

Transport Committee

Oral evidence: [Coronavirus: implications for transport](#), HC 268

Wednesday 22 July 2020

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Members present: Huw Merriman (Chair); Ruth Cadbury; Lilian Greenwood; Simon Jupp; Robert Langan; Chris Loder; Karl McCartney; Grahame Morris; Greg Smith; Sam Tarry.

Questions 456 - 555

Witnesses

I: Sadiq Khan, Mayor of London; Simon Kilonback, Chief Financial Officer, Transport for London; and Gareth Powell, Managing Director Surface Transport, Transport for London.

Written evidence from witnesses:

- Mayor of London (GLA/TfL) ([CIT0199](#))

Examination of witnesses

Witnesses: Sadiq Khan, Simon Kilonback and Gareth Powell.

Q456 **Chair:** This is the Transport Select Committee evidence session with the Mayor of London and Transport for London officials on the coronavirus implications for transport. Welcome, Mayor Khan. Could you introduce yourself and your team for our records, please?

Sadiq Khan: Good morning, Huw, and thank you for inviting us to talk to the Select Committee today. I am joined by Gareth Powell, who is the managing director for surface transport at TfL; he is joining us on Zoom. He is with the chief financial officer for TfL, Simon Kilonback.

Q457 **Chair:** Welcome to you, and to your colleagues Gareth and Simon. We are grateful to you for joining us. We are aware that you are scrutinised by your own assembly, so it is good for us to talk here in Parliament about the wider issues that impact on transport.

Can I open by asking about the terms of reference for the Government-led financial review of Transport for London? Our understanding is that the review was required by Government as part of the arrangement to give out £1.6 billion of funding support. The review looks in quite a far-reaching way into TfL's current obligations and functions: it talks about looking at a housing development pipeline; raising more fare and non-fare-based revenue; workforce modernisation; and driverless operations, which I imagine will not go down too well with the unions. Could you comment on the review and what you have agreed to, and who will be responsible for deciding whether those matters are implemented? Will it be you or will it be the Secretary of State for Transport?

Sadiq Khan: I will bring in the CFO shortly to give some more details because he sits on the taskforce working with the Government. The review came about as some of the conditions attached to the circa £1.1 billion grant, with the ability to borrow £500 million. The terms of reference are being agreed now, and you have given a summary of some of the issues that are in them.

There is separately a taskforce, which has No. 10 officials, DFT officials and members of the Rail Delivery Group, working through issues in relation to restrictions being eased and eventually will lead into the deal done with the Government in advance of 17 October. We are talking with the Government. It is not an adversarial process; it is about working out what information the Government, and the Treasury in particular, need.

The Government have asked KPMG to do a piece of work to assist them, and we are working with KPMG. At this stage, with your permission, Huw, I will bring in Simon to give you an example of the flavour of the conversations. I do not want to leave you with the impression that there



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are fisticuffs. The conversation is taking place between us, TfL, DFT and the Government.

Q458 **Chair:** Can you hear us, Simon? You are on mute, Simon. I assume it is not a tactic for him to get his thoughts together. Perhaps we will come back to you, Mayor.

Sadiq Khan: KPMG already has started speaking to TfL officials; there is an open-book approach to TfL. We are slightly different from other bodies that have Government assistance because we are quite transparent anyway. All our board meetings are public, except for the really sensitive commercial parts. Our committee meetings, whether it is the finance committee or our programme and investment committee, are public, so the conditions the Government have attached to some of them in relation to representatives being present are not unusual when it comes to the Government supporting businesses across the country.

The particular issue is how TfL can be on a sustainable footing going forward, bearing in mind that, for the foreseeable future, fares will not be at the levels they have been in the past. Simon has been involved in the conversations throughout. I see he is now unmuted, so he can add some flesh to the bones of what I have said.

Simon Kilonback: Thank you, Mayor, and apologies, Chair; we were told that you would mute and unmute us, so apologies for the misunderstanding.

We have been working extraordinarily collaboratively with the Department for Transport and their advisers through the initial emergency funding package and on the next phase. For example, the current work with KPMG and DFT is to take them through our periodic management accounts to show that in each period we only need to draw down the amount of funding that we precisely need to balance our books and keep the minimum amount of cash that we require in order to run the business efficiently.

So far, we have gone through the accounts for the second period, and the feedback is that they have been comprehensive, and DFT and KPMG have been satisfied with the information we provided to them. That will continue with due diligence and assessment of our performance against our emergency budget and the funding through to the end of September. We are now moving into the phase where we are seeking to explore KPMG's terms of reference around further efficiencies and other things that could be done. One of the first things we are doing is explaining to KPMG and the Department what we have already done over the last four years in our efficiency programme and what we had already planned to do, as part of our 2019 business plan, in further efficiencies, which would equate to about £740 million over the next five years.

Finally, in the third phase of the work with KPMG, we will start to look at structures and other things that would help provide greater long-term



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certainty of funding, beyond the emergency funding package, through the next five years. What we need to go into thereafter is the discussion on how we set up successfully a long-term funding structure that will enable us to start the next phase of our investment programme.

Q459 Chair: Thank you, Simon. Mayor Khan, according to the Government document, the review will be led by the Department for Transport, and it will report to the Secretary of State for Transport, with oversight from the Prime Minister and the Chancellor, but the matters I just referenced are all devolved to you as the Mayor, so who will decide whether those matters get implemented? Will it be you or will it be the Government, who seem to be leading this review and being the report-back on the review?

Sadiq Khan: It will be the agreement reached with the Government in advance of 17 October, so, for the reasons Simon alluded to in relation to the financial position caused by Covid, as part of the deal with the Government going forward, they will say to us, I suspect, as they did for the deal that takes us from 1 April to 17 October, "We are willing to give you an operating grant of X pounds, and we are willing to loan you Y pounds, in return for which we would like you to do A, B and C." We think it will be a conversation that we have with the Government going forward.

The concern we have is that, yes, we have made all those fantastic efficiency savings, we have reduced deficit, reduced year-on-year and like-for-like operating costs, increased cash balances and invested in infrastructure, but for the foreseeable future, because the fares box will continue not to be what it was before the pandemic, there needs to be a sustainable funding model. That will be the conversation we have with the Government, and I suspect there will be a small negotiation, which will lead to how we go forward.

The Government are similarly supporting transport authorities across the country and supporting bus operators across the country. We are hoping that, just as no real strings are attached to them, as long as they can be confident about value for money and that money is not being wasted, similarly there will be no strings and conditions attached to us.

Q460 Chair: Did it feel a little humiliating to have Government decide to put themselves into matters that have been devolved to you before they would give the bail-out that you felt TfL needed?

Sadiq Khan: I think humiliation is the wrong word. It seemed to lack the devolution settlement that was reached in 1999 with the GLA Act and going forward. TfL was set up 20 years ago—this year, we celebrate 20 years—and we are the envy of the world. Over the last four years in particular, TfL has managed to reduce our operating deficit from £1.5 billion, when I first became Mayor, to £200 million before Covid began—a deficit reduction of 86%.



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For the first 16 years of TfL, the operating costs were going up like for like; for the first time ever, over the last few years, year on year they had been going down. Our cash balances were £2.2 billion, an increase of 31% since I became Mayor, so it is not a question of humiliation. It is a question of the Government not fully appreciating, in my view, the devolved settlement reached with us in 1999.

I do not mind at all, and I think it is not unreasonable, that the Government want to be reassured that the money is not being wasted and that we need the money. But for the pandemic, which is a crisis, we are in a good place. Within two years, for the first time in TfL's history, we were going into surplus; it never happened before.

The issue is this, though, Chair. In 2015, a deal was reached between the then Mayor Boris Johnson and the then Chancellor, George Osborne, and the deal ostensibly was for TfL to lose its operating grant, which in 2010 was about £3.3 billion, and to rely upon the percentage of business rates we get to keep. We get to keep a third of our business rates, and now it is £2 billion.

When it comes to the services that we provide, about 80% are contingent on the fares coming in. When you compare that, in Paris it is about 37%; Madrid is 48%; New York is 38%; and Singapore is 21%. The idea that we would be able to continue to provide a service when we are so reliant upon fares, and when for the foreseeable future we are not going to have 4 million people using the tube and 6 million people using buses, is not realistic. That is why I think the Government, in my view, fail to understand that those are the reasons we have some of the challenges that we have. I hope they will respect the devolution settlement that you referred to, which is really important.

Chair: We will explore the funding settlement and arrangements as we go on. Before we do so, I want to look at your decisions early on during the pandemic to reduce tube capacity.

Q461 **Simon Jupp:** Good morning, Chair, and thank you and good morning to you, Mr Mayor, and your team.

In March, there were well-publicised reports—we saw pictures all over the news channels and in the papers—of overcrowding on tube services. My experience of trying to get into central London in the pandemic, just after the lockdown was put into place, was that I waited an hour at a tube station for a tube that did not arrive, staff had no idea when the next tube was arriving, the signs were in disarray, staff were confused and people were crowding on the platform. What is your response to the Secretary of State's criticism that TfL excessively reduced tube services at the start of the pandemic?

Sadiq Khan: Thank you, Simon, for your question. I begin by paying tribute to our workers who have been working incredibly hard over the last few weeks and months: 44 transport workers have lost their lives in



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the last 18 weeks, six employed by us and the rest by partner organisations, and my thoughts, prayers and condolences are with their families, relations and friends.

Throughout the pandemic, we have been providing the maximum services we can with the staff we have. Just in that one-week period, the week of the pandemic, our staff absences went from around 6% or 7%, which is not unusual, to more than 20%, and at one stage it was a third. They were mainly train operators, but there were some others.

The absences were for three reasons: one, because staff were sick; two, because they were self-isolating, and, if you remember, the advice back then if you had symptoms was to self-isolate for seven days, or 14 days if a member of your family had symptoms; and, three, because they were shielding. We provided the maximum services we could, and at the worst part of the pandemic we still managed to provide in rush hour more than 60% of tubes and more than 80% to 85% of buses.

We reconfigured our services to make sure that no line closed down unnecessarily by making sure that our operators, our staff, were working in the busier stations. What you referred to are some particular pinch points that we experienced early doors, which we were not fully sighted of. They were on the Central line, part of the Victoria line and parts of the lines that serve east London. North Acton was a good example where there were pinch points, as were Stratford, Canning Town and a few others where there were interchanges.

One of the reasons that caused the pinch points and issues was not simply the need to socially distance, but that our drivers were having to come in from a line and stop the train there to allow interchanges to take place, which led to the images that you saw in the media of people not socially distancing. Those were rare examples. By and large, the service ran well. May I remind you that we have, roughly speaking, 270 stations, we have more than 9,000 buses, and the examples of congestion that you experienced—I apologise for the experience you and others had—was in the exceptional minority, rather than the norm?

Q462 **Simon Jupp:** My concern was less for me than for some of the NHS workers who had to get to hospitals and other places across the capital.

Sadiq Khan: Yes, that is a really good point.

Q463 **Simon Jupp:** Going back to the point, though, I realise that it was a fast-moving situation and judgments and decisions had to be made, but it seemed in complete disarray. Have you learned lessons as a result of that? We hope we will never experience it again, but if we do, we cannot see those things again, can we?

Sadiq Khan: One of the key lessons we have learned is the importance of messaging. You mentioned NHS workers. That was one of the reasons why we were trying to get the Government to give clear messages about who an essential worker is. That confusion led to many people using



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public transport during the rush hour when they really should not have done so.

There was also the fact that in London, as across the country, many Londoners are on zero-hours contracts and work in the gig economy. If they were not working, they were not getting money to put food on the table, and they were making the choice to go to work.

Q464 Simon Jupp: I do not accept the deflection. My question is more focused on the fact that you have to learn lessons from that week. I appreciate that the services that are currently running on TfL are working well, but in that first week, in that crucial period when we had to get this right, unfortunately, TfL did not, and that had an impact. It will have had an impact. I saw people who were clearly distressed on the station platform because of what was surrounding them. Have lessons been learned to ensure that if we ever face the situation again, if we have a second wave, that does not happen again?

Sadiq Khan: I am sorry if you think the answer and the consequences of Government policy are a deflection, but the point I was reaching was that the increase in numbers we saw in particular were in parts of London where Londoners work in those sectors. That is why I was referring to the east London stations. What we now know is that in east London it is quite clear that many Londoners work in zero-hours jobs in the gig economy, so they have to use public transport because they feel they have to work to get food on the table.

We now have, going forward—God forbid there is another pandemic of this level—a better idea of the labour force in London. For example, we know which are the parts of London where more Londoners can work from home if they need to, and the other parts of London where we know they cannot. Clear messaging is important, but so too is the importance of recognising that some Londoners will inevitably feel they have to go to work, which means that using public transport often will be inevitable.

One of the things we did in the first few days was to work with the train-operating companies. There were particular issues with c2c, with their trains decanting at some tube stations leading to large numbers of people coming, and buses terminating and their passengers decanting. One of the lessons we learned in real time in the first couple of days—Grant Shapps played a good role in co-ordinating the different lines coming into London with the TOCs—was working out when trains or buses decant, and making sure that it did not lead to congestion on the platform. It is really important to address that. There are lessons, of course, that we learn in real time.

Q465 Simon Jupp: You accept that mistakes were made in the first couple of days of the pandemic in relation to the services that were on offer. I appreciate what you say about staffing, and I appreciate what you say about the impact and the importance of clear messaging from all corners of Government, but do you accept that mistakes were made?



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Sadiq Khan: No, I do not accept it in the way you characterise TfL's actions during that period. What I saw was the maximum service levels that could be provided being provided. I saw—

Q466 **Simon Jupp:** In a rather chaotic way. People were waiting at a tube station, in my case for upwards of an hour, seeing signs saying something was coming in 4 minutes, and then 0 minutes. Then it would disappear from the screen and nothing arrived.

Sadiq Khan: We had at one stage up to a third of our train operators self-isolating, sick or shielding, which is one reason why I asked the Government to increase testing, which was not available at that stage, so again—

Simon Jupp: I completely take all of your points, Mr Mayor, absolutely; I completely understand that.

Sadiq Khan: Thank you.

Q467 **Simon Jupp:** But, unfortunately, the communication from TfL through systems and cascading down to staff just was not good enough.

Sadiq Khan: That is not the case. When it comes to messaging consistency and clarity, I would argue that TfL's was far clearer, and more concise and effective, than anybody else's: for example, we were emailing customers; we had British Transport police present at stations we were concerned about; we had enforcement officers present at stations and hubs that we were concerned about; and we had Londoners doing the right thing by staying at home.

There were issues at some stations—I call them pinch points—and you are right that that led to some passengers being quite distressed because they could not keep their social distance. There were some using public transport in the rush hour whom I wish had not. The good news was that many employers were really responsible and staggered their start and end times to recognise the concern of passengers.

I am sorry for any distress caused to any commuter in London because of inability to keep their social distance. That is one of the reasons why since early April I have been lobbying the Government to change their messaging around face coverings, because I saw the evidence about the difference that face coverings can make.

Simon Jupp: Thank you. Before I move on and pass back to the Chair, I want to add my thanks for the current services to the staff working incredibly hard at the moment across TfL, because the services are exemplary. I know the cleaning structures and plans put in place are absolutely brilliant, having spoken to staff, and knowing people who work in TfL. I think the response now and the response in the last couple of months, after that week, has been very good on behalf of staff and TfL.

Sadiq Khan: Thank you, Simon.



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Chair: We will probably touch back on a couple of isolated issues in terms of early days. We talked at the very start about funding and Government support. I think it would be right to allow Members to drill further in on that aspect with you.

Q468 **Greg Smith:** Good morning, Mr Mayor. When the crunch point came and it was clear that you needed a central Government financial support package for TfL—and I appreciate some of the points you made earlier—what, in your assessment, was the breakdown between the shortfall that had come about through no fault of your own or TfL's or anybody else's, because of the pandemic, and what was the proportion where the finances of TfL were already at a sticky point?

Sadiq Khan: I will bring in shortly, with the Chair's permission, the CFO to answer in more detail, but let me give the context.

When I became Mayor in 2016, I was aware that we were not going to have an operating grant for day-to-day services from the Government, so we needed to plan accordingly. That is why, for example, we decided, unlike the previous 16 years, to try to see if we could reduce operating costs to run the service. As I said, we serve, roughly speaking, 10 million journeys a day on TfL; two thirds of national journeys start or end in London.

Before the pandemic began, we managed to do a good job of putting TfL on a sustainable footing. It is worth saying again that the operating deficit was down by 86%—quite remarkable—from a £1.5 billion deficit when I became Mayor to £200 million before Covid. We gained a surplus in two years. Like-for-like operating costs are going down. We are required by law, according to the CFO, to have cash balances of £1.2 billion. Before the pandemic, we had £2.2 billion, so we had cash reserves built in. Those cash reserves were crucial to pay for the services for the first two and a half months.

As early as 24 March, I spoke to Grant Shapps and explained that it was quite clear that we were spending our reserves at a rate of knots, and that was not sustainable, bearing in mind that the pandemic appeared to be there for a while. We lost £100 million a week in fares. It costs us £600 million per four-week period to run TfL. It does not take much to work out that, at some stage, the cash balance is going to run out if there are no fares coming in—90% fares were lost. At one stage, we had only 5% of people using public transport, the lowest numbers any time since the 1800s. We began talking to the DFT and No. 10 really early on because we could predict then that there would be issues about funding going forward, for day-to-day services and for the infrastructure needed for existing services. Those conversations began pretty early on.

We knew from the CFO the date by which our cash balances would reach levels where we had only two months' worth. We are covered by the local government legislation, which means that we have to have two months' worth of money to pay for services, before we have to serve a section



114. The CFO, as was his legal duty, was reminding me regularly about when the deadline was and telling the DFT when the deadline was. We reached a deal on the day when the CFO would have been required to serve a section 114. It took us seven or eight weeks, I think, to reach that deal.

Q469 **Greg Smith:** I appreciate the points you make; everybody has had to make extraordinary decisions in very fast-paced environments because of the pandemic. I appreciate all the points you make on that, but the point I want to delve into a little bit is the place where TfL finances were on the day things started to go wrong because of the pandemic. Certainly, Government figures suggest that because of decisions you took under your mayoralty, you were nearly £700 million down in terms of fare revenue because of your pledge to freeze fares, and you said yourself a moment ago that you knew you were not going to be getting the grant any more. Therefore, you still did that and—

Sadiq Khan: Shall I deal with that?

Greg Smith: If I can make one or two more points, I will be very keen to hear your answer.

Other Government figures show that actually, while I appreciate the deficit point, the actual TfL debt has gone up, I believe, from £9 billion to £11 billion during your mayoralty, and another £1.3 billion through Crossrail delays. I was sent another report yesterday that suggests—I would love to know whether the figures are accurate—that the staffing costs of City Hall at large have gone up by 82% under your mayoralty, and 518 employees of TfL are on over £100,000.

When it is the case that you as Mayor of London—I appreciate it is your job to go in to bat for London—go to the Government, where obviously tax revenues come from all over the United Kingdom, and we heard a few weeks ago at this Committee from Andy Burnham and Steve Rotheram, who are quite jealous of London's position, how can it be that TfL gets the big bail-outs and other parts of the country do not when those decisions were taken from the start of your mayoralty to the start of the pandemic?

Sadiq Khan: There are about seven or eight chunky points there, so, if you will indulge me, I will respond to as many as I can during the time I have.

First, this should not be London versus the rest of the country. The rest of the country deserves more investment and should get more investment, but not at the expense of London. But for the pandemic, we were in a healthy financial position. I do not recognise the £700 million figure, but I have seen in Tory literature a figure of £620 million, which is based on a prediction of fares increase based on RPI plus one or two over the last four years. Let us use that figure for the sake of this argument. The thesis is that you could have had £621 million more than you otherwise would have because of the fares freeze. My response is a number of answers.



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First, because of our fares freeze, we have not seen the reduction in bus usage in London that we have seen across the country. I can give you a table of bus usage reduction across the country, but in London it stayed pretty good because of our fares freeze. I can give you evidence of additional usage of public transport in London, with tube numbers and bus numbers that are incredibly healthy. Our tube pays for other services, as we make a huge profit there. One of the reasons is the freeze that we have had, notwithstanding people's leisure activities changing, work activities changing and their shopping activities changing.

Secondly, in relation to our financial position, the deficit was going down, from £1.5 million from the previous Mayor, who is now the Prime Minister, to £200 million before the pandemic began, with a plan to be in surplus in two or three years—hardly an example of an organisation that is not sustainable and not on a good financial footing. Also, our cash reserves were going up.

You mentioned debt. When I became Mayor, our debt was £9 billion, which, by the way, was £2 billion borrowed by Ken and £7 billion borrowed by the previous Mayor, Boris Johnson. I borrowed £2 billion, which has helped pay for the modernisation of four lines—the Circle line, the District line, the Metropolitan line and the Hammersmith & City line. It is important to get more trains going through with better signalling. The train factory in Goole, visited by the Prime Minister, that will build the new Piccadilly line trains, is paid for by some of the debt that we have. You need to borrow to invest in infrastructure, in the absence of support from the Government.

By the way, on the Northern line extension and Crossrail, we, London, are paying for national infrastructure. As I know because I was the Minister who took through the Business Rate Supplements Bill, before the Crossrail delay, London pays for two thirds of that national infrastructure being built, according to the National Infrastructure Commission. Because of the delay with Crossrail, the joint sponsors, the DfT and TfL, have had to make sure that we can pay for the delay. In fact, the agreement with the Government is that there is a London pays principle for additional delay. The amount that we are paying for a national infrastructure project rises from two thirds and is higher because of the London pays principle.

In relation to staff, since I have become Mayor, we have reduced the numbers of non-permanent labour by more than 58% and reduced the number of full-time staff in TfL by 11%. The previous commissioner had a pay freeze during my mayorality. The new commissioner has begun on the same pay given to Peter Hendy, who was the commissioner under Boris Johnson.

Q470 **Greg Smith:** To cut across you, that is an in excess of £500,000 salary, is it not?

Sadiq Khan: Which salary?



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Greg Smith: The Commissioner of Transport for London.

Sadiq Khan: The commissioner's salary now is the same salary Peter Hendy received when Boris Johnson appointed him and kept him, and the same salary that Mike Brown received on his appointment when Boris Johnson appointed him. The salary basic sum is less than that figure; you are including other issues in that as well.

We have also reduced the number of staff who earn £100,000—that has gone down—and the bonuses have gone down as well. On any objective criteria, looking at TfL, we are a body that is on a sustainable footing that has made huge efficiencies over the last four years. It is one of the reasons that I say, with respect, that we are the envy of the world.

Q471 **Greg Smith:** I use the tube every day that I am in London, and, as Simon said, I think services right now, today, are very good. Clearly, there were issues at the start of the crisis, but Simon covered those earlier.

You have been critical in the media and in your own scrutiny sessions at City Hall. I think you said that the deal the Government offered you was not the deal that London needed. Given everything you have just said, which presents the financial position of TfL in a very different light from not just Tory literature but what the Secretary of State for Transport has said at the Dispatch Box in the House of Commons, and indeed in official documents, what would have been the deal you wanted?

Sadiq Khan: We still have a new deal to do in October. The deal we have done with the Government is one that takes us from 1 April to 17 October. What we want from the Government is a deal that gives us a long-term sustainable plan going forward. We are not asking for special favours.

You made the fair point, and I hear it when speaking to colleagues around the country, about the perception that London gets too much. I genuinely say, because I believe in the nation state, that those with the broadest shoulders should carry the greatest burden, and I am proud that London contributes hugely to our nation's wealth and prosperity. The last figure I saw was that we contributed more than £500 billion to the nation's wealth and GDP. I am very proud of that. That is between a quarter and a third of our country's wealth, as it should be. We receive far less in taxes than we pay in. Again, I have no issue with that. We are the capital city and that is fine. But if we are going to have a good recovery, we need to realise that TfL is really important in relation to the jobs, the wealth, the prosperity and the homes we need as well.

The deal I was looking for from the Government, and am looking for going forward, is to help us during a period of time when fares will not be at the level they were. It is not sustainable for to us have 80% of our services provided by fares in the short to medium term. There is no other city in the world that has that proportion of their income from the fares



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box: in Singapore, it is 21%; Hong Kong, 37%; Paris 37%; New York, 38%; and Madrid, 48%. We are at 80%. It is not sustainable when we do not have fares coming in, for the reasons I have alluded to.

What I want from the Government is how we can pay for ourselves going forward and for work done on infrastructure. There are two options that the Government have, and we see them in examples around the world and in how things were done before: one is for the Government, for the short to medium term at least, to give us a grant in to cover the fact that we cannot get the fares coming in that we had before. You have seen the numbers on the tube today if you have used the tube.

Greg Smith: Very low.

Sadiq Khan: It is, roughly speaking, 20%.

Greg Smith: Lower than that, in my experience.

Sadiq Khan: Quite, on the line you came in on. Exactly. Buses are at about 35%. For the foreseeable future it is going to be lower, and in the last couple of weeks big employers have been saying to their staff, "You are working from home for the next year or so."

Secondly, we need proper fiscal devolution to London. The former Prime Minister when he was Mayor commissioned a report by the London Finance Commission that gave some solutions about how London can have more power and resources to deal with some of the issues. We get to spend 7% of the taxes raised in our city; in New York, it is 50% and in Tokyo, 70%. The Boris Johnson report is a good template for the sort of fiscal devolution that would mean that we did not need to go to the Government asking for assistance in difficult times; we would be able to box and cox within our own resources through fiscal devolution under the report from the London Finance Commission.

Those are the two options, or a combination of the two, going forward, but I think for the short term, like every transport authority in the country, and indeed the world, we will be relying on central Government assistance to take us through this difficult time. Paris, New York, Madrid, Hong Kong and Singapore all have their Governments stepping in to support them during this difficult time.

Q472 **Greg Smith:** I appreciate that point. My last very brief question, because I appreciate that the time is rolling on, is about when you talk to your fellow Mayors around the country. I am not making this a political point; let us keep it all within the Labour Mayors—Steve Rotheram, Andy Burnham and so on. As I said earlier, they feel a little hard done by in the way that London is treated slightly differently. I get the point you make that London, as the capital city, is an economic centre and the place where an enormous amount of wealth is created, outside the obvious pandemic restrictions that we have. How do you answer the point to the rest of the country and your fellow Labour Mayors, and every other



Mayor, bluntly, that London should get the greater slice of the pie?

Sadiq Khan: I have very good relationships with all the Mayors—Tory and Labour; the M9 meet regularly to discuss a whole host of issues. I support them in calling for more investment in their regions from the Government. Cities and regions need more devolution, more powers and more resources. I do not think it is a zero-sum game. I do not think Manchester, Liverpool, West Midlands, the West of England, Tees Valley or Sheffield, or the north-west or the north-east getting more investment should be at the expense of London. It is possible for all of us to do well.

My argument, in relation to our country, is that I am not asking for a bigger slice of the pie. I am saying give us more control of the pie we have, and we can grow the entire cake. The point I make generally to the Andys, the Steves, the Tims or the Bens around the country is that it is not London versus the rest; it is London and the rest. Let's work together to say to the Government that, when they talk about taking back control, it should mean taking back control for the cities and regions, rather than Brussels moving to Whitehall. We think that with more devolution across country we will do a better job than, love them as we do, civil servants in Whitehall deciding on the allocation of resources.

Q473 **Sam Tarry:** I want to drill into some of the questions that my colleague Greg Smith was asking. Was it on 24 March that you met the Secretary of State for Transport? What was his reaction when you put to him the gravity of the situation facing TfL?

Sadiq Khan: The phone call was ostensibly to assess the crisis and to work together, because of some of the issues that Simon referred to about decanting of passengers and some stations being busy. Grant mentioned his concern in relation to the issue of finances and the fares increase, which I was a bit taken aback by, with a massive crisis taking place and the pandemic. I was surprised Grant raised that. I gave him a short response to the fares point and we agreed to revisit the issue of the finances of TfL at a later stage.

Very swiftly—I give him credit for this—Grant asked his team, the Treasury and TfL to start working closely together. Everyone knew that we were burning through the reserves at a really rapid rate, as indeed were transport authorities across the country, and other businesses. We were lucky, because we had built up cash balances of £2.2 billion, which is not an example of an organisation that is not on a sure financial footing. Had we not had that increase during my mayoralty of 30%-odd cash reserves, we would have had to serve the section 114 far sooner than we feared we would have to serve it in August.

Q474 **Sam Tarry:** Was the Secretary of State clear at that point on the conditions that were going to be potentially applied, and would you say they were similar to other transport authorities that have also had a package of support from the Government?



Sadiq Khan: The reason I have said this—Greg referred to what I have been saying publicly—is that my relations with the Government, by and large, are good, and with individual Ministers they are really good. My disappointment was that it was at the 11th hour that some of the conditions were first talked about. We were speaking to DFT and the Treasury for weeks, from 24 March until August. Two days before the deadline of the money running out, for the first time ever it was mentioned that the Government want us to remove free travel for under 18-year-olds—two days before the deadline. Other conditions, such as suspending travel for over-60s at certain times of the day, were mentioned for the first time late in the day.

As to other issues, I think I spoke to two members of No. 10 Downing Street in that week and they mentioned the fares increase that needs to happen in January. The congestion charge was mentioned earlier on, to be fair, but the condition of immediately reinstating the congestion charge came very late, and widening the level and scope. The conditions were in a letter from Grant Shapps to me and it is quite clear what they are. The first time at least three of the four were talked about from the Government were in the last few days before the deadline.

Q475 **Sam Tarry:** In terms of comparators with other cities, you mentioned earlier the impact of the removal of the operating grant. Do you think it would be fair to say that TfL would have been in a better position had London been funded in a similar way to capitals across Europe dealing with the Covid crisis? You touched earlier on the fairness of that and whether or not the Government are serious in following through on devolution as the principle for setting up the GLA in the first place.

Sadiq Khan: Let me be frank. The Chair asked that question. I think negotiations would be slightly easier if I was not standing for re-election next May. What concerns me is that the Government may be in danger of jeopardising the devolution settlement in the interests of party politics, and I would ask them not to. It is important for the Government to realise that we are the only major city in the western world that does not receive a subsidy for day-to-day running from central Government. Notwithstanding that, we have managed to make huge progress.

We have reduced the operating deficit, we have reduced like-for-like running costs and increased cash balances. We are in a good state because of the way we have run TfL for the last four years, but the pandemic has been catastrophic, not just because of the health consequences but the economic consequences too. We have gone from 4 million journeys a day on the tube and 6 million journeys on buses to a fraction of that. Greg referred to his experience today of fewer than 20% on the tube. That affects our fares pot.

You will have spoken to many employers who are saying to their workers, "For the foreseeable future, you are working from home." You will have constituents who now are not going out and using public transport because they are doing cultural activities locally. For the foreseeable



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future, we are not going to have the 80% of fares that we need to run TfL. That is why the Government should support us, as they are supporting transport authorities across the country, and other sectors and other organisations—public and private. What I would say to them in a general way is not to attach conditions and strings that are not just unreasonable but unfair.

Q476 Sam Tarry: I want to touch quickly on something that Greg raised around Crossrail. Could you make it clear for the Committee what the governance arrangements for Crossrail are and who would have made any decisions about stopping that project, given the financial impact?

Sadiq Khan: DfT and TfL are the co-sponsors of Crossrail Limited. The remaining work required on Crossrail is in relation to some of the lighting stuff and some construction work on the tunnelling. There is dynamic testing required that will need trial running. A lot of that work is in confined spaces, so it is not possible to do it safely, bearing in mind Covid-19. The TfL commissioner at the time asked for construction to stop safely because there is obviously big concern around the spread of the virus.

I remind colleagues, because we are looking back, months after the peak, that we in London have lost more than 8,000 lives because of Covid-19, and across the country more than 45,000, so I support the decision to stop construction safely. It is not like construction outdoors; it is really dangerous for safety reasons other than Covid-19. That has all resumed now, but it clearly has a knock-on impact on the timeline for when Crossrail will be finished, and the cost of Crossrail being completed.

Separate from the deal with the Government about TfL the Chair referred to, there is a conversation taking place between the DfT, TfL and, I think, Treasury about the financing of Crossrail going forward. As I said, the costs caused by the delay over the last two years are being borne on the London pays principle, so Greg's concern about colleagues around the country feeling that they are paying—for a national infrastructure, by the way—is one that does not need to be a concern. We are paying for that, but what we need to agree with the Government is how we pay for what I suspect will be an additional cost caused by the additional delay.

Q477 Robert Langan: Good morning, Mr Mayor. To follow on from the question that Sam started with, when did you first know that TfL would have to increase fares?

Sadiq Khan: In conversation I had with two representatives from No. 10. I can give you the date; I can write to you with the date. We have a timeline and I can give you the date if you want. It would have been towards the end of the deadline. The fact that I am speaking to No. 10 means that there was an issue of blockage in relation to the deal. That is when I discovered that there was a condition, which was the fares increase in January. I can provide the date, Chair.



Q478 **Robert Largan:** Give us a rough ballpark of when that was.

Sadiq Khan: In the week of the deadline, I suspect—that sort of timeframe.

Q479 **Robert Largan:** If that is the case, why did TfL state in their business plan of December last year that they would have to raise fares?

Sadiq Khan: Business plans are forecasts from TfL for the next five years. There is a business plan going forward. It is a mayoral decision on what the fares are, so the business plan when I became Mayor had a fare projection of whatever it was and then I made the decision that I did. The business plan set out, I think, RPI plus 1. I had said before the Covid pandemic that I would freeze bus fares if I was re-elected and I would increase other fares by no more than the cost of living. The requirement in the agreement with the Government is that fares must go up by RPI plus 1, so they are in addition, they are on top of cost of living, whether you use CPI or RPI.

Q480 **Robert Largan:** Okay. There was a recognised need at TfL that fares would have to increase prior to Covid.

Sadiq Khan: No, it is not a need. The business plan works out a forecast for where they go. The business case was RPI plus 1. In the previous two years, there may have been business cases when the business case was different from the fares that I decided on in relation to a mayoral decision I make each year.

Q481 **Robert Largan:** Interesting. Continuing on that theme and following up a question from my colleague Greg, you said you do not recognise the figure of around £700 million for the fares freeze cost. How much did it cost?

Sadiq Khan: It is difficult to work out, for the reasons I gave; we calculate that, because of our fares freeze, more people are using public transport than they otherwise would, so they are fares that we would not otherwise receive. The £620 million figure comes from a calculation that you can do quite easily, which is what the fares were in 2016. If you add RPI plus 1 over each year going forward, it comes to circa £620 million.

Q482 **Robert Largan:** Looking back now, do you think that the fares freeze was worth it?

Sadiq Khan: Absolutely. It saved the average London household £200 over the last four years and it has led to more people using buses, tubes, trams and the overground, with more than 4 million tube journeys the day before this pandemic and more than 6 million bus journeys. The hopper fare has been a game changer for those using buses, particularly in outer London.

In addition to the fares freeze, we have made huge efficiency savings. I mentioned the deficit going down and the cash balances going up, but you will also be aware that during the worst part of the pandemic we



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were losing £100 million in fares; in the first four weeks of the pandemic, from 20 March until 20 April, any savings we would have accrued, according to the thesis that we had saved £600 million, would have been spent anyway.

Q483 Robert Largan: Many of my constituents are quite happy with the fares freeze, particularly for daily tickets if they come down for the day to visit London or for the weekend, but the regular commuters, about 4.5 million, who use travelcards, have not seen their fares frozen. Why do you think that was?

Sadiq Khan: That is because of a failure of successive Secretaries of State to negotiate with the train operating companies. Train operating companies make huge profits, they provide a poor service and there are often delays and cancellations, yet their fares have gone up each year higher than inflation. The point I would make to the Secretary of State is that if we can provide an excellent service—Simon, Greg and you have just talked about the excellent service that your constituents have—with no cancellations and no delays and make the efficiency savings that we have made, why can't they?

Q484 Robert Largan: On efficiency at TfL, you talked about Crossrail and the cost that has had to income, and I have seen figures showing that, of 25 major infrastructure projects at TfL, 17 of them are facing either delays or cancellation. Is that figure right and what has led to that?

Sadiq Khan: We are looking at all our infrastructure projects in relation to whether they are affordable without Government support. We have a number of buckets going forward—critical, priority and desirable—so we are looking at each project and whether contracts have been entered into and how far they have reached.

The Chair referred to the discussions with the Government. We will be explaining to the Government which projects we cannot stop, for the reasons I have given—either we are contractually obliged to do so or they are almost finished—which projects we can pause if there is an issue with support from the Government, and which projects we would need to stop and maybe come back to later on.

Examples of projects we are definitely going to carry on with are Crossrail, the Bank improvements, the Northern line extension and the Old Street roundabout improvements. We also think we can carry on with the Streetspace stuff. Actually, the Government, to give them credit, have given us £55 million for Streetspace and we are very grateful. Both the Prime Minister and Grant Shapps have been very public and vocal about the need to encourage more active travel, walking and cycling, and we are very supportive of that.

Of projects we may need to pause, a good example is that we are ordering new trains for the Piccadilly line, and that is going ahead. New signalling would mean that we could have more trains going through the



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Piccadilly line, which would take more passengers. We may need to pause the signalling, for the reasons I have alluded to. There are other projects we may stop for the foreseeable future, because there is no immediate need for them to go forward.

The last bucket of course is that we still have to invest in the infrastructure that is needed to run the transport we have; the stuff we already have needs to be regularly invested in.

Q485 Robert Largan: This is a question that Greg asked and I am not sure we got an answer, because it was loaded in with quite a few other questions. I have a figure of 557 TfL staff on over £100,000 a year. What is the reason and justification for that?

Sadiq Khan: I can do you a note about the exact numbers, but they have gone down hugely since I became Mayor, and the bonuses have gone down hugely since I became Mayor. Some of those people were employed already by TfL, and, as you know, you cannot unilaterally change people's contracts.

Since I became Mayor, every new contract that is for more than £100,000 has to be signed off personally by me. Of those people, I suspect very few have joined us since 2016, and for those that have there is a good reason—their skillset, the jobs market or other reasons. I would be happy, Chair, if you want, to send you a note of the numbers you are talking about. To reassure the Committee, unlike during the previous administration, when the numbers of those earning above £100,000 were going up, and bonuses were going up, in the last four years they have been going down.

Q486 Robert Largan: The number of people earning over £100,000 has fallen.

Sadiq Khan: Yes, as indeed have bonuses.

Q487 Robert Largan: A final point, again just about trying to make certain that TfL is managed as efficiently as possible, is that around £8.9 million is spent on trade union facility time. What is your view of that figure?

Sadiq Khan: It is really important to follow the law. The law reads that you negotiate through the recognised trade unions when it comes to major changes. Since I became Mayor, we have had to make a huge amount of savings. It is not possible to take money out of the public transport system without working with the trade unions, and actually, as a result of working with trade unions, strikes have gone down by 73% since I became Mayor.

We all remember the days when London came to a standstill because of strike action because the previous Mayor refused to talk to trade unions over eight years. We have reduced strikes by 73% at the same time as taking out of the TfL budget a large number of staff; we have reduced TfL staff by 11%, and non-permanent staff by 58%, but made efficiencies on the network. That is why I can say proudly that our deficit is down by



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86% over the last four years. Like-for-like operating costs were down for the first time in TfL's history in the last four years, and the cash balance has managed to go up.

Q488 Robert Largan: Thank you. The reason for asking all these questions, given the bail-out, is that my constituents have a transport system that is still several decades behind the capital. Obviously, that is sometimes quite hard to swallow when their taxpayer money is going to bail out London.

Sadiq Khan: It is a really important point. Can I say to your constituents that I would not normally be asking central Government to support us financially? But for the pandemic, I would not do so. I would say, in a respectful way, to your constituents that I am really proud that London gives its fair share to the nation, as we should, as a capital city. I believe in the nation state. I think your constituents deserve more investment in public transport, and I would lobby the Government on their behalf as well.

Robert Largan: Thank you. I am sure the people of High Peak would appreciate that.

Q489 Ruth Cadbury: I have a couple of questions about the conditions of the Covid settlement. Have the Government told you, Mayor, or your team that they support the increase in the scope and charge of the congestion charge?

Sadiq Khan: Hi, Ruth, and good morning. Yes, they have. The letter from Grant Shapps was quite clear: we had immediately to reintroduce the congestion charge and urgently come forward with plans to widen the scope and level of the congestion charge. My Deputy Mayor Heidi Alexander spoke to representatives from No. 10 and explained to them what the plans were in relation to the £15 and the 7 am to 10 pm. They fully supported that widening of scope and the increase in the level of charges.

Q490 Ruth Cadbury: When exactly did the Secretary of State raise the issue of revenue collection as part of the Covid settlement?

Sadiq Khan: As I said, in relation to under-18s and those over 60, it was very late in the day—I think it was two days before. I am happy, Chair, to do a timeline if it helps.

Chair: It would, thanks.

Sadiq Khan: Two days before was the first time it was raised. In relation to the issue of fares, Grant Shapps raised it in conversation with me on 24 March but no condition of RPI plus 1 until, again, very late. I think, around August. Again, Chair, I can check the date exactly.

Q491 Ruth Cadbury: What is the net revenue benefit of ending the free travel for under-18s, because presumably, with about a third of young people



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eligible for free travel anyway, there will have to be an administration created in order to assess who is eligible for free travel under a different set of regulations?

Sadiq Khan: You are absolutely right. It does not make sense economically. Operationally, it is going to be a nightmare, and working out who is eligible under the law is going to be really time-consuming for councils, for TfL and for families.

To give you an idea of the scale of the challenge, we think 60% of those affected are black, Asian or minority ethnic. A large number of families have already suffered hugely because of the Covid-19 pandemic in terms of bereavement but also economically. A significant number are disabled people. You will know, Ruth, as a London MP, that in London many children do not go to their nearest school; they often travel a long distance. Many of those children made the decision about which school to go to or which further education college to go to in the expectation that they would have free travel for the lifetime of them going to that school. The goalposts have now moved. They will still go to those schools or that FE college but are now being told that they have to pay to use public transport.

Q492 **Chair:** We have taken a lot of evidence on the funding side, so I hope you do not mind if I try to summarise some of it with you just to see if we have it correct. Before I do so, I want to look at the public spending per person per year figures. In London, it is £10,425 per person per year. In the east of England it is £8,736, and in the south-east £8,601. I use those because commuters will be coming in from those parts to power London and actually help to put in a London subsidy.

The overall transport breakdown—the amount spent per region per year—in the north-east, where Grahame is from, is just over £3 billion. In the north-west, which we were just talking about, it is £11 billion. Where Greg and I are from in the south-east, it is just under £13 billion. London is £33 billion.

The reason I give those figures is that, when you make the point that the Government required you to make certain fare increases, end concessionary fares and put fares up by inflation, that is what everybody else in the country has to deal with on a yearly basis. I put as a starting point that surely it is fair, if we are levelling up, that Londoners do the same thing as every other person around the country.

Sadiq Khan: Sure. I do not want to get into an adversarial situation of London versus the rest. I am not going to talk about how much we subsidise your constituents, because that is not the way a nation state operates. The way a nation state operates is that we recognise that there is ebb and flow. I am really proud that we contribute far in excess of our population to the country's wealth. Our population is about 9 million. With your constituents and others coming into work in our city, plus tourists, it goes above 10.5 million.



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We are more reliant on public transport than other parts of the country, and that leads to many of our assets being national infrastructure; Crossrail is a national infrastructure project and some of our public transport is a national infrastructure project. As I said, two thirds of rail journeys in the country start or end in London, so I say respectfully to your constituents, through you, that normally we would not ask for the Government to give us this grant and access to a loan but, because of the pandemic, we are asking them to do so, just like other transport authorities around the country are asking them to do so.

In relation to concessions and subsidies, the under-18s free travel that Ruth Cadbury referred to began in 2005 and was kept throughout the eight years of Boris Johnson being Mayor. He never sought to remove the under-18s subsidy. The free travel for over-60s continued throughout Boris Johnson's eight years, so at no stage during that time was there a conversation about subsidy, because we were not asking for assistance. The reason we are is because of the pandemic; we are losing 90% of our fares.

Q493 **Chair:** I appreciate that the pandemic changes everything, but it is that saying, "Fixing the roof while the sun is shining." You say that—

Sadiq Khan: That is not fair, though, is it, Chair?

Chair: If I can continue, you conceded that you knew when you stood as Mayor that the grant would be ended. I have given you figures that suggest that it should indeed end when you look at what the rest of the country gets, but you made the decision—it would have been a political decision and no doubt a popular decision—that you were not going to increase fares. You talked about train operators not doing the right thing around the rest of the country. A third of train operators' funds are taken by pay, and obviously pay has to rise for those who work on the railway, so it is inconceivable that you can just freeze fares and expect there not to be a hit financially at the end.

Sadiq Khan: First, the sun was not shining but we fixed the roof. Evidence: when I became Mayor, our deficit was £1.5 billion. If your thesis is right, our deficit should have either stayed the same or increased. I managed to reduce our deficit from £1.5 billion to £200 million with a plan to be in surplus in two years' time. If that is not fixing the roof, I am not sure what is.

Our operating costs in the 16 years before I became Mayor—eight years of Ken Livingstone and eight years of Boris Johnson—went up year on year. I managed, from 2016-17 onwards, to reduce on a like-for-like basis operating costs year on year, which has saved us about £700 million, fixing the roof while the sun was not shining. Our cash balances, when I became Mayor, roughly speaking, were £1.2 billion. They did not go down and they did not stay at that level. We have managed to increase cash balances to £2.2 billion. If that is not fixing the roof, I am not sure what is.



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Q494 **Chair:** Let me put it this way: you could have reinforced the roof. You would have had an extra £620 million if you had done exactly the same thing that every other part of the region does, which is increase fares by inflation because the costs of running the transport system increase by inflation in the way I have described. You chose, for political purposes, not to do that and then it feels as if you are blaming the Government for not funding you enough. Effectively, you did it all right and that decision did not make any impact at all, even though it comes in at £620 million. Surely, there has to be a bit of culpability on your part for not collecting those fares.

Sadiq Khan: The problem with your argument, both economically and based on the evidence is that, if you are right, I would expect to see in the parts of the country where you say the TOCs provide a great service and have increased fares—

Q495 **Chair:** I am not saying they provide a great service at all. I am saying that they have to increase by inflation.

Sadiq Khan: They are being rewarded for bad service, clearly. I would expect to see more passengers, more commuters using those trains and using those buses. They are not. By comparison, in London, we have managed, because of our efficiencies, to freeze fares, improve services and invest in infrastructure: the modernisation of four lines, the new Piccadilly line trains, the improvements we are making on the Northern line extension, the Bank station improvement and Old Street roundabout. That is because we spent within our means but we also managed to bring in efficiencies. I say to you, respectfully, Chair, that you talk about it being good politics to freeze the fares in 2016, but it made good economic sense as well, as shown by the evidence. You would be on surer footing if cash balances were lower and the deficit was up.

Q496 **Chair:** But you cannot give us the evidence. It would be a political success, no doubt, because it helped you get elected. When you say to people that you are not going to put prices up, they normally are very happy with that, but we all know there is a financial reckoning, but it would be economic madness because you are then £620 million short. You say that that helps you grow, but you cannot actually give us exact figures for how much that grew by.

Sadiq Khan: But we can, because we have a comparator, which is the rest of the country, where fares were not frozen. We have a comparator in the years before I became Mayor and in the years I was Mayor, and you can see, by any comparison, deficit, cash balances, like-for-like running costs—

Q497 **Chair:** So give me a figure. Your not increasing fares, we would say, on the one hand, cost £620 million, as you conceded. What did it then give you, as a figure, because it helped you grow the network—as one figure?

Sadiq Khan: Sure. I will bring in the CFO to answer the question—the chief financial officer—and then ask Gareth Powell to talk about bus



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operators across the country and what we are seeing across the country as to bus usage.

Q498 **Chair:** I want one figure. I am throwing one figure at you because we know it cost £620 million. You are saying, "We grew." I do not want a thesis or analysis. I want a figure.

Sadiq Khan: Let us have on one side of the scales £620 million, and I will accept that figure for the sake of argument. Then I will ask my CFO on the other side of the scale to show all the savings I have made and all the ways I get to more than £620 million over the last four years, and we can see whether it is value for money. Simon, I am sorry to put you on the spot.

Q499 **Chair:** Simon, can you give me that one figure?

Simon Kilonback: Yes. The figure is the reduction of the deficit from £1.5 billion to £200 million because the fares cost is contained within that net deficit reduction. The deficit reduced even though the operating grant was removed, which was £740 million a year. The total fares freeze, as the Mayor said, would have been £640 million in 2016 terms, had passenger numbers grown at the same level as they were expected to in 2016, but they have not because we have had, as the Mayor said, a reduction in bus numbers in London, but a much slower reduction in bus numbers in London than in the rest of the country. Notwithstanding all of those things, the deficit was reduced from £1.5 billion to £200 million and the cash balances were increased to £2.2 billion pre-Covid.

Q500 **Chair:** What you are saying, following what you have just given us, is that by freezing fares, while you would have raised £620 million, in fact you raised £1.3 billion.

Simon Kilonback: No. That is a very simplistic way to put it. Clearly, the reduction of the deficit from £1.5 billion to £200 million takes into account both passenger numbers and demand for passenger numbers. There are really well-established elasticities of demand for passenger numbers going back 50 years, and I will let Gareth talk about the bus service compared with the rest of the country. We know that the hopper fare, for example, has increased interchange capability for people using the buses and therefore has held up bus passenger numbers in London compared with the rest of the country.

Compared with what would have happened had we increased fares, because there is elasticity of demand, although fares in London, particularly on the tube, are significantly higher than in most other places in the world, demand continued to grow over the course of the last four years, pre-pandemic. You have to take into account all the factors that lead to fare income; it is the demand for passenger services as well as the price of passenger services. Like many organisations that are reliant on passenger income, you have to face the fact that in buses, for example, where demand is declining, something has to be done about



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prices to incentivise people to use public transport rather than cars or not make those journeys at all.

Q501 **Chair:** Thank you. Gareth, we are going to come back to buses, so I will not take that part.

The other thing I want to summarise was where Sam, I think, took evidence with regard to the political implications of the raising of congestion charging, the raising of fares and some of the other matters that have now been agreed. It seemed to me, Mayor, that you were almost stating that the charge and fare increases were an attempt to sabotage your election material. Is that too strong a way for me to describe it?

Sadiq Khan: I think negotiations would have been far smoother had the discussions taken place after an election than before one.

Q502 **Chair:** Of course, the Government may take the view that it was just to level up and make some form of level platform with regard to concessionary fares, and London and the rest of the country being the same, with fares increasing by inflation and perhaps a little more; that is the same as well. You would not see it from the angle that it makes London more uniform with the way the rest of the country has to suffer.

Sadiq Khan: The rest of the country, in proportional terms, gets far more public transport subsidy than London when you look at how contingent and reliant we are on the fares box. The rest of the country in percentage terms is nowhere as reliant on their fares box as we are.

What we have been able to do since 2005, on under-18s, and since before the mayoralty was set up in relation to concessions for older people, is to pay for those things within the budgets we have. The big game changer was the removal of the operating grant that was agreed in 2015. I had forgotten the figure, but, as Simon said, it is about £740 million a year, so that—

Q503 **Chair:** That was going to be my last point. You knew when you stood for election that that was going; as you said yourself, it was agreed by a Conservative Chancellor for the Conservative Mayor. You knew that was happening and, therefore—

Sadiq Khan: That is the point.

Q504 **Chair:** But why didn't you then make sure that fares carried on rising in the same way as they did in the rest of the country, to plug the shortfall that you bemoan?

Sadiq Khan: I am sorry, Chair, I think we are going round in circles. The point I am making is that but for the Covid-19 pandemic and the crisis, there is no need for the grant that we are talking about, or the loan facilities. That is what led to us losing £100 million a week on fares. Yes, I have a criticism about the 2015 deal, in the fact that no other city in the world has that removal of subsidy, and I suspect, during the spending



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review, we would have been speaking to the Treasury and the DFT, in the absence of Covid-19, about long-term sustainable funding for TfL going forward.

Chair: I have tried to eke that out and I am grateful for the evidence you have given to us. We are going to talk about the actual review of TfL's finances and structure.

Q505 **Simon Jupp:** As is well publicised, TfL has received over £1 billion as a support package. This comes, of course, with the review into TfL's future funding. It is an incredible sum of money, as I am sure you would agree. Do you accept and welcome the review as much?

Sadiq Khan: Yes, it is not a bad thing. I have tried since I became Mayor to be as transparent as possible. Let's be frank; none of us is the oracle of all wisdom, and if the review comes up with new ideas or the Government do, I am more than happy to listen.

Q506 **Simon Jupp:** What do you personally, as the Mayor, want to see as a result of the review? What would be the outcomes you would like to see?

Sadiq Khan: I hope the review is linked with the spending review in relation to more fiscal devolution for London. I hope it does not just think about transport but thinks about wider investment in London. I think we are going to be crucial, and we should be crucial, in recovery post Covid. I hope the review leads to recognition that it is not realistic in the short, medium or long term for fares to be so important to the running of TfL.

By the way, there are a few other things: fares, congestion charge revenue, ULEZ revenue, advertising and property. Think of them as one basket, and that basket is about 86% of our income coming in. It is unrealistic for such a big proportion of our income to be in that basket.

For the reasons that MPs from outside London have given, their constituents are unhappy about "subsidy". That is why I think the discussion should lead towards how we can have more fiscal devolution, so that there is not a feeling of unfairness among colleagues around the country and their constituents that they feel we are getting too much grant from central Government. The way to avoid that is to have more fiscal devolution, and there is a template in Boris Johnson's London Finance Commission for more devolution around, ostensibly, property taxes—stamp duty, council tax and a few other things. I am doing a disservice to the LFC report, but I am sure I can distribute the report if needs be. That is the direction of travel I am talking about.

Q507 **Simon Jupp:** The review of course comes at an interesting and challenging time. For example, the amount of money that TfL should receive as funding will be impacted by the use of services. With more employers looking to help employees work from home, do you accept that some services may not return, for example, to pre-pandemic levels, and therefore service and staffing levels may need adjustment, potentially causing less funding being required in the future?



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Sadiq Khan: On the tubes, trams and overground, no. On the buses, one thing Gareth is looking into is increasing frequency in parts of London where there is increased need, and that may lead to fewer buses in some parts of London. We are doing some work already, but it will be accelerated for the reasons you have alluded to.

One of the reasons we are keen to encourage active travel is to help fill some of that hole. Before the pandemic, roughly speaking, 64% of journeys in London were made by walking, cycling or public transport. The aim was to increase that to 80% by 2041. I am hoping it will be accelerated before 2041, and if you want examples of the reconfiguration, I am sure Gareth can explain some of that in relation to buses in particular.

Q508 **Simon Jupp:** That will cause significant job losses in the future. If you want to move people towards active travel, something I think my waistline would welcome, it will cause some significant problems for staffing and the unions you work so closely with.

Sadiq Khan: Yes and no. Over the last four years, TfL has been working closely with City Hall and my Deputy Mayor for Environment on the issue of air quality. It is arguable that, if your core business is getting passengers to use public transport, you do not want them walking and cycling; it is an economic argument, because obviously you want them using public transport and/or driving to central London because they will pay the congestion charge, and arguably you would want them to use polluting vehicles because they would pay the ultra low emission zone charge.

What we have done in TfL is try to be joined up and say that air quality is an issue for all of us, so that, even though it may not make economic sense on one hand to encourage people to walk and cycle, it makes huge sense to our city, in terms of the cost to the NHS and the cost to businesses of time off for dementia, heart disease, cancer, asthma and other issues. That is the joined-up thinking we have had across TfL on active travel.

In the short-term, yes, sure, if everyone has a compliant vehicle and they want to use their vehicle to come into central London, there will be very little money coming in from ULEZ. We have no problem with that at all. If fewer people drive to central London because they are walking and cycling or using public transport and there is less congestion charge income, that is fine for us.

We can flex TfL staff based on the needs of public transport in London. For example, I have reduced TfL's office space in London because I recognise that we do not need some of the workspace we had in previous years. It is a huge saving to TfL and the taxpayer, but we do not need it. One of the reasons why it is so important to talk to trade unions is to work with them to make those savings. That is why I am proud that we



have made massive savings, a big change, and we have had 73% fewer strikes.

Q509 Simon Jupp: You currently have a good working relationship with the unions, but what about the challenge, for example, if you have to cut the number of drivers in the future? You say that back-office staff has already changed, but if you cut the number of drivers in the future you are going to have massive problems with that. Innovation in services is going to be a significant challenge for you to get through in your tenure. Do you accept that it is going to be quite a bit of sticking plaster?

Sadiq Khan: Sticking plaster was the phrase I used for the Government deal. As to how we make ourselves more efficient, we always have to talk to trade unions and our workers because we need to take them with us.

Simon Jupp: Of course.

Sadiq Khan: I do not foresee a reduction, for example, in tube, tram and overground, and in buses, I do not see a reduction per se—

Q510 Simon Jupp: Even if significantly fewer people are using it, you would not consider not having as many staff.

Sadiq Khan: In the short-term, fewer people will use public transport, without a doubt, but in the long term we will need people to use various means to get across our city, because we have a situation where many people work in one part of London and live in another. Sure, some days of the week they will be working from home, but some days they will be going into central London.

Our culture and creative industries rely on people being in large parts of central London. In the short-term, you are right that there will be an issue in relation to fewer people using public transport, and maybe in the medium term, but our population is growing as a city. Currently, I think we are at 9 million. The projections are still that it will be 10 million by 2030, and that is before the 1.5 million people coming into London and the tourists—

Q511 Simon Jupp: Do you still see that happening? You are basing that probably on pre-pandemic figures. Do you still see that happening, given the point I made earlier about the number of people who may decide to work from home? They may, for example, have a job in London but may work from their living room in, let's say, the best part of Britain—East Devon.

Sadiq Khan: I couldn't possibly comment except to say that of course it is not.

It is a good question. We are listening carefully, and I speak regularly to employers in London; you are right that many employers are already saying to their staff, "You are not returning to work until at least January or this time next year," or whatever, so we have to recognise that in relation to flexing our services. But do not forget that for the foreseeable



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future we need to socially distance, which means that we have to provide maximum services to allow us to socially distance. I think you were critical of me, just an hour or so ago, about the difficulties caused by not socially distancing.

To give you an idea of the challenge, with 2 metres we can take, roughly speaking, between 13% and 15% on the tube. With 1 metre-plus that goes up to between 21% and 25% of passengers, about 200 passengers in an 800-passenger cabin. On our buses, with 2 metres, we are talking about passengers going from about 19% to 40%—about 30 passengers on a double-decker bus. We will still need a large number of services being provided, maximum services actually, if we are to enable people to socially distance.

It is clear from the evidence that, once people feel more confident about the virus being under control, they will return both to shopping and to work, and return to using public transport.

Q512 Simon Jupp: Personally, I feel very confident using the tube at the moment because the vast majority of people are wearing masks and are remaining socially distant. I have one final thing before I hand over to my colleague. The Prime Minister has reportedly said that driverless trains should be a condition of any future funding for TfL. Would you be willing to accept that innovation?

Sadiq Khan: I am happy to talk to the Prime Minister about it. I think he was speaking off the cuff because he knows, as a former Mayor, the challenges, which are not just the deep-line tubes and issues around safety. If we are going to bring in driverless trains in London, we would need billions of pounds of investment to get different trains, to completely remodel our stations, to completely change our signalling and to completely change our tracks. Putting aside the safety concerns, I am not sure that HMG are willing to contribute that much money on reconfiguring our infrastructure for driverless trains. In this country, the best examples of driverless trains are the monorails at airports, and maybe the DLR is a sort of example, but that sort of investment is—

Q513 Simon Jupp: Let us say, for example, that we found that magic money tree somewhere in Islington. Would you accept it as a condition? If the Government turned around and said, “Look, we have found this wonderful bunch of cash and we are willing to invest it, but we will have to reduce the number of train drivers,” would you accept it?

Sadiq Khan: Recently, I commemorated the anniversary of 7/7. It was not that long ago—15 years—and one of the things I was reminded of was the drivers who led passengers off trains in deep-line tubes. The point I would make back to you, respectfully, is that there are big safety concerns, but I am open-minded. As I said, I do not believe I am the oracle of all wisdom and I am happy to have the conversation.



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I genuinely think that the Prime Minister was speaking off the cuff. If I am wrong, I am happy to be persuaded. Even the trains that will be built in the Goole factory he visited are not fit for purpose for driverless trains. The four lines for modernisation—the procurement deals for which were signed up when he was Mayor—the Circle, District, Metropolitan and Hammersmith & City lines, will be out of date if the Prime Minister is serious about driverless trains.

The sort of moneys we are talking about, and the challenges we would have, are humongous, so I am not sure, with respect, that it is a serious conversation, but I am happy to engage.

Simon Jupp: I think innovation is a very serious thing, but I share your concerns about potential safety implications.

Chair: I am conscious that we have 40 minutes left and we want to talk about protection of passengers and the restart, but before we move on to that, Sam.

Q514 **Sam Tarry:** Mayor, thinking about lessons learned from the pandemic and measures that could be put in place to improve financial resilience, and the Government spokesperson who said recently that in fact in the north of England the money that they were spending was far greater compared with places like London, is it worth considering moving on from this kind of “Let’s play London off against the rest of country” mantra the Government seemed keen to be doing? Actually, the money that is invested here, and when things like the London Transport network are linked properly with high-speed rail in the future, is going to be a boost for the economy across the country, not just in London.

Sadiq Khan: Absolutely. By the way, I think you are absolutely right. I have never characterised it as London versus the rest, and it is important that we do not get into an argument. The rest of the country deserves more investment, not least east to west as well as north to south.

Not only is that infrastructure important for our country’s wellbeing, but TfL contributes hugely to people moving to their places of work. Jobs are really important, and wealth and prosperity, and I am proud that we have created jobs around the country. I mentioned Goole. Derby is also an important train maker. We have electric taxis being made in Coventry, our bikes are made in the east Midlands, steel from Scunthorpe is used, and buses are made in Falkirk.

Since I have been Mayor, we have made sure that we invest in UK plc, and, to give them credit, so did Boris Johnson and Ken Livingstone. That is why it is important and in our interests for there to be skilled work in other parts of the country. It is in our interests for there to be investment in other parts of country; if there is not, we suffer because it affects our supply chain.

Q515 **Sam Tarry:** Thinking ahead, do you think there are any particular



measures—hopefully, touch wood, we will not have a second peak, but we have to prepare for the worst—on the financial side, about which you want to be having a conversation with the Government now to prepare for potentially what happens later this year and into next year?

Sadiq Khan: Because of the prudent way we have run the ship over the last four years, we had in our cash balances £2.2 billion. We had £1 billion more than we were required to have. My concern going forward is about what would happen if we did not have that level of cash balances in relation to, God forbid, a second wave or another pandemic.

That is why I hope that the Government are not just talking about us washing our face, but are building the resilience we need going forward to run the day-to-day services and the infrastructure pipeline as well. You cannot turn a switch on or off when it comes to infrastructure. Robert asked a good question in relation to stopping or pausing infrastructure spend. The problem is that, if you stop or pause infrastructure spend, the problems are seen not now but down the road. That is why I hope the Government are thinking not just short term but medium to long term as well in relation to the needs of our country invested in London.

I think the National Infrastructure Commission recently said that not only Crossrail 1 but Crossrail 2 is crucial for our country. Crossrail 1 is basically east to west, Reading to Shenfield—by the way, neither, last time I checked, was in London—and Crossrail 2 is going to go from south-west to north-east; both the start and the end are outside London. You mentioned improvements around commuter trains and the rest of the country benefiting outside London, but those sorts of infrastructure projects benefit the country and are used by many commuters who are constituents of MPs around this table.

Chair: Thank you. I am coming back to you, Sam, because we want to move on to protection of passengers and workers on London Transport. You rightly talked, Mayor Khan, about the 44 people who worked for TfL or partner organisations who sadly lost their lives, and the thousands of your workforce who have put themselves right at the frontline. We pay respect and tribute to them.

Q516 **Sam Tarry:** Mr Mayor, it has obviously been a very difficult time for many of London's communities, particularly, I think, minority communities, as you know, and many frontline transport workers have sadly paid with their lives in this terrible crisis. Are there particular recommendations that you think could be implemented that would improve the safety of passengers and workers going forwards?

Sadiq Khan: First, Chair, thank you for your kind words about our staff. They really are heroes and it means a lot when the Chair of a Select Committee says what you have said about them and their colleagues in other parts of the country. I am really grateful.



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We have learned a lot during this pandemic in real time, so it is heartbreaking that 44 workers—29 bus drivers—lost their lives. I am not a virologist or an immunologist, but we know from the science that there are key factors that impact how Covid-19 reacts: age, gender and ethnicity. We have profiled our bus drivers, who are on the frontline. The average bus driver is aged 47; 90% of our bus drivers are male; and 47% are black, Asian and minority ethnic, so they are the cohort of people most susceptible to an infection leading to death.

We did a huge number of things in advance of the lockdown from the Government and during it, and we are still doing them, to make sure that public transport is as safe as it can be for commuters, passengers, and for our staff. I am happy to talk through some of the things we have done. To reassure you on a couple of things we are doing in real time, we asked UCL to do some work in relation to two things. One is the ventilation inside our buses to make sure that drivers are as safe as they can be; you will have seen the changes we have made in the Perspex screens. That has made a big difference and UCL is satisfied.

Separately, we asked the Institute of Health Equity at UCL to mark our homework: have we done everything we possibly could do to keep passengers in transport safe in real time? They will be reporting this month. Secondly, what long-term lessons can we learn in relation to non-occupational hazards based on where people live, their age, ethnicity and all the rest of it? That will be reporting in October.

Thirdly, Imperial have done some work to see whether there is coronavirus on the public transport network. I think colleagues of yours, Chair, made the point about how safe they feel. To reassure you, Imperial did some work testing for coronavirus at touch points, and in the air at a number of points, but it has found no coronavirus. That is because of the brilliant work done by our staff. The cleaners have been amazing. We have an enhanced cleaning regime, antiviral stuff, with touch points regularly done. The trade unions inspect to make sure that it is clean, and it has been. We have made huge progress, but we learn all the time.

Q517 **Sam Tarry:** Thank you. I am thinking about the particularly tragic case of Belly Mujinga, and the petition of people across the country, 2.5 million, I believe. One of the things that came out of that particularly difficult incident, about which I wrote to GTR directly and have heard absolutely zero back from them, was that there were some problems with their set-up in terms of health and safety. I accept that it is not a TfL-run service, but would you support some of the calls that have been made to ensure that frontline transport workers get some of the same provisions in terms of Government support and support for death in service that perhaps NHS workers would get?

Sadiq Khan: It is crucial. I have checked with the private bus operators who were the employers of those who lost their lives on TfL to make sure that their families are looked after. No amount of money can bring that



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person back, but families need support. To reassure you, the private companies we work with are looking after the families. You are absolutely right.

The Chair referred to the heroism of our frontline workers, including cleaners, by the way. Cleaners, bus drivers, depot inspectors and those in the stations you mentioned did an amazing job ensuring that key workers got to work, particularly during the rush hour, and their families should be looked after if they lose their lives. Similarly, staff should be given the proper protective equipment, based on the evidence, to make sure that they are safe as well.

Q518 Sam Tarry: On protective equipment and other potential measures, the World Health Organisation warned that temperature testing might have limited benefit because many people with coronavirus are asymptomatic. Are there any details of when that might be trialled, or whether it will be trialled for bus drivers?

Sadiq Khan: Yes. I think one of your colleagues referred to the importance of innovation, which I agree with completely—I think it was Simon. One of the things we are trialling is checking the temperature of staff at a number of our bus stations. I appreciate that if you are pre-symptomatic or asymptomatic you may not show a temperature, but it is part of our learning process to see if there are things we can learn from temperature. Sometimes when you go into a shop or a restaurant, they check temperatures. Some mosques and places of worship check temperatures as well. It can alert you to someone who clearly has symptoms, but what you can miss is the asymptomatic or pre-symptomatic, so we are trialling that.

Separately, we are part of a Government pilot that is testing staff who are asymptomatic to see if they have Covid-19. I welcome that level of testing. It is really important that we rapidly increase test, trace and isolate, and testing generally. With those sorts of pilots we can make sure that people are safe. You will be aware of the regular testing of Premier League footballers to make sure that they are safe, and other people as well. I think that is a good thing.

Sam Tarry: Thank you very much, Mr Mayor.

Chair: We have not heard from our former Chair Lilian Greenwood this morning, whom you will know very well, Mayor.

Q519 Lilian Greenwood: Thank you, Chair, and good morning, Mayor. The issue of face coverings has already been touched on. What is the level of compliance that you have seen across the network with the requirement to wear face coverings, and is there any variation between modes or different parts of the city network?

Sadiq Khan: Good morning, Lilian. I was nervous that you were going to say Nottingham was the best place in the world, rather than East Devon



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or London, so I am pleased you didn't, because we both know it is not true.

I have the latest figures for enforcement. Let me explain what we are doing around enforcement. Initially, we were encouraging and educating people about face coverings. You will be aware that I was lobbying the Government from early April about the importance of face covering on public transport. Last month, they finally moved and made it mandatory. I was lobbying them also about the importance of face covering in shops and other places, so I am pleased they have moved there as well. They deserve credit for moving, and I am grateful.

Our British Transport police, plus TfL enforcement officers, are doing the enforcement. The figures I have are from Monday of this week. I can tell you that 33,500 people were stopped by TfL enforcement officers. They were stopped from getting on public transport unless they put on a face covering or had a very good reason why they did not need to put one on.

The other enforcement we are doing is asking people who are on public transport who do not put on a face covering without good reason to get off public transport; 1,983 people were prevented from boarding and 475 were ejected from the service. You cannot get on, you have to get off, and the third leg of the story is fixed-penalty notices. So far, 109 fixed-penalty notices have been issued. The key enforcement is mainly taking place on buses, because we saw less compliance there. You have heard anecdotal evidence from MPs on this Committee that on the tube it is much higher. That is the evidence we have. On average, it is 90% compliant. Rush hour is higher.

Of the 10% who are not wearing face coverings, 5% have a good reason; they could be a child or they could have respiratory issues or other issues. The other 5% do not have a good reason. We will be increasing enforcement now that people know the importance of wearing face coverings. The rush hours are a particular concern, so we are asking employers, if they can, to stagger their start and end times to avoid them. The rush hours are 5.45 am to 8.15 am and 4 pm to 5.30 pm, and around those times we have more officers enforcing face coverings.

Q520 Lilian Greenwood: Obviously, there is a limited number of British Transport police and enforcement officers. What role are you expecting other transport workers to play, whether that is tube, ticket lines or drivers on the buses? What is your expectation of them and their role in relation to enforcement, encouragement or education around face coverings?

Sadiq Khan: One thing you will know well from your experience on the Select Committee, and I know that Sam did this in a previous life, is about looking after transport workers. We are keen to protect our transport workers from inadvertently being the victims of assault or abuse because they are seen as enforcement officers. Bus drivers and other frontline staff, unless they are an enforcement officer or British



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Transport police, are not enforcing in relation to fixed-penalty notices and details being taken. They are encouraging and educating.

We have massive signage on our estate, which those of you who have used public transport will have seen. We have been emailing our communities—those we have details for. We have been using Twitter and other social media as well as radio broadcasts. We have seen compliance going up and up, and it is going to carry on doing so. If bus drivers are concerned about a passenger coming on board not wearing a face covering, they alert HQ, using a device inside their cabin, and if it is appropriate and possible an enforcement officer may get on the bus later on the route, or if there is a BTP officer around, they may get on as well. We do not want or expect any of our staff to put themselves in harm's way, to be a police officer or an enforcement officer.

Q521 Lilian Greenwood: Have you found that other passengers have tried to put that expectation on your staff, if they see someone travelling on the bus who perhaps has a face covering, but has it hanging from one ear, rather than actually wearing it? Have there been any incidents or difficulties with that at all, and have any of your staff encountered any abuse as a result of even asking questions of passengers boarding without a face covering?

Sadiq Khan: There have been examples of passengers or commuters being abusive, not just to enforcement officers and BTP officers, but to our staff as well. We are asking passengers not to take the law into their own hands in relation to putting pressure on other passengers. Yes, they can courteously remind people that it is really important: "By the way, shouldn't you be wearing a face covering?", "Have you got a reason why you don't wear a face covering?", or, "You do realise that my face covering is keeping you safe, and you wearing one keeps me safe." What we do not want is passengers taking the law into their own hands, forcing others to wear a face covering when they may have good reason not to, but we encourage passengers to let staff know if they know about passengers not wearing a face covering.

None of us wants either commuters or our staff to be at the receiving end of an assault or abuse because of that, and that is why it is important to let us know, and our staff will let the enforcement officers and BTP officers know. I remind any commuters who are not wearing a face covering without a good reason that you are taking real risks with your safety. Also, we have a huge amount of CCTV across the network and we will not be afraid to use our CCTV and other technology to take action against you.

Q522 Lilian Greenwood: You already said that your estimation is that 5% of people fall into the category of being exempt from wearing a face covering. You will know that one of the things that puts disabled people off using our public transport system is negative attitudes, potentially, from other passengers or from staff, and that may range from dirty looks to actual comments or abuse. Have you done anything to try to protect



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people who are disabled and exempt from wearing a mask from some of the negative attitudes that they could encounter?

Sadiq Khan: Yes, that is a really good point. For some time, even before Covid, we started introducing a hidden disabilities badge. You may have seen the baby on board badge. The hidden disability badge helps commuters who have a hidden disability and often have to stand on a busy train when they could have seat. Similarly, we have had a campaign for passengers to look up; often, because you are reading or looking down, you do not see somebody with a hidden disability badge.

Our staff are trained to be dementia friends, and they have received training to make sure that they can help people who are disabled. There is a turn-up-and-go situation in many of our stations, so we will continue to do what we can.

There is one issue that we cannot really address, which is lip reading. It is very difficult to lip read wearing a face covering and we are not sure that we have the perfect solution. You can get transparent face coverings, but realistically, in the short term, we are not going to be able to address that particular disability. We are making sure, as part of the innovation example that Simon referred to, that we are doing what we can to address some of the concerns raised with us by disabled commuters.

We have very good contacts with disability groups, who we speak to all the time, not just in relation to this. I was concerned to ensure that Streetspace, the new cycling and walking programme, does not inadvertently cause more problems for those who are disabled.

Lilian Greenwood: Thank you very much.

Chair: Another of your former colleagues now, Grahame Morris.

Q523 **Grahame Morris:** Good morning, Mayor Khan. I would like to follow up on the very important issues of health and safety and valuing staff. Everyone on the Committee, and you yourself, have already said how appreciative they are of the efforts of staff, and we recognise the sacrifice of over 44 London Underground and bus drivers who sadly lost their lives to the coronavirus.

I want to ask you particularly about the importance of cleaning, which you mentioned a little earlier. We are all concerned about the prospects of a re-emergence, a second spike of the virus, and vital work is being done by the 2,000 cleaners who work for London Underground, meticulously cleaning the stations and the tube trains and so on. You said earlier in the Committee that they are doing terrific and amazing work and it has never been more important, and I think we all agree with that.

Many of those workers are subcontracted; they are outsourced. I am certainly aware that other big devolved transport authorities, Transport Scotland and Transport for Wales, partly in recognition of that important



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work, have said that they are going to or are likely to end the outsourcing of cleaning services so that they are delivered in-house. In relation to the earlier questions about the conditions attached to the Government package, the support package, is there anything in the negotiation and discussions that would prevent you bringing the cleaners in-house when the cleaning contract expires in 2022, if that is what you choose to do?

Sadiq Khan: Thank you very much, Grahame. It is lovely to see you.

First, can I make this point? It is not an understatement: our cleaners have saved lives. It is really important to say that. Our cleaners, before the pandemic got to its worst, were already doing world-leading, enhanced, antiviral, hospital-quality disinfecting. We piloted before anybody else longer lasting, 30-day disinfectant, which is a film that goes across key touch points. During the course of the day, they were cleaning key busy touch points, and it is really important that they were doing so.

I was concerned, early doors, that because of the contracts they were on with their employers, and because of the way statutory sick pay works, there was almost a perverse incentive for them to turn up to work when a member of their household had symptoms or when they thought they might have Covid-19. We negotiated with their employers—privatised companies—that they have to make sure they pay their staff their salary if they are off sick. To give credit to the cleaning contractors—the companies—they agreed straightaway. They could see that it was false economy not to do so; staff would go to work because they needed money to pay their bills and to put food on the table. That is an example of how, with the contractors, we have looked after our brilliant cleaners.

Whenever a contract comes to an end, we always look at whether there is a business case and it offers a better-quality service to bring it in or to continue to tender it. It happens with all our contracts and we will do so with that contract as we do with the others. What we do not and cannot do, and I would not do even if I had the moneys to do so, is buy out contracts early doors; it doesn't make sense. You are right to ask the question, and we will look at the contract when it ends to see whether it makes sense to bring it in or not.

Q524 **Grahame Morris:** Thank you for the answer. I give you credit because you were the first politician I saw on TV advocating the use of face masks on public transport, which has been adopted nationally.

In relation to the specific question I asked, there were or are preconditions. We have heard about driverless trains and about taking away concessionary fares as a precondition for Covid support from central Government. Is any such condition being applied to bringing existing tenders, for example, cleaning, which we all recognise is vital, back in-house, or is that still a matter for your discretion?

Sadiq Khan: No. When it comes to the negotiation with the Government, I think everything will be up for negotiation and discussion. I am not sure if the Government would be amenable to that, but it is not an issue for



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the Government; it is an issue for the chair of TfL, me, as to whether it makes a business case to do so in 2022, and whether it makes sense to do so in relation to improved services in a variety of issues that we consider when it comes to any contract.

There are examples under the previous Mayor where he brought contracts in-house because it made sense to do so. Tube Lines and Metroline are good examples. Arguably, Boris Johnson was the biggest nationaliser that London has ever had when he was Mayor. I cannot predict yet what I will do with the cleaners.

Grahame Morris: Thank you for clarifying that.

Chair: We will move to our final section, which is restarting London's transport. I beg your pardon, but I was supposed to bring Chris Loder in. Chris, I am so sorry.

Chris Loder: I thought you had forgotten me, Chair.

Chair: How could I? Well, I almost did. I'm sorry. It's all yours, Chris.

Q525 **Chris Loder:** Good morning, Mr Mayor, it is good to see you, and thank you for coming to speak to us. I have a few brief questions, if I may. Towards the end of May, the BBC reported that a former board member of TfL said that your operation was "institutionally unsafe in the context of coronavirus." Could you comment on that, please?

Sadiq Khan: Thanks, Chris. It is good to see you.

I have seen those comments in the media. One of the reasons I was keen to get somebody else to mark our homework was to reassure myself, not only because of the numbers of people who lost their lives but because it is important for us to check, in real time, whether we are doing all that we can; there could be a second wave or another pandemic. Sir Michael Marmot is one of the world leaders in this area. He and his team at the Institute of Health Equity at UCL are doing a piece of work in two phases. Phase 1 is, in quick time, looking at all the things we have done to see if there are any occupational hazards that have led to—

Q526 **Chris Loder:** Mayor, I am sorry to interrupt you, but what I really wanted to understand is whether you agree or disagree, and, if you absolutely disagree with him, why.

Sadiq Khan: I disagree with him because of the evidence I have had, not just from UCL and Imperial but from over the last four years. At every meeting that I chair or attend, the first item discussed is safety, whether it is Crossrail, a TfL board meeting or a regular catch-up with the commissioner. Safety is at the centre of all that we do. In fact, I have been criticised for prioritising safety when it comes to safe stopping of construction.

Q527 **Chris Loder:** In terms of the provision of PPE for frontline staff, can you



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confirm when all frontline staff were given access to PPE? I should say that the reason I am asking the question is that there are varying frontline members of staff who have reported that it was at least two months, maybe even longer actually, before they were offered it.

Sadiq Khan: You will be aware of the advice from Public Health England and the World Health Organisation, which is that personal protective equipment should be limited to health and care workers for a variety of reasons. The two biggest ones are that it can often make matters worse, in that it is counterproductive, and, importantly, that it is not effective outside care settings.

We were keen to follow the advice from PHE and WHO. We made sure that we had PPE ready. Grahame referred to my lobbying the Government to change their advice on face coverings; it was clear to me that, although a non-medical face covering does not keep me safe by wearing it, me wearing it keeps you safe because I do not pass on asymptomatic or pre-symptomatic virus. We made sure that those face coverings were available to all our staff from early May when the Government advice changed.

Q528 **Chris Loder:** I beg your pardon. You said early May was when PPE was available to all members of staff; is that correct?

Sadiq Khan: It was whenever the Government advice changed, around that time. I can get you the exact date.

Q529 **Chris Loder:** Would you be so kind as to confirm it in writing if you cannot give the exact date now?

Sadiq Khan: Absolutely. With your permission, Chair, I will make sure I give you the exact date that we made all face coverings available to staff.

Chair: Thank you.

Q530 **Chris Loder:** Finally, it was reported in the *Metro* newspaper on 3 March that at the very beginning you urged people to continue to travel on buses and on trains in London. I think it was also reported on "Good Morning Britain" that you said there was no risk in using the tube or buses, yet within two weeks we had a considerable shut-down. I wonder whether you think that message at the beginning contributed to some of the difficulties that we saw with, if you like, an excess of demand on the available capacity—scenes such as you mentioned earlier at Canning Town.

Sadiq Khan: Whenever I spoke, whether it was to *Metro* or "Good Morning Britain", it was based on the advice I received. On 2 March, I met the deputy chief medical officer, Dr Harries, and as late as 18 March SAGE was advising no risks of transmission of the virus on public transport. You are talking about something I said on 3 March.

By the way, there is confirmation from Imperial, as well as others, that public transport per se is not the issue. The issue is community



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transmission. We became aware much later that community transmission was much higher in the middle of March than was thought by the Government or the Government's advisers. The first time I attended Cobra—I can provide the Chair with the date—and found out how high community transmissions were, and at that stage half the infections were in London, I changed my advice immediately on people using public transport or people mixing in an unsafe way.

The reason for the reduction in public transport was the large numbers of staff off sick, self-isolating or shielding. We went from 97% staff availability to around 60% plus, so we made sure that we provided services that were important to keep key workers going to work. We have managed over the last few weeks and months to increase that from 60% during the worst, to 80% mid-April and more than 90% mid-May to almost 100% now.

Chris Loder: Thank you.

Chair: Thank you, Chris, and I am sorry to have taken you back, Mayor Khan. My attempts at effortlessly moving from one section to another proved hopeless. Let us restart the section entitled "Restarting London's transport".

Q531 **Greg Smith:** Thank you. I hope you will agree that restarting the economy is absolutely vital right now. London feels like a very different place when you walk around. You do not see as many people; you do not see the shops bustling or the pubs, restaurants and cafes busy. That is having a huge impact on people's livelihoods as well as their day-to-day experiences. Clearly, getting people into London or around London is vital.

We touched on the congestion charge earlier, and I appreciate what you said about putting it back where it was, and putting the ULEZ back where it was. It was part of the agreement with Government, but a lot of people were taken by surprise that almost overnight it became 15 quid a day, seven days a week, on extended hours. Had you been preparing for that change to the congestion charge for some time or was it, like a lot of things under the pandemic, put together in a bit of a hurry? What was the rationale for £15 for seven days a week for those extended hours? And can we try to look at it through the lens of answering the question I think a lot of Londoners have wanted answered for a very long time: is it about congestion or is it about revenue?

Sadiq Khan: You mentioned the importance of the restart. To reassure you, Robert Jenrick and I are working closely together. We co-chair a transition board for the reasons you mentioned; it is a really good example of central and regional government working together, and we have good representation from businesses, councils and the like.

Over the last four years, I have had a number of options for increasing the level of charges and widening the scope. It is work that takes place



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routinely at TfL. There is nothing new or exceptional about the congestion charge being a regular thing I look at. The ultra low emission zone was only brought in in April 2019, so you look at these things in the round. You will be aware, for example, that I recently made the decision to require private hire vehicles to pay a congestion charge; they had been exempt for many years. That is an example that we regularly review.

The issue was whether we should widen the scope and increase the level. That was a condition from Government. Widening the scope must mean, if one follows the definition, that Monday to Friday, 7 am to 6 pm, is not enough; you need to widen the scope, and “urgently” was the word preceding “widen the scope”. Then there was “level of the scale of charges”. The level can only be one thing—going up. I can assure you that No. 10, DfT and the Treasury did not want us to reduce the level of the congestion charge. The requirement from the Government, to get the grant and the loan, was that we must immediately reintroduce the congestion charge and urgently come up with plans to widen the scope and level of the charges.

We looked at the work that had been done on that. As I said, my Deputy Mayor is part of the taskforce that meets regularly with the Government. Separately, during that stage, there were bilateral conversations, negotiations, taking place between TfL, DfT, No. 10 and the Treasury. During those conversations, Heidi Alexander, whom some of you may know, explained to No. 10 what the intention was, and they fully supported the intention to widen the scope and the level of charges.

To Londoners who are concerned, I say that this is a temporary measure. We could not do the consultation that we would normally do when an increase happens, but, notwithstanding that, we had an impact assessment to see how it impacts people. Changes were made to exemptions, for example, for NHS workers, council workers and others who are helping during the pandemic crisis. Changes were made because of the assessment, but it was the conditions that led to the widening and the level of scope.

Q532 **Greg Smith:** Okay. I don’t think this is a controversial point of clarification because I think you said it on “Good Morning Britain”. The decision for the £15—the specific detail of the change—the seven days a week and the extended hours was yours. It was your decision to do that. Yes, the Government said, “Look at it, please,” and see where you can widen the scope, but that was your decision, wasn’t it?

Sadiq Khan: The devolved settlement that the Chair referred to is a mayoral decision. The fact that there is a sword of Damocles hanging over my head, or you can use a gun metaphor if you like, is by the bye in reality. Literally speaking, it is a mayoral decision unless there is a change in legislation.

Q533 **Greg Smith:** To dig into that a little bit, I have been doing a lot of work with the coach sector. It is a sector that has not particularly had the



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unprecedented support that is out there; there have been some companies that have fallen through the cracks. It is a sector I have been doing a lot of work with and obviously they made a lot of noise in London the other day for good reason. They are a sector that brings a lot of people not just into London but all round the country to go to the theatre, to have day trips, for tourism and for things where people come and spend their money in London's shops, bars, cafes and theatres, and so on.

They are going to be hit by the increased charge, as are people perhaps wanting to go shopping on a Sunday or go to church. A lot of Buckinghamshire residents come into London to do their shopping or for a night out or whatever. What did your impact assessment say as to the specific level of £15, as opposed to £12, £14 or £20, or whatever it might be? What did it say would be the impact on London's economy?

Sadiq Khan: I think we are in danger of applying too much science to the level of the charge. You are right that an option was to go to £13.50. Query: would that satisfy the Government in relation to the condition they had attached? I could say to the Government, "I've done what you said. I've widened the scope by going to 7.30 pm rather than 6 pm, and I've increased the level by going to £13." That would not have satisfied the Government. That is why I can tell you, without breaching confidences, that No. 10 supported both the £15 and the widening of the scope to include the weekends and to take it to 10 pm.

As to the mitigation, one big reason why 6 pm was the right time previously was for theatres, restaurants and industries that need the night-time economy, and some people may come in by car. In the short term, because of Covid, there are very few theatres, live music venues and all the rest of it, so there will probably be less impact than there otherwise would be. I suspect that an impact assessment done when there is not a pandemic would show very different results from the impact now.

You referred to weekends. I have been contacted by a number of people who just use their cars on the weekend, a good group of whom are residents in the C-charge area. Previously, residents in the C-charge area did not bother getting the exemption because they only used their car at the weekend. Now they are told that if they use their car on the weekend they have to pay the C-charge, so we have made it very easy for them to get the exemption. That is part of what we learned from the impact assessment.

The way I would characterise it is that tweaks were made because of the assessment, but the £15 and the seven days a week 6 am to 10 pm was fully supported by the Government because we had to meet the condition they had attached to the grant and the loan.

Q534 **Greg Smith:** When do you think—as a temporary measure, as you said—we are in scope for that changing?



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Sadiq Khan: We will be speaking to the Government in the lead-up to 17 October and hope that it does not go to the wire this time; I hope we can do something in advance. What I would say to your constituents and those you are working with in the coach industry, in a respectful and unpatronising way, is lobby the Government as well so that they know some of the consequences on them and their businesses of the increase in the level of C-charge and the widening of the scope.

Q535 **Greg Smith:** When would you like to be able to change it? In an ideal world where the Government let you do whatever you want, when would you like to be able to—

Sadiq Khan: Let me answer a different question. I would like to be in control of what happens sooner rather than later. I would like to be in control of that now. That is the better question, with respect. The congestion charge has not gone up in a number of years, so there is an argument that it should go up. It has not even gone up by inflation, so there is an argument that it should be looked at. I want to look at it in the round but I will give you what I am thinking about.

We do not inadvertently want a car-led recovery. What we saw when lockdown began was a big reduction in car usage—down 50%—but then it started going up to levels ahead of the levels before Covid. When we brought in the reintroduction, it went down a bit and went up again, and the new widening of the scope has meant that it has gone down a good bit.

I cannot encourage people to walk and cycle if they are worried about vehicles, so there is a balance to be struck. The key thing is for us to be in charge of making these decisions in the round rather than it being done as a revenue-raising device. It is a congestion charge to reduce congestion rather than just to raise revenues.

Chair: I am conscious of time, but hopefully you will indulge us for a little more evidence. A few more colleagues want to come in.

Q536 **Chris Loder:** Mr Mayor, do you agree with the Government's recent announcement to encourage public transport for non-essential use?

Sadiq Khan: The announcement from the Government about 1 August, do you mean?

Chris Loder: Basically, there has been a change of messaging recently from the Government. The encouragement for use of public transport was for only essential use to get to work or for key workers, but now that message is changing.

Sadiq Khan: I beg your pardon.

Chris Loder: Do you agree with that?



Sadiq Khan: Yes, we are working with the Government on messaging. The key thing on 1 August is that the Government's messaging is for employers to make the decision. We are working with employers—retail, construction and others—to try to stagger open and close times to avoid the rush hour. We are working with DFT, and HMG generally, about messaging to make sure that it is consistent.

Q537 **Chris Loder:** Thank you. I have a couple of questions for Gareth, if I may. Gareth, could you help us, please, with what you are currently projecting for passenger demand over the next two years, taking into account the coronavirus impact?

Gareth Powell: Thank you and good morning. Of course, as for every other transport operator, the level of demand in the future is very uncertain at the moment. In fact, it is more uncertain in terms of its predictability than at any time I have known in the past 20 years.

At the moment, we see a slow and steady return to both the London underground system and to buses. We are forecasting in the very short term, in the next few weeks, that that process will continue. There are a number of things in the future that we are looking at very carefully. One of those is the return of schools in September, which will increase demand for services not only for schoolchildren but for others who will be able to do other things when their children are back in full-time education.

We are looking to the future, depending on the scenarios of both the economic impact of the virus and whether or not any further restrictions need to be put in place if there is a further pandemic or a spike in the pandemic. At the moment, we have a wide range, to answer your question, of demand forecasts in planning.

Q538 **Chris Loder:** When do you expect to have a clear forecast, given what we have seen? At what point do you think we will see that clear demand forecast? Over the coming two years is the period I am looking for. At what point will you be in a position of confidence to be able to forecast demand and, therefore, revenue over the coming two years?

Gareth Powell: At the moment, we are looking at a range of different scenarios based on the factors I have just described, and we are modelling those. We are talking with the Department for Transport and others in central Government to make sure of the assumptions we need to make in each of those scenarios. That work is taking place right now and it should conclude over the next two months.

Q539 **Chris Loder:** What was the variation, between 2017 until the point of the pandemic starting, in your forecast as of 2017 and actual, in terms of passenger demand? Did the passenger demand numbers and figures meet the projections in your forecast?

Gareth Powell: They were within a very close range. I don't know whether my colleague Simon Kilonback has the precise figures.



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Simon Kilonback: Yes. Over the last two or three years, we have seen a variation from our revenue forecast in a range of 2% to 3% around the growth—

Q540 **Chris Loder:** With respect, Simon, I am sorry, but I was not really interested in the revenue number. I was thinking more about passenger numbers, because, as we know, the yields can vary.

Simon Kilonback: Very precisely, our forecasts are built on the passenger demand numbers and then the revenue is applied to it. We forecast revenue around passenger numbers in the range of 2% to 3%. That has been true, and has been seen by our own scrutiny body, the London Assembly, over the last two to three years, so our passenger numbers and forecasts have been in the range of around 2% to 3%, which is what we planned for.

Part of the reason why we had to build up cash reserves before Covid was that we were concerned about a disorderly Brexit having a much greater impact on our passenger numbers, and therefore our revenue, and the modelling assumption we had on that, from discussions with Government, was around 8% to 12%. Our cash balances provided for passenger numbers that could vary by 8% to 12%. What we saw immediately, with the introduction of lockdown in response to the Covid crisis, was a 95% reduction in passenger numbers on the tube and an 85% reduction in passenger numbers on the buses, which clearly is not something we could forecast.

Q541 **Chris Loder:** The overall passenger journeys that we saw in 2017 for the following few years appeared to level out across the wider network, so I was trying to understand the difference between your projections and the actual. I really want to understand whether you think the model you use and the forecasting devices you use are fit for purpose going ahead now that we have seen this pandemic take hold.

Simon Kilonback: Of course, pre-Covid we would have said that the elasticities of demand held true for 50 years, but clearly nobody knows what is going to happen with Covid. We are, as Gareth said, working with the Department for Transport. As recently as yesterday, the commissioner and I were speaking to the permanent secretary and asked to develop a shared model of what the revenues might be in order to have a shared understanding of that going forward. We have been working very closely since March with DFT officials and their advisers at Imperial College. Our models are based on those discussions with DFT and their advisers.

Q542 **Chris Loder:** I assume that those models and, therefore, those outputs and decisions would drive an amendment to the service provision in terms of capacity, whether it is frequency or length of train, or frequency of bus. Is that correct?



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Simon Kilonback: Not necessarily, because one of the conditions that Government have asked as part of the funding package would be to run 100%, or as close as possible, of services in order to provide safe—

Q543 **Chris Loder:** When you say of services, do you mean of actual capacity—seats—or do you mean the number of physical buses or trains?

Simon Kilonback: Gareth might want to comment on buses. The railways run to a timetable, so running 100% of the timetabled capacity to cope with what would have been the morning peak services pre-Covid is how we run the tube service. On buses, the number of passengers is different.

Gareth Powell: Most of TfL's services, to answer your question, on rail run in fixed formation, so it is not possible to run different lengths of train in the same way as it is on national—

Chris Loder: That is not entirely true for overground, for example. You have units that you can attach and detach.

Chair: Chris, can I suggest that we get some of this in writing? I am conscious of time and Karl has not spoken yet.

Chris Loder: Of course. The overall point I wanted to understand was that there is clearly a model, there are clearly outputs, and we heard from the Mayor earlier on about a very clear view that services are not to be changed. If the Mayor would like to come back, he is very welcome, but I am concerned and keen to get evidence that we do not spend taxpayers' money unnecessarily to provide a service that, in effect, is carrying around hot air. I want to make sure that we can see that that does not happen.

Q544 **Chair:** Shall we return to the Mayor on that point?

Sadiq Khan: Sure. We are keen to continue the value-for-money services that we provided, and our buses, tubes, trams and overground take far more passengers per unit than the equivalent around the country. I would say with respect to Chris there is far more hot air being used in public transport around the country than there is in London.

Chair: Karl, we have not heard from you today and I am sorry. Are you on mute?

Sadiq Khan: It is not me muting you, Karl, I assure you, to scotch any rumour that it is me.

Q545 **Karl McCartney:** Good morning, Mayor Khan. I have been listening to some of the questions that you have answered so far this morning, and you have obviously blamed the Government for lots of your woes that are in fact of your own making, in my view. One of the reasons you need to be bailed out by the Government is that you decided as Mayor to have a fares freeze across TfL and that has led to a growing income gap.



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I want to confirm that that was your decision and no one else's, and, secondly, that you made the decision to ask passengers not to present contactless cards to pay for journeys on buses. Have you or colleagues at TfL made an assessment as to how much your decision has negatively affected your TfL income total, and obviously the budget? Was the Secretary of State correct when he said the measure was unnecessary and you were in fact wrong?

Thirdly, coming back to where you were bowled some easy ones that you batted away to the boundary, you made the decision to increase the congestion charge and widen its operating hours in the evenings and at weekends, and you tried to shift the blame for that decision. How does the decision you made help the arts, tourism and the hospitality sector across the capital? I do not believe it does.

In my view, your decisions are not helping the financial situation with TfL nor the recovery of London businesses. You have made those major mistakes and that is not a good look as you seek re-election, no matter how you try to deflect it.

Sadiq Khan: Good morning, Karl. You were doing a lot of reading just then in your three questions, which I will try to answer without reading.

Karl McCartney: I had two hours to come up with that, so that's fine.

Sadiq Khan: I'll try to hit a few more sixes and boundaries, if you like.

In relation to fares, it was my decision to freeze fares and it was the right thing to do. The average London household has benefited by £200 over the last four years. We have continued to have large numbers of passengers using public transport, which has led to us bringing in record numbers of passengers. Also, over the last four years, we have made massive savings and efficiencies that have led to our deficit going down from £1.5 billion when I first became Mayor to £200 million before pandemic. Our like-for-like costs of running TfL have come down—

Q546 **Karl McCartney:** I have the answer I wanted. You said it was your decision. We can move on to the other questions as we do not have much time.

Sadiq Khan: Also our cash balances have gone up.

In relation to middle-door boarding, again, it was my decision, with the commissioner, to say to passengers, "Please use the middle doors to enter and exit." We could only do so once passenger numbers went down to a level where it was safe to do so. You will be aware that on buses in London you enter by the front door and you exit by the middle door. We had at that stage around 15% of passengers using buses, but also at that stage we had too many bus drivers losing their lives because of the pandemic.

We have taken above and beyond measures to keep our drivers and passengers safe, with enhanced antiviral cleaning, and inspection from



others, including trade union members. In London, unlike other parts of the country, we have glass Perspex separating the driver from the passenger. That has holes in it and a gap underneath for the Oyster machine, which can lead to the virus spreading. We could not change the Perspex glass, but we needed to keep our drivers safe, so we took the decision, as other cities around the world have done, to close the front door to keep passengers away from the driver, and to get passengers entering and exiting the middle door. That meant that for a period of four weeks we could not receive fares from those bus passengers, which was a four-week period in the pandemic, and you will know that we have not had any deaths, thankfully, of bus drivers for a number of weeks.

As soon as we could have the full Perspex put up, the gaps closed and the machines restored, we restored bus passengers paying fares as they have done. For the foreseeable future, I do not see passengers returning. We have roughly 35% of passengers now reusing buses. We want that to go far higher over the course of the next few weeks and months going forward.

In relation to the congestion charge, you will have seen in black and white the letter from Grant Shapps to me, where he is quite explicit in the condition attached to the grant and the loan, which is that I must reintroduce the congestion charge and urgently widen the scope of the congestion charge and increase the level of the congestion charge. I have done so because of the—

Q547 Karl McCartney: It is your decision to have done it to the levels you have done it. My question to you is how is that affecting—I would say negatively, not positively—businesses and organisations based in London that are trying to recover from the pandemic that we have just experienced? I do not think your decision helped.

Sadiq Khan: I have done so because the Government required me to. One of the reasons why I said in answer to Greg's question that I think I should be in charge of deciding the level of charges is for the very reason you are suggesting: I am more aware of the issues around the culture, the theatres, the museums, the galleries, the live music venues, the creative industries and the restaurants than, with respect, civil servants, No. 10, the Treasury or politicians.

Q548 Karl McCartney: You made the decision to increase congestion charging through the evenings and weekends, and to the level it is. It is your decision; the level and length of time is your decision.

Sadiq Khan: I am sorry, Chair, we are going round in circles. The requirement from the Government is quite clear: widen the scope of the congestion charge. "Widen the scope" can only mean extend the hours and the days, and level of the charges can only mean the fares going up. I appreciate and recognise, Karl, the metaphoric crocodile tears, but if you want to point fingers, I suggest pointing them at No. 10, rather than at the Mayor of London.



Karl McCartney: Your masterclass has been very enjoyable.

Sadiq Khan: I would say that was a six, Karl, not even a four.

Chair: Let's move to our last two colleagues. I am very conscious of time, and thank you for giving so much of yours.

Q549 **Lilian Greenwood:** If people cannot use public transport, we are interested in what they can do instead. You have already referenced the importance of cycling and walking. Do you agree with the view of London's new commissioner of transport Andy Byford that most if not all of the pop-up cycle lanes that have been created by the Streetspace programme should be considered for permanency?

Sadiq Khan: Can I first give credit to Grant Shapps and Boris Johnson for being fully committed to the active travel agenda? They have given us £55 million in financial support to push that agenda because we do not want the car-led recovery we have seen in other parts of the world. What Andy Byford, the new commissioner, was talking about—by the way, he previously ran transport in New South Wales, Toronto and New York—was that this awful pandemic provides some opportunities.

One opportunity is to accelerate the numbers of people walking, cycling and using public transport. As I said earlier, currently about 64% do so. I want that to go to 80%. My target was 2041. I think we can accelerate that because of the investment from the Government and the opportunities provided by Covid-19.

Some of the temporary measures I hope will become permanent, subject to consultation. I hope that over the next few weeks and months Londoners will see the benefits of widened pavements, safe segregated cycling, school streets and the work we are doing with councils, and will then, when it comes to consultation, respond positively. We are tweaking some of them in real time. Because we have done them quickly, we have realised that there are some unintended negative consequences, and I thank all MPs, councils and stakeholders who have got in touch with us. We will continue to make tweaks over the course of the next period.

I want to see a London where we have more people walking, cycling and using public transport. This is one way we can do so more quickly than would otherwise be the case.

Q550 **Lilian Greenwood:** As you know, the Government are piloting the use of rental e-scooters. London has a very successful bike scheme, and docked bikes are in use. What role do you think e-scooters might play in the future transport mix in London? Are you going to be part of piloting it?

Sadiq Khan: Yes, I think the Secretary of State and the Government have got it absolutely right on that, which is to pilot it—suck it and see. It is here now. The genie is out of the bottle. E-scooters are here. We do not want the situation that we see in cities across Europe; I speak



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regularly to mayors across Europe about some of the challenges. Unfortunately, in south London, a Londoner lost her life on an e-scooter.

The Government are saying they are here, so let's pilot them to see how they work and iron out any lessons going forward. We are speaking to the DFT about some boroughs in London being pilot boroughs. The regulation is key, safety is key and making it work is key. What we do not want is hired scooters being left on the pavement, making it difficult for those who are disabled and visually impaired, and making a hazard. We do not want road traffic accidents either, so it is important do it properly.

The approach from the Government appears to be sensible. There are some challenges around trails versus lanes and getting the legislation right, so we are trying to work with the Government to get a system of piloting that is sensible so that we can see whether it works before it is rolled out. I am hoping that process is one that can lead to e-scooters being used safely and efficiently across the country.

Q551 Lillian Greenwood: You will know that there are quite a lot of e-scooters on the roads of London already, albeit they are illegal. What is your view on enforcement for the use of the e-scooters that we see virtually every day on London roads?

Sadiq Khan: E-scooters are illegal to use on our roads and pavements, so, if you are doing so, you are taking a risk with your wellbeing, you could inadvertently cause serious injury and maybe death to somebody else, and you are breaking the law. Last year, the police had an operation to target people illegally using e-scooters. Not unreasonably, the police have been busy with other priorities, so we have not had the same focus and enforcement, but if any Met police officer or any TfL enforcement officer sees somebody breaking the law, they will take action, if they are able to do so. That is one of the reasons why Grant Shapps was right to look at piloting them to see if there is a way of making them work within the law and to ensure they are safe—with helmets, insurance and other issues—rather than what we have seen over the last few weeks and months, which is the illegal use of potentially very dangerous e-scooters.

Q552 Ruth Cadbury: A lot of people are reluctant to go on public transport and they know that if they drive they would be adding to congestion, so they want to walk and cycle, as do schoolchildren as well. The provision of sufficient safe space to walk with social distance on pavements and to cycle safely is a real issue. What do you see as the main challenges at the moment to rolling out adequate safe space? I think the programme is called Streetspace. Are there differences as one crosses borough boundaries, which has been my experience, and is there a difference between what boroughs are doing and what TfL is doing through the London main road network that I think you control directly?

Sadiq Khan: Ruth, I thank you, as a London MP, for your passionate advocacy of cycling for number of years. Unlike me, you haven't just started cycling recently.



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We are doing a number of things. To remind you, and for colleagues who may not be aware, TfL is responsible for only 5% of roads in London. The other 95% are under the control of the councils, so we need a coalition of the willing. The good news is that the funding we have from Government has been spread to all 32 boroughs plus the City of London Corporation, and, as I speak, there are more than 860 borough bids approved, 15 kilometres of new or operational cycle lanes, and 16,000 square metres of extra pedestrian space. We have already delivered 113 borough schemes, so we are going to work with the boroughs who are crucial partners.

As schools return in September, as I hope they do, we will have more school streets than ever before, which will encourage more children, with their parents, to scooter, cycle and walk to school. It is really important that we move to active travel going forward.

Q553 Ruth Cadbury: I asked you about what you felt the barriers were, particularly to making them permanent.

Sadiq Khan: The barriers are the concerns people have—sometimes legitimate, sometimes unreasonable prejudice—about the increased challenges of walking and cycling. The evidence we have is that increased walking leads to better business for local businesses. It is good for business. We have to persuade Westminster council why pedestrianising lots of streets is good for the businesses there, and for the council and retailers. We have to persuade councils in the west of London why increasing cycling is good for air quality, which I would say is a vote winner for them but also saves money for the NHS.

There are some challenges. I do not want to use the word nimby, because sometimes people have legitimate concerns, whether it is councillors, businesses or individuals. We have to try, in a non-patronising way, to educate them, and, using examples of success stories, get over the potential barriers.

Q554 Ruth Cadbury: Moving from walking and cycling to taxis, the taxi representatives, as you probably know, have criticised the bus-only zones that you created in the Streetspace programme. They are concerned about their passengers, and I think we are all concerned particularly about people who have no choice but to use a taxi—for instance, some vulnerable and disabled people. How concerned are you about that impact?

Sadiq Khan: I salute our black taxis. For the last 10 years, they have had a pretty rotten deal and they have been going down in numbers, vehicles and licences. We have done a lot to support the black-cab trade. I have announced today—you may not have seen it—a consultation on our bus lanes being 24 hours a day, seven days a week, and for taxis, cyclists and motor cyclists to be able to use those bus lanes. That will help the taxi trade going forward.



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Taxis are fully accessible to those in wheelchairs and are a lifesaver for many. The key thing is to allow them to have access to buildings rather than for roads that are pedestrianised to be used as thoroughfares. We also want to use the opportunity to encourage more zero-emission-capable taxis. You mentioned the barriers, but there are some carrots. Some London boroughs are saying to us, "We are really keen to have zero emission areas. We will allow taxis that are ZECs but not diesel taxis or private vehicles." It is an incentive for a taxi to move from polluting diesel taxis, with the grant from central Government and us, to zero-emission-capable taxis. They are helping with air quality and getting more passengers, and they can access areas that other taxis cannot.

Ruth Cadbury: Thank you very much, Mayor.

Q555 **Chair:** This is the very last question. With regard to Crossrail, you made the decision to cease all works rather than allow the odd surveyor and other people who could drive the project on to get on site and continue, which was obviously different from other Government construction projects.

Looking back—this is a good closing question, I hope, for you—do you regret that measure, or is there any other measure that you have worked on in the last few months that you think you could have done differently?

Sadiq Khan: I am sure there are many things, Chair, that we could have done differently, and we will learn in real time. I want to assure you that we are not complacent at all. I do not want to give the impression that we are complacent. I am very proud of TfL, but I think we should all have the humility to say, "Could we have done things differently?"

In relation to Crossrail, I am quite clear that in all our construction, as in the services we provide, safety has to be paramount. It is not true to say that all work stopped. A lot of the software upgrading still took place. We can do that safely. A lot of the assurance work has been taking place. In fact, the productivity of assurance work—we have to do a lot of assurance work around safety—has been the greatest it has been during the pandemic. It is not true to say that everything stopped.

One thing I asked my team to do, with independent experts, UCL and Imperial, is to look at what more we can do. One of the reasons I welcome working with the Government, whether it is KPMG or DFT, is to see if we can do things differently. I regularly speak to mayors and leaders across the world. The new commissioner has experience from New South Wales, Toronto and New York. He has already said to me, "Listen, I know you've always done things this way, but how about this way?" That is the attitude we need to have in running TfL, and I look forward to the report from the Select Committee. I have no doubt we will want to run with some of the recommendations you make, because I am sure that will lead to a better service, which is in all our interests.

Chair: Thank you. To use the cricketing metaphor that we have heard throughout, you have been at the crease for two and a half hours and



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given us an awful lot of evidence. Thank you, Gareth and Simon, as well.

We wish everybody well, not just in TfL but in City Hall, particularly you as the office holder who leads it forward. Thank you again for the evidence.