Neither does it mean you should not come to work. What it means is that we are describing, firstly, at this stage, this autumn, to people who employ people what they need to think about in order to make their business work for them. That is what we want. We want business to take advantage of this, to function normally, for hospitality businesses to have a great summer for London and get economic advantage. To do that we need to get them the information which is specific to where they are and what they do.

What we are doing is getting that information out now. We have got the ORN by day. We have got descriptions of where the pressure points will be both on the road network and on the Tube and other networks. We have just gone out for consultation with the Olympic changes to the bus service because they alter because of the ORN. Through the autumn and winter we want employers to think about that in a way that they can affect the way in which their staff work where it matters.

If you look at Canary Wharf, which is a particular concern obviously because the Jubilee line services Stratford - it is not the only way to get to Stratford. In fact we recommend to people who are not familiar with the system that that is the last way you want to get to Stratford. The way you want to get to Stratford if you come from the west is generally through Liverpool Street and either Central line or the National Railway network because the trains are empty. If you look at the Jubilee line, for example, which serves Canary Wharf, it also serves ExCeL and it also serves Stratford.

Clearly employers at Canary Wharf might want to think carefully about the way in which they staff their businesses during that time. The good news is there are 120,000 workers at Canary Wharf. We have covered more than 85% of them and all the indications are that a significant number of those employers will change how they employ staff during the Olympic period to vary their times, to get them to work from home if they can but not if they cannot, to come in early, go home late or, on particular days, just shift around a bit. That is how you do it.

It is not 30% all over London; it is a much greater proportion around here - at Bank and Monument, around Canary Wharf, Canada Water in the morning, Canary Wharf in the evening. As we go through the autumn and winter we need to describe to the people who need to know that what they need to be thinking about.

Next spring and early summer we will talk to passengers directly. There is no point in talking to them now. There is nobody in the room who knows what they are going to do on 4 August 2012 except if you have got a ticket - and if you have got a ticket we are talking to you separately because if you have got a ticket you get a Travelcard and if you have got a Travelcard we will give you advice about how to get to the Games and we will give you advice to use routes maybe that you would not normally use. If you live in Cardiff and you have got a ticket for Stratford, when you get to Paddington you might look at the map and say, "I'll get the Bakerloo line to Baker Street and I'll get the Jubilee line right round" but that will not be the way we send you. We will send you to the Hammersmith and City or Circle lines, we will take you round to Liverpool Street and then we will put you on the National Railway network which will relieve the Jubilee line. Broadly speaking, with some examples, that is how we are going to do it.

Caroline Pidgeon (Chair): It is good to hear there is so much going on. I think we would be very interested in seeing these day-by-day maps and information on the pressure points in the network and so on. You said in your information that there are about 400 firms you have already started talking to but 500,000 employees. There are at least four million people who work in London and 300,000 plus businesses so, in some ways, you are only at the tip of the

iceberg. When do you anticipate you really will have reached out to all businesses and employees in London?

Peter Hendy (Commissioner, TfL): I do not reach out to all of them because if you are a big employer in Harrow or Bexley you do not need to be reached out to. You might need to be thinking about that proportion of your staff who come from these areas and if you deliver goods or have any road transport then there is a separate issue about getting your deliveries because the ORN goes to all the venues including places like Wembley Stadium and so forth.

At this stage we have dealt with some very large employers. We have also got a huge programme of dealing with employment by groups so the British Retail Foundation and those sorts of things for huge categories of business. Brewers and all sorts of people. We are doing that as well. We are also talking to the business groups which are for business; the Confederation of British Industry (CBI), the Chamber of Commerce and so on. Colin Stanbridge [Chief Executive, London Chamber of Commerce and Industry] was at this presentation for small and medium sized businesses.

If you run a business in London, if you do not know the Olympics are on, you are really not doing terribly well. I cannot believe there is anybody who is like that. We are gradually bringing up peoples' knowledge and we are reaching out to people, or people are reaching out to us.

I recently went round with Leon [Daniels] and others and the people from the Olympic Delivery Authority (ODA) and the people for the London Organising Committee of the Olympic and Paralympic Games (LOCOG) and the police. We have now done 12 significantly affected boroughs by the Olympics and in each of them we asked the boroughs to put us in touch with their business networks because they know small businesses in those boroughs better than we do, and we have asked to get into their small and medium sized businesses like that because that is a really good way of doing it. There will be parts like the West End where the West End is quite affected not only by the road events but by beach volleyball and so on. We have talked to Westminster and we may yet write to every business in Westminster because of the effect.

We are not going to do their job for them because each of those businesses needs to work out what the effect is on their business. How many people do they employ? Where do they come from? When do they come in? What do they need to do? Are they going to sell more stuff during the Olympics or the same stuff? What will they have delivered? If you want photocopier paper my recommendation is get it delivered before the Olympics because it is not very clever to have it delivered on day three when the cycle race is on. If you are selling sandwiches or beer you will have to have it delivered otherwise it will all be stale. It is a different method of working. I can pull out a load of examples and so can he.

The other thing we are doing, of course, is to address the freight industry. They are the poor people who just deliver this stuff so they have got producers on the one hand who have got commitments to deliver it and they have got receivers on the other who want this stuff to come. They are in the middle. We had a big seminar with big logistics people because they too have got a job to do. They need to reach out to their customers at both ends of the supply chain and actually say to them, "Have you thought about it?" Those are all specific examples.

I cannot imagine that there is a business completely unaffected but if you run a medium sized business in Harrow the thought will be enough to say, "Yes, OK, I've thought about it. It doesn't really affect me" although your staff might have tickets so you had better work out when they are going to come to work. If you run a small business in Stratford you have got a lot of work to do and we have got a lot of work to do.

We collectively, the Olympic family, not only us but LOCOG and others, have got a lot of work to do to actually work with you in a very detailed fashion to make sure that your business can get the most out of this.

Caroline Pidgeon (Chair): I have got a couple more very quick questions on this because next month we have got a very detailed two hour session on this following on from our report. There have been some issues recently with the performance of the Tube. Is that a concern to you in terms of the Olympic and Paralympic Games?

Peter Hendy (Commissioner, TfL): Well, the performance of the Tube is always an issue because if it is not perfect then you have upset some proportion of the people who rely on it, so there is no complacency here. Clearly, there has been a lot of concentration on performance because you wrote a report about it.

In general, Tube performance is better than it has been for some years, which is not bad because the number of people travelling is greater than ever before and so is the schedule --

Caroline Pidgeon (Chair): The last year performance had fallen across most lines.

Peter Hendy (Commissioner, TfL): It did.

Caroline Pidgeon (Chair): The Jubilee line in particular.

Peter Hendy (Commissioner, TfL): I was about to explain that. In general the trend has been downwards apart from the last year when it trended marginally upwards but not to the degree it was in the years, for example, before 2008.

We are concerned about it. One of the reasons I am not so concerned about it for the Olympics is - well there are two reasons - is you must have some redundancy. Stratford is well served by a number of Tube lines. The plans for the Olympics do not rely on 100% of operation everything all the time because we never get that. We get something approaching that generally and I think it is never as good as it should be but we are working hard at it.

The other reason why I am less worried than maybe one would otherwise be is that the substantial technical work on the upgrades for the Jubilee line and the Victoria line has finished. We have now put in the signalling system on the Jubilee line. The job is to make the line work absolutely reliably. There is not any more large scale technical upgrading to be done on any part of the Tube until after the Olympics which gives time for the signalling system to settle down and for people to get used to it. The Victoria line is almost finished. We have just got to

take out the last bits of the old signalling system and then that is done. The upgrades of the sub surface lines will continue but the substantive change to signalling systems is not going to start occurring until after the Olympics. Actually, the likelihood is that the trend of performance will improve right way round to the Olympics.

The plans for the Olympics cannot rely on the whole system working to perfection because in a system of this size and this age it never quite works to 100%. We would obviously want it to work as well as it can. We are putting in place a lot of things to make it work as well as it can but we still, obviously, need some redundancy and some contingency for the rare occasions when it stops for a bit.

Caroline Pidgeon (Chair): The other very quick question that I had, which is something that I had been concerned about that I had read, is that you had asked LOCOG to reduce the number of tickets for the equestrian events at Greenwich because you do not think the transport system will cope with that. Is that true?

Peter Hendy (Commissioner, TfL): You should never believe everything you read in the newspapers you know. In fact --

Caroline Pidgeon (Chair): Perhaps you could clarify?

Peter Hendy (Commissioner, TfL): -- you should believe virtually nothing you read in the newspapers.

Caroline Pidgeon (Chair): So it is not true? You have not asked them to reduce?

Peter Hendy (Commissioner, TfL): No, we have not. We have raised the question about whether or not they should release any more tickets for the equestrian events and that depends on how they organise the event because Greenwich Park is - well I am not able to comment on whether it is a good place to have an event like that or not - is served by a relatively limited number of stations and what we do not want is to have huge queues of people for unacceptable periods of time.

Now the fact is people do queue going to and from sporting events. I do not know what people think as they walk up Victory Way in Wembley but what they are actually doing is moving very slowly towards Wembley Park station. If they all got there at once we could not take them in. They all seem generally happy on Cup Final day to walk up there and what they are doing is queuing. They are queuing for the Jubilee line and the Metropolitan line and we take them away. It would not be a surprise in these sporting events for that sort of thing to happen.

Our current view about Greenwich is that actually somebody from the competition side, from the Olympic operation side, needs to think about the format of the event because if they were to issue more tickets than the 50,000 they have already issued - I did not say to them they should not issue 50,000 tickets. I said to them, "Don't think about letting any more tickets go until you've worked out how we're going to manage what, if they did issue any more tickets,

might be an unacceptably long wait". It could rain. That is the other thing. It is not much fun waiting in the rain.

Caroline Pidgeon (Chair): That is helpful. You have asked them not to issue any more until they have reviewed their plans.

Peter Hendy (Commissioner, TfL): Yes. We are currently awaiting the outcome of that.

Caroline Pidgeon (Chair): Thank you for that.

Valerie Shawcross (Deputy Chair): Peter, on the risks that there might be to the transport network during the Olympics, one of the things that has been happening increasingly recently is there have been organised gangs stealing metal and cabling from around the transport network, particularly on the over ground system. I know from my meetings with the Metropolitan Police Service that there is now a national working party on this issue. All the parties involved in that are very clear, including Network Rail, that legislation to control scrap metal dealers, in particular to prevent them buying and trading in cash, would put a halt to this problem. There is some concern about the slowness of the Government's lack of action on this. There is some recognition but it is a very slow programme. Do you have any concerns that the transport network is vulnerable to cable and metal thefts and that this could be something that undermines our reputation during the Olympics?

Peter Hendy (Commissioner, TfL): My mind is full of a vision of any scrap metal merchant who does not deal in cash. I just cannot imagine how they would do their business without having a big wodge of £50 notes in their back pocket.

Of course it is an issue and it is likely to remain an issue so long as the copper and metal prices are so high. As far as the ones that we are responsible for are concerned actually cable theft is not unknown on the Underground but is relatively rare. We have had three recent events. One of which was a theft at Preston Road which, fortunately, occurred when the Jubilee line was not running so that was OK - well it was not OK but it did not affect the service. There were two attempts at the east end of the Central line.

We are better off than the National Railway network because we have long since cleared off graffiti and the fences are better and we repair them and we have more trains and more people around than the National Railway network.

We are not complacent and I think, on behalf of Londoners who use the transport network in general, it is a significant problem. It is an outstanding problem when people start chopping up live overhead cables and some character killed himself on the south western hitting a 3,000 volt cable with an axe, then you have got to say there are some really mad people around.

We would obviously support, and I am sure the Mayor would support and I bet you would support, better legislation to deal with the way in which this stuff is handled, but I am not sure it is particularly an Olympic risk. It is still worse in the north east of England and it is not

confined to the transport network.

Valerie Shawcross (Deputy Chair): Routers and other sorts have been stolen.

Peter Hendy (Commissioner, TfL): What is even worse is they nick cables that have not got any metal in because they cannot tell the difference, they are so stupid.

Valerie Shawcross (Deputy Chair): There is a set of Association of Chief Police Officers recommendations and I just think it would be helpful if TfL would support them.

Peter Hendy (Commissioner, TfL): We will support it. We are engaged but I do not regard it as a special Olympic risk.

Valerie Shawcross (Deputy Chair): Thank you.

Richard Tracey (AM): I did have a couple of questions about the Olympic situation although I do appreciate that we have a much longer session coming up in a month or so's time. There seems an awful lot of hope rather than necessarily total planning. You said a lot about the different information you have put out and seminars you have held but there is an awful lot of hope still, Peter, frankly to persuade Londoners that they have either got to work from home or change their travel patterns.

I tell you one area that particularly bothers me. You have criticised the written press but the doom mongers from the BBC and from ITV very recently have been showing particularly small businesses on television screens saying, "No, no, no, we haven't heard anything from TfL. We haven't had any advice. We don't know what is going to happen". How do you deal with that? Can't you make some sort of direct appeal to the BBC and to ITV to begin to be more helpful over the Olympics? Is that impossible?

Peter Hendy (Commissioner, TfL): You would have to invest me with the most enormous amount of optimism to suppose that the media will ever be helpful to us in general terms because bad news sells papers and makes articles.

I think there is a lot more than hope. People who run businesses in London are not stupid. Londoners are quite clever people. You will know, for example, at Victoria we have done up each of the three escalators in turn before we start the major work on the station. We put out a press release that said, "Please don't use Victoria if you don't have to in the morning and evening peak hours". The first day there was a bit of pressure. Day two they got it. They walked to Pimlico. They go to St James's Park. They get the bus. Londoners get it. They are not daft people.

Of course you can go to a sweet shop in London Bridge and say, "Have you heard from TfL?" and they say, "No, we haven't heard from TfL". If you ask a different question, "Are the Olympics on?" They say, "Yes". Then you ask another question, "What do you actually need to do for the Olympics if you run a sweet shop at London Bridge?" Probably the answer is nothing.

I am not trying to get in touch directly with every business in London. Our message is think about it and we will help you think about it by making material available and speaking to trade associations and speaking to the boroughs. We have got direct contacts and so on. I think that people will get it, actually. If you are running a business round the Olympic Park, frankly, some of those are saying, "Where is this material?" to which our answer is we are now getting it out. That is a reasonable question. If you need this material we are now saying tfl.gov.uk/2012. Everything we have got is on there. Maps of the ORN by day of the week. All this sort of stuff.

I am not up for making a direct appeal to the BBC and ITV. They have got to put out what they put out. As far as I am concerned it is not based on hope; it is based on the fact that people who run businesses and people who are employed in London and people who live and work in London are actually sensible people and, as they get there, if you are going to the Games as a spectator we will give you some advice. If you are going to work, at this stage we are talking to your employer about work. If you are a small business we are talking to your trade association. We are talking to the London Chamber of Commerce and Industry. We are talking through the boroughs.

What I want by next June or July is for people to have got there. Frankly, if you are making sandwiches at London Bridge I hope you are thinking, "Blimey, there's a lot of people going to come through here going to Greenwich. I hope I've got enough bread. How do I get it delivered?" When you speak to the people who deliver your bread we will have spoken to the people who run their lorries and the bakers' federation and they will be saying, "You get your bread delivered at night probably or later in the day or early in the day."

I think that is the answer.

Richard Tracey (AM): OK. The other end of the spectrum, the so-called Olympic family is 80,000 or 90,000 strong including the journalists and all the rest in it. The Mayor once made an appeal to the International Olympic Committee (IOC) delegates perhaps to travel by public transport whenever they could. You of course always tell us what very good public transport we have got in London and many of us experience it. What do you think the chances are of the IOC people travelling on public transport rather than expecting all sorts of special facilities for them to get between places?

Peter Henty (Commissioner, TfL): The arrangements for the Olympic family are for the IOC and London 2012. What I do think, Richard, is that, as we get there, many people in the media at Russell Square and round there and many of the people who have got hotels in central London will probably discover on day two that there is quite a good Tube network and there is a train from St Pancras that takes seven minutes to get there and, frankly, they are better off if they do use our public transport system and we will encourage them to.

I cannot tell them to and I have no control over the quantity or volume or even type of the people who are entitled to use the Olympic road network. What I would say is that Leon and I between us have established that there are nearly 3,000 extra buses and coaches coming to London so I suspect the ORN will be largely full of those. I think that many of them will

discover that we have got quite a good public transport network and they will probably be better off using it, frankly, and that would be a good thing would it not?

Richard Tracey (AM): It would. Thank you.

Valerie Shawcross (Deputy Chair): It would indeed. I am going to talk about my favourite topic: the buses. Three years ago, Leon, before you started, this Transport Committee did a seminar on the future of the bus services and TfL's plans for the bus network. I know there was a major review done by KPMG of the bus services in London and, at the time, there was a lot of debate, concern in some parts, about the reduction of subsidy over time to London's bus network and there was a promise given that TfL would keep the operation of the bus network under review. Leon, can you tell us something about what your view is now about how the network is operating and what the pressures are on the system and how you are responding to them?

Leon Daniels (Managing Director of Surface Transport, TfL): The London bus network is 20% of the whole country's bus network. It is a really dense network of services, many of them running 24 hours a day. All accessible; all running on a simple fare structure. It is not surprising, therefore, that it is very popular.

There is no plan for major reviews of the network because what we know is that people prefer evolution rather than revolution and any major changes to the structure of the bus network goes down very badly with passengers. What we are doing continuously is reviewing the network as it evolves. Changes in demand. Changes in employment. Changes in the economic cycle. We are continuously monitoring the services not just in line with the tendering cycle which is every five to seven years but based on changes of demand and so on.

We are doing that on the basis of broadly flat bus kilometres year on year. Volume of service is about the same. Against the background of some increasing demand and against a drive to reduce the subsidy. The subsidy will be £120 million odd lower at the end of the business plan than it was at the start, which is good and means we are balancing the needs of council tax payers against the needs of users and delivering, broadly, the same number of kilometres that we have done previously.

We get lots of suggestions about improvements to bus services from members, from stakeholders and of course from members of the public. It is really important to remember that a very large number of bus services in London lose money and that is where the subsidy goes. When we are looking at changes to the network, either changes that we think are necessary because of what we see in changes in demand, or evaluating the suggestions from members and from others, since we try to do this against the background of reducing subsidy and flat kilometres, we always have to look in terms of what would we give up in order to produce this other improvement.

The truth is that many of the suggestions that we get are very worthwhile but they would worsen the economic case of the bus network. It would worsen the subsidy or it causes changes to be made elsewhere.

We are very pleased to receive those suggestions. We do look at them very, very carefully but we have to consider it in the balance of everything that we are trying to do that I have described.

We keep that review process going all the time. There are all the reviews that we do. There is the effect of the tendering cycle. There are the suggestions from everybody. We are trying to hold the balance between demand, kilometres and the subsidy reduction.

Valerie Shawcross (Deputy Chair): Leon, one of the things you said there very clearly was that the number of kilometres being run is being held stable, it is flat-lining, but demand is growing and the population is growing. Where are you seeing those demand pressures in the network showing through and how are you able to respond to them therefore?

Leon Daniels (Managing Director of Surface Transport, TfL): There are a number of areas. Firstly wherever there are new developments, and there are still new developments across London, that causes some increase in demand. Where there is overcrowding on any of the rail networks then there is sometimes a shift to bus. On the other hand we are also doing some things to encourage - for example quite a large number of bus journeys from Waterloo station in the morning are for less than a mile and people are walking or cycling increasingly which gives us a bit more capacity on some important bits of the bus network.

In extreme cases we have to look at the very seriously under-performing bits of the network and see if there are bits that we can prune in order to reduce some resource in order to give us some resource elsewhere.

All the time we are trying to match the demand on those hotspots with resources that we might free elsewhere. We are continually trialling things on the bus network. Some things work. Some things do not. Where those things do not work we are able to take them out and use the resource to trial something else or increase service levels elsewhere.

Valerie Shawcross (Deputy Chair): You talked about pruning then. We have not generally seen major bus routes taken out. How do you go about pruning then if you are trying to liberate resources?

Leon Daniels (Managing Director of Surface Transport, TfL): What you have seen is changes to journey times and slight changes to frequencies; frequencies that give us back some resource. There have been some changes downwards of frequencies on the bus network in places that can stand it. To such a small degree that the passenger hardly notices but multiply that by the number of buses every day of the year it produces a resource saving that we can use elsewhere.

Valerie Shawcross (Deputy Chair): You have had to do some reductions in capacity. Is that in the quieter areas then?

Leon Daniels (Managing Director of Surface Transport, TfL): It is in various parts of the network where we were over supplying and where we were able to sneak the frequency down.

Valerie Shawcross (Deputy Chair): OK. You mentioned there the tendering cycle. If I can just add a little question in. One of the things that the bus drivers and the bus drivers' unions have complained about is generally a pressure downwards on their salaries and terms and conditions as every time a contract changes hands. Is that pressure continuing and are you seeing any changes to the quality of the driving services?

Leon Daniels (Managing Director of Surface Transport, TfL): The situation is that the tendering pricing generally follows the economic conditions of London and the fact is that during tough economic times the private companies that bid for this work are tougher with their prices because in many areas they can secure better deals; better deals for the price of buses, better deals for their maintenance and, in some cases, the bus operators are having tough discussions with the workforce which, broadly, is about more work for the same pay. It is not about reductions. It is about more work for the same pay. It is about more efficiencies. It is about more flexibility. It is about getting more efficiency out of the network.

That has caused the prices for bus contracts to be broadly stable, to some extent slightly cheaper, but it is exactly what we expect in the economic cycle because the companies are keen to keep the volume. Of course they have got some overheads which they have to cover.

In respect of the quality of the staff, there is absolutely no diminution in the quality of the staff because one of the truths of tough economic times is that people come to be bus drivers who, during good economic times, might be doing something easier.

Valerie Shawcross (Deputy Chair): Is there any trend in complaints on buses?

Leon Daniels (Managing Director of Surface Transport, TfL): No. On six million bus journeys a day there are 26,000 complaints a year which I know is 0.004%. In fact some of those complaints are not really complaints; they are statements masquerading as complaints. The number of complaints is fractionally small.

Valerie Shawcross (Deputy Chair): One of the things that people are very interested in and they have always enjoyed and welcomed is the Countdown system. There have been delays with the expansion of the Countdown system because we have been waiting for the iBus system to roll out. Now I have seen people using their mobile phones and checking their apps. How are we getting on now with real time bus information?

Leon Daniels (Managing Director of Surface Transport, TfL): Aren't I lucky? My first appearance before you and I only come with good news! Aren't I lucky and a tribute to my predecessor, David Brown, for laying all the groundwork for this.

There already were some 1,700/1,800 Countdown signs at bus stops on 19,000 stops across the network. Those are those red LED signs that people have seen at bus stops for some years. Every one of those shelters has got a BT contract, two copper wires and a power supply which

means it is expensive and, indeed, it is old technology. We are replacing all of those signs and adding another 800 so there will be 2,500 new Countdown signs across the network. Every stop that has an old Countdown sign will be replaced with a new one plus 800 new signs on top of that. They no longer require the BT contract because, with modern technology, we can flash the information to those signs very quickly. That information is driven off iBus which means it is very accurate so, at important stops, there is real time information at the stops.

But better still than that, driven off the same piece of technology, with your smart phone, with your laptop computer, your iPad, your computer at home or by SMS texting on to your regular telephone you can get real time information for every bus stop on the network literally as it happens and we will be announcing that publicly with a launch and the website addresses next week.

Valerie Shawcross (Deputy Chair): I think you have had a soft launch really!

Leon Daniels (Managing Director of Surface Transport, TfL): I do not mind telling you, Val, that of course, in order to test the system worked properly, we did something clever which of course is to get the staff to use it because that is a good way. Some of our staff are sufficiently enthusiastic to be able to pass that information out and give us some testing on a bigger scale.

Peter Hendy (Commissioner, TfL): And it works.

Valerie Shawcross (Deputy Chair): When do we actually get these extra Countdown signs?

Leon Daniels (Managing Director of Surface Transport, TfL): It is rolling out now. The roll out programme is running now.

Valerie Shawcross (Deputy Chair): When do you think it will be completed, Leon? Can you say?

Leon Daniels (Managing Director of Surface Transport, TfL): Within a year or so. Within a year or so we will have done the whole thing. I will happily come back to you with a precise roll out programme.

Valerie Shawcross (Deputy Chair): I think everybody welcomes it. It is very good.

Peter Hendy (Commissioner, TfL): Have you all seen this stuff on mobiles?

Valerie Shawcross (Deputy Chair): Sorry, Peter, we will do that another time. That is another field trip.

Peter Hendy (Commissioner, TfL): You do not need to. If you are on Belgrave Road, SW1 the next 24 is in five minutes. I have just found out.

Valerie Shawcross (Deputy Chair): It is fantastic. It is good. Thank you.

Caroline Pidgeon (Chair): Useful public information.

Valerie Shawcross (Deputy Chair): There are lots of people who do not have flash phones.

Peter Hendy (Commissioner, TfL): This is not a flash phone. Most of the population has SMS texts. The real advantage of this is that --

Valerie Shawcross (Deputy Chair): Peter, I do not think it is true for everybody who, for example, has retired and on low income. The Countdown is still very important to us.

Peter Hendy (Commissioner, TfL): Right, but my point is --

Valerie Shawcross (Deputy Chair): We want both.

Peter Hendy (Commissioner, TfL): My point is not shameless boasting. We never plan to and there will never be enough money to fit every stop in London and the stops where you most want this stuff are the ones which have the least usage. Therefore this is really useful because if you are in the outer parts of London where you never would have aspired to have a Countdown sign at your stop, you can still get the information. That is the point.

Valerie Shawcross (Deputy Chair): OK. The new bus for London. The Mayor's pet project on the new Routemaster bus. I gather that that is going to be launched now in March 2012, just before purdah [pre-election period] we think. I am not sure if my information is accurate there. What are the plans for rolling forward a programme of these new buses beyond the initial five prototypes?

Leon Daniels (Managing Director of Surface Transport, TfL): Firstly to say that the first vehicle will roll off the production line in the early part of November, the first vehicle will be in London before Christmas and the fleet of prototypes will be rolled out across the spring.

Valerie Shawcross (Deputy Chair): The fleet? How many?

Leon Daniels (Managing Director of Surface Transport, TfL): Eight.

Valerie Shawcross (Deputy Chair): Sorry, Eight?

Leon Daniels (Managing Director of Surface Transport, TfL): The eight prototypes will all be in London by the spring. Because I am an old fashioned bus person it is my view, and the one that is prevailing, that the next job is to get thousands of miles of experience on this prototype fleet under their belt before we take any further decisions about what happens next. In the history of London buses over the last 100 years the ones that have been rigorously tested and evaluated and modifications tried before going into production have lasted for 50 years and represented very, very good value to the tax payer, and the ones that were rushed into production lasted five minutes and cost a huge amount of money. We will be getting some engineering miles on these vehicles in service before we go further.

Jenny Jones (AM): Very quickly, how long is it going to take to get those thousands of miles? Please give us a timeframe of some sort.

Leon Daniels (Managing Director of Surface Transport, TfL): The first thing to say is we have got one vehicle already that is clocking up thousands of miles on a test track and that is good for some areas of evaluation but nothing really tests them like people getting on them every day and buses --

Victoria Borwick (AM): Are we talking about a year or ...?

Leon Daniels (Managing Director of Surface Transport, TfL): I would expect that we would run these until at least the summer/autumn of 2012 before starting to look at what modifications might be necessary and then the lead time in engineering terms and production terms is about another six months or so after that. Production of these vehicles, if it was decided to start, would be end of 2012.

Valerie Shawcross (Deputy Chair): Would there not be a full procurement tender process?

Leon Daniels (Managing Director of Surface Transport, TfL): Yes, of course. I was just describing what the practical timetable would be assuming everything else. Yes, there would be a proper procurement process.

Caroline Pidgeon (Chair): That is great.

Joanne McCartney (AM): Anecdotally, residents are telling me that buses are a lot busier now, particularly during the day, which I found quite surprising. I wanted to ask about planning bus routes. Really you are saying that you cannot do any changes because you have to take something off somewhere else and it is very difficult. The issue I have got in my constituency is the reconfiguration of health services. This is going to be an issue that is going to be London-wide. We have had the announcement that the downgrading of Chase Farm is going to go ahead. I have, for the last year, tried to get TfL to look at extending a route from the North Middlesex Hospital into some areas that would have previously been better served by Chase Farm. We have been told that we cannot. Exactly that has been said to us as one of the reasons, "If we do this we have got to take it off somewhere else" but the need, we believe, is still there. Could you look at that again but also give us a little bit about what you are going to do when we do have this big reconfigurations across the capital?

Leon Daniels (Managing Director of Surface Transport, TfL): I will certainly look at that particular case again. It is one I have seen in correspondence, clearly, previously. Just to reiterate, especially in outer London, any expansion of the bus network inevitably produces less revenue than it costs so we are, again, just trying to deal with the economic conditions that come with it.

It is fair to say that I am making sure that we have got a prioritised list of things that we would like to do as well as a prioritised list of things that maybe we do not need to do so much in order

to make sure that, as and when any opportunity to release some resource perhaps from some savings elsewhere, perhaps from efficiencies, perhaps from contract prices or whatever, then we know the things that would be most valuable to people.

I do need to look at this particular case but I will be making sure that I have got a list of things prioritised ready for when any resource might be available.

Joanne McCartney (AM): I will perhaps write to you again and make sure that is on your priority list. Thank you.

Richard Tracey (AM): In the matter of planning bus routes and of adapting bus routes, do you feel in TfL that your advice and words are listened to sufficiently by planning authorities when they are granting applications not just for new housing? As you know, Leon, I have got a case in my constituency in Roehampton where there is a rapidly growing university, a whole lot of houses have been built in the area and there is a very busy day hospital and there is evidence that the bus network - and it is the bus network that is particularly important there - does not cope and has not coped now for some time. Do planning authorities ask you sufficiently far in advance for your views on whether the transport infrastructure will be able to cope? I suspect they do not.

Leon Daniels (Managing Director of Surface Transport, TfL): Richard, maybe the best way to answer that is to say that no matter who the developer is, whether the local authority is a planning authority, a private developer, no matter who, the earlier we know about the proposals the more we can get in for a number of areas; making sure that the development is suitable for public transport penetration in its own right and making sure that our ability to serve it is satisfactory. The longer lead time we have the more we can factor it in to our own planning, our own resource levels and so on so that it stands a much higher chance of being able to be served in just the way you have described. If we do not have that notice we are very much on the back foot.

The real answer to your question is the sooner we have that sort of information from the prospective developments the sooner we can factor it into our plans.

Richard Tracey (AM): Do you believe that the planning authorities then listen to you when you say, "No, we have not got enough buses to cope with this"? The evidence seems to be that they do not and they rush ahead and grant permissions.

Leon Daniels (Managing Director of Surface Transport, TfL): Indeed. We do everything we can to exploit whatever areas of funding there might be for any sort of development activity. Where it is possible to get any sort of external funding to cede some of this stuff we are keen to do it.

At the end of the day the local authority, in terms of planning, is in a not dissimilar position to us; it is consulting a wide range of stakeholders and a number of interests, of which ours is only one voice. Of course we would say that you need to do this and you need to do that in order to

have an adequate public transport provision. They have some things which they hold in the balance as well. We are doing the best we can in the circumstances.

Richard Tracey (AM): Since you came into office have you read our excellent report, *Streets Ahead*, about Oxford Street buses?

Leon Daniels (Managing Director of Surface Transport, TfL): Indeed.

Richard Tracey (AM): Have you?

Leon Daniels (Managing Director of Surface Transport, TfL): Yes, I have.

Richard Tracey (AM): Are you going to do something about it? We thought we put some rather good suggestions forward to you in that report.

Leon Daniels (Managing Director of Surface Transport, TfL): Firstly, I spent some time with the New West End Company in respect of a whole series of issues around Oxford Street, Regent Street and so on. I read very carefully and discussed very carefully with a number of people all of the concerns that relate to bus services in Oxford Street and we have, during my time and my predecessor's time, taken a significant amount of bus frequency out of Oxford Street. We are still at 270/280 buses an hour in both directions added together on the busiest section of it, which is the bit at the Oxford Circus end.

What people are concerned about in Oxford Street is the speed of the buses and the alleged congestion. If I was to be persuaded to take 100 buses an hour out of Oxford Street there is every likelihood that the space would be replaced by taxis using Oxford Street as a through route from east to west. That would simply mean that traffic would go no faster but there would be far fewer buses.

My view is that we, of course, will come to the party in respect of making Oxford Street and that part of the West End a really desirable place for shoppers and tourists and good business for the retailers but simply taking away some bus services that are valued by many people and making no difference to the whole environment or the traffic speeds would be a foolish thing to do.

Richard Tracey (AM): Perhaps you will have a long conversation with my colleague, Victoria Borwick, who of course led that excellent investigation.

The last thing is really a point rather than a question. I hope Peter is not believing that large swathes of the population do have iPods, iPhones and all the rest of it because the evidence is, quite honestly, that a large number of our older constituents do not have them and still very much value Countdown as a means of being able to track their buses.

Leon Daniels (Managing Director of Surface Transport, TfL): Richard, just to say, even if you had a stone age mobile phone you will be able to text from that mobile phone the number that is on the stop and get information as good as a Countdown sign would be. Even if you have an old mobile phone it will be possible for people to do that.

I know for some people that still will not be enough. We are covering a huge range of the population especially for stops for which there would never be a business case to put a Countdown sign.

Roger Evans (AM): I am quite impressed with what I am hearing about Countdown. I think that is good news and I look forward to seeing the demonstration. Of course in quite a lot of busy parts of London your passengers are advised by the police not to wave around their expensive mobile communication devices and whilst Mr Hendy is perfectly safe doing it at the Committee here, he may not be so safe doing it elsewhere. Is the security consideration being looked at?

Peter Hendy (Commissioner, TfL): I think you are just as dangerous as some other parts of London are that I frequent in my spare time!

Roger Evans (AM): Are you going to look at the security issue here? Are we going to make sure that we do not cut back on policing on buses for example?

Leon Daniels (Managing Director of Surface Transport, TfL): That in fact is a different question. We will not - and I will not - solve all the problems of society; mobile phone theft is mobile phone theft and clearly is a matter for the police. I think people's telephones are so valuable that people take great care of them no matter what they are doing.

Peter Hendy (Commissioner, TfL): In any event one of the reasons that I just demonstrated it here is that you do not need to do it when you get to the stop; you can do it in your house before you leave to go to the bus. In fact, that would be a really clever thing to do because there is no point in having it out on the street, you can look at it before you leave and then leave at the right time, which is what I do every morning.

Roger Evans (AM): You are obviously better organised than many other people in London.

Can I just also ask, Chair, we have had the starter debate about kilometrage versus number of passengers carried and frequency on routes was a very interesting demonstration of the constraints which you are working under. Do you think you are able to absorb a fare cut as well?

Leon Daniels (Managing Director of Surface Transport, TfL): Add a fare cut?

Roger Evans (AM): Yes. Say 5%. What would the effect be?

Leon Daniels (Managing Director of Surface Transport, TfL): No. As you know the pricing of the network is a matter for the Mayor and, as you know, the vast majority of our need is for future investment and the purpose of the fare increase is to generate enough funds in order to make sure we have enough money for investment on the London transport network itself.

Roger Evans (AM): That seems to be a negative reaction to the proposal.

Peter Hendy (Commissioner, TfL): That is your interpretation.

Caroline Pidgeon (Chair): It is a comment on it really, isn't it? Let's move on.

Roger Evans (AM): We do not record body language at this Committee, Chair, but it looked pretty negative to me.

Caroline Pidgeon (Chair): Cycle hire scheme and cycle superhighways. Joanne?

Joanne McCartney (AM): I want to start by asking how progress is going? The first phase of the cycle hire scheme was aiming to establish 40,000 trips a day. The superhighways, when all 12 were up and running, were expecting 120,000 trips per day. How are you doing against those targets to date?

Leon Daniels (Managing Director of Surface Transport, TfL): Two quite separate issues. As far as the cycle hire scheme is concerned, considering it was a fresh start and not something that had been done in this country before and the cycle hire scheme that we have is based on the best practice of many cycle hire schemes in other countries, it is doing phenomenally well. We have had over seven million hires, of which six million come from the membership scheme. We are just through the first full year of operation and wherever you go in London you see them, when you talk to people who use them they are hugely keen on the scheme and it has very quickly become something that Londoners expect to see. It is considered to be good. The fact that the scheme has grown so quickly, I think, is absolutely remarkable. I think that we have got a scheme where people have learnt to go from docking station to docking station as opposed to from home to destination. That is remarkable. Londoners clearly love it.

We have already now signed the contract for phase two which takes us further into east London up to but not quite to the Olympic Park and out to Westfield also in the west. We are making great progress about identifying the docking stations that we will have. We already have over 400 docking stations now. There will be 700 more when we get to phase two next year. I think this is remarkable progress from zero in July 2010.

Joanne McCartney (AM): I will stick with the cycle hire scheme for the minute. How many trips per day are you averaging at the moment?

Leon Daniels (Managing Director of Surface Transport, TfL): I think I know this by day.

Joanne McCartney (AM): Can you let us know?

Leon Daniels (Managing Director of Surface Transport, TfL): Joanne, I will happily give you the precise figures, yes.

Joanne McCartney (AM): Thank you. This Committee looked at the cycle hire scheme and produced a report and we noted that there were some issues with the Serco performance about

bike availability, registration issues, charging and some poor customer service complaints. We also note that you withheld significant payment from Serco for failure to meet key performance targets. Could you just briefly explain what they were and what action you took and what lessons you have learned from that initial phase that you are now applying to the roll out?

Leon Daniels (Managing Director of Surface Transport, TfL): It was my baptism of fire. It was the thing I arrived to most which was the level of complaints, the long trail of refunds being waited for customers and complaints about reliability on the system. We worked really closely with Serco over trying to work through those issues. At one point during the summer there were failures on the system on too regular a basis.

When we did not make adequate progress with the contractor we issued them with a critical improvement plan which was a series of things that we wanted done and by when. From that point onwards, when we engaged with Serco at the right level - frankly at Chief Executive level - things improved dramatically. Very skilled people were parachuted in from Serco worldwide. They got to grips with what was wrong with the back office system. They got to grips with a whole range of issues across the network and now the truth is that we hear very little about outages on the system and we hear very little about people getting the wrong amount of money deducted from their account. In fact, Ross Lydall, the *Evening Standard* journalist, said publicly that he had been overcharged by £45. In fact he had just been charged his second annual membership fee! He was an avid user. Also, like everybody else, he is now getting a very good service out of cycle hire.

Serco responded extremely well. The combination of potential reputational damage and some money being held back spurred them into action. They did a brilliant job. We released a good part of the amount of money that was retained, although we still have some. Last week I addressed their senior managers and directors conference here in London in which I was able to tell them that they had made excellent progress, we were very pleased with how the system was operating and we were very excited about phase two which is underway now.

Joanne McCartney (AM): You seem very confident that those early glitches have been ironed out?

Leon Daniels (Managing Director of Surface Transport, TfL): I think my inbox is a really good barometer of the state of the nation and as far as cycle hire is concerned the contents of my inbox have collapsed dramatically.

Joanne McCartney (AM): Thank you. Can I then move on to ask about the Barclays sponsorship of the cycle hire scheme? We have raised issues before and this Committee has asked for further information and more details which we have not, I do not believe, received. I think we are still going to make that plea here today. As I understand it, Barclays paid £25 million for the first stage of the cycle hire scheme, for the advertising, and they pay another £25 million for the expanded scheme over the next few years. Yet there have been questions raised as to whether this is actually good value for money for yourselves and for Londoners and I understand commentators have assessed the benefit to Barclays of between £9 million and £15 million worth of advertising per year. Do you wish to comment on that?

Leon Daniels (Managing Director of Surface Transport, TfL): The only thing I would like to say really is that in the teeth of a really tough economic recession when life is hard for very many businesses indeed and spend on advertising, spend on marketing, spend on charitable giving and a whole range of discretionary spends that major organisations have, to get two chunks of £25 million out of Barclays, initially on something that was entirely untested, unproven and nobody knew whether it would be really successful or not, is remarkable. Whilst it is possible, with the benefit of hindsight, to suggest that now that we know it is a great success and how much air time it gets it might have been possible to have done something differently. The truth is that, for an unproven scheme on a clean start in the middle of one of the worst economic recessions we have had, to get two doses of £25 million, to some extent on trust, from a blue chip sponsor, I think is remarkable.

Joanne McCartney (AM): The tendering process that took place for the second tranche was that an open tender or was that just an extension of the existing Barclays contract?

Leon Daniels (Managing Director of Surface Transport, TfL): I think I might like to reply to you in writing if I may to make sure that I do not misquote it because it stems across the period I was joining. I am certain it was done in accordance with all the rules and I am certain that it was done correctly. Can I write to you with a precise answer on that because I would not want to perjure myself at this point.

Joanne McCartney (AM): That would be fine - and details of any tendering process would be useful as well. Thank you.

Jenny Jones (AM): It would be interesting to know if there was any agreement about giving the second tranche so that Barclays were seen as the obvious people to go to. So, when the first tranche was given, was there any sort of commitment saying, "If it's a success obviously we'll come to you again?" A lot of people in London that I speak to seem to think that Barclays has done very well out of this in terms of advertising. Only getting £25 million the second time round would suggest there was some previous agreement perhaps. If you could let us know that would be great.

Leon Daniels (Managing Director of Surface Transport, TfL): Jenny, if I may, could I say that some of that relates to a period before I was here so I would rather be sure of my ground.

Jenny Jones (AM): Sure. Peter should really be answering this.

Caroline Pidgeon (Chair): In terms of sponsorship, given Barclays bikes are all round London and when you have got £36 million for ten years for the new cable car, there are some questions that should be answered. If you could explain that more in detail in writing that would be great.

I have a list of people who wanted to come in.

Richard Tracey (AM): On the cost and the charging, the Board Members at a recent TfL Board I gather did raise the question of increasing the charges for the bike hire scheme and of

course there has been some recent press that says that people are taking relatively short journeys on the bikes and so you are not making as much as you perhaps need to to make the whole scheme viable. What are the chances of putting the charges up as those two Board Members suggested?

Leon Daniels (Managing Director of Surface Transport, TfL): Let me answer that certainly. The main scheme is only just a little over a year old and one of the things that we now know of course is that the scheme is very seasonal; a lot more people cycle in the summer than they do in the winter. We have to have quite a lot of data to understand what the dynamics of the cycle hire scheme are. Secondly, in the early part of the scheme people were getting used to it and we now know a lot of things that we did not know before; demand at mainline stations in the morning peak and the effect that the availability of empty docking stations for people to be able to dock their bikes and so on. Of course, we have only had the casual user scheme for a much shorter period than that and there is already some evidence of a transfer of people from the membership scheme to the casual scheme and we are seeing changes in the proportions of members versus casuals and a difference between week days and weekends.

All of that says to me that it would be dangerous to tinker with the pricing whilst we are getting all that information through because we think we know some things about it but we are still learning.

The second thing I would say is that although the reporting in the press suggested what the shortfall might be - and Members will know that the Mayor made a statement that the thing would be self-funding and break even over the longer term - Members will know that a very large number of very successful businesses today were financially in great difficulties in the early part of their lifetime and it was sticking with it, learning as much as possible, gathering the data and making some sensible business decisions at the right time that allowed the businesses to flourish. I would say that only a little after a year in this is still the time when we are learning about the dynamics of this particular business and in due course, when we have learned more about the dynamics of the business, we might have more to say about the membership scheme and the pricing.

Caroline Pidgeon (Chair): The shortfall, Leon, that you were talking about on Richard's question, it was £2.9 million income that you had had in about five months and you were predicting £18 million for the whole year so there is quite a shortfall?

Leon Daniels (Managing Director of Surface Transport, TfL): Yes there is. Having run my own business --

Caroline Pidgeon (Chair): You acknowledge that.

Leon Daniels (Managing Director of Surface Transport, TfL): -- if I had run it simply on the basis of one year's results I would not have stayed in business.

Victoria Borwick (AM): Whilst, obviously, we welcome the scheme and are pleased about the bikes inevitably we are still all getting anecdotal evidence in letters in about the computer system. I find it extraordinary here that the bikes are absolutely fine but people are still experiencing problems with docking and with the computer system and I would urge you to go back again and say to Serco, "This is just madness". We have a system that people want to use. It is very popular. That is absolutely fine. I use it myself and I have no problem with the actual bikes. Every day I am still having anecdotal evidence and perhaps last week I saw a lot of people so, inevitably, it came up then. People are still saying they have had problems with trying to dock a bike, trying to take a docked bike out, the confusion and complexity when you are a casual user and also still problems with the actual background stuff. Please let's not be complacent is what I am saying and please can we go back and relook at the questions and check there are not other lessons to be learned?

Leon Daniels (Managing Director of Surface Transport, TfL): I promise not to be complacent and, for information, there are a series of upgrades to the computer system which run through for the rest of this year including one quite major one. Each of those works to solve some of the known glitches in the back office in terms of some of the things that people report.

We also know, in order just to prove I am not complacent, that people are very forgiving of this scheme because it is a scheme that they like and they want it to work. It only costs them a small amount of money. They would like it to work. So I do know that over and above the complaints that the call centre gets and that I get personally and that Members get there will be some others behind the scenes that people are suffering where they do not actually bother to make a complaint because, broadly, they get a good service so the occasional lapse is one of those things that they will forgive. I promise not to be complacent on that.

Victoria Borwick (AM): Thank you. I will keep on to you.

Steve O'Connell (AM): First of all I congratulate you both on eliciting £50 million out of Barclays. As an employee for 28 years I think that is commendable. For the record I do not know how it will affect my pension in a few years' time but that is another thing altogether. Perhaps the revenue income will help me.

What I would make a point really around is I would personally welcome very much the cycle hire scheme but my residents in outer London again would point out to me that the cycle hire scheme, like superhighways although I am not sure if Clapham is outer London, like the fact that we are not having any further investment in Countdown and like the Tube upgrades, is for inner London. As much as we might love the cycle hire scheme people in outer London do not get it yet. What would you say to those residents of mine who will just say, "It sounds a good idea but, yet again, it is for inner London"?

Leon Daniels (Managing Director of Surface Transport, TfL): I would start off by saying that a not insignificant proportion of people who live in outer London commute to inner London

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Steve O’Connell (AM): Indeed.

Leon Daniels (Managing Director of Surface Transport, TfL): -- and they commute using our transport network, they commute using a mixture of different sorts of transport and they are able to use, for example, the cycle hire scheme when they arrive at Waterloo or Paddington or Liverpool Street in the morning. My view would be a not insignificant number of outer London council tax payers and your constituents are benefiting from all of the improvements that we have described and, as I said earlier about Countdown, there would never have been a business case to put Countdown signs on bus stops in very outer London and therefore the new smart phone Countdown application is really for them.

I think therefore your question is more about those people who live and work in outer London perhaps.

Steve O’Connell (AM): Absolutely, and who are retired.

Leon Daniels (Managing Director of Surface Transport, TfL): But they still have a comprehensive bus network that the people of Manchester and Sheffield and Leeds and others do not have. They still have an integrated transport system where their travel works across various different sorts of modes which, again, people do not have outside London.

I would say that if you were perhaps an elderly resident of outer London, if you compare everything you have got from the transport system compared with people in provincial cities outside of London, they would conclude that they are in a very happy space.

Steve O’Connell (AM): Lastly, Chair, unlike perhaps some other colleagues, I actually would like to be an advocate for TfL. I go to many, many public meetings and often 20% of my casework is TfL casework, like other colleagues. I want to be an advocate and I want to tell those people in outer London that they are getting a really good service and getting good value from their council tax. All I would ask of you, on behalf of other colleagues in outer London, is give us the tools so that we can say to people in outer London, “Yes, it is not just about Tube upgrades and it is not just about Crossrail - although it feels like it sometimes. TfL does want to help in outer London”. I want to work with you both to do that.

Leon Daniels (Managing Director of Surface Transport, TfL): I am very happy on that. Within this last week I have been looking at East London line phase two and everything that the Mayor is doing in respect of completing the orbital railway and the benefits to people all the way to Crystal Palace and Croydon on the East London line phase one and so on. All good things for outer London residents in your area too.

Steve O’Connell (AM): Thank you.

Caroline Pidgeon (Chair): Let’s move back to cycle hire.

Murad Qureshi (AM): Still on that. There is no doubt it is an addition to the landscape in central London. I wonder whether it is helping the bus and Tube service at peak times? Does it

have any displacement effect? That is one of the most desirable impacts it could potentially have. A year in I thought you may have some patterns at least on that.

Leon Daniels (Managing Director of Surface Transport, TfL): It does. We have to just remember that there is one person on a bike and 87 people on a bus but there is definitely a measurable move, especially from mainline railway stations in the morning peak, of people making other decisions rather than just piling on to the bus and Underground networks as they used to do. Of course it is better in the summer and not so good in the winter. Nobody can miss the increase in the number of people completing their journeys in Zone 1 using the bike hire scheme (BCH).

Murad Qureshi (AM): A final thing. We have a perennial problem between cyclists and pedestrians. Is it more likely that a bike hire scheme bike is actually on the pavements than on the roads?

Leon Daniels (Managing Director of Surface Transport, TfL): The opposite actually. One of the great features about the Barclays cycle hire scheme is that the bikes themselves are not able to be raced, they are not terribly comfortable to be bounced on and off the footway and, in general, they are not ridden ferociously or recklessly and they are driven very sedately. In general, the behaviour of the hirers of bikes from the BCH scheme is very good.

Joanne McCartney (AM): This Committee looked at cycle superhighways and we came up with a list of recommendations which included having a minimum standard on all of the superhighways, for example a minimum two metre wide blue strip, about improving consultation prior to a superhighway going in and about revisiting the pilots to make any improvements that were necessary. I am just wondering how you got on with some of those recommendations?

Leon Daniels (Managing Director of Surface Transport, TfL): Again, loads of lessons to learn from the initial cycle superhighway not just in respect of the superhighway schemes themselves but also the way in which the construction is done and the disruption to general traffic and so on. In just about every case we are looking to - this is a big compromise because, at the end of the day, the carriageway space is fixed and therefore we are trying to squeeze a quart into a pint pot.

I agree entirely with you about minimum widths and so on. Just in some places, on the ground, practically, we are faced with what we have to do. In many cases - and Members will know some of these - there is a requirement for a certain footway width, the frontages need some space, there are requirements for loading and unloading, we need to keep ordinary traffic moving as well and, therefore, in many cases, we are shoehorning this into a narrow space. I agree entirely with you that a minimum width for cyclists is desirable but, again in many cases, we are stuck with what we can do practically and cost effectively.

If I might just move on from that, the cycling superhighways we have so far are hugely successful, not just in terms of the volume of traffic that they are carrying, cyclists, but now many of them are new cyclists and people that would not previously have cycled using mixed

traffic on ordinary roads but are encouraged to take up cycling for these particular journeys for the first time because they are on some dedicated trackways.

Joanne McCartney (AM): One of the pieces of work I did previously was looking about parking spaces for cyclists and it is the biggest deterrent to people cycling; that they have got nowhere secure to park their bike at the end. There was an ambitious target to put a lot more secure cycle stands in along the superhighways routes. Could you, if not now, write in to let us know how you are doing with meeting those targets?

Leon Daniels (Managing Director of Surface Transport, TfL): I will happily do that.

Joanne McCartney (AM): Thank you.

Richard Tracey (AM): I wanted to ask you something about the consultation that goes on about putting in a cycle superhighway or some of the features of it. It has already been touched on by colleagues about the relative safety of the pedestrians, and indeed young mothers and fathers pushing buggies, against those of cyclists. I have actually got one case on Cycle Superhighway 8 in my constituency where the flow of cycles going both ways, north and south, are on a pavement which really leaves very little space for pedestrians. In a situation like that - it has been put in and it is proving to be really very hazardous - is there some opportunity to change that? Do you come back and review the thing and can you change it? Can I give some hope to my residents that that will actually be changed to make it safe for them to walk there?

Leon Daniels (Managing Director of Surface Transport, TfL): If there are any cases where, as a result of the design of anything that we do, but in particular cycle superhighways, somehow some conflict has been introduced and there is danger or indeed, worse than that, injuries we will definitely go back and look at it because it is our intention always to deliver something that is safe. That is an overriding priority as far as we are concerned. Sometimes in the execution of these things they are not quite the way we expected them to turn out so if there any specific cases like that, Richard, I am more than happy to look at it.

Just to reiterate, it is not possible to design out all the conflicts so there will always be some mixed pedestrian and cycle and cycle and motor vehicle conflicts. We just have to manage those the best we can. The overriding thing is for safety.

Peter Hendy (Commissioner, TfL): Do we know where that is?

Richard Tracey (AM): Yes, it is on Queenstown Road at the major roundabout at the south end of Battersea Park. I am in correspondence with you but I have asked officers from TfL to go and look at it again. Clearly there was a big mistake made and it is really very hazardous.

Leon Daniels (Managing Director of Surface Transport, TfL): I will happily personally go and look at it.

Caroline Pidgeon (Chair): Pick that up outside; it is clearly an issue there. We will move on to walking now.

Jenny Jones (AM): I would like to ask one question on cycling before we move on to walking. I have now visited nearly 30 boroughs looking at cycling facilities in the boroughs and I have got to say, time and time again, I have seen TfL funded schemes that actually do not measure up to your criteria for safe cycling. I am sending you a very long list of these. I am curious about how do you monitor the scheme when it is finished? Do you actually send out your cycling experts to find out if it has been done properly?

Leon Daniels (Managing Director of Surface Transport, TfL): Yes, we do.

Jenny Jones (AM): Because clearly the money is being spent badly if it does not measure up to safety standards.

Leon Daniels (Managing Director of Surface Transport, TfL): Sure. As I said previously, safety is my top priority so that has to be the case. Secondly, of course we go back and review. We look at any statistics that are available in terms of injuries, accidents and collisions or whatever. We are looking at it from both a professional point of view to see if it is technically correct and we are looking at it from a subjective point of view to see how it looks and feels if you are a resident or a user. We do all those things so the list you are going to send me I look forward to it.

Jenny Jones (AM): Great. Thank you.

Peter, could I ask you about the walking aspect? I do not want to put words into your mouth but I presume you read our *Walk This Way* report that had nine recommendations?

Peter Hendy (Commissioner, TfL): Yes.

Jenny Jones (AM): It was probably a while ago now. I think we probably all agree that the public transport system in London is more or less at capacity and we need to encourage people off it if we can, getting them to walk short distances or cycle short distances without moving on to their cars and clogging up the roads. Would you say that is fair?

Peter Hendy (Commissioner, TfL): I would certainly agree with the latter part. Quite a lot of the investment that we are making, huge investment in the Tube upgrades and Crossrail and so on, is to increase the capacity of the transport system but since the population is growing and the amount of economic growth is not as good as it could be - clearly there is a case for more walking and, indeed, we agree that it is one of the most desirable things; a relatively short journey should be done by walking and cycling.

Jenny Jones (AM): One of our recommendations, for example, was that every borough should have a major walking scheme. You reduced that to 22 boroughs, a reduction of a third. Why was that?

Peter Hendy (Commissioner, TfL): Because we do not have money to do everything that we would like. It is a wider point which has been touched on already; in the course of the spending review in which we lost £2.2 billion and in which the Mayor had some very significant priorities, actually it was not possible to do everything that everybody aspired to. In my experience here of 11 years it has never been possible to do everything that everybody aspires to but, in particular, as a consequence of the spending review, we actually had to reduce some expenditure in areas which were not the absolute top priority.

Jenny Jones (AM): So it is not a top priority?

Peter Hendy (Commissioner, TfL): Oh for heaven's sake! You can put all --

Jenny Jones (AM): This is a very cheap way of actually easing up --

Roger Evans (AM): If everything is a priority nothing happens.

Jenny Jones (AM): Could you just stop talking while I am talking please?

Roger Evans (AM): I am making a sensible point. It needs to be made.

Peter Hendy (Commissioner, TfL): For the avoidance of doubt everything is a priority but actually, also for the avoidance of doubt, the Mayor in the spending review wanted to preserve Crossrail, preserve the line upgrades, preserve the volume and quality of the bus service and not make a different fares assumption that otherwise he would have made about the Retail Price Index (RPI) plus 2%. He managed to achieve those but, in the course of it, we had to save money across the organisation in some other things and not everything survived. Now that is the truth of the matter.

You cannot put words in my mouth saying walking is not a priority. What I said was that in the course of --

Jenny Jones (AM): I was not trying to put words in your mouth, Peter; I was trying to establish what you were saying.

There are some other priorities that you have got, for example, ensuring all pedestrian crossings meet minimum Government standards for crossing times by December. Are you on course for that?

Peter Hendy (Commissioner, TfL): Yes, we are actually. I have just been looking at some draft Mayoral answers to questions in which we are almost at the end of that process.

Jenny Jones (AM): So there are not any places where it will fall below the Government standard?

Peter Hendy (Commissioner, TfL): I did not say that. I said we are almost at the end of that process. There are currently some places but there are less than there were and we are planning to finish that programme.

Jenny Jones (AM): What about changing the Journey Planner so it defaults to walking for trips under a kilometre?

Peter Hendy (Commissioner, TfL): It has been completely revised and refreshed this year. I am not actually sure that it will automatically default to walking for journeys under a kilometre but I will take that away and answer that.

Jenny Jones (AM): I did try it last week and it did not so it would be good if it did because that would encourage people.

You are saying that it was the Mayor's decision to reduce the number of boroughs who would have a major pedestrian scheme?

Peter Hendy (Commissioner, TfL): I am getting too old for this!

Richard Tracey (AM): You said it!

Jenny Jones (AM): You used to be much more soothing.

Roger Evans (AM): We all are as well.

Peter Hendy (Commissioner, TfL): What I said was that in the course of the spending review we had to scale back a number of areas in which we were otherwise going to do work because actually there was insufficient funding to do it. The maths of it shows that if you set out to preserve the line upgrades, to preserve Crossrail, to preserve the volume and quality of the bus service and keep fares at RPI plus 2% then there is not enough money to do everything else. In consequence a lot of programmes were scaled back.

However, I think the converse of that is that the scale of the expenditure and the need to do it is both obviously greater here than it is in the rest of the urban areas in Britain and we are still pursuing the aims of increasing walking and increasing cycling and so forth and we are still doing some of that. Actually it is not a disaster; it is tailoring what you do to fit the amount of money that you have got to do it.

Jenny Jones (AM): The point is surely that when you are short of money what you should choose to do is increase capacity on the transport network by the cheapest method possible and actually getting people out of the transport system, walking and cycling, is much cheaper than all the other options available to you.

Peter Hendy (Commissioner, TfL): Yes, but the problem is that with some of the major headings of expenditure you either do them or you do not, so you either build Crossrail or you do not. You cannot have half of Crossrail. Actually you cannot half do up the Underground -

well you can but you would get left with a system that develops worse performance. We are still pursuing walking and cycling as things that we want to increase modal shift and in fact if you went to Waterloo recently you will have seen a pilot trial to encourage commuters to walk as opposed to taking public transport, because you are absolutely right: short journeys are very desirably made by walking and cycling.

Jenny Jones (AM): I feel disappointed by TfL because I thought you were on track to boost walking and cycling in a way that would have made us an exemplary city and I feel that an opportunity has been missed.

Victoria Borwick (AM): A quick question please really because I am conscious of time. First of all, we are very pleased obviously that all Crossrail stations will be accessible for the disabled and we would like to ask you for some short answers on other action you are taking to improve accessibility. The second part of my question is talking briefly please about Dial-a-Ride. We all know that is a very expensive system and you will be researching other ways of transporting people that need help around London, so perhaps you could also give us an update about those systems as well.

Peter Hendy (Commissioner, TfL): The subject of accessibility in general. The Committee did some work on it. We have published a draft report about taking forward accessibility in the Mayor's Transport Strategy. It is out for consultation. That will close at the end of October 2011. We are expecting the Committee to respond and we are hoping to publish the final report in December 2011. This is not an easy subject either.

If Jenny is cross about the walking and cycling budget then you will all know that some of the accessibility for Tube stations was stopped because we did not have the money to finish it. That is a great shame because we know that level access for Tube stations makes a huge difference on the whole system --

Victoria Borwick (AM): For all sorts of people.

Peter Hendy (Commissioner, TfL): -- and we would like to get back to that but I think that the reality is that we will be looking at the next business plan post-2014/15 to see what resource there is to achieve that.

Nevertheless there are some brighter things on the horizon, one of which is that we are still lobbying hard to make sure that the money available for National Rail - which comes through the Department which is the access for all scheme which includes stations in Greater London that are part of the National Railway network, we work very hard to make sure that London gets as much of that money as it should because, in general, stations in London have a higher usage than stations in the rest of the country. We have been successful in that and there still continues to be work done on accessing National Rail stations in London.

The big station refurbishments that we are doing like Victoria and Kings Cross, which has recently finished, are all fitted with endless lifts. It is all very expensive because if you do it in an old station it is very seldom that you can put in one shaft to get right down to the bottom

level. I think there is still a strong aspiration to meet real accessibility on the Tube system but, in the end, it is a question of money.

The thing that we are consulting on here generally is not only the physical work but also other things that we can do to help and some of the standards that people expect in terms of staff assistance and so forth ought to improve over time and I think they have, and we plan to go further. For a short answer I think that is probably enough I would have thought.

Victoria Borwick (AM): If I could add anecdotal stuff really, for example, helping, your staff being trained to help people if they need to come off somewhere at Victoria and then get on somewhere else like the bus or the coach station. I think it is very odd that we operate territorial routes and say, "I can't take you all the way. I can only take you to this station door".

Peter Hendy (Commissioner, TfL): Yes. Given greater resources. I think many of the people who work on stations, and certainly many of the people who work in bus stations, do go out of their way to help people --

Victoria Borwick (AM): I would obviously concur with that.

Peter Hendy (Commissioner, TfL): Of course actually with minimum station staffing requirements because of Section 12 and all that sort of stuff you cannot have all the staff drifting off the stations to help people into the bus station. I think many of our staff and the staff of our contractors give quite exceptional help to people, as they should --

Victoria Borwick (AM): Yes.

Peter Hendy (Commissioner, TfL): -- but, again, the resource is not unlimited. I think we are very lucky to be able to get the staff that we have got to do as much as they can in some instances --

Victoria Borwick (AM): I agree but, again, there may be other ways of signposting and other ways of routing. It does not have to be a blue cycle route between the two but, for example, there could be easier codes and visual signs to help people who need to transfer from one mode to another. They could follow the red route or the yellow brick road, for example. What I am asking for is looking at other ways so that your staff could simply say, "Fine. Let's use Victoria as an interchange. If you want to get to the bus station why don't you follow the orange strip?" for example. What I am asking for is really simple practical things that do not actually cost money but just require a little ingenuity. That is a second issue you can take away.

Can we touch briefly on Dial-a-Ride and how you are working with the other services? Recently I have taken over the health portfolio and one of the things we have been looking at is transportation services overall, which I know is something that I have worked with some of my colleagues on and I think this is, again, something that needs to be done as a piece of work with everybody putting in what they can provide. We all know that Dial-a-Ride is phenomenally expensive and there are other ways of achieving getting people round with a better level of service and we would welcome your working together with other providers.

Leon Daniels (Managing Director of Surface Transport, TfL): Victoria, if I may on that because it is a subject dear to my heart too. Dial-a-Ride, as Members know, has almost infinite demand because it is a very valuable service to those people who are entitled - and with our 1.3 million trips last year, the most we have ever carried, we had very high levels of customer satisfaction. Clearly, as you describe, it is an expensive service.

I have looked extensively at how this is done in other parts of the country and it seems to me that, in a number of areas to do with efficiency, it ought to be possible to carry more people with less resource and that there has to be something out of Dial-a-Ride, accessible transport, non-emergency patient transport, school transport and other forms of specialist transport, all of which use the same sort of smaller vehicles in communities. There has to be something in that that would bring us more ridership, more efficiency and less cost --

Victoria Borwick (AM): That is right. There have been several projects under different administrations --

Valerie Shawcross (Deputy Chair): Not getting anywhere.

Victoria Borwick (AM): Exactly.

Caroline Pidgeon (Chair): London Councils.

Victoria Borwick (AM): Including some very good stuff done by some of my colleagues here and we just do not seem to be able to have any heads banged together to actually try to come up with something that shows people we are working together.

Leon Daniels (Managing Director of Surface Transport, TfL): TfL did challenge London Councils to come back with a proposition which they have not done --

Victoria Borwick (AM): Exactly.

Leon Daniels (Managing Director of Surface Transport, TfL): -- and, as a result of them not having done so, I promise you it is occupying a space in my head at the moment and I am thinking and working with my colleagues over some things that we might be able to do.

Victoria Borwick (AM): Thank you.

Caroline Pidgeon (Chair): On Dial-a-Ride, we have done huge amounts of work on it. Complaints I have found are starting to go up again because of a new computer system. Are you aware of those problems?

Leon Daniels (Managing Director of Surface Transport, TfL): I certainly have seen it and, again, as part of my researches elsewhere, I am interested to compare how the computer systems behave, how calls are dealt with, how long calls take and so on. I have certainly noted that.

Roger Evans (AM): I am surprised to have recently had an increase in the number of complaints from people in my part of town about wheelchair ramps not working on buses. I thought this was something that we had solved but there do seem to be quite a lot of them apparently coming out of the bus stations now without their ramps working. Can we have a blitz on that please?

Leon Daniels (Managing Director of Surface Transport, TfL): Roger, I am happy to have a blitz on it. In all my tours of bus garages I have seen in many cases they have got a special place where the wheelchair ramp is tested against a proper kerb with proper lighting before the vehicle leaves the garage. It is a serious matter as far as I am concerned if there are buses working without working wheelchair ramps. It is a statistic we monitor. I am not seeing a network change in the way that you describe but that does not matter; if there are cases where it is happening we will deal with it straightaway.

Roger Evans (AM): Thank you.

Jenny Jones (AM): Road safety and cycle training. We had nearly a decade of consistent falls in casualties on London's roads and just recently we have seen an increase in pedestrian casualties that. As Val has said on another occasion some boroughs are seeing really alarming increases: 29% in Redbridge, 25% in Richmond, 21% in Ealing and 19% in Bromley. What is happening here? Have you got any answer? Now the Local Implementation Plan's (LIPs) funding has changed, you have taken these two streams and put them together, you do not have any way of controlling what the boroughs do? Or encouraging the borough to do the right thing?

Peter Hendy (Commissioner, TfL): There are two things there. We are obviously concerned at any rise in any sort of road casualty and we are looking at it very hard but one of the things that you will know, because you have been at this a long time, is that you do need to see a trend over a period of time to know whether what you have got is a worsening trend or a once off situation. Leon's people are looking at this because we need to fully understand what is going on.

As far as the borough expenditure goes, actually, as a Committee, I do not know whether you can make your mind up completely because we were under very strong pressure to both broaden the headings under which we gave money to boroughs and to reduce what some people would call bureaucracy and others would call a rigorous approach to seeing what was done and how it was done.

I think, in general terms, we would like to think that we have significantly reduced bureaucracy by broadening the categories, by lessening them and by enabling more money to be spent with multiple outcomes in the same money, but the consequence of that sometimes is that you have to leave these annual sums payable to responsible higher authorities for their own elected members and officers to determine what it is that they do want to do themselves. That is what the process now allows.

You can have it both ways in the sense that we are very keen to understand what is going on with road casualties --

Jenny Jones (AM): What are you actually doing? You said you were doing some research at the moment on that.

Peter Hendy (Commissioner, TfL): What we actually need to do with road safety is to look at it over a period of time where it gives you some trends. So the worsening in slight pedestrian accidents, which we have just seen turn the wrong way, we need to talk to the boroughs to see if they understand what is going on but look at it over a period of time. You will know that one year's road safety results on their own do not give you a significant trend. Were it to continue I think we would obviously want to work with them to see what it was that we understood was the more detailed causation of that and we would obviously want to draw it to their attention.

Jenny Jones (AM): Can I just clarify. You have got your eye on this at the moment but actually are you doing any research within the boroughs who are showing the most worrying increases? It is a lot isn't it? It is happening in so many boroughs. It strikes me as odd, after consistent falls over nine years, that suddenly it surges. I do not know what it is. I do not know if it is removing guard railings, which I have utterly supported, or if it is improving the traffic flow and speeding up traffic and knocking more people - I do not know what it is. I am curious. You have the resources to do the work.

Peter Hendy (Commissioner, TfL): We should write to you and tell you how we are looking at it. What I am saying is it is quite hard to draw conclusions without seeing a longer trend. I have seen some correspondence in the trade press, and so has Leon, about whether or not this is, for example, related to the removal of guard rails. We do not believe it is currently but were it to be proved over a period of time to be then clearly we would have to think about it.

Valerie Shawcross (Deputy Chair): It is not going on elsewhere in the country.

Jenny Jones (AM): OK. Thank you. I am concerned that you have lost your muscle with the boroughs, as it were, because it is your responsibility to look at these things London-wide and to encourage boroughs to do the right thing. Basically you have lost the mechanism to encourage boroughs to do the right thing.

Peter Hendy (Commissioner, TfL): I am not sure we have lost the mechanism. We have changed the mechanism. I think it is broadly accepted by everybody concerned that the previous methodology of funding, which was a large number of relatively small pots, whilst it gave you absolute certainty, one of the things it did not do was enable you, unless you were dead clever and made a real effort, to join it up in a way to make a significant change to one part of the area, rather than put in endless small changes.

You can tell me if I am wrong but I think it is generally accepted that that has actually been a really good plus point. It has also meant that they do not have to submit documents like telephone directories and that boroughs can decide that they want to do something in one town centre that they have got and not another.

When you have look at some of the outcomes of that - by example I went to look at the work being done in Wimbledon outside the station and round the town centre where we have had, in our time, Richard, a lot of argument about bus queues and stop locations and the mess round the front of the station. The decent bit of LIPs funding, it is in seven figures, actually put in one area has addressed multiple outcomes, which I do not think --

Jenny Jones (AM): There was nothing to prevent that before. There was nothing to prevent a larger scheme coming forward for funding.

Peter Hendy (Commissioner, TfL): I think it was quite difficult to actually carve up a larger scheme to fit it in some of those smaller pots. I think it is common ground amongst the boroughs and our own people that actually it was quite difficult to do.

Certainly, we have seen a reduction in little schemes being done, some of which I think, when we did go back in the old days and look at them, actually did not seem to have much effect really, and we have seen a growth in schemes, in particular in town centres, particularly in outer London, where you can spend enough money to make a real difference. Of course you want to see that money spent wisely. My view is the boroughs are grown up people, they have got elected members, they have got officers and there has to be a balance of us inspecting them and them delivering.

Jenny Jones (AM): I still think you have got a responsibility London-wide. Anyway, let me move on to something else that I think is just as worrying in fact. This is about cycle training. Two years ago I asked a question at Mayor's Question Time and the Mayor told me, "TfL proposed that London boroughs adopt a new national target for all Year 6 children to receive Level 2 training by 2012". I completely supported this. I thought it was great. That is about 75,000 school children in Year 6 getting Level 2. That was building on a previous promise by the previous Mayor.

Since then I have been asking and asking and asking how the Mayor is going to achieve this target because, according to all the figures we can get, he is not. Last year there were still only 40,000 children receiving training and probably only about half of those Level 2. You are 55,000 children short of the Mayor's target.

Peter Hendy (Commissioner, TfL): I do not know whether you have got any more detail?

Leon Daniels (Managing Director of Surface Transport, TfL): No.

Peter Hendy (Commissioner, TfL): We will have to write to you.

Jenny Jones (AM): I will put this all in a letter. It strikes me that what you have done is the Mayor had a target, he kept the target, which I was really happy about, but actually you have lost all the ways of making that target happen.

Peter Hendy (Commissioner, TfL): OK.

Leon Daniels (Managing Director of Surface Transport, TfL): We will find out.

Jenny Jones (AM): Because the boroughs are not telling you any more how many children are getting the training you have absolutely no way of delivering on that target.

Peter Hendy (Commissioner, TfL): Oddly enough, I can tell you the total number of children and adults receiving training to the nearest person. It is 45,064 people in 2008/09 and it was 48,397 in 2010/11 so somebody is telling us something.

Jenny Jones (AM): Those are the figures I have got as well except I have taken the adults out so it is 40,000 children who are getting the training. That is far short. We are assuming that about half of those children, of the 40,000, are getting Level 1, and about half are getting Level 2. That is still 55,000 children short of getting the Level 2 training that the Mayor promised.

My overall point is that the new LIPs process does not give you the opportunity to deliver on targets.

Peter Hendy (Commissioner, TfL): I think, for some people, that is a distinct advantage and for others it is a bit of a disadvantage.

Jenny Jones (AM): You see some boroughs are training 3,000 children and others are training 300 children. You cannot get the coverage when there is so much difference without some sort of mechanism that you can put in place to make them do what the Mayor has promised.

Peter Hendy (Commissioner, TfL): That is right!

Jenny Jones (AM): Thank you.

Caroline Pidgeon (Chair): We move on to Steve. Jenny is highlighting this tension between localism and regionalism.

Steve O'Connell (AM): On that point I think we should trust the boroughs very much. In that context I would, on behalf of others, very much welcome the loosening of the TfL bureaucracy and the improvement on the LIP process.

I would, however, ask you questions around the control of outcomes. You will know possibly what I am talking about and the particular borough where a specific large project has involved the Mayor in some criticism, which is a central town investment. My point here is we do welcome the loosening of the controls but, paradoxically, once that is done and large amounts are spent with TfL tax payer's money, what controls do you feel TfL should have thereafter in ensuring that, for example, the work is carried out properly?

Peter Hendy (Commissioner, TfL): The same philosophy that trusts the boroughs to develop the right schemes I think is a reasonable one to adopt in trusting the boroughs to deliver them

properly. I do not see that if you adopt the philosophical approach of saying, “You can do these things in broad pots. You can spend £2 million or £3 million in your town centre in Croydon or Sutton or wherever you are”. I think the corollary of that is that the local authority does take on some responsibility to spend the money wisely and to consult the local community about doing it. I think it is unfair to say, on the one hand, “Give us the money and let us do what we want with it” and the other to blame the Mayor and TfL if the outcome is not what the local community thought it was getting.

Steve O’Connell (AM): I understand.

Peter Hendy (Commissioner, TfL): In general, there are some really good examples of this money being aggregated up and spent extremely wisely and maybe you do occasionally need the occasional thing that goes wrong in order to prove that the outcome is generally right. There were some design and consultation issues in Sutton that I think everybody would rather had not happened. If the philosophical approach to it is to say, “The LIPs funding needs to be spent and the Mayor needs to know it is spent on things which he has a general objective to pursue through the Mayor’s Transport Strategy” but if he leaves it to the boroughs to deliver it in detail, then surely they should be held responsible if they do not deliver it terribly well. Otherwise what you will do is to relax the approval mechanism but have a great army of checkers afterwards and that does not seem to me to be a useful way of spending public money either.

Steve O’Connell (AM): I agree it is a paradox and I would support very strongly an increase in giving the boroughs the powers to take local responsibilities because at the moment the Mayor is doing absolutely the right thing in freeing up the funding for the boroughs but, if the boroughs are not delivering well, at the end of the day, unfairly, he could get some criticism for it.

My suggestion really – and I will ask you what consideration you have given – is actually simply to split up the LIP funding, pro rata, to the boroughs and, as long as their investment is not contrary to the Mayor’s strategy plans, let the boroughs then take that money out completely and deliver it as to however they may see fit. The advantage there will be, if indeed the boroughs were to be lax in their delivery, which would be rare but it could happen, there would be no doubt who the villain of the piece is, which would be the borough. They could not pin it on the Mayor. That would give that complete freedom to the boroughs to make those decisions without any hindrance from TfL.

Peter Hendy (Commissioner, TfL): We take two pieces of advice, Steve. One is we do need to have regard to our legal obligations to make sure money is spent wisely so you cannot just hand over great sacks of cash and say, “Do what you want with it”. Also we know that we have got to have regard to the general aims of the Mayor’s Transport Strategy and I think that is a very reasonable thing to do.

More practically, we also get advice from the Deputy Chairman, Daniel Moylan, who has great experience in being in charge of a borough and spending this money. Certainly when I have

recently discussed this with Daniel he seems broadly content that the sorts of processes we are going through with this philosophical approach are the right ones.

Steve O'Connell (AM): For the record, Chair, it is the right approach and if there are any hitches along the way with individual boroughs that should not divert the Mayor.

Peter Hendy (Commissioner, TfL): There is one more point which I would mention which is that, occasionally, boroughs want to spend this money on revenue maintenance and I think that all our advice, both legal and practical, is that that is not the right thing to do. It is clearly intended to pursue the aims which are set out in the Mayor's Transport Strategy and not do revenue maintenance on roads and stuff like that.

Roger Evans (AM): Can you update us on the progress of Project Horizon please and the savings being generated?

Peter Hendy (Commissioner, TfL): Yes. Horizon sets out to take a 20% reduction in the back office cost and streamline the organisation because it is the right thing to do in circumstances where we are short of money and where every £1 that we can spend on delivering something we will deliver something. We have finished the high level process of the changes in Directors and we are currently going through consultation with the trade unions about reducing the numbers of staff in the directorates, which ought to be finished by Christmas.

I am very confident that we will deliver the savings we have set out to do and I am also extremely confident that the result of it will be an organisation that works better and is simpler.

Roger Evans (AM): That is good and reassuring to hear that you are on track with that. What sort of lessons are you learning from other transport authorities abroad? Certainly we have looked at some and we felt that they did things more efficiently.

Peter Hendy (Commissioner, TfL): I was in New York briefly and Jay [Jay Walder, Chairman and Chief Executive Officer, Metropolitan Transportation Authority New York] was just leaving for Hong Kong because his funding situation is even worse than ours and they have tried to save 15% and I am on 20%. I was in Paris last Friday and they all went white when I said I was saving 20% because their target is 0% - but then the French state has a rather different approach to the funding of public organisations.

Around the world, when I talk to people doing my job, they are generally quite interested in finding out how you do 20% and, indeed, in commercial Britain - Leon has been there more recently than I have - certainly some of the Chief Executives think that that is a pretty reasonable target. If you point me to anyone who is saving more than that then I will have a good look at where they started from. I do not recommend the Italians for example.

Roger Evans (AM): How much are they saving?

Peter Hendy (Commissioner, TfL): Nothing at the moment, but then look at the number of people they employ to start with.

Roger Evans (AM): Are you saying to us that there are no risks to the savings programme at the moment?

Peter Hendy (Commissioner, TfL): No, I am not saying there are no risks. What I am saying is that I think it is well on track, I am determined to achieve it, we have made some quite good progress and, to the extent to which there are risks, we will find other savings to compensate. Not content with that, the Finance and Policy Committee has asked me, twice now, to get some external verification of saving this money. We had Deloitte do it once and we are probably just about to get them to do it again.

Roger Evans (AM): Are you able to absorb cost pressures? We have had a rather generous agreement with the RMT for drivers pay recently, for example.

Peter Hendy (Commissioner, TfL): It depends what you regard as generous. We were accused before we did it of not having a pay settlement that covered the Olympics. We have never had a four year settlement before. They are neither the best paid train drivers in Britain. They work harder than almost anybody else's do. You go to the Great Western. Famously there is a driver's turn at Plymouth which is paid 7 hours 36 minutes for taking a train from lower depots to the station, having a cup of tea and driving one back into the depot again. That is a red hot privatised company with a great reputation for efficiency. Our drivers do a lot more than that every day. It is quite a hard job actually.

I think that achieving a four year pay settlement in circumstances where they were not the best paid train drivers before we started and they are not the best paid train drivers by the time we finished, the rate at which the increase is commensurate with the other deals made in the railway industry, which is what you have got to look at - and the original question you asked was is it in the budget and can we afford it? The answer is, yes.

Roger Evans (AM): That is reassuring. A couple of weeks ago you may recall there was a report by the TaxPayers' Alliance who identified some staff within TfL who were being held in limbo and paid for. I understand that is no longer the case. Could you just explain that to us and reassure us that the TaxPayers' Alliance will not find any other anomalies if they come back to look at TfL again?

Peter Hendy (Commissioner, TfL): There are two different questions in there. It was a shame that when they publicised that they did not --

Roger Evans (AM): There is the easy one and the hard one.

Peter Hendy (Commissioner, TfL): It is a shame that when they publicised that they did not point out that we had already removed that arrangement isn't it? But then the publicity would not have been quite so good if it had said that TfL had already identified that holding pools of people surplus in a situation where you are shedding a lot of back office staff is unlikely to be productive. It used to be productive when we had other roles and it is not productive now because if you are going to take out significant proportions of admin, clerical, managerial and

technical staff there are not likely to be any roles so actually we have got rid of that arrangement and the calculation that they made was a theoretical calculation about the average pay of those people and the average length of time they spent in the pool.

Whether they can find any more I do not know. I would no more say to you that there is nothing else to be found to save in the organisation than I would say that the services that we provide are perfect because, on a daily basis, we are identifying still more things to do.

What I would say to you is that when KPMG looked at the accounts last year they pointed out, gratuitously actually, to the Finance and Policy Committee that they thought that the culture of the organisation had turned round to be seeking to save money generally, and I think that is a very good thing. In circumstances where we have had the grant reduced we want to spend as much as we can on providing transport services.

I will not claim that there is never anything else to save because you just risk being tripped up. It is a big place. We have got less people working harder to do still measurable amounts of stuff and we are working as hard as we can to be yet more effective.

I am a bit mystified about the international comparisons but you can tell me afterwards if you can find transport authorities, at least in the developed world, that have undergone savings programmes of the type we are talking about because, in my experience, the size and scale of what we set out to save is unique.

Roger Evans (AM): Perhaps it is Chris Bolt, the former Public Private Partnership (PPP) Arbiter, you should be speaking to.

Peter Hendy (Commissioner, TfL): Chris Bolt's work of course, latterly, was defective. Frankly, his work was never very good. He alighted on benchmarking far too late to save the pathetically poor management of Metronet and he did not manage to get a solution to the Tube Lines cost that actually meant that it could continue in business, which is why it sold it.

Of course, latterly, he produced costs for Tube upgrades which he had to withdraw because they were wrong and one of the advantages of the new arrangement is that we can utilise the experience round the world of other people's experience with Metros on a confidential basis to get some real cost comparisons. If you want to bring him back here you can but his information was out of date and the interpretation he had latterly put on it, frankly, was defective.

Caroline Pidgeon (Chair): I think we might want to ask Chris to respond to that because Chris we always found very useful in giving evidence to our Committee and was challenging to both the infracos and to TfL, quite rightly.

Did you have any more points on that, Roger? Is there anything else you wanted to raise?

Roger Evans (AM): I did wonder why KPMG had remarked that the organisation had changed its culture when it could have said it needed to change its culture, if it had done its job a couple of years before.

Richard Tracey (AM): About the question of fares and fare income and the fare box. Questions have been raised variously about the affordability of using the fare box more and more to fund TfL and less and less central grant coming in to you. On the other hand I gather that the ever present Daniel Moylan you mentioned has said that the buoyancy of ridership proves just how much popularity there is despite fare rises. What have you got to say about this affordability of fares?

Peter Hendy (Commissioner, TfL): As you know because Leon already said it, he has got the line that the decisions on fares are in the GLA Act and made by the Mayor and not by TfL.

My line is simply this: we have an enormous programme both in capital work, much of which is overdue and without it the system will continue to operate at less condition than it should, and revenue spending. My enthusiasm is to get done what the organisation ought to do. In the circumstances where Government has decided to reduce the overall level of Government grant, then obviously we have a real duty to save as much money as we can to avoid wasting it and to spend the rest of it on things that we should do.

The consequence of a fairly large reduction in Government grant is the combination of you either do things more efficiently, which we are trying to do, or do less of them, or find some money from somewhere else. I think that one of the things that is not sufficiently noted is that the Mayor set out during the grant discussions not to change, without fettering his discretion, the assumption that had been previously made in the business plan about RPI plus 2%, and he has not. Yet we are able to deliver the big things, a few less of the smaller things and we can make the budget and business plan add up.

That may not be the greatest achievement in circumstances where people want more of everything, but it is quite hard if you said to me, "Maybe you could have less fares income", and the answer is if there is no more grant we would have to spend less. Actually that is not a choice that the Mayor wanted to make and, by and large, certainly with the big things, we agree with him because you have got to spend the money on the Tube upgrade sooner or later or the system falls to pieces.

Richard Tracey (AM): Yes. I must ask you the question then. Recently there has been some discussion, a suggestion of reducing fares by 5%. What sort of effect would that have on TfL?

Caroline Pidgeon (Chair): We had that earlier, Richard.

Roger Evans (AM): I was only asking about buses. It is a wider question.

Richard Tracey (AM): It is a general question which I think we have to ask. We do have one example of when this happened once before.

Peter Hendy (Commissioner, TfL): Last time it happened all my emails wound up in a newspaper so you have got a clue.

Richard Tracey (AM): You need not do it by email it this time, Peter!

Peter Hendy (Commissioner, TfL): I do not do it by email any more! The truth is that if you cut the fare income either you have an increase in some other income or grant or you have to reduce what you are spending money on. The difficulty with fares income, the reason why cuts have more than an effect in one year, is because, if you do not increase them this year, you not only forego the money this year, you forego it in future years. If you carry that forward what happens is that your capacity both to actually spend the money and to fund the borrowing that you need to do some of these large scale projects, in the long term, reduces. Now those decisions, because of the Act, are, quite rightly, the decisions of the Mayor, the Mayor of the time. The organisation, in my experience of 11 years, has coped with both fares going up and fares going down.

What I would be worried about is that there does not seem, currently, to be any prospect of another public spending round much before 2014/15 and, without knowing where else you might make up that money, then an early cut in fares will have an effect over several years that produces quite a large reduction in the total amount of budget. That, for me, would be a concern because I do not think that there is now anything left in our budget and business plan, apart from more savings, and you will not get that sort of money out of efficiencies, that you could cut without further violent arguments in this Committee and elsewhere about what it is that you did not do.

Richard Tracey (AM): So it is not feasible you are saying?

Peter Hendy (Commissioner, TfL): Everything is feasible as long as you can either say what you are going to not do or find some other way of raising the money. Now that at this stage in the electoral cycle is more for the candidates for next May than put out in the public domain. I am just an administrator when it comes to this.

Richard Tracey (AM): Sure. Of course. There has also been some discussion recently about fare products and we heard at this Committee a reduction of fare products from 270 to 45 in the last ten years, but even of the 45 only 10 had any reasonable sort of amount of sales. Have you got any other plans for changes to the products?

Peter Hendy (Commissioner, TfL): I think the short-term answer to that is, no. You are currently doing an investigation into future ticketing aren't you? The consequence of adopting a more flexible future ticketing system in due course might be to change the fare products but how that happens depends on how people respond to the even wider availability of something like Pay-As-You-Go.

Just like Leon said with the bus service, we do not set out every time the fares change to think, "Can we make a big change?" Famously, if you take away some of the products, even when very few people use them, it enables people - not you of course - to produce headlines saying, "Some fare goes up by 43%". The fact that only four people bought it and it rationalises the range is unsaid.

We currently do not have any plans. It is, though, still a fairly complex fare structure - but then it is a very big city.

Richard Tracey (AM): Somebody the other day suggested to me that maybe you could have a three day a week Travelcard which would, in part, encourage more home working which is something the Government has been talking about for years. What do you think of that idea?

Peter Henty (Commissioner, TfL): I think the best idea, if you work three days a week, is to get a Pay-As-You-Go and get capped on a daily basis - which is actually the flexible way of doing it. We are very loathe to going back to creating more ticket types when Pay-As-You-Go, with the right caps in place, is the obviously simple way of making sure that you get value for money and the growth of Pay-As-You-Go demonstrates that our customers, our passengers, get it.

Richard Tracey (AM): OK. Thank you.

Caroline Pidgeon (Chair): I just want to pick up one last brief area of questioning about the Independent Investment Programme Advisory Group [IIPAG]. David James [Chair, IIPAG] has appeared before our Committee on a couple of occasions and the last time he said that one of the key challenges to TfL is that it is moving primarily from being an operations company with a capital programme on the side to now having a capital programme which is a third of your actual business. What are the challenges you are finding there and how are you working with IIPAG? Are you going to be taking on board and responding positively to its recommendations in its annual report?

Peter Henty (Commissioner, TfL): The answer to the last part of that question is yes. You will have seen the annual report has a management response attached to it and the Mayor has written to me and written to David. Its advice is useful. IIPAG is comprised of a number of people with great experience, but they are looking only at the investment programme.

One of the things that those of you who have been here any length of time know is quite how disruptive the PPP arrangement was because whether or not Chris Bolt is a nice guy - and he is a nice guy - actually having an Arbiter who stood to one side who attempted to arbitrate between a company that had the right to take over the railway and the operation of the railway was a fundamentally poor method of operation.

David James is right that we have a huge capital programme. He is also right that we ought to manage it properly. We ought to save the right amount of money and, in particular, we have got to hire people to run it of the status and capability to run huge capital programmes. In many ways some of the Tube upgrades are far more complex projects, for example, than Crossrail is because at least in Crossrail you do not have to put it all back together and make it work at 5am every morning whereas on the Tube you do. You will have recently seen that Mike Brown [Managing Director, London Underground and London Rail] has recruited a very senior guy to run the sub surface line programme because we agree with David James and, for that matter, the Finance and Policy Committee, that we have to have project management of

world class status to do it. We have also got to have project management techniques of world class status.

What I would say to you is that IIPAG's advice is far more helpful than anything the PPP Arbiter ever gave us. He was trying to arbitrate between a set of companies with very complex contracts and an organisation that knew what job it wanted done but could not control any of the contractual mechanism. This is a far more productive relationship. Nevertheless, we will review what it says because we do have some people who actually know about running a railway.

Just so that you know, it is still primarily an operations business. It is a mistake to think of us as a capital programme business because the whole thing has to work at 5.30am every morning. When Mike Brown sits in front of you, just as Leon sits in front of you now, and when I sit in front of you, you want to meet people who can actually be held responsible for the use of those assets and not who say, as we said in the days of the PPP, "All those assets are maintained by somebody else".

I was witness to the head of a very famous international engineering firm telling the Mayor that he could have the railway upgraded whenever he chose according to the contract and that was at the root of the diabolical mess of the Jubilee line upgrade, because they did in fact choose to have it whenever they wanted, and the result was the public could not have it. You cannot have that done, so you have got to put it into context.

IIPAG has given us some useful recommendations. We do generally take them on board. When we cannot, or when we do not, we have a robust discussion.

Caroline Pidgeon (Chair): Thank you, Peter, and thank you, Leon, very much indeed for your contributions today.