

## Board



**Date:** 3 February 2016

**Item:** Report of the meeting of the Finance and Policy Committee held on 21 January 2016

---

**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 21 January 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.
- (a) Taxi and Private Hire Licence Fees\*;
  - (b) Card Payments in Taxis\*;
  - (c) Taxi Fares and Tariffs – Annual Revision\*;
  - (d) Property Partnerships – Developing TfL's Assets\*;
  - (e) Project Monitoring – Project Approvals;
  - (f) Wayfindr.org Limited\*;
  - (g) Four Lines Modernisation – Automatic Train Control Status Update;
  - (h) Silvertown Tunnel\*;
  - (i) New Routemasters\*;
  - (j) Camden Town Station Capacity Upgrade and Step Free Access\*;
  - (k) Northern Line Extension; and
  - (l) Actuarial Valuation of the TfL Pension Fund.

## **4 Issues Discussed**

### **Taxi and Private Hire Licence Fees**

- 4.1 The Committee considered the outcome of the annual review of taxi and private hire licensing fees and endorsed the recommendation that the Board agrees that there be no change to Taxi and Private Hire licence fees from 1 April 2016.
- 4.2 Members noted that only around a quarter of the policing and enforcement costs associated with the licensing of the taxi and private hire trade were funded via fees. While license fees were based on the principle of reflecting the cost of carrying out each licensing activity, without cross subsidy from one activity to another, Members noted that the enforcement action directly benefitted all licence payers. This issue would be given careful consideration for future reviews.
- 4.3 A paper on the review of license fees for 2016/17 appears elsewhere on the agenda.

### **Card Payments in Taxis**

- 4.4 Members discussed the rationale of the minimum taxi fare (flagfall) being increased by 20 pence and the justification for the removal of the existing surcharge (of up to 10 per cent) that passengers currently pay when paying by debit or credit card.
- 4.5 The Committee endorsed the recommendations that the Board mandates card payment acceptance in taxis, subject to separating the recommendation on the feasibility of linking card payment devices to the taximeter and agreeing the timescales to mandating the devices.
- 4.6 A paper on card payments in taxis appears elsewhere on the agenda, which reflects the change requested by the Committee.

### **Taxi Fares and Tariffs – Annual Revision**

- 4.7 The Committee noted the outcome of the annual taxi fares and tariffs consultation and endorsed the recommendation that the Board approves the proposed changes to the taxi fares and tariffs. The Committee also requested that TfL review the current Cost Index and associated formula to ensure that it continued to be appropriate in determining taxi fare revisions.
- 4.8 A paper on the annual revision of fares and tariffs appears elsewhere on the agenda, which reflects the change requested by the Committee.

### **Property Partnerships – Developing TfL's Assets**

- 4.9 The Committee endorsed recommendations that the Board approves the proposals to maximise the value of TfL's property assets by establishing a framework of property developers with experience and expertise in the

London development market, with a view to entering into joint ventures for specific development opportunities.

- 4.10 Papers on Property Partnerships appear elsewhere on this agenda.

### **Project Monitoring – Project Approvals**

- 4.11 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

### **Wayfindr.org Limited**

- 4.12 The Committee endorsed the recommendation that the Board approves becoming a member of Wayfindr.org Limited and delegate authority to Officers to nominate a director to the Wayfindr.org Limited board. Wayfindr.org Limited is a company set up for the development and ongoing maintenance of an open technology standard based on a system that uses audio instructions to assist visually impaired people to move around stations.
- 4.13 A paper on Wayfindr.org Limited appears elsewhere on the agenda.

### **Four Lines Modernisation – Automatic Train Control Status Update**

- 4.14 The Committee noted the significant achievements made under the Automatic Train Control contract as part of the Four Lines Modernisation programme. These included:
- (a) Preliminary Design Review for the core system, passenger trains and test tracks, and external interfaces had been conditionally passed;
  - (b) dynamic testing of the first ATC controlled S Stock train had started at the test track;
  - (c) London Underground (LU) has installed 50 per cent (17km) of the cable route management system required for the first three migration areas;
  - (d) the two signal equipment rooms for the first migration area were under construction and would be delivered on time; and
  - (e) the low voltage switch boards for the first three sites had passed their factory acceptance tests.

### **Silvertown Tunnel**

- 4.15 The Committee endorsed the recommendation that the Board approves an application for a Development Consent Order under the Planning Act 2008 to provide all the necessary rights and consent to construct, operate and maintain the Silvertown Tunnel, and associated budget and land acquisition to progress the project.

- 4.16 In agreeing to recommend that the Board progress the project, Members were advised of the robust management of the project which would take place and ensure delivery through a public-private partnership model. The Committee also noted the work which had taken place to ensure that the project would aid the free flow of traffic without attracting more vehicles to this area of London.
- 4.17 The Committee Chairman recorded his view that having a roundabout at the northern end of the tunnel would cause congestion in the area. Charging for the tunnel would also result in congestion at other crossings as motorists would seek to use alternative routes. He also believed that including a cost figure in the consultation (which included contingency and risk) was ill advised and that the PPP funding and Design, Build, Maintain and Operate contract approach would not achieve the best value for money.
- 4.18 Papers relating to the Silvertown Tunnel appear elsewhere on this agenda.

#### **New Routemasters**

- 4.19 The Committee endorsed a recommendation that the Board approves Project Authority for the purchase of additional New Routemaster (NRM) buses.
- 4.20 Papers relating to the New Routemasters appear elsewhere on this agenda.

#### **Camden Town Station Capacity Upgrade and Step Free Access**

- 4.21 The Committee endorsed the recommendation that the Board grants budgeted Project Authority of £3.2m to develop the design for a capacity and access upgrade at Camden Town station and approve authority to progress the project to Transport and Works Act Order applications.
- 4.22 Papers on Camden Town Station Capacity Upgrade and Step Free Access appear elsewhere on this agenda.

#### **Northern Line Extension**

- 4.23 On 4 November 2015, the Board delegated authority to the Committee to approve any decisions that were reserved to the Board for determination in relation to the Northern Line Extension (NLE) project.
- 4.24 Following detailed consideration, the Committee granted revised authorities to progress the NLE project. Isabel Dedring recorded her vote against the decision.

#### **Actuarial Valuation of the TfL Pension Fund**

- 4.25 The Committee noted a paper on the Actuarial Valuation of the TfL Pension Fund. The paper provided an update on the progress of the formal valuation of the TfL Pension Fund as at 31 March 2015 together with details of the movement in funding for the Public Sector and Tube Lines Sections, which had improved since the previous valuation in March 2012.

**List of appendices to this report:**

None

**List of Background Papers:**

Papers submitted to the Finance and Policy Committee on 21 January 2016

Contact Officer: Ian Nunn, Chief Financial Officer and Interim Managing Director,  
Finance

Number: 020 3054 8941

Email: [lanNunn@tfl.gov.uk](mailto:lanNunn@tfl.gov.uk)