

Transport for London

Minutes of the Meeting

**Committee Rooms 4-5, City Hall, The Queen's Walk, London
10.00am, Wednesday 3 July 2013**

Members

Boris Johnson	Chairman
Isabel Dedring	Deputy Chair
Peter Anderson	Member
Sir John Armitt CBE	Member
Richard Barnes	Member
Charles Belcher	Member (for part)
Roger Burnley	Member
Brian Cooke	Member
Angela Knight	Member
Michael Liebreich	Member
Daniel Moylan	Member
Bob Oddy	Member
Keith Williams	Member (for part)
Steve Wright	Member

Staff

Mike Brown	Managing Director, Rail and Underground
Howard Carter	General Counsel
Leon Daniels	Managing Director, Surface Transport
Michèle Dix	Managing Director, Planning
Vernon Everitt	Managing Director, Customer Experience, Marketing and Communications
David Goldstone	Chief Finance Officer
Sir Peter Hendy CBE	Commissioner
Terry Morgan	Chairman, Crossrail Limited
Clive Walker	Director of Internal Audit
Julian Ware	Senior Principal, Commercial Finance
Shamus Kenny	Head of Secretariat

45/07/13 Apologies for Absence and Chairman's Announcements

Apologies for absence had been received from Sir Brendan Barber, Baroness Grey-Thompson DBE and Eva Lindholm. Apologies for lateness had been received from Charles Belcher. Steve Allen, Managing Director, Finance was also unable to attend the meeting.

The Mayor, Members, the Commissioner and Chief Officers recorded their congratulations to Sir Brendan Barber, who had received a Knighthood in the Queen's Birthday Honours List 2013 for his services to employment relations.

46/07/13 Declarations of Interest

The following interests were declared: Peter Anderson as a director of the Canary Wharf Group plc in relation to Crossrail and the Jubilee line upgrade; Sir John Armitt CBE as Chairman of the Olympic Delivery Authority, Chairman of National Express Group and Deputy Chairman of the Berkeley Group; Richard Barnes as a Councillor for the London Borough of Hillingdon; Charles Belcher as a member of Atos Origin Advisory Council on Transport; Angela Knight as Chief Executive of Energy UK and a director of Knight Rail; Michael Liebreich as Chief Executive Officer of Bloomberg New Energy Finance; Daniel Moylan as a Councillor for the Royal Borough of Kensington and Chelsea and Chairman of Urban Design London; Bob Oddy on taxi related issues; and Steve Wright on matters relating to private hire vehicles.

47/07/13 Minutes of the Meeting held on 27 March 2013

The minutes of the meeting held on 27 March 2013 were approved as a correct record and the Chairman was authorised to sign them.

48/07/13 Matters Arising and Actions List

The Actions List was noted.

49/07/13 Commissioner's Report

The Commissioner's report provided an overview of major issues and developments since the report to the meeting on 27 March 2013 and updated Members on significant projects and initiatives.

Sir Peter Hendy outlined the outcome of the Government's Spending Review, which included a one year cut in revenue grant by 12.5 per cent but did provide a six year capital grant and borrowing profile, which would enable TfL to deliver the capital programme set out in the Business Plan. The settlement gave an in principle agreement to devolve the West Anglia suburban rail services to the Mayor, funding for the electrification of the Gospel Oak to Barking line (as a first stage towards the extension of the line to Barking Riverside) and support for Crossrail 2. The Mayor, Members, the Commissioner, staff and TfL's supply chain had all contributed to securing a good outcome for Londoners.

Sir Peter Hendy highlighted the publication of information on the balances held on Oyster cards, which would be published on a regular basis; and a further rise in the use of contactless payments on buses. TfL was again using travel ambassadors for major events. He also commented on the development and testing of TfL's new mobile-device-friendly website and the successful issuance of a £400m bond for 32 years.

Members discussed the London Assembly's proposal that TfL allow more of its major assets to be sponsored. Sir Peter Hendy confirmed that TfL was always keen to explore ideas to increase revenue and the Commercial Development Directorate had been established for that purpose. However, any sponsorship for major assets such as stations would need to be very significant and additional to existing advertising revenue to be worthwhile.

The Mayor and Members congratulated Sir Peter Hendy on his appointment as the President of the International Public Transport Association (UITP), which reflected international recognition of the achievements of TfL.

The Board noted the Commissioner's Report.

50/07/13 TfL Annual Report and Statement of Accounts for the Year Ended 31 March 2013

David Goldstone introduced the paper, which presented TfL's Annual Report and Statement of Accounts for the year ended 31 March 2013 and sought the Board's approval of the Statement of Accounts included in the Annual Report and approval for the publication of TfL's 2012/13 Annual Report.

At its meeting on 19 June 2013, the Audit and Assurance Committee noted both the draft Annual Report and the draft Statement of Accounts. Prior to the meeting of the Board, the remuneration pages had also been shared with Members of the Committee. The issues raised by the Committee had been considered and addressed.

David Goldstone advised Members that small changes were required to pages 13 and 14 of the Annual Report to clarify that the figure on the net savings of the efficiencies programme was an in-year figure and that all savings were reinvested.

The Board:

- 1 approved the 2012/13 Annual Report;**
- 2 delegated authority to the Managing Director, Customer Experience, Marketing and Communications, to make any further design or editorial changes to the Annual Report as may be required; and**
- 3 approved the Statement of Accounts and agreed that the Chief Finance Officer would make any adjustments arising from the ongoing work prior to the auditors signing their opinion. Should any changes be required to the Statement of Accounts which, in the opinion of the Chief Finance Officer, were material, he would seek the approval of the Board to these changes.**

51/07/13 Operational and Financial Performance and Investment Programme Reports – Fourth Quarter 2012/13

David Goldstone introduced the paper, setting out the performance monitoring reports for the fourth quarter of 2012/13 (9 December 2012 – 31 March 2013).

The presentation of data in both reports had been reviewed and would be revised for the first quarter of 2013/14 to present the information in a clearer way and to be more consistent with the budget.

Members were informed that fares income for the quarter had been higher than expected. The underspend on operational expenditure comprised a number of small movements across the business. The overspend on capital expenditure in the quarter, due to an acceleration of payments for commercial agreements, had reduced the underspend for the year. The net service expenditure underspend had been largely

forecast in the Business Plan and that money was already committed to deliver the Business Plan priorities.

Mike Brown commented on the continued improvements in service performance and increased passenger demand and satisfaction across the Underground, Overground, DLR, Trams and Emirates Air Line. He highlighted the continued roll out of new rolling stock on the Hammersmith & City line, which were delivering improved reliability, and would be introduced on the District line in 2014. The progress of the Northern line signalling upgrade demonstrated the benefits of bringing the work in-house, with less disruption to passengers through fewer closures and greater reliability. The next phase would see signalling upgrades in the challenging Camden Town area and the programme was ahead of time and budget. Station upgrade work continued to progress well at Bond Street, Tottenham Court Road and Victoria. The Overground Capacity Improvement Programme was also on target to deliver higher capacity trains.

Members commented on the demonstrable benefits of capital investment which increased customer satisfaction and ridership. The impact of the Victoria and Jubilee line upgrades had helped support TfL's case for a six year funding settlement.

Leon Daniels said that a study had been commissioned on bus ridership, which would inform future investment and service delivery options. Ridership was down in quarter 4 but the underlying trend remained positive.

The Mayor had published a road safety plan as part of a range of initiatives to drive down the number of people killed or seriously injured on London's roads.

Cycling continued to increase on the Transport for London Road Network and across London, despite the worst weather for many years. The results of a Central London cycling census showed cycles making up the majority of vehicles on some roads and bridges during peak times. Work to address elements of the Mayor's Cycling Vision was progressing well, including the development of plans for a Crossrail for bikes, quiet routes and funding to encourage cycling provision in outer London boroughs. The design and build quality of the Cycle Superhighway (CS) 2 extension and new CS5 was significantly higher than previous routes.

Leon Daniels discussed the progress on replacing the Tottenham Hale Gyratory with a more pleasant road design, which would aid regeneration in the area. The work of the Roads Task Force would help accelerate the replacement of other London gyratories.

The New Bus for London had entered full time all day service on Route 24, with the entire fleet introduced overnight. Despite some initial teething problems, the performance of the vehicle was much improved and had met with a positive public response. At no expense to TfL, one of the vehicles was part of a UK Government world tour to promote great British technology.

The Board noted the reports.

52/07/13 Bank Station Capacity Upgrade Project

Mike Brown introduced the paper, and the related paper on Part 2 of the agenda. The papers provided an update on the Innovative Contractor Engagement procurement process for the Bank Station Capacity Upgrade Project (Bank SCU). Additional project and procurement authority was sought to progress to the next stage of the design, to

prepare for a Transport and Works Act Order (TWAo) submission, to continue to schedule critical enabling works to support both scheme development and the TWAo process and to continue property purchases. Procurement authority was also sought for the design and build contract for the Bank SCU.

The project would increase capacity at Bank Station, with the aim of reducing journey times and congestion. It would also provide step-free routes to the Northern line platforms from street and DLR levels and improve emergency fire and evacuation protection measures. The amounts requested were within the funding available in the Business Plan for this programme.

At its meeting on 23 May 2013, the Finance and Policy Committee had reviewed the proposals and recommended their approval.

The Board:

- 1 noted the paper and the supplemental paper on Part 2 of the agenda;**
- 2 granted Project and Procurement Authority in respect of the Bank Station Capacity Upgrade Project, as detailed in the supplemental paper included on Part 2 of the agenda;**
- 3 delegated to the Subsidiaries and TfL Officers (as described in paragraph 6 below) authority to award the contract to Dragados SA, the bidder offering the most economically advantageous offer, and to approve and finalise the terms of the contract and to authorise any documentation to be entered into in connection with the contract (including, without limitation, all agreements, deeds, guarantees, indemnities, announcements, notices, contracts, certificates, letters or other documents);**
- 4 authorised the TfL Officers and Subsidiaries to do all such other things as they considered necessary or desirable to facilitate such documentation; and**
- 5 noted that the contract would comprise two stages (where Stage 1 was the work required up until the granting of the Transport and Works Act Order and Stage 2 was all subsequent work) and that London Underground would have the right not to proceed to Stage 2 and approval would be sought from the Board if it was proposed that the work proceeded beyond Stage 1.**
- 6 The following Officers and Subsidiaries shall have delegated authority:**
 - (a) TfL Officers: the Commissioner, Managing Director Rail and Underground, Managing Director Finance and General Counsel.**
 - (b) Subsidiaries: Subsidiaries of TfL including Transport Trading Limited and any other subsidiary (whether existing presently or to be formed) of Transport Trading Limited and any of the directors of the relevant company shall be authorised to act for and on behalf of that company.**

53/07/13 Crossrail: Woolwich Station Fit-out

As Deputy Chairman of the Berkeley Group, Sir John Armitt took no part in the discussion of the paper on Part 1 of the agenda. He had not received the paper on Part 2 of the agenda and left the meeting during the discussion of that paper.

David Goldstone, Julian Ware and Terry Morgan introduced the paper, and the related paper on Part 2 of the agenda, which asked the Board to grant authority to TfL's Sponsor Board members to authorise the Crossrail Sponsors Requirements to enable the fit-out of the Crossrail Woolwich station.

Changes to the Crossrail Sponsors Requirements of a value greater than £50m and the approval of agreements associated with the fit-out of Woolwich station were matters reserved to the Board. The Department for Transport, as joint Crossrail sponsor, was also required to approve the change.

At its meeting on 23 May 2013, the Finance and Policy Committee noted the proposals and supported the recommendations to the Board. Members noted the good progress being made in negotiating the funding arrangements with the Royal Borough of Greenwich and with Berkeley Homes.

The Board:

- 1 noted the paper and the related paper on Part 2 of the agenda;**
- 2 approved the funding arrangements as detailed in the supplemental paper on part 2 of the agenda;**
- 3 authorised TfL entering into the funding agreements with Berkeley Homes and Royal Borough of Greenwich and any other documentation in connection with the fit-out of Woolwich station;**
- 4 authorised the TfL representatives on the Crossrail Sponsor Board (being the Managing Director, Finance and Director, Major Programme Sponsorship) to agree the proposed change in Sponsors Requirements, so as to enable CRL to implement the fit-out of Crossrail Woolwich station; and**
- 5 authorised the TfL Representatives, or their alternates, on the Crossrail Sponsor Board to do all such other things as they consider necessary or desirable to facilitate the above arrangements including finalising the terms of and entering into any documentation relating to the arrangements.**

54/07/13 Impact of the TfL Lane Rental Scheme

Leon Daniels introduced the paper, which updated the Board on the impact of the TfL Lane Rental Scheme, since its introduction on 11 June 2012.

The Scheme was designed to affect behavioural change so that road works on parts of the Transport for London Road Network (TLRN) were undertaken at times or in ways when they would cause the least disruption and delay to road users. It had been very effective during its first year of operation. Where road works were undertaken during peak times, the money raised was reinvested to reduce roadwork disruption.

Members supported further discussions with the Secretary of State for Transport on amending the regulations to extend the scheme across the whole of the TLRN and also to enable boroughs to use it on their major roads.

The Board noted the paper.

55/07/13 Tube Lines (Holdings) Limited Governance and Crossrail Limited Board Appointment

Howard Carter introduced the paper, which sought changes to the governance arrangements for Tube Lines (Holdings) Limited and the appointment of a TfL nominated non-executive director to Crossrail Limited.

The Board was asked to approve proposals to align the decision-making governance of Tube Lines with the rest of the TfL Group, following its successful integration into the Rail and Underground business. In light of that change and the recent redemption of the final legacy Tube Lines PPP debt, the Board was also asked to agree the dissolution of Tube Lines (Finance) PLC in due course.

Sir Peter Hendy informed Members that he was looking at ways to provide a regular update to the Board on the progress of the Crossrail project.

The Board:

- 1 approved the proposals for revisions to the governance of Tube Lines (Holdings) Limited, as described in the paper, including the dissolution of Tube Lines (Holdings) Limited in due course;**
- 2 approved the dissolution of Tube Lines (Finance) PLC in due course;**
- 3 appointed Daniel Moylan to the board of Crossrail Limited as the TfL nominated non-executive director, as provided for in the Crossrail Sponsors' Agreement; and**
- 4 authorised General Counsel to make the necessary changes to Standing Orders to give effect to the revisions described in the paper and in paragraph 2 above and to do all such things as he considers necessary or desirable to implement the revisions to the governance of Tube Lines (Holdings) Limited as described in the paper.**

56/07/13 Report of the meeting of the Finance and Policy Committee held on 23 May 2013

The Chairman of the Committee, Peter Anderson, gave an update to the Board on the meeting of Finance and Policy Committee, held on 23 May 2013.

The Board noted the report.

57/07/13 Report of the meetings of the Remuneration Committee held on 3 June and 3 July 2013

As provided for under section 100B(4)(b) of the Local Government Act 1972, the Mayor agreed that a verbal summary of the meeting of the Committee held on 3 July 2013 should be considered at the meeting. The item was listed on the agenda but the meeting was held immediately before this meeting, so it was not possible to provide any information other than a list of items to be considered in advance.

In the absence of the Committee Chair, the Vice Chairman, Daniel Moylan, gave an update to the Board on the meetings of the Remuneration Committee held on 3 June and 3 July 2013.

The Board noted the report.

58/07/13 Report of the meeting of the Audit and Assurance Committee held on 19 June 2013

In the absence of the Chairman, the Vice-Chairman of the Committee, Steve Wright, gave an update to the Board on the meeting of Audit and Assurance Committee, held on 19 June 2013.

The Board noted the report.

59/07/13 Any Other Business the Chairman Considers Urgent

There was no other business to discuss that was not included on the agenda.

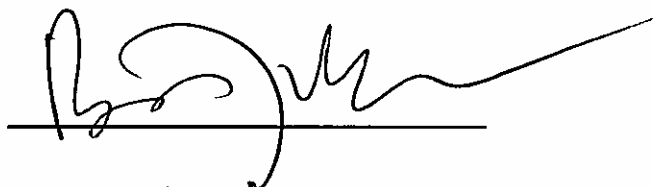
The next scheduled meeting would be held on Wednesday 3 July 2013 at 10.00am.

60/07/13 Exclusion of Press and Public

The Board agreed to exclude the press and public from the meeting, in accordance with paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended), in order to consider the exempt appendices to the papers on the Bank Station Capacity Upgrade and the Crossrail Woolwich Station Fit-out. Both of these papers contained information relating to the financial or business affairs of a person or authority.

There being no further business, the meeting closed at 12.30pm.

Chair:



Date:

03/07/13