

Board



Date: 17 December 2015

Item: Report of the meetings of the Finance and Policy Committee held on 17 November and 2 December 2015

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 17 November and 2 December 2015.

2 Recommendation

- 2.1 That the Board notes the report.

3 Background

- 3.1 The main matters considered by the Committee are listed below.

17 November 2015

- (a) Metropolitan Line Extension (Croxley Rail Link);

2 December 2015

- (b) Operational and Financial Performance and Investment Programme Reports – Second Quarter, 2015/2016;
- (c) Project Monitoring – Project Approvals;
- (d) Crossrail 2;
- (e) Procurement of New Rolling Stock for London Overground: Lease Financing;
- (f) Cycle Hire Re-Let; and
- (g) Ultra Low Emission Zone Portfolio.

4 Issues Discussed

Metropolitan Line Extension (Croxley Rail Link)

- 4.1 At its meeting on 4 November 2015 (Minute 86/11/15), the Board delegated to the Finance and Policy Committee authority to take decisions in relation to the transfer of the Metropolitan Line Extension (MLE) delivery and associated

Transport and Works Act Order (TWAO) obligations to TfL, subject to the anticipated Mayoral Decision (MD).

- 4.2 An extraordinary meeting of the Committee was held on 17 November, following the MD on 4 November 2015 which directed TfL to proceed with the transfer of the project and contribute a further £2.73m of funding in addition to the £46.5m TfL was directed to provide by MD1478 on 26 March 2015. The additional funding was required as the Hertfordshire County Council (HCC) led local consortium nominal funding contribution of £128.08m included land contributions which were of no commercial value to TfL.
- 4.3 The Committee reaffirmed the earlier decisions of the Board in relation to the transfer of the MLE delivery and TWAO obligations from HCC to TfL. Once the transfer was completed, officers would undertake a value engineering exercise to review project costs.

Operational and Financial Performance and Investment Programme Reports – Second Quarter, 2015/2016

- 4.4 The Committee noted the reports. It discussed the movement in TfL's headcount, the fall in bus passenger revenue and allocation of road space and the reporting format to ensure that issues were effectively highlighted in the reports.
- 4.5 A paper on the quarterly monitoring reports appears elsewhere on the agenda.

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.

Crossrail 2

- 4.7 The Committee endorsed the recommendation that the Board approve an increase in cumulative Project Authority for Crossrail 2 to £21.459m, bringing forward £4.74m from the 2016/17 Business Plan, to fund preparations for the development phase of the project.
- 4.8 The Committee requested a fuller briefing on the project in 2016. Members also asked if the costs incurred by TfL during the development phase would be reimbursed once funding for the project had been approved.
- 4.9 Members were also informed that a paper would be submitted to the Board recommending the establishment of a Crossrail 2 company. The Committee welcomed the proposal, noting that this would enable momentum to be maintained on the project.
- 4.10 Papers on Crossrail 2 funding and on establishing a Crossrail 2 Company appear elsewhere on this agenda.

Procurement of New Rolling Stock for London Overground: Lease Financing

- 4.11 The Committee endorsed the recommendation that the Board approve the lease financing arrangements for the new fleet of trains for London Overground to the Board.
- 4.12 A paper on lease financing for the procurement of new rolling stock for London Overground appears elsewhere on this agenda.

Cycle Hire Re-Let

- 4.13 The Committee noted the progress with the recommended option for the Cycle Hire Re-Let (CHR) programme. It endorsed the recommendation that the Board approve budgeted Procurement Authority to enter into a contract variation agreement with Cubic Transportation Systems Limited under the Revenue Collection Contract (RCC). The variation would facilitate the transition of certain Cycle Hire services to the RCC in 2017.
- 4.14 A paper on Cycle Hire re-let appears elsewhere on this agenda.

Ultra Low Emission Zone (ULEZ) Portfolio

- 4.15 The Committee endorsed the recommendation that the Board approve additional Financial and Project Authority for the portfolio approach to delivering the Ultra Low Emission Zone, which has a total Estimated Final Cost of £425m. It noted the proposals to fund the £94m gap between the requested Financial Authority and the Estimated Final Cost.
- 4.16 Members were advised that retrofitting of the existing vehicle fleet with cleaner emission technology was taking place in addition to the purchase of new, fully electric vehicles. Buses on the network were already making use of innovative energy and emission saving technologies. Vehicles that were unsuitable for retrofitting would be sold.
- 4.17 A paper on the Ultra Low Emission Zone Portfolio appears elsewhere on this agenda.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the Finance and Policy Committee on 17 November and 2 December 2015

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