1 PURPOSE AND DECISION REQUIRED
1.1 The purpose of this paper is to ask the Board to delegate authority to the Finance and Policy Committee to approve certain changes to the Crossrail Core Agreements. The proposed changes reflect the outcomes of the Comprehensive Spending Review (CSR) and the Review Point 4 (RP4) process.

2 BACKGROUND
2.1 In November 2008, the Board approved TfL’s entry into a suite of Core Agreements between, variously, the Department for Transport (DfT), Crossrail Limited (CRL) and TfL. The Core Agreements were signed in December 2008.

2.2 In addition, CRL entered into a number of Delivery Agreements with Network Rail (NR), which included the NR Regulatory Protocol. TfL is not a party to the NR Regulatory Protocol, which is an agreement made between CRL, DfT and NR. The Protocol states how the NR programme will be developed and delivered by NR, including appropriate governance and incentive arrangements within the Regulatory Framework.

2.3 A number of changes to the Core Agreements have already been approved by the Board, as part of the overall RP4 approval process in March/April 2011.

3 PROPOSED CHANGES TO AGREEMENTS

Sponsors Agreement
3.1 Under TfL’s Standing Order No 2, approval of changes to the Core Agreements is a matter reserved to the Board.

3.2 A further change to the Sponsors Agreement is required to reflect the outcome of the CSR. The proposed change is to revise the profile of receipts from the Community Infrastructure Levy.

4 NR REGULATORY PROTOCOL
4.1 Under the TfL Shareholder Agreement with CRL, any change in the Principal Project Documents, which includes the NR Delivery Agreements, to which
CRL is a party, requires the approval of TfL. Approval of changes to the Principal Project Documents is a matter reserved to the Board.

4.2 Included within the NR Regulatory Protocol are arrangements for incentivisation. During the final stages of the RP4 process, and immediately following its formal conclusion on 6 April 2011, CRL agreed with NR revised price incentives.

5 RECOMMENDATION

5.1 The Board is asked to

(a) NOTE the paper;

(b) DELEGATE to the Finance and Policy Committee the authority to APPROVE the required changes to the Crossrail Core Agreements and Network Rail Regulatory Protocol to reflect the outcomes of the Comprehensive Spending Review and Review Point 4 process; and

(c) Subject to the Finance and Policy Committee approving the changes to the Core Agreements above, AUTHORISE the TfL Sponsor Representatives to agree the final terms of such amendments and their execution.

6 CONTACT

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