

TRANSPORT FOR LONDON

FINANCE AND POLICY COMMITTEE

SUBJECT: CROSSRAIL – CHANGES TO THE SPONSORS AGREEMENT TO ADDRESS SPECIFIC LAND ISSUES

DATE: 19 JANUARY 2012

1 PURPOSE AND DECISION REQUIRED

- 1.1 The purpose of this paper is to propose that the Committee recommends to the Board that it approves the principle of, and makes certain delegations in respect of, TfL amending the Sponsors Agreement so that certain leasehold interests at Woolwich, Paddington New Yard East and Paddington New Yard West, acquired by the Secretary of State for Transport (SoS) for Crossrail purposes, can be transferred to TfL under the existing Crossrail Act 2008 transfer scheme.

2 BACKGROUND

- 2.1 In November 2008, the Board approved TfL's entry into a suite of agreements related to the Crossrail Project between, variously, the SoS, Crossrail Ltd (CRL) and TfL ('the Core Agreements'). The Core Agreements were signed in December 2008 and, under TfL's Standing Orders, the approval of any changes to them is a matter reserved to the Board.
- 2.2 One of the Core Agreements, the Sponsors Agreement, made provision for TfL to elect to take ownership, and for the SoS to require TfL to take ownership, of certain land acquired by the SoS for Crossrail purposes. It also obliged the SoS to make a transfer scheme under the Crossrail Act 2008 to facilitate the transfer of ownership to TfL. The necessary transfer scheme ('the Existing Transfer Scheme') was duly made on 4 December 2008 and various land interests acquired by the SoS for Crossrail purposes were transferred to TfL under that scheme.
- 2.3 Since the Sponsors Agreement was entered into, the SoS has acquired certain leasehold interests at Woolwich, Paddington New Yard East and Paddington New Yard West for Crossrail purposes (the Residual Land Interests). It was not anticipated at the time that the Sponsors Agreement was entered into that the Residual Land Interests would need to be transferred to TfL, but conditions and agreements have subsequently changed.
- 2.4 It was originally expected that the land interests at Woolwich would be dealt with as part of a transaction that the SoS had agreed in principle with Berkeley Homes and the LDA to facilitate the delivery of a Crossrail station box at Woolwich. The terms of this transaction have subsequently changed and the arrangements have been re-documented with TfL as a party. This has led to TfL having a role in dealing with the Woolwich land interests.
- 2.5 The land at Paddington New Yard was not initially going to be transferred to TfL because it originally formed part of the Crossrail railway that was destined to be

vested in Network Rail. A change in the scope of the works that will make up the Central Core Area, which is to be owned by TfL, has altered the position.

- 2.6 It is proposed that the Residual Land Interests will be transferred to TfL under the Existing Transfer Scheme in the same way as the other land acquired by the SoS but the current wording of the Sponsors Agreement does not provide for this. In the absence of the SoS making a further Crossrail Act transfer scheme, which would involve a considerable investment of time and resources on the part of DfT, the best way to resolve the issue is to agree suitable amendments to the wording of the Sponsors Agreement.
- 2.7 While considering the issue of the transfer of the Residual Land Interests, it has been noticed that there is a typographical error in Sponsors Agreement provisions dealing with the grant to LU of a long lease of the new station at Paddington Triangle. As currently drafted, the Sponsors Agreement suggests that this new station is one of the shared LU-Crossrail stations. The station will actually form part of the LU network only and it is appropriate to take this opportunity to update the Sponsors Agreement.

3 PROCESS OF AGREEING THE CHANGES TO THE SPONSORS AGREEMENT

- 3.1 TfL and DfT have begun discussing the changes to the Sponsors Agreement that are required to clear the way for the Residual Land Interests to transfer to TfL under the Existing Transfer Scheme and correct the typographical error referred to above.
- 3.2 Detailed discussions between TfL and Department for Transport officers will be required in order to agree the final wording. It is proposed that authority be delegated to General Counsel to finalise the changes to the Sponsors Agreement.

4 RECOMMENDATIONS

- 4.1 The Committee is asked to:
 - (a) NOTE the paper; and
 - (b) RECOMMEND to the Board that it:
 - (i) AUTHORISE changes to the Core Agreements described in this paper; and
 - (ii) DELEGATE authority to General Counsel to approve the final form of such changes to the Core Agreements and to execute any documents recording these changes on TfL's behalf.

5 CONTACT

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