

Two government Special Representatives appointed to attend Transport for London Board

July 20, 2020



The Transport Secretary has appointed two government Special Representatives to attend the Transport for London (TfL) Board – Andrew Gilligan and Clare Moriarty.

They will also be able to attend TfL’s Finance and Programme Investment Committees.

It is part of a series of conditions agreed by the mayor, Sadiq Khan, in return to a £1.6 billion funding and financing package for Transport for London to protect key services, helping people to stay safe during the pandemic and supporting the capital’s gradual recovery from COVID-19.

On making the announcement, Transport Secretary Grant Shapps said: “I wrote to the House on 18 May 2020, to share details of the extraordinary funding and financing agreement reached with Transport for London (TfL). That package of support, which was agreed between government, the Mayor and TfL, included a number of conditions and I am today writing to update Parliament on 2 of those.

“To help avoid such drastic action in the future work has been underway on the government-led review of TfL’s future financial position and structure, and we have now published the [Terms of Reference for that review](#).”

“I am pleased to also announce the appointment of the two government Special Representatives to attend the TfL Board; Andrew Gilligan and Clare Moriarty. These positions required a specific skillset and have therefore been made through direct Ministerial Appointment.

“Clare Moriarty is a former civil servant and has been Permanent Secretary for the Department for Exiting the European Union and for the Department for Environment, Food and Rural Affairs, and she was previously Director General, Rail Executive and Director General for Corporate Services in the Department for Transport.

“Andrew Gilligan advises the Prime Minister on transport matters and worked closely with TfL for 3 years, acquiring detailed knowledge of its operations, as former Cycling Commissioner for London.”

Further details have also been revealed into the broad ranging review of TfL’s future financial position and future financial structure with the aim of identifying clear options for strengthening TfL’s future financial sustainability.

There will be three levels to the review, with each level building upon the results of the preceding stages. The review will report with detailed options to the Secretary of State of the choices that could be made to achieve the aims of the review, and deliverability implications of these choices.

Level 1

Evidence and clear understanding of TfL’s current financial position.

To include:

- review of TfL’s current obligations and functions, including statutory and contractual
- review of the current income streams and commentary of how these have been impacted by the COVID-19 pandemic

Level 2

Evidence and options to strengthen TfL’s financial position over the remainder of the current (2020/21) and next financial year (2021/22).

To include:

- development and assessment of options for short term revenue maximisation and assessment of the potential for raising more non-fare based revenue and commercial income, including TfL's housing development pipeline
- identification of opportunities to deliver further efficiencies in the short term in relation to operating costs
- review of the approach to prioritising capital spending, including but not limited to asset maintenance and enhancement for rolling stock, network infrastructure and TfL estate.

Level 3

Evidence and options for more fundamental changes that could put TfL in a fully sustainable financial position by the end of the current business plan period (2024/25).

To include:

- development and assessment of medium-term options, and identification of potential longer-term options, for revenue maximisation and assessment of the potential for raising more fare and non-fare based income, including TfL's housing development pipeline, revenue yield choices over time, and changes to road user charging schemes as foreshadowed in the Mayor's Transport Strategy and further measures
- the identification of opportunities to deliver further efficiencies in the medium term in relation to operating costs, including but not limited to, workforce modernisation, and exploring the feasibility of extending driverless operation from the DLR to other lines which are already automatic
- review of the approach to prioritising capital spending for the remainder of the business plan period and to evaluate long-term sustainability, including but not limited to asset maintenance and enhancement for existing and future rolling stock, network infrastructure and TfL estate
- review of the current operating model and whether there are any opportunities that alternative operating models could bring over the longer term, including consideration of structures and governance
- review of the balance sheet and financing structure of TfL, including financing policy, debt sustainability, cash reserves, rating agency engagement, and CapEx vs OpEx choices

The review will consider impacts of the options presented on wider government objectives, including maximising housing supply. While Crossrail is out of scope of the review it will be considered through other commitments made in the Agreement. Changes to the government's tax or spending plans are not part of the scope of this review, although the government will consider evidence from the review as appropriate.

The review will be completed by end of August 2020 to inform the position after the support period of the Agreement (which ends in October).

Photo credit: Sandor Szmuto / Shutterstock.com