

Transport for London

Minutes of the Meeting

Committee Rooms 4-5, City Hall, The Queen's Walk, London
10.00am, Wednesday 7 November 2012

Members

Boris Johnson	Chairman
Isabel Dedring	Deputy Chair
Peter Anderson	Member
Richard Barnes	Member
Charles Belcher	Member
Roger Burnley	Member
Christopher Garnett	Member (for part)
Baroness Grey-Thompson	Member
Eva Lindholm	Member
Daniel Moylan	Member
Bob Oddy	Member
Patrick O'Keeffe	Member
Steve Wright	Member

Staff

Steve Allen	Managing Director, Finance
Mike Brown	Managing Director, Rail and Underground
Howard Carter	General Counsel
Leon Daniels	Managing Director, Surface Transport
Michèle Dix	Managing Director, Planning
Vernon Everitt	Managing Director, Marketing and Communications
David Goldstone	Chief Finance Officer
Peter Hendy	Commissioner
Terry Morgan	Chairman, Crossrail Limited (for part)
Dana Skelley	Director of Roads, Surface Transport
Roy Millard	Senior Audit Manager
Shamus Kenny	Head of Secretariat

62/11/12 Apologies for Absence and Chairman's Announcements

Apologies for absence had been received from Sir John Armitt, Michael Liebreich and Keith Williams.

The Mayor welcomed David Goldstone, the new Chief Finance Officer, to his first meeting of the Board.

The Mayor informed Members that later that day he would announce the Fares package for 2013. He had done all he could to limit increases, which included securing £96m from the Government to enable fares to be increased only by RPI+1 per cent, rather than the Business Plan assumption of RPI+2 per cent. While the increase in fares was regrettable, it was essential that funds were available to continue the investment programme for transport infrastructure.

63/11/12 Declarations of Interest

The following interests were declared: Peter Anderson as a director of the Canary Wharf Group plc in relation to Crossrail and the Jubilee line upgrade; Richard Barnes as a Councillor for the London Borough of Hillingdon; Charles Belcher as a member of Atos Origin Advisory Council on Transport; Christopher Garnett as a member of the Olympic Delivery Authority and a non-executive director of Aggregate Industries Limited; Daniel Moylan as a Councillor for the Royal Borough of Kensington and Chelsea and Chairman of Urban Design London; Bob Oddy on taxi related issues; Patrick O’Keeffe as a Trustee of Ealing Community Transport Charity; and Steve Wright on matters relating to private hire vehicles.

64/11/12 Minutes of the Meeting held on 20 September 2012

The minutes of the meeting held on 20 September 2012 were approved as a correct record and the Chairman was authorised to sign them.

65/11/12 Matters Arising and Actions List

The Actions List was noted.

66/11/12 Commissioner’s Report

The Commissioner’s report provided an overview of major issues and developments since the report to the meeting on 20 September 2012 and updated Members on significant projects and initiatives.

The entire Metropolitan line fleet now comprised new S stock trains and new trains were being rolled out on the Hammersmith & City line. The new South London Line was on target to open on 9 December 2012, which would complete the orbital rail route around London. The Emirates Air Line had already beaten its first year forecast for passenger numbers and a comprehensive marketing campaign had recently been launched.

The introduction of the Lane Rental scheme was a positive incentive for utility companies to develop innovative techniques to replace and repair their underground infrastructure. TfL was reinvesting income from the scheme to help support the development of these initiatives, which would reduce the disruption and other adverse effects of street works. TfL continued to prosecute companies that failed to comply with their permits or undertook unauthorised street works. It supported legislative changes that would see the fine levels increased to encourage compliance.

Cycle Hire journeys had almost reached 17 million, which included over 5.1 million casual user journeys. The increase in charges would help the expansion and intensification of the scheme.

TfL had actively supported London Poppy Day on 1 November 2012, using powers delegated to it by the Mayor.

The Commissioner had written to his counterparts in New York, offering TfL’s support following the impact of Hurricane Sandy on the transport network. He would

also discuss lessons learnt, to see if these could be applied to TfL's own resilience and business continuity planning.

Members welcomed the Wallasea Island project, Europe's most ambitious man-made coastal nature project, made possible through a unique partnership between the RSPB and Crossrail.

Members expressed their support for the road safety campaigns highlighted in the Report. In relation to Operation Cubo, which focussed on uninsured and unlicensed drivers in the Capital, figures would be provided to Members on how many of the vehicles seized by the Metropolitan Police Service had been returned to their owners.

[Action: Leon Daniels]

The Board noted the Commissioner's Report.

67/11/12 TfL Health, Safety and Environment Report 2011/12

Howard Carter introduced the TfL Health, Safety and Environment (HSE) Report 2011/12. The report provided an integrated review of TfL's HSE performance, which demonstrated a good and improving record of achievement.

Members discussed the Report and in particular the information on assaults on staff and road safety. A paper would be submitted to a future meeting of the Safety and Sustainability Panel on workplace violence, providing details of the action taken to reduce it, including the number of prosecutions, and the support provided to staff that were victims of it. Members were also offered a tour of the London Underground Workplace Violence Unit.

[Action: Mike Brown]

Members also discussed the action being taken to address air pollution and the continuing dialogue with government officials about the need for joined up action to address the causes.

The Board noted the TfL Health, Safety and Environment Report 2011/12.

68/11/12 Local Government Resource Review – Update

Steve Allen introduced the report, which set out the expected impact on TfL's future funding arrangements by the Local Government Resource Review (LGRR) and the proposed devolution of the Bus Service Operator Grant (BSOG), and the key outstanding issues to resolve.

The LGRR proposals would see some of TfL's funding coming from business rates paid to the Greater London Authority (GLA). The Mayor assured Members and Officers that he and the GLA had no intention to give TfL anything less than its current funding settlement, in line with the intention of the change and of the Secretary of State for Transport. Members supported the proposal that the BSOG should be paid directly to TfL and not via the GLA.

The Board noted the proposed Local Government Revenue Review reforms, their likely impact on TfL's future funding arrangements and the key outstanding issues to resolve.

69/11/12 London Highways Alliance Contract.

Leon Daniels and Dana Skelley introduced the paper, which sought approval for four framework agreements, collectively referred to as the London Highways Alliance Contract and four call-off contracts to deliver highways maintenance and related services on and around the TfL Route Network from 1 April 2013 to 31 March 2021. The Board also considered the related paper on Part 2 of the agenda, which contained exempt supplemental information.

The framework agreements represented a collaborative approach to procurement by TfL, London boroughs and the industry, which would raise standards and substantially reduce costs. Members congratulated Dana Skelley on getting the various organisations to work together collaboratively.

The Board:

- 1 noted the paper;**
- 2 approved entering into four framework agreements for highways maintenance and improvement schemes, as described in the paper and approved procurement authority to enter into four contracts with an aggregate value of £1,185m, as described in the corresponding paper on Part 2 of the agenda;**
- 3 delegated to the TfL Officers and the Subsidiaries (as described in paragraph 6 below) the authority to finalise the terms of the framework agreements and contracts referred to in paragraph 2 above;**
- 4 authorised the agreement and execution (whether by deed or otherwise on behalf of TfL or any Subsidiary (as appropriate)) any documentation to be entered into in connection with the completion and implementation of the framework agreements and contracts referred to in paragraph 2 above and any of the matters referred to in any of them (including, without limitation, all agreements, deeds, guarantees, indemnities, announcements, notices, contracts, certificates, letters or other documents); and**
- 5 authorised TfL Officers and Subsidiaries to do all such other things as they consider necessary or desirable to facilitate the execution and implementation of the framework agreements and contracts referred to in paragraph 2 above.**
- 6 The following Officers and Subsidiaries shall have delegated authority:**
 - (a) TfL Officers: the Commissioner, Managing Director Finance, Managing Director Surface Transport, General Counsel and the Chief Finance Officer.**
 - (b) Subsidiaries: Subsidiaries of TfL including Transport Trading Limited and any other subsidiary (whether existing presently or to be forms) of Transport Trading Limited and any of the directors of the relevant company shall be authorised to act for and on behalf of that company.**

70/11/12 Traffic Regulation Orders Delegation for Cycle Hire

Leon Daniels and Dana Skelley introduced the paper, which sought approval in principle for TfL to enter into agreements with any London borough to delegate to TfL various traffic management powers in relation to the Cycle Hire Scheme, including all future phases.

The Board:

- 1 noted the paper;**
- 2 approved in principle TfL entering into agreements with any London borough under Section 101(5) of the Local Government Act 1972 (Section 101(5) Agreements) in relation to the Cycle Hire Scheme (including all future phases); and**
- 3 delegated to the Managing Director, Surface Transport (or in his absence the Chief Operating Officer (Surface Transport)) authority to negotiate and agree the final terms of the Section 101(5) Agreements (including which TfL officer should be appointed to make the Traffic Regulation Orders) and their execution (whether by deed or otherwise on behalf of TfL) and of any documentation to be entered into in connection with the Section 101 (5) Agreements.**

71/11/12 Bank Station Capacity Update – Property

Mike Brown introduced the paper, which sought approval for funding to enable key freehold and long leasehold property purchases, which were required for the Bank Station Capacity Upgrade. The Board also considered the related paper on Part 2 of the agenda, which contained exempt supplemental information.

Members requested that an active asset management strategy be developed for the use of the properties acquired prior to their demolition. **[Action: Steve Allen]**

The Board:

- 1 noted the paper;**
- 2 authorised the funding specified in the paper on Part 2 of the agenda to be released to enable the key freehold and long leasehold property purchases of the properties specified in the paper on Part 2 of the agenda (the Properties) to be completed by agreement in advance of the proposed application for a Transport and Works Act Order;**
- 3 delegated to the Subsidiaries and TfL Officers (as described in paragraph 5 below) authority to approve and finalise the terms (including the purchase price) of each individual purchase of the Properties and to authorise the agreement and execution (whether by deed or otherwise on behalf of TfL or any Subsidiary, as appropriate) of any documentation to be entered into in connection with the purchase of the Properties (including, without limitation, all agreements, deeds, guarantees, indemnities, announcements, notices, contracts, certificates, letters or other documents); and**

- 4 authorised the TfL Officers and Subsidiaries to do all such other things as they consider necessary or desirable to facilitate the purchase of the Properties.**
- 5 The following Officers and Subsidiaries shall have delegated authority:**
 - (a) TfL Officers: the Commissioner, Managing Director Finance, Managing Director Rail and Underground and General Counsel.**
 - (b) Subsidiaries: Subsidiaries of TfL including Transport Trading Limited and any other subsidiary (whether existing presently or to be forms) of Transport Trading Limited and any of the directors of the relevant company shall be authorised to act for and on behalf of that company.**

72/11/12 Crossrail: Paddington Transport and Works Act Order

Terry Morgan introduced the paper, which sought approval for Crossrail Limited to make an application for a Transport and Works Act Order authorising the construction of a passenger subway between the new Crossrail Paddington station and the London Underground Bakerloo line (the Bakerloo Line Link).

The Board:

- 1 noted the paper;**
- 2 approved the submission of an application for an Order under the Transport and Works Act 1992 (TWAO) that provides all the necessary land rights and planning permissions required to implement works in connection with the Bakerloo Line Link;**
- 3 delegated authority to the Chief Executive of Crossrail Limited (or in his absence, TfL General Counsel) to:**
 - (a) agree the final terms of the application (including land interests, environmental scoping and deemed planning permission to be subject to the order) for the TWAO required in relation to the works;**
 - (b) continue to consult with London Underground to ensure the TWAO in no way hinders London Underground's proposals for future works at Paddington station;**
 - (c) obtain the Mayor's written consent to apply for the TWAO (as required by the Greater London Authority Act 1999); and**
 - (d) do everything else necessary or desirable to facilitate the making of the TWAO, including:**
 - (i) signing and/or sealing any documents, agreements or notices required in connection with the submission of the application; and**
 - (ii) promoting the TWAO including responding to any objections and dealing with any public inquiry that may be held in relation to the proposals.**

73/11/12 Board Appointments

Howard Carter introduced the paper, which asked the Board to note the changes to its membership, to appoint new Members to its Committees and Panels and to note that two of its Members have been appointed as representatives of the interests of people living, working and studying outside Greater London served by TfL's rail services.

The Board:

- 1 noted that in addition to the appointments of Sir John Armit, Richard Barnes, Roger Burnley and Michael Liebreich as Members of TfL from 10 September 2012, the Mayor has appointed Brendan Barber, Brian Cooke and Angela Knight as Members of TfL from 2 January 2013 to 19 June 2016;**
- 2 noted that Richard Barnes has been appointed and that Charles Belcher has been re-appointed as representatives of the interests of people living, working and studying outside Greater London served by TfL's rail services;**
- 3 appointed Members to the Committees and Panels, as set out in Appendix 2 of the paper, to take effect from 7 November 2012;**
- 4 noted that, at the request of the Safety and Sustainability Panel, the proceedings of that Panel would be reported to the Board; and**
- 5 authorised General Counsel to make the necessary changes to Standing Orders to give effect to the revisions described in the paper.**

74/11/12 Report of the meeting of the Safety and Sustainability Panel held on 27 September 2012

The Chairman of the Panel, Charles Belcher, gave an update to the Board on the meeting of the Safety and Sustainability Panel held on 27 September 2012.

The Board noted the report.

75/11/12 Report of the meeting of the Audit and Assurance Committee held on 4 October 2012

The Vice Chairman of the Committee, Patrick O'Keeffe, gave an update to the Board on the meeting of the Audit and Assurance Committee held on 4 October 2012.

The Board noted the report.

76/11/12 Report of the meeting of the Finance and Policy Committee held on 17 October 2012

The Chairman of the Committee, Peter Anderson, gave an update to the Board on the meeting of the Finance and Policy Committee held on 17 October 2012.

The Board noted the report.

77/11/12 Any Other Business the Chairman Considered Urgent

As provided for under section 100B(4)(b) of the Local Government Act 1972, the Mayor considered that an additional item of business, relating to proposals to extend TfL's lease of the Palestra office, should be considered as a matter of urgency. The reason for urgency was that the item related to a time limited offer, as part of a commercial negotiation, which would not be available by the time of the next meeting of the Board. Copies of the paper had been circulated to Members in advance of the meeting. The item was also considered to be exempt from publication.

The next scheduled meeting would be held on Wednesday 12 December 2012 at 10.00am.

78/11/12 Exclusion of Press and Public

The Committee agreed to exclude the press and public from the meeting, in accordance with paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended), in order to consider the following items of business.

79/11/12 Palestra – Proposed Lease Restructure

Steve Allen introduced the paper, which sought approval for TfL to restructure its current lease of Palestra by extending the term by 10 years to 2036. Under the restructured arrangements the current Retail Prices Index (RPI) rent uplifts would be replaced with open market upward only rent reviews, the requirement on TfL to reinstate alterations carried out to date would be removed and TfL would also receive a premium of £10m from the landlord.

The Board:

- 1 noted the paper;**
- 2 approved the proposed restructuring of the current lease of Palestra by TfL substantially as outlined in the paper;**
- 3 delegated to the Subsidiaries and TfL Officers (as described in paragraph 6 below) authority to approve and finalise the terms (including the financial terms) of the lease restructure and authorise the agreement and execution (whether by deed or otherwise on behalf of TfL or any Subsidiary, as appropriate) of any documentation to be entered into in connection with the lease restructuring (including, without limitation, all agreements, deeds, guarantees, indemnities, announcements, notices, contracts, certificates, letters or other documents) provided that if the proposed terms of the lease restructure are materially different to those described in the paper the Managing Director, Finance shall discuss such terms with as many members of the Finance and Policy Committee that were available in advance of completion of the lease restructure;**
- 4 authorised the TfL Officers and Subsidiaries to do all such other things as they considered necessary or desirable to facilitate the lease restructure; and**
- 5 noted that the Board would be notified at its next meeting if the proposed restructuring of the current lease at Palestra was completed.**

6 The following Officers and Subsidiaries shall have delegated authority:

(a) TfL Officers: the Commissioner, Managing Director Finance and General Counsel.

(b) Subsidiaries: Subsidiaries of TfL including Transport Trading Limited and any other subsidiary (whether existing presently or to be forms) of Transport Trading Limited and any of the directors of the relevant company shall be authorised to act for and on behalf of that company.

There being no further business, the meeting closed at 11.15am.

Chair: _____

Date: _____