The way out of institutional complexity: Transport for London (TfL)

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Cities are the economic powerhouses of nations, cultural and artistic hubs that draw in greater and greater proportions of the world population to exchange ideas and histories and create new lives, jobs, homes and growth. Yet, around the world, cities are grappling with the same problems – pollution, poor air quality, congestion, poor health, a lack of housing and patchy access to jobs and opportunities.

Transport is a key part of the solution to many of these issues. Affordable, reliable and safe transport services can unlock the power of transport to improve people’s lives.

This is perhaps why there are many cities around the world where the way that people travel has become synonymous with the city itself. The Paris Metro, or New York’s subway and iconic yellow taxis spring to mind.

But no other city is as recognised by its transport system as is London. Our red double deck buses, black taxi cabs and London Underground trains are known the world over, and our distinctive ‘roundel’ logo – which features on all of our services – is one of the world’s most recognised brands.

I’m sure that many readers will know something of the history of London Underground – the most famous element of London’s transport network. When it had been launched on a cold day back in 1863 as the ‘Metropolitan Railway’ between Paddington and Farringdon it was a revolutionary invention, which some detractors had been sure would spell the swift end of anyone using it.

Some 40,000 people travelled on the world’s first underground passenger line. Some used it to get to their place of work, but the majority simply travelled in wonder at this new marvel of the Victorian age.

Since then the Underground network, affectionately nicknamed the Tube by generations of Londoners, has grown to 270 stations and 11 lines stretching deep into the Capital’s suburbs, and beyond. We now have some of the most frequent services in Europe, state-of-the-art trains and stations and a new line – the Elizabeth line – opening later this year, which will revolutionise travel across London and radically improve accessibility.

This is supplemented by one of the world’s most extensive bus networks, an expanding network of high-frequency suburban railways, one of Europe’s biggest cycle hire schemes and other important elements that enable the city to function and grow.

Indeed, the development of London into one of the preeminent world cities during the 19th, 20th and 21st centuries – both in geographical and economic terms – would not have been possible without the mobility provided by the Underground and other advancements in city transport.

Yet, the development of transport in London from 1863 to now does not follow a linear path of progress. Improvement and advancement were not, and are never, inevitable.

London’s public transport had started to become unified, and its whole development a matter of public policy, with the founding of London Transport in 1933. Control over the transport system swayed with the political vicissitudes of the decades that followed, while serious investment slowly withered on the vine. London Transport was re-nationalised in 1984 and it is no coincidence that this came just ahead of 1985’s abolition (by Margaret Thatcher’s government) of the Greater London Council, the old form of regional government in London (that had been such a thorn in her side). The resulting direction of London Transport was then informed by national policies – of cost reduction and privatisation.
Alex WILLIAMS

The tragedy of the King’s Cross fire, in 1987, which killed 31 people and injured 100 more, brought home to everyone the extent to which significant parts of London’s transport network had become obsolete, dirty and unloved.

Immediate improvements were made after 1987, but the start of fundamental large-scale change had to wait another decade. A new government, in 1997, looked to a new model of city governance, with a Mayor and an all-embracing new body – Transport for London (TfL) – taking control of transport in London in 2000. The incorporation of the Tube into TfL and the ‘Public-Private Partnerships’ (PPP), which followed shortly after, brought private organisations into to partner in the wholesale modernisation of the Tube.

For the first time in decades there was a serious plan to modernise the Underground and reverse the decline that had been seen. It was a giant task, likened by a former Managing Director of London Underground as like “performing open heart surgery on someone running a marathon”. Great improvements were set in train but eventually, the complexity, inflexibility and high costs of these arrangements was their downfall. The ‘PPP’ system on the Tube was dismantled and TfL and the Mayor forged ahead creating the type of integrated, reliable and high-performing transport system that we have today.

A huge leap forward came ahead of 2012, when we played a central role in ensuring the success of one of the best Olympic Games in history. This period saw major investment in preparation for the Games, including extending the Jubilee Tube line to the Games site, in Stratford, east London, and major capacity improvements on our ‘Docklands Light Railway’ service. This period also helped to hone our organisation’s understanding of its role in the city as not only ‘providing transport’, but as supporting the economic growth and success of the city as a whole. Transport is not an end in itself. Rather, it is a key element in creating fairer, greener, healthier and more prosperous cities.

In London, our population continues to grow rapidly. The population is at a record level of 8.6m and it is set to reach 10.5 million by 2041. Housing is one of London’s biggest challenges and over 50,000 new homes are needed each year to accommodate this growing population.

Transport investment is the key ingredient needed to unlock development, both at higher densities and in areas currently badly connected. New development can be used to fund transport infrastructure creating a virtuous circle.

That’s why we are working with the Mayor to modernise, improve and extend public transport, create streets that are less dominated by motorised traffic and encourage greater sustainable and active travel.

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To deliver this, we need to be a transport authority with the very highest levels of organisation and efficiency. There are perhaps five key elements that are enabling us to successfully meet the challenges that we face. They are accountability, integration, innovation, investment and co-operation.

We have a clear accountability to Londoners through the Mayor of London, who is the chair of TfL. Our organisation has existed under three very different Mayors – Ken Livingstone, the current Foreign Secretary Boris Johnson and our current Mayor Sadiq Khan. Mayor Khan has made tackling London’s dirty air a key priority, which is why we have introduced a new ‘toxicity charge’ to restrict the dirtiest cars and are introducing an ultra-low emission which will be the toughest zone of its kind and will help encourage more and more people to get rid of more polluting vehicles and switch to alternative cleaner ways of travelling.

The Mayor, who has a huge direct political mandate, acts as a tremendous advocate for sustained investment in improving transport in London. Each Mayor has set out to demonstrate the crucial role that London has in the UK economy, and the role that transport has in London. This is a large part of the reason why we have been able to invest around £20bn in transforming transport over the last decade, and why the government has supported us in assembling the around £15bn more that is paying for the construction of the Elizabeth line.

The clear political accountability helps us become a better organisation because it fosters transparency. We must be able to prove and justify every decision that we make with regard to where Londoners’ money is invested, which means we have to be highly attuned to what Londoners want us to deliver for them. In many respects we are a customer service business that happens to do transport.

And customers want integration. When customers pay for travel on the TfL network they know that the various parts of their journey – whether it is bus, underground, rail, Docklands Light Railway, tram – are all parts of an integrated transport network. Customer information, ticketing, and interchange between different services are all seamless and easy to understand.

This gives people confidence to travel, it gives reliable journeys and it means that people are more likely to leave their cars at home and use the public transport services that are available. It also means that investment to improve or modernise one part of the transport network that needs it can be provided from the business’s overall budget.

For example, after taking over a number of under-used and unpopular suburban rail lines in 2007 we were able to bring them back into full use, clean up the stations and create new ones and introduce new trains and full-time staffing. London Overground is now one of the most popular and punctual railways in the country, with passenger numbers up 500 per cent.

It means that we are able to constantly flex our services to respond to new demand. Prior to its introduction, demand for a 24-hour Tube service was clear – late night Tube use had increased at double the rate of day-time trips and Night bus usage had risen by 173 per cent since 2000.

Our Night tube services are playing a vital role in opening up London’s night-time economy to a host of new opportunities, supporting around 2,000 permanent jobs and boosting London’s economy by £77m a year.

The clear political accountability and integration that we have means that we can have the ability to innovate. We have the scale and the authority to focus on the end-user experience – so, unlike elsewhere, smart ticketing isn’t undermined by competition between different operators, it was achievable because we have an effective monopoly and are here to serve the city.

We introduced Oyster in 2003, followed by contactless payment in 2014, which was developed in London and we remain the only major transport system in the world to offer this convenience to customers. Around 40 per cent of all pay as you go journeys made in London now use this new method of payment.

We have also developed SCOOT, an automated, intelligent traffic signal control system, which dynamically changes signal timings to best suit prevailing traffic conditions and reduce delays. It is now used at over 4,000 of London’s 6,300 junctions.

But successful innovation is also about public bodies admitting that we need help from other innovators, particularly the tech sector, to continue to improve the travelling experience.

In 2007 we introduced our open data policy. This data includes transport schedules, expected arrivals, disruption, the availability of bikes on the cycle hire scheme, and real-time road traffic information.

This meant that those at the cutting edge of innovation could design products that people really want to use. Over 42 per cent of Londoners are using a travel app powered by TfL data, with over 600 apps and 12,000 developers.

This in turn has helped support new jobs and industry. And it’s not just in London; some 60 per cent of our investment in transport in London supports economic activity outside London and we support as many as 60,000 UK jobs outside the capital.

We are making this case more strongly than ever, offering our support to other cities and demonstrating to government how we are working together on how to shape the development of rapid changes in technology that we are witnessing.

This is more important than ever, as the economic situation in Britain remains uncertain and investment from national government has now started to be constricted. In future TfL will no longer receive any operational grant from government, making London one of the only major cities in the world not to receive central government funding for its transport network.
This need to deliver the Mayor’s ambitious agenda and support the city’s growth whilst coping with reduced income presents a challenge. But one we are meeting. It has meant that we have had to accelerate the work to improve efficiency and reduce organisational complexity that has been going on within our organisation since the earliest days.

This has involved a comprehensive and tightly managed plan for making TfL more efficient, reducing management layers, eliminating duplication of work and merging functions like engineering, technology, planning, finance, communications (and many others).

This has been accompanied by us reducing the number of head of office buildings that we have around London – vacating expensive property in the very centre of the city and relocating to a smaller number of accommodation ‘hubs’ in other parts of the city. This has helped to co-locate different departments and specialisations, reducing the ‘silos’ working that can affect large organisations.

Last year, for the first time in history, we reduced our year-on-year operating costs by £153m and this year we are £194m ahead of our savings targets. Our financial plan continues that trajectory towards creating a surplus over the next five years. In the meantime, we continue to invest record amounts in improving transport in the city, supporting new jobs and homes and creating a greener, healthier and more accessible city for all.