

Transport for London

Minutes of the Extraordinary Meeting of the Finance and Policy Committee

**Committee Room 4, City Hall, The Queen's Walk, London, SE1 2AA
9.00am, Tuesday 13 May 2014**

Members

Daniel Moylan	Vice Chairman (in the Chair)
Sir John Armitt CBE	Member
Brian Cooke	Member
Angela Knight	Member

Staff

Steve Allen	Managing Director, Finance
Howard Carter	General Counsel
Michèle Dix	Managing Director, Planning
Paul Doyle	Head of Projects and Accommodation, Finance (for part)
David Goldstone	Chief Finance Officer
Sarah Johnson	Head of Crossrail Joint Sponsor Team
Tricia Riley	Human Resources Director
Gareth Taylor	Recruitment Transformation Manager, Human Resources

Shamus Kenny	Head of Secretariat
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37/05/14 Apologies for Absence and Chair's Announcements

Apologies for absence were received from Peter Anderson (Chairman), Isabel Dedring, Baroness Grey-Thompson DBE, Michael Liebreich and Eva Lindholm.

In the absence of the Chairman, Daniel Moylan chaired the meeting.

38/05/14 Declarations of Interests

Daniel Moylan declared an interest as a Councillor for the Royal Borough of Kensington and Chelsea, as a Non Executive Director of Crossrail Limited (appointed by TfL) and as Chairman of Urban Design London. Sir John Armitt declared an interest as Chairman of the Olympic Delivery Authority, Chairman of the National Express Group plc, Deputy Chairman of the Berkeley Group plc and a Member of the Airports Commission. Angela Knight declared an interest as Chief Executive of Energy UK and as a Non Executive Director of William Cook Holdings Limited.

39/05/14 TfL Office Accommodation

Peter Anderson had a declared interest in this item as a member of the Canary Wharf Group. He had not received the paper on Part 2 of the agenda and was not present at the meeting and so took no part in the discussion or decision.

Steve Allen and Paul Doyle introduced the paper and the related paper on Part 2 of the agenda, which sought approval for the acquisition of a third new accommodation hub (the 'Hub').

On 26 March 2014, the Board considered a recommendation, from the meeting of the Committee on 12 March 2014, in relation to the acquisition and preferred location for the Hub. The Board requested that TfL reconsider options for the location of the Hub. The Board noted that a decision on the new Hub was required before its next scheduled meeting and agreed, elsewhere on its agenda, to delegate to the Committee authority to approve any matter reserved to the Board from 27 March to 2 July 2014.

A further evaluation had been undertaken of the previously recommended option against a Hub in Stratford, compared on the same basis as the previous evaluation with a focus on the Net Present Cost. The recommended location and property selection had been amended to reflect the output of the most recent assessment. At the meeting, Steve Allen circulated a briefing note summarising the latest position, following further discussions and movements in the commercial negotiations for the new Hub, since the papers for this meeting had been circulated.

Members discussed the risk of delay in the construction of a new hub and were assured that this would be mitigated by options to extend current leases and the timing of the sale of the Broadway complex.

The Committee:

- 1 noted the paper and the supplemental information on Part 2 of the agenda; and**
- 2 in accordance with the authority delegated from the Board:**
 - (a) approved the proposal for the next accommodation hub (the 'Hub') property at the location stated in the related paper on Part 2 of the agenda;**
 - (b) approved the acquisition by TfL and/or any Subsidiaries (as described in paragraph 3 below) of a lease for the Hub property on the terms outlined in the related paper on Part 2 of the agenda;**
 - (c) approved the expenditure relating to the office fit-out, IM infrastructure, office furniture, Stamp Duty Land Tax (SDLT) and professional fees relating to the acquisition and subsequent occupation of the Hub property, as described in the related paper on Part 2 of the agenda;**
 - (d) delegated to the TfL Officers and Subsidiaries (as described in paragraph 3 below) the authority to approve and finalise the terms (including but not limited to the financial terms outlined in the related paper on Part 2 of the agenda) of all documentation required in relation to the acquisition and fit out of and the relocation to the Hub property and authorise the agreement and execution (whether by deed or otherwise) on behalf of TfL or any Subsidiary (as appropriate) of any documentation to be entered into in connection with the acquisition and fit out of the Hub property (including, without limitation, all agreements, deeds, guarantees, indemnities, announcements, notices, contracts, certificates, letters or other documents); and**

- (e) authorised the TfL Officers and Subsidiaries to do all such other things as they consider necessary or desirable to facilitate the acquisition and fit out of the Hub property and relocation utilising existing TfL accommodation procedures to the Hub.

3 The following Officers and Subsidiaries shall have delegated authority:

- (a) **TfL Officers:** The Commissioner and/or Managing Director Finance.
- (b) **Subsidiaries:** Subsidiaries of TfL including Transport Trading Limited (TTL) and any other subsidiary (whether existing or presently or to be formed) of TTL and of the directors of the relevant company shall be authorised to act for and on behalf of that company.

40/05/14 Recruitment Services Tender – Award of Framework Agreements

Tricia Riley and Gareth Taylor introduced the paper and the related paper on Part 2 of the agenda, which informed the Committee of the approach taken to the procurement of services for the supply of temporary workers and permanent recruitment services to TfL over the next four years and sought authority to award seven framework agreements.

Under Standing Orders, the value of the framework agreements required approval by the Board. On 26 March 2014, the Board delegated to the Finance and Policy Committee authority to approve any matter reserved to the Board from 27 March to 2 July 2014.

Members discussed the operation of the contracts, the balance between the supply of labour by Master Vendors and the second tier and the significant savings achieved by simplifying the existing arrangements. The Committee suggested that the Human Resources Director discuss with the Managing Director Finance if the level of resource proposed to be provided by the Master Vendors was required, given the simplification of the contracting arrangements.

The Committee:

- 1 noted the paper and the related paper on Part 2 of the agenda;**
- 2 noted that there was sufficient financial authority in the TfL Business Plan to cover the estimated cost of £650m; and**
- 3 In accordance with the authority delegated from the Board, the Committee:**
 - (a) approved the award of seven framework agreements (the Agreements) for the supply of temporary workers and permanent recruitment services, with Procurement Authority of £650m, to the suppliers identified in the paper on Part 2 of the agenda;**
 - (b) authorised the TfL Officers and the Subsidiaries (as described in paragraph 4 below) to finalise the terms of the Agreements;**
 - (c) authorised the agreement and execution (whether by deed or otherwise on behalf of TfL or any Subsidiary (as appropriate)) of any documentation to be entered into in connection with the completion and implementation of the**

Agreements and any of the matters referred to in them (including, without limitation, all agreements, deeds, guarantees, indemnities, announcements, notices, contracts, certificates, letters or other documents); and

- (d) authorised TfL Officers and Subsidiaries to do all such other things as they consider necessary or desirable to facilitate the execution and implementation of the Agreements and the matters referred to in them.**

4 The following Officers and Subsidiaries shall have delegated authority:

- (a) TfL Officers: the Commissioner, Managing Director Finance, General Counsel and the Chief Finance Officer; and**
- (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.**

41/05/14 HS2 Hybrid Bill and Petitioning

Michèle Dix introduced the paper, which described the progress that had been made with the Department for Transport (DfT) and HS2 Limited on agreement to protect TfL's assets from the impacts of HS2, which was being promoted in parliament through the High Speed Rail (London to West Midlands) Bill (the Bill).

Good progress has been made with the DfT over what were very complex interfaces between HS2 and TfL's assets in the form of draft protective provisions agreements. Authority to lodge petitions against the Bill would protect TfL's interests and its negotiating position, particularly as parts of the Bill would need to be redesigned in light of the Higgins Review. TfL was particularly keen for the Bill to include provision and funding by HS2 for an Overground link at Old Oak Common, which was key to the connectivity business case for the project. TfL also wanted provision in the Bill for a HS1-HS2 link connection at a later stage.

Under Standing Orders, authority to lodge petitions required approval by the Board. On 26 March 2014, the Board delegated to the Finance and Policy Committee authority to approve any matter reserved to the Board from 27 March to 2 July 2014.

The Committee:

- 1 noted the paper, including that TfL was seeking protections through the proposed protective provisions agreements; and**
- 2 in accordance with authority delegated from the Board, authorised the TfL Officers defined in paragraph 3 authority to:**
 - (a) oppose any aspects of the High Speed Rail (London to West Midlands) Bill on behalf of Transport for London by lodging petitions against it;**
 - (b) obtain the written consent of the Greater London Authority to such petitions, as required by the Greater London Authority Act 1999;**
 - (c) finalise the terms of such petitions prior to being lodged; and**

(d) do all such other things they consider necessary or desirable to facilitate the satisfactory conclusion of the matters relating to protection of Transport for London's assets as described in this paper.

3 The following TfL Officers shall have delegated authority: the Commissioner, Managing Director Finance, Managing Director Planning and General Counsel.

42/05/14 Any Other Business the Chair Considers Urgent

There were no other additional items of business raised.

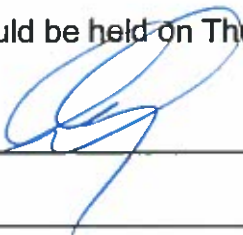
43/05/14 Exclusion of Press and Public

The Committee 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: TfL Office Accommodation and the Recruitment Services Tender – Award of Framework Agreements.

The meeting closed at 10.00am.

The next meeting would be held on Thursday 5 June 2014 at 10.00am.

Chair:



Date:
