

TRANSPORT FOR LONDON

BOARD

**SUBJECT: APPOINTMENTS TO TFL'S COMMITTEES AND TO THE
CROSS LONDON RAIL LINKS BOARD**

DATE: 25 JUNE 2008

1 PURPOSE AND DECISION REQUIRED

- 1.1 This Report seeks approval of the membership of TfL's Committees pending the Mayor's decisions about the long-term membership of the Board and authority to make appointments to the Board of Cross London Rail Links Limited (CLRL).

2 TFL'S COMMITTEES

- 2.1 Under the Greater London Authority Act 1999, the Mayor appoints members to the TfL Board. As stated in the Commissioner's Report, the Mayor has recently made a number of full-term and interim appointments. A process is underway for further members to be appointed in due course.
- 2.2 In order to ensure appropriate governance arrangements in advance of these future appointments, it is proposed that the Board approve the interim composition of the Board's Finance, Audit, Safety Health and Environment and Remuneration Committees. The proposed membership of these Committees will be tabled at the meeting.
- 2.3 In addition to the Committees, the Board has established a number of Advisory Panels which provide advice to the Commissioner and Chief Officers on the operations of TfL. The Panels are composed of relevant Chief Officers and Board Members, they are chaired by the Commissioner and are not decision making. Proposals in relation to the future function and membership of the Panels will be brought to the Board for decision once the Mayor has made further appointments to the Board.

3 BOARD OF CROSS LONDON RAIL LINKS LIMITED

- 3.1 On 24 October 2007, the TfL Board authorised TfL to enter into non-binding Head of Terms (HoT) between TfL and the Department for Transport (DfT) outlining the governance and funding agreement for the Crossrail Project.
- 3.2 CLRL is currently a 50/50 joint venture company owned by TfL and DfT (together referred to as the "Sponsors") to deliver the Crossrail Project.
- 3.3 TfL, DfT and CLRL have been developing the HoT into a suite of core agreements (Sponsors Agreement, Project Development Agreement and other associated documents) which will specify the parameters within which CLRL will deliver Crossrail. These agreements are expected to be completed later in the year at which point CLRL will become a subsidiary of TfL (through Transport Trading Limited (TTL)).

- 3.4 The HoT provides that the board of CLRL will comprise of an executive chairman (appointed by TfL with the consent of DfT), two executive directors and at least four independent non-executive directors. In addition, there is provision for DfT and TfL to nominate one additional director each. The appointment of the non-executive directors are subject to the consent of TfL and DfT.
- 3.5 It is proposed that the appointment of the non-executive directors be made in advance of the core agreements being completed so that the new board can familiarise itself with the Project. Following an open competition, candidates are currently being considered and it is expected that a selection will be made by the end of June. Candidates will be selected with the agreement of the Mayor and Secretary of State.
- 3.6 The appointment of the non-executive directors will require a change to the Articles of Association of CLRL to permit non-executive appointments. As 50 per cent shareholder of CLRL, TTL will need to authorise the appointments and the changes to the Articles of Association.

4 RECOMMENDATIONS

- 4.1 The Board is asked to:
- a) APPROVE the interim composition of the Committees of the Board as tabled at the meeting;
 - b) NOTE that further appointments to the Committees and Panels will be made at a future meeting of the Board;
 - c) AUTHORISE in principle the appointment of non-executive directors to the CLRL board and the necessary changes to CLRL's constitutional documents to facilitate this; and
 - d) DELEGATE to the Commissioner (or in his absence the Managing Director, Finance) authority to (i) agree the candidates to be appointed as the non-executive directors on behalf of TfL and TTL following agreement of the Mayor; and (ii) to agree changes to the constitutional documents of CLRL to permit the appointments to be made and to do such other things as are necessary to facilitate the appointments.