

Board



Date: 17 March 2016

Item: Report of the meetings of the Finance and Policy Committee held on 16 February and 2 March 2016

This paper will be considered in public

1 Summary

- 1.1 To report to the Board on the meetings of the Finance and Policy Committee held on 16 February and 2 March 2016.

2 Recommendation

- 2.1 **That the Board notes the report.**

3 Background

- 3.1 The main matters considered by the Committee are listed below. Items marked with an asterisk appear elsewhere on the agenda for this meeting.

16 February and 2 March 2016

- (a) Barking Riverside Rail Extension;

2 March 2016

- (b) Operational and Financial Performance and Investment Programme Reports - Third Quarter, 2015/2016
- (c) Savings and Efficiencies Programme Review
- (d) Project Monitoring - Project Approvals
- (e) Surface Transport Asset Renewals Programme*;
- (f) Cycling Vision Portfolio - Annual Update*;
- (g) A23/A232 Fiveways Croydon - Advance Property Purchase;
- (h) New Tube for London Programme: Piccadilly Line Modernisation*;
- (i) Bank Station Capacity Upgrade*;
- (j) Jubilee Line Upgrade 2*;
- (k) Northern Line Upgrade 2*;

- (l) London Overground Train Operating Concession*;
- (m) New Advertising Agreement*;
- (n) Crossrail - Extension of the Interim CRL Funding Payments Agreement with Network Rail*;
- (o) Crossrail – Project Delivery Partner Final Incentive Scheme*;
- (p) Group Treasury Activities;
- (q) Treasury Management Strategy 2016/17*; and
- (r) Treasury Management and Derivative Investments Policies 2016/17*.

4 Issues Discussed

Barking Riverside Rail Extension

- 4.1 This paper was taken as an urgent item. Further details are set out in the Board Actions paper elsewhere on the agenda.
- 4.2 On 16 February, in accordance with the delegation of authority granted by the Board on 3 February 2016, the Finance and Policy Committee approved the entering into of Funding and Land and Works Agreements and related authorities requested for the Barking Riverside Rail Extension project. The approvals were subject to the Agreements being completed and signed between the parties by 4 March 2016. On 2 March 2016 the Committee noted the progress made but that the original deadline would not be met. It agreed to extend the deadline until 9 March 2016. An oral update on whether the deadline was met will be provided at this meeting under the item on Matters Arising.

Operational and Financial Performance and Investment Programme Reports - Third Quarter, 2015/2016

- 4.3 The Committee noted the reports and that the cash balance was earmarked for large scale transport improvement projects.
- 4.4 A paper on these third quarter monitoring reports appears elsewhere on the agenda.

Savings and Efficiencies Programme Review

- 4.5 Members discussed the benefits that the Savings and Efficiencies Review programme had brought to the organisation. The financial discipline that this programme had originally brought was now being taken forward within regular budgeting, management and accounting practices. As many of the figures and assumptions had become out of date, it was agreed that the programme would be discontinued. The lessons of the programme would become part of “business as usual” with robust ongoing reporting as part of the budgeting

process. Future reporting would be clear on what, where and how savings were expected to be made and any potential risks to their achievement.

Project Monitoring – Project Approvals

- 4.6 The Committee noted the forward approval programme for projects with a value in excess of £50m and details of the Project Authority granted by the Commissioner and the Managing Director Finance in accordance with delegated authority under TfL's Standing Orders

Surface Transport Asset Renewals Programme

- 4.7 The Committee noted the proposed annual programme and the increase in the current year's budget to bring forward aspects of the ongoing programme (including carriageway works, column replacements, etc). The progress being made to bring assets to the wanted position was noted. Members suggested that it would be useful for the renewals budget to be clearly identifiable from the rest of the capital budget. This would give a clear indication of how much investment was needed on an ongoing basis to maintain the existing network of assets.
- 4.8 Members also suggested the need to drive innovation, for example, in bringing together contractors, manufacturers and suppliers to promote engineering innovation and to address issues such as the noise and disruption caused by major works. Members supported TfL exploring all options for the effective use of regulation and enforcement for the benefit of customers. This could include a concerted effort to lobby government for changes in legislation where the current level of fines had shown to be an insufficient deterrent for repeat offenders.
- 4.9 A paper on the Surface Transport Asset Renewals Programme appears elsewhere on the agenda.

Cycling Vision Portfolio - Annual Update

- 4.10 The Committee noted the paper. Members requested that future updates include a summary table on high level cycling statistics, to include cyclist numbers, journeys, distance travelled and the spend on cycling as a proportion of budget and modal share. Statistical information from the monitoring programme would also show the impact of Quietways and Cycle Superhighways against the baseline and targets in the original business case for each scheme.
- 4.11 The Committee also discussed how TfL responded to incidents on busy roads to keep traffic flowing, with particular reference to roads where space had been reallocated for segregated Cycle Superhighways. A paper on incident response on the Transport for London Road Network would be submitted to a future meeting of the Surface Transport Panel.
- 4.12 Members suggested that TfL should do all that it could to encourage cyclists to make use of the new facilities once they had been completed. The

information campaigns which had been run on the use of buggies on buses was cited as a potential example of what could be achieved.

- 4.13 An update on the delivery of the Quietways programme was also requested by Members. As these schemes were largely being delivered on the road networks of the London Boroughs, an update would be useful in highlighting where any further impetus was required.
- 4.14 A paper on the Cycling Vision Portfolio appears elsewhere on the agenda.

A23/A232 Fiveways Croydon - Advance Property Purchase

- 4.15 Members expressed support for the forward planning measures that would enable the project to progress whilst also giving full consideration should there be a case of real hardship from a local resident. The scheme was seen to be very much needed in the area and a key part of the management of the A23. A full cost benefit analysis, once the scheme was completed, would be useful in proving the case for other investments.

New Tube for London Programme: Piccadilly Line Modernisation

- 4.16 The Committee noted that the proposal would take the project through to the point of contract award for new rolling stock in 2017. It was suggested that similar papers in future could start to incorporate summary information on carbon costs.
- 4.17 Papers on the New Tube for London Programme appear elsewhere on the agenda.

Group Treasury Activities, Treasury Management Strategy 2016/17 and Treasury Management and Derivative Investments Policies 2016/17

- 4.18 The Committee considered the Treasury related papers together, with Members noting the sound treasury management policies which were in place.
- 4.19 Papers on the Treasury Management Strategy 2016/17 and Treasury Management and Derivative Investments Policies 2016/17 appear elsewhere on the agenda.

Other papers to be considered by the Board

- 4.20 The Committee considered papers on the following items, all of which appear elsewhere on the agenda, and endorsed the recommendations to the Board.
- Bank Station Capacity Upgrade;
 - Jubilee Line Upgrade 2;
 - Northern Line Upgrade 2;
 - London Overground Train Operating Concession;
 - New Advertising Agreement;

- Crossrail – Extension of the Interim CRL Funding Payments Agreement with Network Rail; and
- Crossrail – Project Delivery Partner Final Incentive Scheme.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the Finance and Policy Committee on 16 February and 2 March 2016

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