

Transport for London

Minutes of the Meeting

**Committee Rooms 4 and 5, City Hall, The Queen's Walk, London
11.30am, Wednesday 1 July 2015**

Members

Boris Johnson MP	Chairman (from Minute 47/07/15)
Daniel Moylan	Elected Chairman for the meeting for Minutes 43-46/07/15
Peter Anderson	Member
Richard Barnes	Member
Charles Belcher	Member
Brian Cooke	Member
Baroness Grey-Thompson DBE	Member
Angela Knight	Member
Michael Liebreich	Member
Eva Lindholm	Member
Keith Williams	Member
Steve Wright	Member

Staff

Steve Allen	Managing Director Finance
Sarah Atkins	Commercial Director, Rail and Underground (for Minute 57/07/15)
Mike Brown	Managing Director Rail and Underground
Howard Carter	General Counsel
Leon Daniels	Managing Director Surface Transport
Michele Dix	Managing Director Crossrail 2
Vernon Everitt	Managing Director Customer Experience, Marketing and Communications
Stuart Harvey	Sub-surface Programme Director, London Underground (for Minute 57/07/15)
Sir Peter Hendy CBE	Commissioner
David Hughes	Director of Major Programme Sponsorship, London Underground (for Minutes 54-57/07/15)
Roy Millard	Senior Audit Manager (for Director of Internal Audit)
Terry Morgan	Chairman Crossrail Limited
Andrew Pollins	Interim Chief Finance Officer
Shamus Kenny	Head of Secretariat

43/07/15 Apologies for Absence and Chairman's Announcements

Apologies for absence had been received from the Deputy Chairman, Isabel Dedring, Sir John Armitt CBE, Sir Brendan Barber, Roger Burnley and Bod Oddy. Richard de Cani, Managing Director Planning was also unable to attend the meeting.

Election of Chairman for the meeting

Apologies for lateness had been received from the Mayor. In the absence of the Deputy Chairman, the Board elected Daniel Moylan as Chairman for the meeting until the

Mayor arrived. Consideration of the Commissioner's Report was deferred until the Mayor was present.

44/07/15 Declarations of Interest

The following interests were declared: Peter Anderson as a director of the Canary Wharf Group plc; Charles Belcher as a member of Atos Origin Advisory Council on Transport; Baroness Grey-Thompson as a member of the London Legacy Development Corporation; Michael Liebreich as Chairman of the Advisory Board of Bloomberg New Energy Finance; Daniel Moylan as a Councillor for the Royal Borough of Kensington and Chelsea, Chairman of Urban Design London and a non-executive director of Crossrail Limited (appointed by TfL); and Steve Wright on matters relating to private hire vehicles.

45/07/15 Minutes of the Meeting held on 26 March 2015

The minutes of the meeting held on 26 March 2015 were approved as a correct record and the Chairman was authorised to sign them.

46/07/15 Matters Arising, Actions List and Use of Delegated Authority

Howard Carter introduced the item.

On 17 June 2015, the Finance and Policy Committee had used the authority delegated by the Board on 26 March 2015 to approve matters in relation to London Overground train procurement.

The Board noted the actions list and the exercise by the Finance and Policy Committee of authority delegated by the Board.

47/07/15 Commissioner's Report

The Mayor announced that this was Sir Peter Hendy's last meeting as Commissioner, before he took up his appointment as Network Rail's Chairman from 16 July 2015.

The Mayor paid tribute to Sir Peter for the work he had done as Commissioner and previously as Managing Director Surface Transport. Among the many highlights had been TfL's success in meeting the transport needs of the London 2012 Games, which had substantially increased London's reputation abroad.

The Mayor expressed his personal gratitude to Sir Peter Hendy for the way he had educated the Mayor on transport matters and its essential role in enabling social mobility and for his determination in negotiations with HM Treasury that secured capital funding both for Crossrail and for the modernisation of the London Underground network. Sir Peter Hendy would rightly be recognised among the distinguished leaders of Transport in London and its predecessors. The Board echoed these sentiments and expressed their best wishes for his new role. Sir Peter Hendy thanked the Mayor and Members and acknowledged the help and support of all his colleagues in TfL.

A recruitment process would commence shortly for the role of Commissioner. The Board was asked to appoint Mike Brown as the interim Commissioner until a permanent appointment was made.

Sir Peter Hendy introduced his report, which provided an overview of major issues and developments since the report to the meeting on 26 March 2015, and updated Members on significant projects and initiatives.

The key issues arising from the overview and discussion were:

- (a) TfL's funding was being impacted by Government-wide cuts in public expenditure. On 4 June, TfL's General Grant was cut by £31m in 2015/16 and further reductions were expected as a result of the Spending Review across Government to be announced in the Budget on 8 July 2015;
- (b) the Northern line extension to Battersea had taken a significant step forward with the award of the contract to design, manufacture and deliver two tunnel boring machines. Work would start in 2016 and the extension would support 24,000 new jobs and more than 18,000 new homes;
- (c) work to improve road safety by targeting major risks continued. Freight operators, councils and transport officials had met to discuss how to achieve safer and more efficient deliveries. The Safer Lorry Scheme, which required HGVs to be fitted with essential safety equipment, was due to start operating in September 2015. Information led action, targeted on particular classes of vehicle, had substantially reduced the proportion of drivers and operators that were prepared to break the law. However, TfL recognised that the biggest step forward in reducing the risk in the operation of HGVs was to improve cab design to eliminate blind spots and it was encouraging its own contractors to use the best designed vehicles;
- (d) TfL continued to lead the market on the use of cashless payments. It was currently consulting on whether passengers should always have the option of paying for taxi journeys by card and would be pioneering the use of Apple Pay for TfL services later in July 2015. TfL continued to look at how these options were best explained to users, particularly foreign visitors;
- (e) on 15 July 2015, TfL and the London Transport Museum would launch an 18 month "Transported by Design" programme to celebrate the role good transport design played in the lives of Londoners. The programme was funded entirely through sponsorship;
- (f) big data was increasingly important to TfL. Big data sets were being brought together to enable TfL to respond quickly to changing transport needs, improve network and interchange planning and coordination and to review the impact on customers of closures and diversions. TfL was also committed to an open data policy through its Developer's Area on tfl.gov.uk and the London Datastore;
- (g) TfL was marketing for lease the former Down Street station and had secured planning permission for converting 55 Broadway into offices and residential accommodation. Members would be informed of the proposed timescale for vacating the Broadway building; **[Action: Steve Allen]**
- (h) Martyn Loukes, Business Development Manager and Chair of TfL's LGBT+ staff network, OUTbound had been awarded a British Empire Medal in the Queen's Birthday Honours in recognition of his services to TfL and the LGBT+ community. The Late Sir Peter Hall, a celebrated planning expert, had been honoured by having a London Overground train named after him, in recognition of his

contribution to London's development and the planning of its transport infrastructure.

- (i) the Airports Commission had just published its report recommending the Heathrow option. TfL would continue to make the case that this was not the right solution;
- (j) the Commissioner had concluded his two-year term as President of the UITP (International Union of Public Transport). His election represented a significant renewed interest worldwide in the progress made in London's transport, particularly since the establishment of the mayoralty in 2000. UITP members had been particularly interested in TfL's innovations, open data and how it secured private finance for projects like Crossrail;
- (k) for the new session of Parliament, the TfL Bill would be reintroduced, which would give it more flexibility in financing matters. TfL was also seeking the introduction of clauses into other Bills to regulate pedicabs, and control the number of licenced taxis and private hire drivers and vehicles;
- (l) Members congratulated the Treasury team for TfL's first Green Bond;
- (m) Members discussed Crossrail's work with apprentices and its ambition to get as many as possible into permanent employment. HS2 would replicate that challenge. Members were also updated on the successful apprenticeship schemes in TfL within Rail and Underground and Surface Transport; and
- (n) Crossrail Limited was in discussion with the London Museum about how to make available for public viewing some of the many archaeology finds uncovered during the construction of the Crossrail project.

The Board noted the Commissioner's report and appointed Mike Brown as the interim Commissioner for Transport from 16 July 2015.

48/07/15 Operational and Financial Performance and Investment Programme Reports – Fourth Quarter, 2014/15

Steve Allen, Mike Brown, Leon Daniels and Terry Morgan introduced the paper, which informed the Board of TfL's Operational and Financial Performance and presented the Investment Programme Report for the fourth quarter of 2014/15 (6 December 2014 – 31 March 2015). At its meeting on 17 June 2015, the Finance and Policy Committee had considered the reports.

The highlights from the reports included:

- (a) TfL had remained very close to its year-end Budget. The small underspend evident from the Quarter 3 reports had been taken into account when the 2015/16 Budget was set;
- (b) customer services were being transformed across the London Underground network through the Fit for the Future Stations programme. Over 2,000 staff had been through the new training programme and the 93 stations that had moved staff out of ticket offices or added Visitor Information Centres were showing higher customer satisfaction scores;

- (c) from 31 May 2015, TfL took over the operation of some West Anglia inner suburban services and TfL Rail operated the line between Liverpool Street and Shenfield, which would form part of the Crossrail service. TfL offered a turn up and go service on these lines and was upgrading stations to the higher Overground standard. The trains that TfL inherited from the leasing company Angel Trains had major reliability issues. This was being addressed but would take time. TfL had awarded a contract for new rolling stock for these services to Bombardier and these would be delivered in 2018;
- (d) major work was being undertaken on the modernisation of Vauxhall station, which would include step-free access and there would be a three week blockade on the Seven Sisters to Walthamstow Central section of the Victoria line in August to increase line capacity to 36 trains per hour;
- (e) Members commended staff and contractors on completing technically complex repair works to the Baker Street to Bond Street tunnels with minimal disruption to service users. As part of its track programme London Underground had also pioneered a low frequency technique to break concrete with greater precision but reduced noise, dust and disturbance; and
- (f) the major life-extension renovation of the Hammersmith flyover would be completed in the summer. It was a tribute to TfL's staff and contractors that the technically challenging work had been completed below the estimated final cost and with road closures kept to an absolute minimum;
- (g) good progress was being made on the east-west and north-south segregated Cycle Superhighways (CSH). The CSH 2 extension was progressing well and the bi-directional section of CSH 5 across Vauxhall Bridge had opened. Work on the route from Liverpool Street to Tottenham Hale would start soon;
- (h) in addition to the major high profile traffic schemes, TfL worked closely with local authorities to deliver vitally important local schemes across London, such as the junction redesign at Malden Rushett;
- (i) the 43km of Crossrail project tunnelling had been completed following the breakthrough at Farringdon. The work was completed on budget and within a month of the forecast made five years previously. The next phase was the challenging installation work; Whitechapel station was progressing well with help from TfL;
- (j) five million tonnes of spoil from the Crossrail project tunnelling had been deposited on Wallasea beach to create a wet bird reserve and enhance flood defences for Burnham on Crouch;
- (k) operational performance remained strong across most services, with DLR departures over 99 per cent over time. Overground reliability had been affected by the impact of Network Rail's work at London Bridge station on Southern Railways services. Major road works were affecting bus excess wait time measures and bus ridership due to the impact on journey time reliability. It was anticipated that once the major programme of roadworks was completed the passenger numbers would improve; and
- (l) safety and security had improved over the year on all services and customer satisfaction was at record breaking levels on the London Underground.

The Board noted the TfL Operational and Financial Performance and Investment Programme Reports for quarter four 2014/15.

49/07/15 TfL Annual Report and Statement of Accounts for the Year Ended 31 March 2014/15

Andrew Pollins introduced the paper which presented TfL's Annual Report and Accounts for the year ended 31 March 2015. Approval was sought for the Statement of Accounts included in the Annual Report and for the publication of TfL's 2014/15 Annual Report. The external Auditors had reviewed the Accounts and TfL expected to receive an unqualified audit opinion, with no control issues identified.

On 16 June 2015, the Audit and Assurance Committee considered the Annual Report and the Statement of Accounts for the year ended 31 March 2015 and endorsed the recommendations in the paper. The Committee discussed the pensions deficit and noted that the cash reserves were allocated in the Budget for items in the investment programme.

The Board was also asked to approve the extension of the parent company guarantee, given in 2014, which enabled the majority of the companies with the TfL Group to claim exemption from audit of their accounts. The exemption had saved TfL around £190,000 per annum in audit fees and a significant amount of staff time.

Members commended the clarity of the Annual Report.

The Board:

- 1 approved the 2014/15 Annual Report;**
- 2 authorised the Managing Director, Customer Experience, Marketing and Communications, to make any further design or editorial changes to the Annual Report as may be required;**
- 3 approved the Statement of Accounts and agreed that the Interim Chief Finance Officer would make any adjustments arising from the work prior to the auditors signing their opinion. Should any changes be required to the Statement of Accounts which, in the opinion of the Interim Chief Finance Officer, were material, he would seek the approval of the Board to these changes; and**
- 4 approved the extension, for the year ended 31 March 2015 and all subsequent years and in respect of all subsidiary companies of Transport Trading Limited, of the approval given by the Finance and Policy Committee (acting under delegated authority from the Board) on 5 June 2014 in relation to the giving of parent company guarantees in respect of the liabilities of any of its subsidiary companies as provided for in section 479A of the Companies Act 2006 (which approval may be withdrawn by the Board).**

50/07/15 Strategic Risk Management and Assurance Annual Report 2014/15

Steve Allen introduced the paper, which summarised the key strategic risk management activity undertaken within TfL up to March 2015. The quarterly Strategic Risk

Management updates to the Audit and Assurance Committee provided a fuller description of the individual risks and mitigations.

On 16 June 2015, the Audit and Assurance Committee considered the Annual Report. No issues were raised for the attention of the Board.

The Board noted the Strategic Risk Management and Assurance Annual Report 2014/15.

51/07/15 Crossrail 2

Michèle Dix introduced the paper, which provided an update on the current status of Crossrail 2 and sought approval for an increase in Project Authority for the current phase.

On 17 June 2015, the Finance and Policy Committee endorsed the recommendations in the paper.

The Board noted the paper and:

- 1 granted revised Project Authority of £16.7m to conclude the current phase of planning activity; and**
- 2 noted that once the outcome of the Spending Review was known, a further update would be provided on the financial implications and that further authorities would be sought in due course.**

52/07/15 Bus Stops and Shelters

Leon Daniels introduced the paper and the related supplemental information on Part 2 of the agenda, which described the outcome of the procurement for the provision of supply, installation and maintenance services for bus shelters, stops, poster frames and other associated on-street infrastructure, including advertising rights. The paper sought approval of the award of contracts and related authorities.

On 17 June 2015, the Finance and Policy Committee endorsed the recommendations in this paper.

Members were advised that a robust procurement process had driven down costs and secured a much better outcome than the previous arrangements.

The Board noted the paper and the supplemental information on Part 2 of the agenda and:

- 1 approved entering into agreements for up to eight years for the supply, installation and maintenance services for bus shelters, stops, poster frames and other associated on-street infrastructure, including advertising rights agreements (the Agreements) as follows and further described in the paper on Part 2 of the agenda: [Note – ST will be providing the names of the successful contractors to include in the published minutes]**
 - (a) Advertising Shelters – Supply & Install: Trueform Engineering;**
 - (b) Shelter Advertising Rights Concession: J C Decaux;**
 - (c) TfL Publicity Posting: Mitie;**

- (d) **Non Advertising Shelters – Supply & Install: Trueform Engineering;**
 - (e) **Stops – Supply & Install: Trueform Engineering;**
 - (f) **Shelter Electrical Maintenance: Skanska;**
 - (g) **Shelter Painting: Dabs; and**
 - (h) **Cleaning and Graffiti Removal at Shelters, Stops, LRS Piers, Traffic Control Equipment: Mitie;**
- 2 **approved Procurement Authority up to a value of £128.5m for Asset and Maintenance, supply and services which included an additional £11.68m (10 per cent of the current Gross Cost estimated final cost) tolerance to manage Asset and Maintenance variables over the term of the contracts, and £315.5m for Advertising Income;**
 - 3 **authorised the TfL Officers and the Subsidiaries (as described in paragraph 6 below) to agree and finalise the terms of the Agreements including the provision of any ancillary guarantees, bonds or other agreements by TfL;**
 - 4 **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 therein (including, without limitation, all agreements, deeds, guarantees, indemnities, property or other licences, announcements, notices, contracts, certificates, letters or other documents); and**
 - 5 **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.**
 - 6 **The following Officers and Subsidiaries shall have delegated authority:**
 - (a) **TfL Officers: the Commissioner, Managing Director Finance, Managing Director Surface Transport, General Counsel; 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.**

53/07/15 2014 Year of the Bus

Leon Daniels introduced the paper, which summarised the activity and outcomes that TfL and the London Transport Museum (LTM) used in 2014 to mark a number of significant milestones for the bus industry. The celebrations had been entirely funded by sponsorship and the bus sculpture project had raised over £100,000 for three charities: Kids Company, the LTM and Transaid.

Independent research demonstrated that the events had been well received and had raised the profile of the vital role that buses play in the economic and social wellbeing of London and how the use of technology improved passenger services.

The Board noted the paper.

54/07/15 Croxley Rail Link

Mike Brown and David Hughes introduced the paper, which sought approval of the relevant authorities for the delivery of the Croxley Rail Link project. On 26 March 2015 the Mayor had directed TfL to assume full responsibility for delivering the project and to make arrangement for the transfer of the project from Hertfordshire County Council (HCC) to TfL. The decision was fully supported by the Department of Transport (DfT), HM Treasury and Hertfordshire County Council (HCC).

The Board was asked to approve: the transfer of necessary Croxley Rail Link delivery and Transport and Works Act Order obligations from HCC to TfL; the entering into of appropriate agreements with HCC to facilitate the transfer of Croxley Rail Link, its funding and delivery generally; the requirement for a railway access agreement and station access agreements with Network Rail and the train operating companies respectively; the acquisition of land required for construction and operation of the Croxley Rail Link and note the DfT funding arrangements. It was also asked to approve increases in Financial and Project Authorities for the scheme.

The DfT had approved funding of £284.40m for the scheme, of which TfL was providing £46.50m of unbudgeted funding. TfL was responsible for all costs in excess of the DfT approved funding level of £284.40m. The estimated final cost of the project was £284.40m at P50.

In line with standard practice, the unbudgeted Financial Authority being sought equated to the P80 estimate of £304.68m. The difference between the P80 and P50 estimates (£304.68m and £284.4m respectively) would be held as a central contingency.

On 17 June 2015, the Finance and Policy Committee endorsed the recommendations in the paper. The Committee had discussed the high risk of the project given its history and that TfL had not yet seen the detailed contracts for the design and construction of the scheme, which had already been let. TfL would examine the scope of the project to seek to get best value. The Committee also sought assurance on the certainty of the various funding streams for the project. The project would be kept under review and a further paper submitted to the Committee once the contracts had been reviewed.

The Board noted the paper and:

- 1 supported the transfer of Croxley Rail Link delivery and associated Transport and Works Act Order obligations from Hertfordshire County Council (HCC) to TfL in line with the direction issued by the Mayor on 26 March 2015;**
- 2 approved the requirement to enter into appropriate agreements with HCC to facilitate the transfer and delivery of Croxley Rail Link subject to due diligence, in particular to cover its funding, its delivery and associated matters and approve the entering into of such agreements with third parties as may also be necessary or desirable to implement the transfer and facilitate delivery;**
- 3 approved the requirement to enter into a regulated track access agreement and connection agreement with Network Rail (NR) and station access agreements with the facility owners of Watford High Street station and**

Watford Junction station (currently London Midland) served by the Croxley Rail Link and any further agreements necessary or desirable for the operation of services over the Croxley Rail Link;

- 4 authorised the acquisition of land owned by NR, Watford Borough Council and other third parties as may be required for the construction and operation of the Croxley Rail Link subject to carrying out due diligence, authorise TfL Officers and Subsidiaries (defined in paragraph 10 below) the ability to agree and execute (whether by deed or otherwise) on behalf of TfL or a Subsidiary (as appropriate) any documentation to be entered into in connection with such acquisitions and commitments and to do such other things as they consider necessary or desirable to facilitate the proposed acquisitions and commitments;**
- 5 noted the funding arrangements set out in the Department for Transport funding letter to the Greater London Authority;**
- 6 granted an increase in Project Authority to £284.40m to deliver the Croxley Rail Link;**
- 7 approved Financial Authority of £304.68m providing a central contingency to be resolved as part of the 2015/16 Business Planning process;**
- 8 noted that Procurement Authority for the construction of the infrastructure works, acquisition of rolling stock and systems works is expected to be sought from the Finance and Policy Committee on 30 July 2015 under authority delegated by the Board; and**
- 9 noted that an increase in prudential borrowing of £30.50m that forms part of the TfL funding contribution has been approved by HM Treasury.**
- 10 The following TfL Officers and Subsidiaries shall have delegated authority:**
 - (a) TfL Officers: the Commissioner, Managing Director Finance, Managing Director Planning, Managing Director Rail and Underground and General Counsel; and**
 - (b) Subsidiaries: all subsidiary companies of TfL including Transport Trading Limited and any other subsidiary of Transport Trading Limited (whether existing presently or to be formed): any of the directors shall be authorised to act for or on behalf of any such subsidiary.**

55/07/15 Total Purchased Services – Track Labour

Mike Brown introduced the paper and the related supplemental information on Part 2 of the agenda. The paper sought an increase in Procurement Authority to cover a two year extension to the Total Purchased Service (TPS4A) contract. The existing contractor was Cleshar Contract Services Limited.

The TPS contracts were let in 2010 to provide maintenance and services to track, fleet, stations, and civil structures on the Bakerloo, Central and Victoria Lines and the Sub-Surface Lines with added flexibility for JNP and projects to use the contracts for packages of work. The TPS4A contract specifically delivered top-up track labour. The TPS contracts were let with an option to extend the agreement from five to seven years.

On 26 March 2014, the Board authorised increases in procurement authorities for ten TPS contracts generally consistent with an extension for up to two years. In relation to TPS4A, an increase in Procurement Authority was sought for £16.5m (bringing the total Procurement Authority to £177.4m) consistent with an extension of six months (rather than two years). This was because the expectation at the time was that the requirements would transition to new contracts awarded for track labour at the end of the six month period. The circumstances had now changed and supplemental Procurement Authority aligned to a full two year extension was requested.

On 17 June 2015, the Finance and Policy Committee endorsed the recommendations in the paper.

The Board noted the paper and supplemental information on Part 2 of the agenda and granted additional Procurement Authority for the amount set out in the paper included on the Part 2 agenda for the Total Purchased Services 4A agreement with Cleshar Contract Services Limited to bring total Procurement Authority to £247.9m.

56/07/15 JNP Agency Workers agreement

Mike Brown introduced the paper and the related supplemental information on Part 2 of the agenda. The paper sought approval of an extension to the existing framework contract with Fusion People for the provision of both permanent and non permanent labour by 12 months to 30 September 2016 together with an associated increase in Procurement Authority.

On 17 June 2015, the Finance and Policy Committee endorsed the recommendations in the paper.

The Board noted the paper and the supplemental information on Part 2 of the agenda; and

- 1 approved an extension to the framework contract with Fusion People Limited for the supply of agency staff to reflect a contract extension of up to 12 months to 30 September 2016 (the Extension) and granted additional Procurement Authority for the amount set out in the paper included on Part 2 of the agenda;**
- 2 authorised the TfL Officers and the Subsidiaries (as described in paragraph 5 below) to finalise the terms of the Extension;**
- 3 authorised the agreement and execution (whether by deed or otherwise on behalf of TfL or any Subsidiary (as appropriate)) any documentation to be entered into in connection with the completion and implementation of the Extension and any of the matters referred to in it (including, without limitation, all agreements, deeds, guarantees, indemnities, announcements, notices, contracts, certificates, letters or other documents);**
- 4 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 Extension and the matters referred to in it;**

- 5 The following Officers and Subsidiaries shall have delegated authority:**
- (a) TfL Officers: the Commissioner, Managing Director Finance, Managing Director Rail and Underground, General Counsel, Chief Finance; Commercial Director, Rail and Underground 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.**

57/07/15 Modernisation of the District, Metropolitan, Circle and Hammersmith & City lines and Automatic Train Control Contract

Mike Brown and Stuart Harvey introduced the paper and the related supplemental information on Part 2 of the agenda. The paper provided an update on the status of the modernisation of the District, Metropolitan, Circle and Hammersmith & City lines (the Programme) including the reprocurement of the Automatic Train Control (ATC) Contract. The paper sought approval for a revised Project Authority for the Programme and, subject to conditions, a delegation of authority to grant Procurement Authority for the award of the ATC Contract, Maintenance Support Contract and the Capital Framework Agreement and to grant Procurement Authority for the Rolling Stock Contract to enable the train fitment for the ATC Contract.

On 17 June 2015, the Finance and Policy Committee endorsed the recommendations in the paper. The Independent Investment Programme Advisory Group (IIPAG) had given its broad support to the recommendations and acknowledged the work to date. It raised issues around the capability and capacity of the inhouse resource, while acknowledging it was a good team, that would require control and monitoring. It also identified two issues on the scope of the project. The Managing Director Rail and Underground had confirmed that he would meet with the IIPAG to address the skills gaps in the inhouse team to ensure it was properly resourced. He had also confirmed that the two scope issues were under review.

Mike Brown updated the Board on the progress with negotiations with Thales on addressing the issues raised by the IIPAG since the papers for the meeting of the Board had been published. Confirmation would be sought from the IIPAG that all critical issues had been addressed prior to seeking the relevant Procurement Authority. He also confirmed that the reference in paragraph 4.1.2 of the paper on the Part 2 agenda to London Underground risk should refer to TfL risk.

Peter Anderson confirmed the views of the Finance and Policy Committee, with particular regard to the IIPAG's issue about the inhouse resource to deliver the LU works. Members agreed that progress on the delivery of the project would be the subject of robust monitoring. The Finance and Policy Committee would receive regular progress updates on the project, including access to independent assurance reviews. Any call down on centrally held contingency would be referred to the Committee.

Howard Carter advised that due to a printing error the copy of the paper provided to Members (but not the paper published on tfl.gov.uk prior to the meeting) contained some repetition of text in the recommendations which would be corrected for the minutes.

The Board noted the paper and the supplemental information on Part 2 of the agenda and:

- 1 granted revised Project Authority, of £5,412m, for the Sub-Surface Upgrade Programme for the modernisation of the District, Metropolitan, Circle and Hammersmith & City lines (the Programme), such Project Authority to be split into the two sub-programme authorities specified in Error! Reference source not found. of the paper;**
- 2 delegated to the Commissioner authority to:**
 - (a) grant Procurement Authority within the upper limits set out in the paper on Part 2 of the agenda for the Automatic Train Control (ATC) Contract, the Maintenance Support Contract and the Capital Framework Agreement (the Agreements);**
 - (b) approve the substantive terms of the Agreements;**
 - (c) subject to satisfactory terms being agreed, authorise TfL Officers and Subsidiaries (as described in paragraph 7) to finalise and enter into the Agreements with Thales Ground Transportation Systems UK Limited;**
 - (d) grant revised Procurement Authority within the upper limits set out in the paper on Part 2 of the agenda for the Rolling Stock Contract with Bombardier Transportation UK Limited to enable the train fitment for the ATC Contract;**
 - (e) authorise the agreement and execution (whether by deed or otherwise on behalf of TfL or any Subsidiary (as appropriate)) any documentation to be entered into in connection with the completion and implementation of the Agreements and the Rolling Stock Contract 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);**
 - (f) authorise 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 Rolling Stock Contract and the matters referred to in them;**
- 3 in the event that a sub-programme's risk was inadequate, authorised the Managing Director Finance to approve an increase in the Project Authority of that sub-programme and a corresponding reduction of Project Authority in the other sub-programme, such that total Project Authority was not exceeded;**
- 4 agreed that the Finance and Policy Committee would receive regular progress updates on the project, including access to independent assurance reviews and that any call down on centrally held contingency would be referred to the Committee;**
- 5 noted that the Maintenance Support Contract had a duration beyond the end of the current Business Plan and future Business Plans would need to provide for the remaining years of operation; and**

- 6 noted the proposed arrangements for the engagement of a Programme Support Partner and that authority for entering into the contract would be sought in accordance with Standing Orders.
- 7 The following Officers and Subsidiaries shall have delegated authority:
- (a) TfL Officers: the Commissioner, Managing Director Finance, Managing Director Rail and Underground, General Counsel, 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.

59/07/15 Crossrail Limited – Appointment of Non-executive Director

Howard Carter introduced the paper and the supplemental information on Part 2 of the agenda, which sought approval of the reappointment of a non-executive director to the Crossrail Limited (CRL) Board. As sponsors, both TfL and the Department for Transport were asked to approve the reappointment.

The Board approved the reappointment of Michael Cassidy as a non-executive director to the Board of Crossrail Limited until 31 July 2017.

60/07/15 Report of the meeting of the Remuneration Committee held on 3 June 2015

The Chairman of the Committee, Baroness Grey-Thompson, gave an update to the Board on the meeting of the Remuneration Committee, held on 3 June 2015.

The Board noted the report.

61/07/15 Report of the meeting of the Audit and Assurance Committee held on 16 June 2015

The Chairman of the Committee, Keith Williams, gave an update to the Board on the meeting of the Audit and Assurance Committee, held on 16 June 2015. He commended the presentation given to the Committee on the assurance processes around contactless payments.

Keith Williams thanked KPMG for its work as TfL's auditors and for assisting in the smooth transition to EY, who were TfL's auditors from 2015/16.

The Board noted the report.

62/07/15 Report of the meeting of the Finance and Policy Committee held on 17 June 2015

The Chairman of the Committee, Peter Anderson, gave an update to the Board on the meeting of the Finance and Policy Committee, held on 17 June 2015.

The Board noted the report.

63/07/15 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 Thursday 24 September 2015 at 10.00am.

64/07/15 Exclusion of Press and Public

The Board agreed to exclude the press and public from the meeting, in accordance with paragraphs 1 and 3 of Schedule 12A to the Local Government Act 1972 (as amended), in order to consider the exempt appendices to the following papers: Bus Stops and Shelters; Total Purchased Services - Track Labour; JNP Agency Workers agreement; Modernisation of the District, Metropolitan, Circle and Hammersmith & City lines and Automatic Train Control Contract; and Crossrail Limited - Appointment of Non-executive Director.

There being no further business, the meeting closed at 1.10pm.

Chair: _____

Date: _____

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