

**Board**

**Transport  
for London**



**Date: 3 July 2013**

**Item 12: Report of the meeting of the Finance and Policy  
Committee held on 23 May 2013**

---

**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 23 May 2013.

## **2 Recommendation**

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

## **3 Background**

- 3.1 The main matters considered by the Committee were:
- (a) TfL Bond Issue;
  - (b) Operational and Financial Performance Report – Fourth Quarter 2012/13;
  - (c) Bank Station Capacity Upgrade Project;
  - (d) Crossrail: Woolwich Station Fit-out; and
  - (e) Tube Lines Finance.

## **4 Issues Discussed**

### **TfL Bond Issue**

- 4.1 Members congratulated staff on the successful issuance by TfL on 3 May 2013 of a £400m Bond for 32 years at a fixed rate coupon of 3.625 per cent. This was believed to be a record low coupon for a long-dated Sterling corporate issuance. The deal built upon the success of the three transactions issued in the previous financial year. The Bond had been issued in accordance with the TfL Treasury Management Strategy, including the requirement to consult with Members of the Committee.

### **Operational and Financial Performance Report – Fourth Quarter 2012/13**

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

- 4.3 Members discussed the variance from budget of Full Time Equivalent (FTE) staff numbers. Most of the variances were due to posts created to work on projects included in the Business Plan and for which the financial impact was included in the Budget. However, the FTE impact was not known at the time the Budget was approved. A detailed paper would be submitted to the next meeting of the Committee explaining the variance and the controls and approvals in place across TfL to manage staff numbers.
- 4.4 Members were informed that the Projects and Planning Panel had discussed reporting improvements to the Quarterly Investment Programme Report from Quarter 1 2013/14, which would make it clearer if rephrasing or reprofiling of projects would affect the overall timetable for delivery. The report for Quarter 4 2012/13 appears as a separate item elsewhere on the agenda.
- 4.5 A note would be provided to Members of the Committee explaining what the customer satisfaction measures were and how they were calculated.
- 4.6 A paper will be submitted to the next meeting of the Committee on Barclays Cycle Hire usage and income, following the increase in charges in January 2013, including any data on the number of customer satisfaction comments that related specifically to price.
- 4.7 From Quarter 1 2013/14, reports will separate out Barclays Cycle Hire and Congestion Charging from 'other operating income' within Surface Transport.

#### **Bank Station Capacity Upgrade Project**

- 4.8 The Committee noted an update on the Innovative Contractor Engagement procurement process for the Bank Station Capacity Upgrade Project. It recommended that the Board approve additional budgeted project authority and procurement authority for this project.
- 4.9 Members discussed TfL's approach to seeking contributions from local stakeholders when station capacity was being increased to deal with a proposed development. In the case of Bank station, the project was required to meet existing capacity demands. Members asked that the paper to be submitted to the Board address any outstanding issues raised by the Projects and Planning Panel and confirm if any stakeholders were approached for contributions to the project.
- 4.10 Members were aware that the Board would have to consider the recommendations in light of the outcome of the Spending Review, which was due to be announced on 26 June 2013.
- 4.11 A paper on the Bank Station Capacity Upgrade Project, which addresses the issues raised by the Committee and the Projects and Planning Panel, appears as a separate item elsewhere on the agenda.

#### **Crossrail: Woolwich Station Fit-out**

- 4.12 Based on the information available to it at the time of its meeting, the Committee recommended that the Board grant authority to TfL's Sponsor

Board members to agree a change to the Crossrail Sponsors Requirements to enable the fit-out of the Crossrail Woolwich station.

- 4.13 Members discussed the source of funds for the proposed fit-out, the costs and proposed delivery. They expected the negotiations with both funding partners to be robust. They also wanted the final agreement with the Royal Borough of Greenwich to include protection for TfL if the anticipated source of funding was not available or at a lower value than expected.
- 4.14 A paper on Crossrail: Woolwich Station Fit-out, which addresses the issues raised by the Committee, appears as a separate item elsewhere on the agenda.

### **Tube Lines Finance**

- 4.15 The Committee approved a specific matter in relation to Tube Lines Finance. As the matter related to an item that was exempt from publication, Members will be informed of the details once the matter has been concluded.

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

None

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

Papers for the meeting of the Finance and Policy Committee held on 23 May 2013.

Contact Officer: Steve Allen, Managing Director, Finance  
Number: 020 7126 4918  
Email: [StephenAllen@tfl.gov.uk](mailto:StephenAllen@tfl.gov.uk)