

Date: 28 September 2015

Item 3: **Alstom Northern Line Train Service Contract: Renewal to 2027**

This paper will be considered in public

As provided for under section 100B(4)(b) of the Local Government Act 1972, the Chairman is of the opinion that this item should be considered as a matter of urgency. The reason for urgency is that a notice on the decision taken must be issued by 30 September 2015.

1 Summary

- 1.1 The purpose of this paper is to set out the contractual position regarding the renewal/non-renewal of the Alstom Northern Line Train Service Contract (NLTSC) at the end of September 2017 and to seek a decision as to whether to renew into the Secondary Usage Period which will run until 2027.
- 1.2 On 24 September 2015, the Board agreed that further information was required for Members to make a decision on this item. As a notice to either renew or not must be served by 30 September 2015, the Board delegated to the Finance and Policy Committee authority to make any decisions that are reserved to the Board for determination in relation to the Northern Line Train Service Contract.
- 1.3 A paper is included on Part 2 of the agenda, which contains exempt supplemental information. The information is exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the business affairs of TfL. Any discussion of that information must take place after the press and public have been excluded from this meeting.

2 Recommendation

- 2.1 **Under the authority delegated by the Board on 24 September 2015, the Committee is asked to make a decision regarding the renewal of the Alstom Northern Line Train Service Contract into the Secondary Usage Period.**

3 Background

- 3.1 In 1995 London Underground Limited (LUL) entered into a Private Finance Initiative arrangement with Alstom for the provision and maintenance of trains, equipment and depot works for the Northern line.
- 3.2 The contract expires in 2033 but LUL has the option to break in 2017 and 2027.
- 3.3 The trains, equipment and depot works are financed through sale lease arrangements between Alstom and the two lessor banks.

4 Renewal / Non Renewal beyond 2017

- 4.1 LUL can terminate the contract by serving notice of non renewal at the end of September 2017 or extend the contract into a secondary period which will run until 2027 by notice of renewal.
- 4.2 A notice to either renew or not must be served by 30 September 2015. Once served, the notice is irrevocable.

List of Appendices to this Report

None

List of Background Papers:

None

Contact Officer: Nick Brown, Managing Director, Rail and Underground
Number: 020 3054 4308
Email: NickBrown@tfl.gov.uk