

**Board**

**Date: 5 February 2014**

**Item 15: Report of the meetings of the Finance and Policy Committee held on 19 December 2013 and 23 January 2014**

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**This paper will be considered in public**

## **1 Summary**

- 1.1 To report to the Board on the extraordinary meeting of the Finance and Policy Committee held on 19 December 2013 and the meeting of the Committee held on 23 January 2014.

## **2 Recommendation**

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

## **3 Background**

- 3.1 The main matters considered by the Committee were:

### **19 December 2013**

- (a) Sub-Surface Railway Upgrade Programme;

### **23 January 2014**

- (b) Cycling Vision Portfolio;
- (c) Taxi and Private Hire Licence Fees;
- (d) Taxi Fares and Tariffs – Annual Revision;
- (e) Crossrail Rolling Stock and Depot Procurement;
- (f) New Tube for London Programme – Delivery Stage: Design and Specification;
- (g) Network Rail Settlement Agreements on East London Line and North London Railway Infrastructure Projects;
- (h) Bond Street Station Cooling Project Authority Request; and
- (i) Earls Court – Proposed Joint Venture.

## **4 Issues Discussed**

### **Sub-Surface Railway Upgrade Programme**

- 4.1 Under authority delegated by the Board, the Committee considered a proposed settlement with Bombardier Transportation UK Limited (BT) to terminate the Automatic Train Control (ATC) Contract for signalling for the Sub-Surface Railway and to authorise TfL to commence a re-procurement for a replacement contractor. The Committee discussed the issues and requested further negotiations with BT on the terms of the settlement.
- 4.2 The Committee approved the proposed settlement with BT to end the ATC contract substantially on the terms outlined in the paper and up to the amount due to BT for work completed to date. It delegated to its Chairman, in consultation with available Members of the Committee, authority to approve a settlement up to the maximum outlined in the paper. It also approved the commencement of a competitive procurement process for a replacement contractor once the settlement was agreed.
- 4.3 On Friday 27 December 2013, a telephone conference call was held with the Chairman and members of the Committee and with the Members of the Board that had participated in the extraordinary meeting. Following the conference call, the Chairman agreed the terms of the settlement. The settlement was then communicated to BT and the paperwork agreeing the settlement between both parties was completed on 31 December 2013, at which point a press release was issued.

### **Cycling Vision Portfolio**

- 4.4 The Committee recommended that the Board approve the Project Authority being sought for two key programmes: Cycle Superhighways and Better Junctions. The Committee requested that further information be included in the paper to the Board on the modelling undertaken and the traffic impacts for other road users and this has been addressed.
- 4.5 A paper on the Cycling Vision Portfolio appears elsewhere on the agenda.

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

- 4.6 The Committee noted the proposed changes to the fees and asked that the policing costs be reviewed to ensure that TfL was recovering as much of the licensing enforcement costs as possible.
- 4.7 A paper on the Taxi and Private Hire Licence Fees appears elsewhere on the agenda.

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

- 4.8 The Committee recommended that the Board approve the proposed Taxi Fares and Tariffs, with the exception of the proposed new extra charge for passengers taking a taxi from City Airport.

- 4.9 It requested that the recommendation relating to the debit or credit card payment surcharge make it clear that drivers must not charge more than it costs them to accept and process card payments and the surcharge was the maximum they could charge even if the costs to the drivers were higher.
- 4.10 The Committee also supported further exploration and discussion of fixed-fares for taxi trips between Heathrow Airport and central London.
- 4.11 A paper on the Taxi Fares and Tariffs – Annual Revision appears elsewhere on the agenda.

#### **Crossrail Rolling Stock and Depot Procurement**

- 4.12 The Committee noted an update on Crossrail Limited's progress in the evaluation of tenders for the new Crossrail Rolling Stock and Depot. The Committee supported the recommendations to the Board.
- 4.13 A paper on Crossrail Rolling Stock and Depot Procurement appears elsewhere on the agenda.

#### **New Tube for London Programme – Delivery Stage: Design and Specification**

- 4.14 The Committee recommended that the Board endorse the conclusions and the publication of the New Tube for London Feasibility stage and grant additional project authority, until March 2016, for the commencement of the delivery stage including specification and design development for the Piccadilly line upgrade.
- 4.15 The Committee was informed that officers had been in extensive dialogue with the Independent Investment Programme Advisory Group, that its recommendations had been taken on board, and that there would be a further review of the proposed timing of the Waterloo and City Line upgrade.
- 4.16 A paper on the New Tube for London Programme – Delivery Stage: Design and Specification appears elsewhere on the agenda.

#### **Network Rail Settlement Agreements on East London Line and North London Railway Infrastructure Projects**

- 4.17 The Committee recommended that the Board approve the proposed settlement with Network Rail in relation to works on the East London Line (ELLP) Phase 1 Project south of New Cross Gate, on the ELLP Phase 2 Project at Clapham Junction and on the North London Line as part of the North London Railway Infrastructure Project (NLRIP). It also recommends that the Board approve increases in both Project and Procurement Authorities to accommodate the settlement.
- 4.18 The Committee was keen for TfL to seek more influence on rail maintenance and construction projects where TfL's services ran over Network Rail's assets, particularly as TfL would be taking on responsibility for some suburban rail services.

- 4.19 A paper on the Network Rail Settlement Agreements on East London Line and North London Railway Infrastructure Projects appears elsewhere on the agenda.

#### **Bond Street Station Cooling Project Authority Request**

- 4.20 The Committee recommended that the Board grant additional Project Authority to complete the design and install station cooling at Bond Street station as part of the Bond Street Station Upgrade project. The project would provide cooling to the Jubilee and Central line platforms, and would enable future uplifts to the Jubilee line train service.
- 4.21 A paper on the Bond Street Station Cooling Project Authority Request appears elsewhere on the agenda.

#### **Earls Court – Proposed Joint Venture**

- 4.22 The Committee noted an update on the proposed development of London Underground's (LU's) interest in the Earls Court and West Kensington Opportunity Area with Capital and Counties Properties PLC (Capco).
- 4.23 The Committee considered the representations that it had received from Greater London Authority Assembly Members, Andy Slaughter MP, the RMT and the local Ward Councillor and Chair of the Earl's Court Area Action Group. The Committee also considered representations it had received from its member Michael Liebreich, who had been unable to attend the meeting.
- 4.24 The Committee recommended that the Board agree that TfL enter into a joint venture arrangement with Capco and/or a wholly owned undertaking of Capco with regard to the development of the exhibition centres Earls Court 1 and 2 (EC1&2), of which LU was the freeholder and Capco the long leaseholder, along with other properties owned by LU and Capco.
- 4.25 A paper on the Earls Court – Proposed Joint Venture appears elsewhere on the agenda.

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

None

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

Papers for the meeting of the Finance and Policy Committee held on 27 November 2013.

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