

Date: 5 July 2017

Item: Actions List and use of Chair's Action

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**This paper will be considered in public**

**1 Summary**

1.1 This paper informs the Committee of progress against actions agreed at the previous meeting of the Finance Committee and the use of any Chair's Actions.

**2 Recommendation**

2.1 **The Committee is asked to note the Actions List.**

**3 One Facilities Management Services Procurement – Update and use of Chair's Action for the extension of existing LUL, Head Office and Surface transport cleaning contracts**

3.1 On 13 March 2017, the Committee exercised the authority delegated by the Board to approve the award of six One FM Contracts, each for a period of five years. It was agreed that information would be provided to this meeting confirming the successful bidders for each contract and the impact on the budget against each TfL area. This information is provided in the tables below.

3.2 The One FM Contracts were awarded to the following bidders:

<b>Contract</b>	<b>Successful Bidder</b>
Bundle 2 – Fire	Engie Services Limited
Bundle 3.1 – Mechanical & Electrical (Rail)	Engie Services Limited
Bundle 3.2 – Fabric & Premises (Rail)	Lanes Group plc
Bundle 3.3 – Mechanical & Electrical + Premises & Fabric (HO Buildings & Surface)	Vinci Construction UK Limited
Bundle 4 - Security	Interserve (Facilities Management) Limited
Bundle 5 - Cleaning	<b>Not yet awarded</b>

### 3.3 Impact on Budgets (excluding cleaning bundle):

<b>Savings by financial Year (£000's)</b>							
<b>Business Unit</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>Total</b>
Head Office	824	1,299	1,482	1,659	1,779	488	<b>7,531</b>
Surface	160	24	262	251	253	64	<b>1,235</b>
London Underground	2,357	5,851	6,605	7,162	7,413	1,995	<b>31,626</b>
London Rail	(51.0)	(66.0)	(68.8)	(68.5)	(70.1)	(11.1)	<b>(335.7)</b>
Transport Museum	(18.1)	(22.5)	(24.5)	(25.6)	(26.4)	(3.7)	<b>(120.9)</b>
<b>Total Savings</b>	<b>3,272</b>	<b>7,307</b>	<b>8,255</b>	<b>8,978</b>	<b>9,348</b>	<b>2,532</b>	<b>39,936</b>

- 3.4 The One FM contract for pan-TfL cleaning services (Bundle 5 in the original paper) was not awarded.
- 3.5 An extension of the existing contract for cleaning services across BCV and SSL assets (TPS2A) was required in order to complete the pan-TfL procurement process and to negotiate and deliver better value for the new One FM contract for pan-TfL cleaning services. There was sufficient funding within current budgets to cover the period of extension.
- 3.6 Approval for the extension was sought using the authority delegated by the Board under Standing Order 114, that allows any Chair to exercise functions of TfL on behalf of the Board in matters of urgency. The reason for urgency was that the existing extension of the contracts expired before the meeting of the Committee.
- 3.7 On 20 June 2017, the Chair of the Finance Committee approved the extension of the TPS2A contract until 9 December 2017.
- 3.8 The exercise of Chair's Action will be reported to the next meeting of the TfL Board.

#### **List of appendices to this report:**

Appendix 1: Actions List

#### **List of Background Papers:**

Minutes of previous meeting of the Finance Committee.

One Facilities Management Services Procurement papers considered by the Committee on 13 March 2017

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## Finance Committee Action List (reported to the meeting on 5 July 2017)

### Actions from previous meetings of the Finance Committee

Minute No.	Description	Action By	Target Date	Status note
21/03/17	<p><b>Finance Report: enhanced content</b> Members requested that future reports also include details of any programmes that were being accelerated, such as the Bus Priority Programme and step free access on the Underground, to take advantage of available funds. Members also requested that future Reports include graphs with trend lines to clearly show movement against the key performance indicators during the year.</p>	Ian Nunn	July 2017	Additional information has been included in the Finance Report on the agenda for this meeting.
24/03/17	<p><b>One Facilities Management Services Procurement - Extension of Current Contracts: Transformation Programme</b> It was agreed that future papers to the Committee should provide some context on how any proposals for approval related to the Transformation Programme. For the One FM contracts, the next meeting of the Committee would receive a paper confirming the award of contract against each TfL area and the impact on the budget.</p>	Ian Nunn	-	<p>Ongoing.</p> <p>An update on the One FM contract awards and the use of Chair's Action to extend a current contract is included within this paper.</p>
26/03/17	<p><b>Commercial Development Quarterly Report: Telecoms opportunities</b> Members requested that a discussion on telecoms opportunities be programmed for a future meeting.</p>	Graeme Craig	18 October 2017	An update on commercial telecoms opportunities will be submitted to the Committee in October 2017.

Minute No.	Description	Action By	Target Date	Status note
27/03/17	<p><b>Affordable Housing</b></p> <p>Members requested further details on how affordable housing was defined and that future papers set out how the different elements of the definition applied to each individual scheme that came forward for approval and that the quarterly or annual updates showed the blend across the entire programme.</p>	Graeme Craig	18 October 2017	A glossary of affordable housing definitions will be produced for the Committee on 18 October. Going forward, within the Quarterly Performance Reports we will be reporting on an ongoing basis on the quantum and (where it is known) type of affordable housing by scheme and across the portfolio.

#### Actions from previous meetings

Minute No.	Description	Action By	Target Date	Status note
8/10/16	<p><b>Tottenham Court Road West Over Site Development</b></p> <p>Members discussed the general presentation of investment decisions at Board and Committee level and would work with staff to review this and develop an appropriate format.</p>	Ian Nunn	-	Work to refine presentation of investment decisions is ongoing.
5/01/17	<p><b>Finance Report: Bus Usage</b></p> <p>The Committee discussed the impact of declining bus usage on income and potential mitigation measures including the strategy to increase bus usage that was in development. Further information would be presented to Members on bus usage and how milestones would be monitored.</p>	Leon Daniels	May 2017	Completed. Members were provided with briefings on bus usage in May 2017.

Minute No.	Description	Action By	Target Date	Status note
5/01/17	<p><b>Finance Report: Rolling Forecast</b>  The Committee suggested that the Finance team explore the possibility of developing a 24 month or 12 month rolling forecast to help Members and the business achieve a medium term view of TfL's finances. Detailed budget figures for 2017/18 would be presented to the next meeting of the Committee for review prior to submission to the Board.</p>	Ian Nunn	Period 3 2017/18	A rolling forecast will be included in financial reports from period 3 of the 2017/18 financial year.