

TRANSPORT FOR LONDON

BOARD

**SUBJECT: REPORT FROM THE MEETING OF THE FINANCE COMMITTEE
HELD ON 16 SEPTEMBER 2008**

DATE: 30 SEPTEMBER 2008

1 PURPOSE

- 1.1 To report to the Board on the meeting of the Finance Committee held on 16 September 2008.

2 BACKGROUND

- 2.1 The Committee considered papers on the following:
- a) The quarterly Operational and Financial Report and Investment Programme Report;
 - b) The outturn Prudential Indicators for 2007/8; and
 - c) Project approvals given by the Commissioner since the previous meeting of the Committee.
- 2.2 Due to difficulties with the quorum, and in accordance with Standing Orders, the Mayor appointed Christopher Garnett to the Committee for the purposes of this meeting.

3 ISSUES DISCUSSED

Operational and Financial Report and Investment Programme Report

- 3.1 The Finance Committee received a report on Operational and Financial performance in the first quarter of 2007/8 and the quarterly report on the progress of TfL's 5-year Investment Programme. It was noted that the Operational and Financial Report had been revised to take account of comments from Board members on the previous quarter's report. The Committee agreed that the revised report was suitable for the Board but asked that more information be provided on fares revenue by mode and the results of enforcement activity and the congestion charging scheme in future reports to the Finance Committee.
- 3.2 These reports are being considered under a separate agenda item at this Board meeting.

Prudential indicators for 2007/8

- 3.3 The Committee received a report on the outturn for the 2007/08 financial year of the indicators of prudence and affordability which TfL monitors in order to comply with the Prudential Code for borrowing by local authorities. The Committee noted that the approved mandatory indicators for prudence and affordability had not been exceeded but that two Group voluntary indicators (for capital expenditure and the Capital Financing Requirement) had been exceeded, due to higher PPP investment expenditure which was outside the direct control of the Group.

Project approvals given by the Commissioner

- 3.4 The Finance Committee receives reports on approvals expected to be given in the current financial year by the Commissioner (or in his absence, the Managing Director, Finance) for projects budgeted to cost between £25m and £100m (£10m and £25m for unbudgeted projects). Two projects had been approved since the Committee's last meeting, for work that London Underground will be undertaking to support the delivery of Network Rail's Thameslink project and a project to install extra low loss conductor rail along 63km of sub-surface track.
- 3.5 The next regular meeting of the Finance Committee is scheduled for 8 October 2008 at 9am.

4 RECOMMENDATION

- 4.1 The Board is asked to NOTE the report and the appointment of Christopher Garnett to the Committee for the purposes of the meeting on 16 September 2008.