This paper will be considered in public

1 Summary
1.1 To report to the Board on the meeting of the Finance and Policy Committee held on 27 November 2012.

2 Recommendation
2.1 That the Board note the report.

3 Background
3.1 The main matters considered by the Committee were:

(a) Operational and Financial Performance Report – Second Quarter 2012/13;
(b) Deep Tube Programme – Feasibility Phase;
(c) Tube Lines Cleaning and Security Services Contract;
(d) Police Services Agreement with the British Transport Police Authority;
(e) Update on Planning Obligations; and
(f) Put Options Litigation Update.

4 Issues Discussed

Operational and Financial Performance Report – Second Quarter 2012/13

4.1 The Committee noted the report, which appears as a separate item elsewhere on the agenda.

Deep Tube Programme – Feasibility Phase;

4.2 The Committee noted the need for additional project authority of £11.27m until March 2014, for the continuation of the Deep Tube Programme (DTP) Feasibility project to Gateway B.
4.3 The Committee recognised the important opportunity to establish a continuous integrated programme for the deep tube. To ensure that TfL made the most of that opportunity Members requested further regular discussions on the Deep Tube Programme progress, focusing on key trade-offs, choices arising and any initial views on the feasibility of the options.

4.4 Members were assured that lessons from the work on the design, look and feel of the New Bus for London would be applied to the New Generation train that was being developed.

4.5 Regular updates on the progress of the feasibility work would be provided to Members before further authority for the programme was requested.

4.6 The Committee recommended that the Board approve the additional project authority. A paper on the Deep Tube Programme – Feasibility Phase appears as a separate item elsewhere on the agenda.

**Tube Lines Cleaning and Security Services Contract**

4.7 The Committee noted the proposals to award a new contract to provide station and train cleaning services and security services in respect of the Jubilee, Northern and Piccadilly lines. It was informed that the contract was focussed on an input rather than output specification to enable Tube lines Limited (TLL) to assess the bids on a comparable basis. There were provisions in the contract that would enable TLL to drive greater efficiencies with the successful bidder, once the contract was in place.

4.8 The Committee recommended that the Board approve the award of the contract. A paper on the Tube Lines Cleaning and Security Services Contract appears as a separate item elsewhere on the agenda.

**Police Services Agreement with the British Transport Police Authority**

4.9 The Committee was updated on the development of the revised Police Services Agreement (PSA) between TfL and the British Transport Police Authority for the continuing provision of existing policing services from the British Transport Police on the Tube, Docklands Light Railway, London Overground and suburban rail services.

4.10 Members discussed the continuing work of the Managing Director, Rail and Underground and the Police to reduce costs by greater efficiency, without affecting the level of front line service provision. The BTP had done a lot of work to reduce costs in recent years but the move to an annual review of costs and services under the Agreement would assist in the drive for further efficiencies by ensuring greater transparency on the costs. The Committee expected the efficiencies to be at least at a similar level to those being sought from the rest of TfL’s services.

4.11 The Committee would receive an update, in due course, on progress on greater efficiencies and any progress on removing TfL’s indemnity to the BTP Authority in respect of any claims arising out of the policing services.
4.12 The Committee recommended that the Board approve the revised terms of the PSA. A paper on the PSA with the British Transport Police Authority appears as a separate item elsewhere on the agenda.

**Update on Planning Obligations**

4.13 The Committee noted an annual update on TfL’s effectiveness in securing Section 106 (s106) funding and delivery for developments that would contribute to the funding of Crossrail and other transport projects and the Mayor’s and boroughs’ Community Infrastructure Levies (CIL). It also noted government proposals in the Growth and Infrastructure Bill to reform the planning system and its implications for planning obligations.

4.14 Members discussed the impact that the current state of the development market was having on the income being raised by s106 agreements and the CILs. Officers were exploring mechanisms to ensure that TfL met its obligation to raise £300m via s106 agreements from developments subject to the Crossrail Supplementary Planning Guidance, in line with the Crossrail funding agreement.

**Put Options Litigation Update**

4.15 The Committee noted the updated position.

**List of appendices to this report:**

None

**List of Background Papers:**

Papers for the meeting of the Finance and Policy Committee held on 27 November 2012.

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