

Transport for London

Minutes of the Finance and Policy Committee

**Committee Rooms 1 and 2, Ground Floor, Palestra,
197 Blackfriars Road, London, SE1
9.30am, Thursday 31 May 2012**

Members

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| Peter Anderson | Chair |
| Isabel Dedring | Member |
| Sir Mike Hodgkinson | Member |
| Judith Hunt | Member |
| Tony West | Member |

In Attendance

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| Charles Belcher | Board Member |
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Staff

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| Steve Allen | Managing Director, Finance |
| Howard Carter | General Counsel |
| Stephen Critchley | Chief Finance Officer |
| Geoff Hobbs | Head of Planning, London Rail Development |
| David Hughes | Director, Crossrail Joint Sponsor Team |
| Simon Kilonback | Group Treasurer |
| Roy Millard | Senior Audit Manager |
| Andrew Pollins | Director of Finance, Rail and Underground |
| David Stacey | Business Controller Management Accounts, Surface Transport |
| Julian Ware | Senior Principal, Corporate Finance |

Other Attendees

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| Terry Morgan | Chairman, Crossrail |
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| Shamus Kenny | Head of Secretariat |
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13/05/12 Apologies for Absence and Chair's Announcements

Apologies for absence were received from Claudia Arney, Christopher Garnett, Eva Lindholm, Daniel Moylan and Steven Norris.

14/05/12 Declarations of Interests

Peter Anderson declared an interest as a director of the Canary Wharf Group plc in relation to Crossrail and the Jubilee line upgrade. Sir Mike Hodgkinson declared an interest as a non-executive director of Crossrail Limited and as Chairman of Keolis UK.

15/05/12 Minutes of the Meeting held on 1 March 2012

The minutes of the meeting held on 1 March 2012 were approved as a correct record and signed by the Chairman.

16/05/12 Matters Arising and Actions List

The Committee noted the Actions List.

17/05/12 Operational and Financial Performance Report – Fourth Quarter 2011/12

Steve Allen introduced the report, which set out TfL's Operational and Financial Performance during the fourth quarter of 2011/12 (11 December 2011 – 31 March 2012).

Preparatory work was underway on a revised Business Plan, which would reflect the Mayor's priorities and manifesto commitments. Members would be briefed on proposals before receiving a developed plan in the autumn. **[ACTION: Steve Allen]**

Work to produce routine reports on the number and pay rates of consultants employed across TfL had resumed following the implementation of the organisational review. Consideration would be given to the best forum to share the information with Members. **[ACTION: Steve Allen]**

The Committee noted the report.

18/05/12 Local Government Resource Review

Steve Allen introduced the paper, which briefed Members on the expected impact on TfL of the Local Government Resource Review. This followed the publication by the Department for Communities and Local Government, on 17 May 2012, of a 'Statement of Intent' that made explicit reference to TfL's funding arrangements. The Secretary of State for Transport had written to the Mayor on 18 May 2012, to clarify that the new arrangements should not be construed as a weakening of the Government's support for TfL, and should not reduce the amount of money available to TfL over the Spending Review period. TfL was in discussion with the Greater London Authority on how the process would work, to ensure TfL's funding was not affected. TfL was also briefing the credit rating agencies regarding the proposed changes.

Officials from the Department for Transport had also written to the Managing Director, Finance to clarify that the reference in the Statement of Intent to the Bus Service Operators Grant was an "administrative error", and should not have been included in the list of grants to be devolved under the new system.

The Committee noted the proposed reforms, their likely impact on TfL's future funding arrangements, and the key outstanding issues to resolve.

19/05/12 Crossrail: Application for Transport and Works Act Order at Whitechapel

Steve Allen introduced the paper, which sought a recommendation from the Committee that the Board approve Crossrail Limited (CRL) making an application for a Transport and Works Act Order authorising acquisition and/or temporary use of land to facilitate Crossrail works at Whitechapel. It also provided information on CRL's plans for pre-application consultation at Plumstead and Paddington.

The Committee:

- 1** noted the paper and the intent to consult on seeking additional powers for Crossrail at Plumstead and Paddington;
- 2** recommended that the TfL Board approve the submission of an application for an Order under the Transport and Works Act 1992 (TWA0) to provide all the necessary land rights required to implement works and construction arrangements by Crossrail Limited (CRL) at the Whitechapel site;
- 3** recommended that the TfL Board delegates authority to the Chief Executive of CRL (or in his absence, TfL General Counsel) to:
 - (i) agree the final terms of the application (including the land and interests to be subject to the order) for the TWA0;
 - (ii) obtain the Mayor's written consent to apply for the TWA0 (as required by the Greater London Authority Act 1999); and
 - (iii) do everything else necessary, including signing and/ or sealing any documents, agreements or notices required in connection with the submission of the application and promotion of the TWA0 including responding to any objections and dealing with any public inquiry that may be held in relation to the proposals.

20/05/12 Department for Transport Reforming our Railways Paper and Consultations

Andrew Pollins and Geoff Hobbs introduced the paper, which provided information on the recent Department for Transport (DfT) documents: 'Reforming our railways: putting the customer first' paper; 'Rail decentralisation' consultation; and 'Rail fares and ticketing review' consultation. The papers formed the Government's response to the McNulty 'Rail value for money' review, published in May 2012.

The Committee discussed the draft response to the DfT's Rail Decentralisation Consultation and in particular the Mayor's interest in TfL being the franchising authority for a number of the 10 Train Operating Companies (TOCs) that ran services into London. A table, previously provided to the Rail and Underground Panel, would be sent to Members setting out the ten TOCs under discussion, their franchise renewal dates and the reasons for and against TfL seeking to be the franchising authority. **[Action: Andrew Pollins]**

The draft response to the rail decentralisation consultation would include further detail, in response to question 5, to substantiate the claim that longer distance passengers would in practice benefit from greater Mayoral control. **[Action: Andrew Pollins]**

The Committee:

- 1** noted the paper; and
- 2** noted the draft response to the rail decentralisation consultation and that any changes would be made in consultation with the Mayor.

21/05/12 Any Other Business the Chair Considers Urgent

There was no urgent business to discuss.

22/05/12 Exclusion of Press and Public

The Committee agreed to exclude the press and public from the meeting, in accordance with paragraphs 3 and 5 of Schedule 12A to the Local Government Act 1972 (as amended), in order to consider the following items of business, which contained information relating to the financial or business affairs of a person or authority and contained issues where a claim to legal professional privilege could be made.

23/05/12 Minutes of the Meetings held on 1 and 15 March 2012

The minutes of the meetings held on 1 and 15 March 2012 were approved as a correct record and signed by the Chairman.

24/05/12 Matters Arising and Actions List

~~The Committee would be updated on progress with the Crossrail Rolling Stock and Depot Procurement in the autumn of 2012.~~ **[Action: Steve Allen]**

The Committee noted the Actions List.

25/05/12 Metronet Put Options

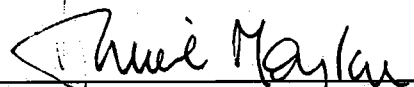
Howard Carter introduced the paper, which set out legal advice on the consequential issues in relation to the settlement of the Put Option Price to the former lenders to the Metronet Companies.

The Committee noted the paper.

The meeting closed at 10.20am.

The next meeting would be held on 11 July 2012 at 9.30am.

Chair:



Date:

