

Transport for London

Minutes of the Meeting

**Committee Rooms 4 and 5, City Hall, The Queen's Walk, London
10.00am, Thursday 17 March 2016**

Members

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| Boris Johnson MP | Chairman (from Minute reference 24/03/16) |
| Isabel Dedring | Deputy Chairman (in the chair up to Minute reference 24/03/16) |
| Peter Anderson | Member |
| Sir John Armit | Member |
| Richard Barnes | Member |
| Charles Belcher | Member |
| Brian Cooke | Member |
| Baroness Grey-Thompson DBE | Member (from Minute reference 23/03/16) |
| Angela Knight | Member |
| Michael Liebreich | Member |
| Eva Lindholm | Member |
| Daniel Moylan | Member |
| Bob Oddy | Member |
| Steve Wright | Member |

Staff

| | |
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| Mike Brown | Commissioner |
| Nick Brown | Managing Director London Underground and London Rail (from Minute reference 24/03/16) |
| Richard De Cani | Managing Director, Planning |
| Howard Carter | General Counsel |
| Graeme Craig | Director, Commercial Development (for Minute reference 34/03/16) |
| Leon Daniels | Managing Director, Surface Transport |
| Garrett Emmerson | Chief Operating Officer, Surface Transport (for Minute reference 26/03/16) |
| Michele Dix | Managing Director, Crossrail 2 |
| Vernon Everitt | Managing Director, Customers Communications and Technology |
| Simon Kilonback | Director Group Treasury (for Minute reference 38-39/03/16) |
| Terry Morgan | Chairman, Crossrail Limited |
| Ian Nunn | Chief Finance Officer |
| Ben Plowden | Director of Surface Strategy and Planning, Surface Transport (for Minute reference 34/03/16) |
| Andrew Pollins | Finance Director, Rail and Underground (for Nick Brown, Managing Director London Underground and London Rail up to Minute reference 24/03/16) |
| Gareth Powell | Director of Strategy, London Underground and Chief Operating Officer, London Overground |
| Clive Walker | Director, Internal Audit |
| Shamus Kenny | Head of Secretariat |

18/03/16 Apologies for Absence and Chairman's Announcements

Apologies for absence had been received from Sir Brendan Barber, Roger Burnley and Keith Williams.

Apologies for lateness had been received from Boris Johnson and Nick Brown, Managing Director London Underground and London Rail. Isabel Dedring chaired the meeting until the Chairman arrived.

19/03/16 Declarations of Interest

The following interests were declared: Peter Anderson as a director of the Canary Wharf Group plc in relation to Crossrail, the Jubilee line upgrade and the item on the Private Hire Regulations Review; Sir John Armitt as Chairman of the National Express Group plc, Deputy Chairman of the Berkeley Group plc and a member of the National Infrastructure Commission; Charles Belcher as a member of Atos Origin Advisory Council on Transport; Baroness Grey-Thompson as a member of the London Legacy Development Corporation; Michael Liebreich as Chairman of the Advisory Board of Bloomberg New Energy Finance; Daniel Moylan as a Councillor for the Royal Borough of Kensington and Chelsea, Chairman of Urban Design London and a non-executive director of Crossrail Limited (appointed by TfL); Bob Oddy on matters relating to the taxi trade; and Steve Wright on matters relating to private hire vehicles.

20/03/16 Minutes of the Meeting of the Board held on 3 February 2016

The minutes of the meeting of the Board held on 3 February 2016 were approved as a correct record and the Chairman was authorised to sign them.

21/03/16 Matters Arising, Actions List and Use of Delegated Authority

Howard Carter introduced the item. Under authority granted by the Board, the Finance and Policy Committee had granted time limited authorities in relation to the Barking Riverside Rail Extension project. Howard Carter confirmed that the Land and Works Agreements had been completed by the 9 March 2016 deadline.

The Board noted the actions list and use of delegated authority in relation to the Barking Riverside Rail Extension project.

22/03/16 Commissioner's Report

Mike Brown introduced his report, which provided an overview of major issues and developments since the report to the meeting on 3 February 2016 and updated Members on significant projects and initiatives.

The key issues arising from the overview and discussion are summarised below.

- (a) Infrastructure and technical arrangements were in place for the introduction of the Night Tube. The RMT and ASLEF had accepted the pay offer and the first recruits had started their training. The Mayor and Nick Brown had visited the training facility.

- (b) London Underground (LU) had been named rail operator of the year, recognising both its performance and the excellent customer service delivered by its staff every day. Its performance in Period 10 had hit a record high customer satisfaction score of 88 and a record low lost customer hour achievement of 0.82 million, the first time it had ever been under one million.
- (c) LU had reassessed its proposals to deliver essential lift upgrade work at Caledonian Road and would now keep the station open and refurbish one lift at a time over an 18-month period.
- (d) Good progress continued on the modernisation of the sub surface railway lines, which would increase frequency and improve reliability for customers. New rolling stock was operating throughout the Circle, Hammersmith & City and Metropolitan lines and the roll out on the District line would be completed by the end of 2016. Track improvement works to support the signalling upgrade were also progressing well.
- (e) The life extending refurbishment of the Bakerloo line trains was ahead of schedule.
- (f) London Overground (LO) and TfL Rail had carried 47.3 million people in Q3 – 14.2 million more than the same quarter last year. Despite just missing its target by 0.3 per cent, LO performance continued to exceed the national average, with the Period 10 Public Performance Measure (PPM) second only to TfL Rail across all UK services. Since taking over operations from Abellio Greater Anglia in May 2015, TfL Rail's PPM Moving Annual Average had increased by 2.3 per cent. LO performance in south London was impacted by the performance of other operators and Network Rail. LO was working with these organisations to address underlying issues. Two Members had visited the West Anglia Inner suburban network and commented on the significant improvements and the will and determination of staff to drive improvements in performance, security and revenue protection.
- (g) The DLR carried 27.9 million passenger journeys in Q3, 3.1 per cent up on the same quarter last year and customer satisfaction remained high at 89. Customer satisfaction on London Trams in Q3 was also 89 and the percentage of kilometres operated was better than both target and the same quarter last year. The Emirates Air Line had made 0.3 million passenger journeys in Q3 and achieved customer satisfaction of 94, despite high winds impacting operations.
- (h) The Commissioner was delighted that her Majesty the Queen had accepted the suggestion that the Crossrail service be named the "Elizabeth line" in her honour when it opened.
- (i) TfL's continuous focus on road safety meant it expected to achieve the Mayor's stretch target of a 50 per cent reduction in people killed and seriously injured by 2020. Provisional data for Q3 indicated a record low level. To support its aims, TfL had launched a world-leading programme to drive improvements in safety across London's bus network, including a requirement for all new buses introduced from September 2017 to be fitted with new life-saving features. TfL was also working with the police to improve the safety of vulnerable road users through a mixture of education and enforcement for all road users. TfL had also published the Urban Motorcycle Design Handbook, which offered guidance and advice to raise awareness of the unique safety needs of motorcycles.

- (j) Bus priority remained critical for the bus network to remain reliable and efficient. In February 2016 TfL started construction on three large Bus Priority Schemes in Lewisham, Brent and Bexley and aimed to deliver 72 small-to medium scale schemes on the TfL Road Network (TLRN) by the end of March 2016.
- (k) TfL confirmed an order with Wrightbus for a further 195 New Routemaster buses, to be delivered by Summer 2017. The new vehicles were operating on 21 routes.
- (l) To reduce the impact of roadworks on the TLRN, TfL was working with National Grid on a two-year trial of new 'keyhole' technology. National Grid estimated that in its first year, these techniques had saved over 1,500 days of disruption.
- (m) TfL's traffic news Twitter feed @TfLTrafficNews now had over 500,000 followers providing customers with up to date information on disruption on the TLRN.
- (n) The significant investment in TLRN improvement schemes had seen a number of major schemes completed and consultations on other schemes under way. Good progress was also being made on the Structures and Tunnels Investment Programme works at Highbury Corner, Power Road Bridge and Upper Holloway Railway Bridge. Members recognised that these works resulted in some short-term disruption but paid tribute to Leon Daniels and his staff for the improvements being made.
- (o) Cycling on the TLRN had more than doubled in the last decade with more than 645,000 journeys now made every day. TfL remained on track to deliver its ambitious programme of Cycle Superhighways to encourage more cycling. The following routes were due to be completed in April 2016: CS1 (Tottenham to the City) approximately 95 per cent complete, CS2 Upgrade (Bow to Aldgate) approximately 90 per cent complete and CS6 North South (Elephant and Castle to Stone Cutter Street) approximately 85 per cent complete. The East West (Tower Hill to Lancaster Gate) was approximately 55 per cent complete. Consultations on the following schemes were due to close on 20 March 2016: East West (Phase 2), North South (Phase 2) and CS11 (Swiss Cottage to Westminster). Almost 1,000 responses had been received to date.
- (p) Following the start of the Safer Lorry Scheme in 2015, a public consultation on proposals to make further improvement to lorry safety had received almost 2,100 responses. Initial analysis indicated 83 per cent of respondents indicated their support for fitting better windows to improve driver visibility.
- (q) To ensure that transport services were universally accessible and welcoming, TfL was running a campaign to highlight the rights of assistance dog owners and had hosted the first UK buggy summit to help buggy and wheelchair users overcome the challenges faced when using the transport network.
- (r) The Commissioner paid tribute to Richard de Cani, who would leave TfL in May 2016, for his hard work, integrity and immense contribution during his time with TfL. The Commissioner also thanked Isabel Dedring, who was leaving her role as deputy chairman on 20 March 2016 to take up a new position at Arup. The Mayor had appointed Daniel Moylan as deputy chairman of the Board.
- (s) TfL's press office had been named "best place to work" by PR Week. The award recognised both the scale and intensity of its work and celebrated the pioneering "Stuart Ross BAME Internship" programme.

- (t) The National Infrastructure Commission had supported the Crossrail 2 proposal and funding had been secured from Government. TfL's consultation had received over 20,000 responses and a report would be published imminently. The Mayor had appointed Daniel Moylan as interim Chairman of Crossrail 2 Limited and interviews for other non-executive directors were ongoing.

The Board noted the Commissioner's report.

23/03/16 Operational and Financial Performance and Investment Programme Reports – Third Quarter 2015/16

Ian Nunn, Andrew Pollins, Leon Daniels, Vernon Everitt and Terry Morgan introduced the paper, which informed the Board of TfL's Operational and Financial Performance and presented the Investment Programme Report for the third quarter of 2015/16 (20 September – 12 December 2015).

The key issues arising from the reports and discussion are summarised below.

- (a) Financial performance showed fares income on the bus network below budget but strong performance on the rail and underground networks and additional income such as advertising had offset much of the shortfall. Operating costs were £142m lower than budget, largely due to rephasing of expenditure. The capital programme outturn was expected to be very close to budget by year end.
- (b) On Rail and Underground delivery, the capacity improvement work at stations was on target to deliver increased capacity and step free access. The track programme was using innovative techniques and ways of working to substantially reduce the time required to install replacement track. The New Tube for London programme (elsewhere on the agenda) continued to progress well. The manufacture of tunnel boring machines for the Northern Line Extension project was complete and barges would be used to transport spoil from the site, reducing the number of HGVs on the roads. A new operating model at London Underground (LU) stations, which reduced a layer of management, had been rolled out to King's Cross and 23 other stations.
- (c) The programme to extend London Overground (LO) trains to five cars had been completed. The next step-change in services would be the electrification of the Gospel Oak to Barking line which, along with the introduction of new four car trains, would boost capacity on the line by 90 per cent.
- (d) On Surface Transport delivery, major work continued on the North Circular near Neasden, including over a live railway line, with night closures to undertake the work to end after the Easter weekend. Two new ferry vehicles, with substantially lower emissions, were being introduced to the Woolwich service to replace the existing vehicles.
- (e) The go-live date for the Congestion Charging contract had been deferred due to issues arising through user acceptance testing and a decision on a revised early May go-live date would be taken within the next week. The contract was awarded in 2014 to Capita for a five year period (with the option to extend for a further five years).

- (f) Crossrail Limited delivery was 72 per cent complete and remained on time and within its funding envelope. There was still a chance that the project would need to utilise TfL's contingency funding. 11km of track had been laid and equipment rooms were being built. Good progress had been made on the pedestrian access tunnel at Paddington station. Network Rail's work was 60 per cent complete. Crossrail had 540 apprentices and had women in 27 per cent of its engineering roles, compared to UK rail industry average of around five per cent.
- (g) The Rail and Underground operational highlights included a 38 per cent reduction in LU delays since 2011, despite a significant increase in ridership and greater train frequency brought about by new rolling stock and signalling upgrades. LU performance was slightly behind target for Q3 but was expected to meet its full year target. LO performance was also slightly behind target, though TfL Rail performance remained strong. The Emirates Air Line had operated 91 per cent of services but was affected by high winds.
- (h) Customer satisfaction scores for buses and the road network were holding up, despite bus and journey time reliability in central London being affected by roadworks. TfL was using social media and other communication methods to keep the public informed so that they were able to better plan their journey times and routes.
- (i) Crime across bus, LU and DLR services was higher than target, though this was largely attributed to a concerted effort to encourage reporting by victims, particularly around sexual offences. Violence against the person had shown an increase on bus services where journey reliability had decreased and TfL was working closely with the police to address this, assisted by the increased quality of its bus CCTV systems. The crime rate on the LO was better than forecast and on target for the year.
- (j) Ridership on LU continued to grow, with journeys up four per cent on the same quarter last year. DLR ridership had been impacted by industrial action. Tram ridership was lower than target due to the closure in the quarter of a section of track to enable the Wimbledon improvements to be made. LO ridership was 43 per cent higher, largely due to taking over the West Anglia Inner services in May 2015. Ridership on buses had also reduced and while it was expected to recover when the more significant road improvement schemes were completed, there was an underlying assumption of a longer term decline in central London as more people used improved tube and rail services or moved to active travel like cycling or walked to complete their journeys. Cycling figures showed a slight dip due to the wet weather but the underlying trend indicated an upward trajectory.
- (k) Customer satisfaction scores remained strong across all services and complaint levels remained stable with the increase on trams due to the Wimbledon closure. All other customer service metrics had been met.
- (l) Members discussed the increase in headcount figures. Ian Nunn and Mike Brown confirmed that while staff costs were only 0.3 per cent over budget, all Managing Directors were focussed on reducing non permanent labour costs.

Ian Nunn confirmed that he was undertaking a thorough review of the presentation of TfL's financial information. Some members of the Finance and Policy Committee had input into the new approach, which they considered improved clarity and would aid the

quality of the discussions at meetings and aid decision making. The changes to the quarterly monitoring reports would apply to the Q1 2016/17 reports.

The Board noted the Operational and Financial Performance and Investment Programme Reports for the third Quarter 2015/16.

24/03/16 TfL Budget 2016/17 and Business Plan

Under section 100B(4)(b) of the Local Government Act 1972, the Mayor agreed that this item should be considered at the meeting. This paper was not available for dispatch by the statutory deadline of 9 March 2016 as more time was required for the submission of a five year business plan for consideration by the Board at this meeting.

Ian Nunn introduced the item. The Budget 2016/17 and Business Plan was structured around TfL's strategy of the four pillars: Customer, People, Delivery and Value and took account of the November 2015 Spending Review significant cost reduction and emerging priorities. The document highlighted the programmes that would see the most significant developments or progress over the next five years.

The financial schedules and key performance indicators included in the appendices were based on the latest forecast outturn position, as at period 11, for 2015/16.

The Commissioner confirmed that he reviewed the Managing Directors Scorecard targets, which had been shared informally by the Rail and Underground and Surface Transport Panels and the Finance and Policy Committee, to ensure that they were sufficiently stretching.

Members commented on the volume and scale of work that TfL was doing, as evidenced in the Key Milestones 2016/17 table at the end of the paper.

The Board:

- 1 approved the draft TfL Budget 2016/17 and Business Plan; and**
- 2 delegated to the Chief Finance Officer the authority to make any editorial or other minor changes prior to its publication.**

25/03/16 TfL Prudential Indicators 2015/16 to 2018/19

Ian Nunn introduced the paper, which set out the proposed TfL borrowing limits and other Prudential Indicators under the CIPFA Prudential Code (the Prudential Code), which were consistent with the proposed Treasury Management Strategy for 2016/17 elsewhere on the agenda. These limits and indicators were based on figures in the 2016/17 TfL Budget, which had been approved above (Minute 24/03/16).

Under the Prudential Code, TfL was required to adopt Prudential Indicators that support decision making on planned capital expenditure, borrowing and treasury management activities.

The Board approved:

- 1 the TfL Prudential Indicators for 2016/17 and the following two years, as set out in Appendix 1 of the paper; and**

2 the Treasury Indicators for 2016/17 and the following two years, as set out in Appendix 2 of the paper.

26/03/16 Private Hire Regulations Review

Peter Anderson declared a potential interest in this item as investors in Canary Wharf Group also invested in Uber. Bob Oddy and Steve Wright declared their trade interests in this item. These Members took no part in the discussion or decision on this item.

Members had been provided with correspondence received from interested parties that had been received after the paper had been published. The correspondence would be published on tfl.gov.uk.

Leon Daniels and Garrett Emmerson introduced the paper, which summarised the outcome of TfL's review of the Private Hire Regulations ("the Regulations"), and considered what changes were necessary in the interests of public safety and to modernise the private hire industry. This was considered particularly necessary in light of technological advances that had changed the ways in which customers accessed private hire services, as well as the rapid growth in the industry in recent years.

The review had consisted of three consultation exercises over the past 12 months, as well as extensive discussions and engagement with the private hire trade and other key stakeholders. TfL's overriding objective was to promote and enhance passenger safety and, as part of this process, TfL sought the views of customers through the consultation exercise through the use of focus groups, online and telephone surveys. There had been over 20,000 responses to the consultation process.

This consultation and engagement process generated a huge amount of interest in private hire services in London, including significant media commentary. The range of comment and opinion was very broad and, on some issues, highly polarised.

The second part of the consultation included 25 proposals that were formed through detailed consideration of the responses to the first part of the consultation. TfL had considered all representations made during this process very carefully, which had resulted in amendments to four of the proposals that were consulted on; a proposal to undertake further work on two of the proposals; and a proposal not to progress with four of the proposals.

The paper asked Members to consider taking forward a package of 19 proposals, which included those with amendments, which it was believed would strengthen and modernise the regulatory framework for private hire services in London with the objective of improving public safety. Following the publication of the paper and in light of further representations and discussions with the industry, it was now recommended that Proposal 6, on in-venue licences and temporary event operating centres, be removed from the list of proposals to be implemented and be added to the proposals where further work was required.

The English language standard presented no equalities issues and the topographical tests would ensure that drivers knew the city; both proposals had been universally supported. However, the current legislation did not allow TfL to limit the number of Private Hire Vehicle licences, so if a candidate was suitably qualified a licence had to be granted.

Officers would look at the detail of the Chancellor's budget announcements, particularly in relation to the treatment of tax, and highlight any issues arising in relation to the Private Hire industry.

The Board noted the paper and:

- 1 agreed to the implementation of the following proposals under Appendix 1, Section A, Proposals 1, 9, 12, 13, 14, 16, 17, 18, 19, 20, 21, 23, 24 and 25, but not Proposal 6;**
- 2 agreed to the implementation of the amended proposals under Appendix 1 Section B, Proposals 3, 7, 10 and 11;**
- 3 agreed to TfL undertaking further work on the two proposals under Appendix 1 Section C, Proposals 4 and 22 and to TfL undertaking further work on Proposal 6 under Appendix 1 Section A;**
- 4 agreed that TfL would not implement the four proposals under Appendix 1 Section D: Proposals 2, 5, 8 and 15; and**
- 5 noted that the Commissioner would make the amending regulations necessary to implement the Board's decision.**

27/03/16 Surface Transport Asset Renewals Programme

Leon Daniels introduced the paper, which sought authority in relation to the Asset Capital Renewal Programme. The purpose of the Programme was to deliver safe, reliable and cared for assets that were designed to meet the needs of London today and in the future.

The Board noted the paper and:

- 1 approved, for the year 2015/16, additional Project Authority of £16.0m for the Surface Transport Asset Capital Renewal Programme, comprising £10.9m re-profiled from 2016/17 to deliver priority works, £2.63m for works at Blackfriars Road (funded by the London Borough of Southwark) and a number of smaller contributions (totalling £2.47m) from other projects, taking the total Project Authority for 2015/16 to £108.8m; and**
- 2 approved Project Authority of £90.5m for the year 2016/17 to deliver the Surface Transport Asset Capital Renewal Programme described in the paper.**

28/03/16 Cycling Vision Portfolio 2016-17

Ben Plowden introduced the annual progress report on delivery of the Cycling Vision Portfolio. The portfolio had been approved by the Board on 5 February 2014 and had a budget of £913m under the TfL Business Plan. The individual projects and programmes in the portfolio had been progressing within their own lifecycles, seeking the necessary approvals according to their estimated final costs. No further authority was being sought under this item.

Members noted the good overall progress with the portfolio, which would contribute to a better city. Cycle Superhighway schemes were progressing well, with high quality delivery and improvements to the urban realm. TfL was engaging with boroughs on the

delivery of the Quietways and Mini-Holland schemes. Good progress was also being made on activities to promote cycling, including training.

Members discussed the need to address the behaviours of all road users. Cyclists would be actively encouraged to use the new infrastructure as it was completed and to do so considerately to encourage a broader cycling demographic. Where infrastructure schemes were completed, the proportion of cyclists using them were very high due to their high quality. However, most roads were not segregated and the behaviour of motorists toward cyclists would remain a focus of education and enforcement.

The Board noted the progress made to date on delivering the Cycling Vision Portfolio and the progress made in the last twelve months against the programme.

29/03/16 New Tube for London Programme: Piccadilly Line Modernisation

Nick Brown introduced the paper and the supplemental information on Part 2 of the agenda, which sought an increase in budgeted project authority to commence the procurement of new rolling stock and signalling systems for the Piccadilly line modernisation, to deliver enabling works and to continue design development for the Bakerloo, Central and Waterloo & City line upgrades. The new rolling stock was expected to be delivered during the mid-2020s.

The Board:

- 1 noted the paper and the supplementary paper included on part 2 of the agenda; and**
- 2 approved additional Project Authority of £95m, taking the Project Authority to a total of £154.1m.**

30/03/16 Bank Station Capacity Upgrade

Michael Liebreich declared an interest in this item. He took no part in the discussion or decision and left the meeting for the discussion of the information on Part 2 of the agenda.

Nick Brown introduced the paper and the supplemental information on Part 2 of the agenda, which sought additional budgeted Project Authority of £353.2m to December 2022 to allow full implementation of the Bank Station Capacity Upgrade (SCU).

The Bank SCU would provide additional capacity at Bank Station to meet forecast growth in passenger demand; step-free access to the Northern line platforms and improved fire and evacuation measures. The new capacity would be available below ground from 2020 with a new entrance open in 2021.

The Board noted the paper and supplementary paper on Part 2 of the agenda and:

- 1 granted additional budgeted Project Authority of £353.2m to allow Stage 2 of the works for the Contract with Dragados SA to be instructed allowing full implementation of the Bank Station Capacity Upgrade (SCU) project; and**

- 2 noted that there was no change in Estimated Final Cost for the Bank SCU project and that no additional Procurement Authority was required as part of this request.**

31/03/16 Jubilee Line Upgrade 2

Nick Brown introduced the paper and the supplemental information on Part 2 of the agenda, which sought additional budgeted Project Authority of £69m increasing total Project Authority to £104.6m for the Jubilee Line Upgrade 2 project.

The project would deliver all workstreams to support the introduction of a 36 trains per hour peak service on the Jubilee line from April 2020, except for 10 additional trains which were provided via a separate project. The project included implementation of power, cooling, track, depot enabling and signalling works.

The Board:

- 1 noted the paper and the supplementary paper on Part 2 of the agenda; and**
- 2 approved additional budgeted Project Authority of £69m, increasing total Project Authority to £104.6m.**

32/03/16 Northern Line Upgrade 2

Nick Brown introduced the paper and the supplemental information on Part 2 of the agenda, which sought additional budgeted Project Authority of £7.892m increasing total Project Authority to £11.314m for the Northern Line Upgrade 2 project.

The project would deliver a 30 trains per hour service on all branches of the Northern line by April 2023. This phase of the project would deliver concept designs for all asset areas that form part of the upgrade project (power, cooling, signalling, track, Highgate Depot and rolling stock modifications). These would be completed by May 2017 after which a further funding request for detailed design and enabling works would be submitted.

The Board:

- 1 noted the paper and the supplementary paper on Part 2 of the agenda; and**
- 2 approved additional budgeted Project Authority of £7.892m, increasing total Project Authority to £11.314m.**

33/03/16 London Overground Train Operating Concession

Gareth Powell introduced the paper and the supplemental information on Part 2 of the agenda, which provided an update on the procurement process undertaken by Rail for London (RfL) for the next concession agreement to operate London Overground passenger train services from November 2016 (the Concession Agreement) and sought approval to enter into the Concession Agreement.

The procurement process had refreshed the pricing structure and attracted a new entrant for a UK rail franchise and concession. The new Concession Agreement had revised performance regimes to focus on key targets, including the relationship with Network Rail and other Train Operating Companies. Members supported a partnering

relationship based on collaboration so that the focus was on resolving issues quickly as they arose.

The outcome of the tender evaluation was that Arriva Rail London Limited had the best bid. There were robust plans in place for a smooth handover from the current operator LOROL.

The Board noted the paper and the supplementary information on Part 2 of the agenda and:

- 1 approved entry into the Concession Agreement and ancillary agreements (the Concession Agreements) with Arriva Rail London Limited;**
- 2 authorised the TfL Officers and Subsidiaries described in paragraph 5 below to finalise the terms of the Concession Agreements;**
- 3 authorised 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 completion and implementation of the Concession Agreements and any of the matters referred to therein (including, without limitation, all agreements, deeds, guarantees, indemnities, property or other licences, announcements, notices, contracts, certificates, letters or other documents); and**
- 4 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 Concession Agreements and the matters referred to in them.**
- 5 The following Officers and Subsidiaries shall have authority:**
 - (a) TfL Officers: the Commissioner, Chief Finance Officer, Managing Director Rail and Underground and General Counsel; and**
 - (b) Subsidiaries: Subsidiaries of TfL including Transport Trading Limited and any other subsidiary (whether existing presently or to be formed) 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.**

34/03/16 New Advertising Agreement

Graeme Craig introduced the paper and the supplemental information on Part 2 of the agenda, which described the approach and process that has been undertaken to identify a new concessionaire for the majority of TfL's advertising estate. The new Agreement would primarily replace the current Exterior Media London Underground contract which expired on 30 September 2016.

The Agreement related to the largest outdoor advertising contract in the world, selling to the most valuable audience in the world. As a public body, TfL had been in consultation with the advertising industry and local authorities to ensure that the advertisements were appropriate to the unique nature of TfL's estate.

The Agreement was structured to focus on partnership and revenue share and would be for an 8.5 year period. The bidder offering the most economically advantageous offer was Exterior Media.

The contingency for this contract was held centrally by the Chief Finance Officer. The Finance and Policy Committee supported contingencies for all projects being held centrally so that any call to use the contingency was considered in reference to other budget pressures and priorities.

The Board noted the paper and related supplemental information on Part 2 of the agenda and:

- 1 approved entering into an agreement for the exploitation of Transport for London's (TfL) advertising estate as described in this paper with the Exterior Media (the Agreement);**
- 2 approved Financial and Procurement Authority in the sums set out in the paper on Part 2 of the agenda for the Agreement, including for the purposes of any capital commitment by TfL under the Agreement (Capital Commitment);**
- 3 authorised the TfL Officers and the Subsidiaries (as described in paragraph 7 below) to agree and finalise the terms of the Agreement;**
- 4 authorised the Commissioner and Chief Finance Officer to appoint (and replace) from time to time one or more officers of TfL to represent TfL on the Partnering Board that is proposed as part of the operation of the Agreement, such appointment carrying with it the authority to agree on behalf of TfL or any of its Subsidiaries any Capital Commitment up to the aggregate maximum set out in the paper on Part 2 of the agenda;**
- 5 authorised 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 completion and implementation of the Agreement including any Capital Commitment, and any of the matters referred to in either regard (including, without limitation, all agreements, deeds, guarantees, indemnities, property or other licences, announcements, notices, contracts, certificates, letters or other documents);**
- 6 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 Agreement and any Capital Commitment and the matters referred to in, or relating to, it.**
- 7 The following TfL Officers and Subsidiaries shall have delegated authority:**
 - (a) TfL Officers: the Commissioner, Chief Finance Officer and General Counsel.**
 - (b) Subsidiaries: Subsidiaries of TfL including Transport Trading Limited and any other subsidiary (whether existing presently or to be formed) 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.**

35/03/16 Crossrail - Project Delivery Partner Final Incentive Scheme

Terry Morgan introduced the paper and the supplemental information on Part 2 of the agenda, which set out a proposal from Crossrail Limited to realign the current Final Incentive Scheme contained within the Project Delivery Partner (PDP) Services Contract. The paper sought the Board's agreement to the proposed revisions to that contract, which also required the approval of the other Crossrail Sponsor, the Department for Transport.

The Board noted this paper and the related paper on part 2 of the agenda and:

- 1 approved the proposal to amend the Project Delivery Partner contract to incorporate a revised Final Incentive Scheme (the Amendment);**
- 2 authorised the TfL Officers and the Subsidiaries (as described in paragraph 5 below) to finalise the terms of the Amendment;**
- 3 authorise 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 Amendment and any of the matters referred to in it (including, without limitation, all agreements, deeds, guarantees, indemnities, announcements, notices, contracts, certificates, letters or other documents);**
- 4 authorise TfL Officers and Subsidiaries to do all such other things as they consider necessary or desirable to facilitate the execution and implementation of the Amendment and the matters referred to in it;**
- 5 The following Officers and Subsidiaries shall be authorised:**
 - (a) TfL Officers: the Commissioner, Chief Finance Officer, Chief Executive of Crossrail and General Counsel; and**
 - (b) Subsidiaries: Subsidiaries of TfL including Transport Trading Limited, Crossrail Limited and any other subsidiary (whether existing presently or to be formed) 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.**

36/03/16 Crossrail - Extension of the Interim CRL Funding Payments Agreement with Network Rail

Ian Nunn introduced the paper and the supplemental information on Part 2 of the agenda, which provided an update on the progress that Crossrail Limited (CRL) had made in reaching agreement with Network Rail for an extension of the Interim CRL Funding Payments Agreement and to seek approval for the extension. The Department for Transport, as the other Crossrail Sponsor, supported the proposal.

The Board noted the paper and the related paper on Part 2 of the agenda and:

- 1 approved an extension of the Interim CRL Funding Payments Agreement under the terms set out in the paper on Part 2 of the agenda (the Extension);**
- 2 authorised the TfL Officers and the Subsidiaries (as described in paragraph 5 below) to finalise the terms of the Extension;**

- 3 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 Extension and any of the matters referred to in it (including, without limitation, all agreements, deeds, guarantees, indemnities, announcements, notices, contracts, certificates, letters or other documents);**
- 4 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 Extension and the matters referred to in it.**
- 5 The following Officers and Subsidiaries shall be authorised:**
 - (a) TfL Officers: the Commissioner, Chief Finance Officer, Chief Executive of Crossrail and General Counsel; and**
 - (b) Subsidiaries: Subsidiaries of TfL including Transport Trading Limited including Crossrail Limited and any other subsidiary (whether existing presently or to be formed) 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.**

37/03/16 Final Results of the 2015 Actuarial Valuation of the TfL Pension Fund

Ian Nunn introduced the paper and the supplemental information on Part 2 of the agenda, which presented the final results of the 2015 Actuarial Valuation of the TfL Pension Fund. The paper sought approval for the proposed Recovery Plan, which was supported by the Pension Fund Trustee.

The Board noted the paper and the supplemental paper on Part 2 of the agenda and:

- 1 approved the proposed Recovery Plan described in the paper on Part 2 of the agenda; and**
- 2 authorised the Chief Finance Officer to execute the various related documents on behalf of TfL.**

38/03/16 Treasury Management Strategy 2016/17

Simon Kilonback introduced the paper and the supplemental information on Part 2 of the agenda, which sought approval for the proposed TfL Treasury Management Strategy for 2016/17, including the Investment Strategy 2016/17, the Borrowing Strategy 2016/17, the Risk Management Strategy 2016/17, the Counterparty Exposure Limits 2016/17 and the TfL Policy on Minimum Revenue Provision.

The Board:

- 1 noted the paper and the supplementary information on Part 2 of the agenda;**
- 2 approved the Treasury Management Strategy for 2016/17 (TMS), including the Investment Strategy 2016/17, the Borrowing Strategy 2016/17, the Risk Management Strategy 2016/17, the Counterparty Exposure Limits 2016/17**

and the TfL Policy on Minimum Revenue Provision included at Appendix 1 of the paper; and

- 3 authorised the Finance and Policy Committee to approve any changes to the TMS 2016/17 during the course of the year.
- 4 The following Officers and Subsidiaries shall have delegated authority:
 - (a) TfL Officers: the Commissioner, Chief Finance Officer, General Counsel and Director of Group Treasury; and
 - (b) Subsidiaries: Subsidiaries of TfL including Transport Trading Limited and any other subsidiary (whether existing presently or to be formed) 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.

39/03/16 Treasury Management and Derivative Investments Policies 2016/17

Simon Kilonback introduced the paper and the supplemental information on Part 2 of the agenda, which sought approval of the proposed TfL Treasury Management Policy Statement and Treasury Management Practices, future and reporting arrangements and the proposed TfL Group Policy relating to the use of Derivative Investments for 2016/17.

The Board noted the paper and approved:

- 1 the proposed TfL Treasury Management Policy and Treasury Management Practices for 2016/17 at Appendix 1 of the paper;
- 2 that in relation to the existing TfL Treasury Management Policy and Treasury Management Practices 2015/16, the annual report on the performance of the treasury management function, the effects of decisions taken and the transactions executed in the past year, and on any non-compliance with the organisation's Treasury Management Policy Statement and Practices are submitted to the Finance and Policy Committee, rather than the Board; and
- 3 the proposed TfL Group Policy relating to the use of Derivative Investments in Appendix 2 of the paper.

40/03/16 Delegation to the Finance and Policy Committee of Matters Reserved to the Board

Howard Carter introduced the paper, which asked the Board to delegate to the Finance and Policy Committee authority to approve any matters reserved to the Board between the scheduled meetings of the Board in March and July 2016.

The Board agreed to delegate to the Finance and Policy Committee, from 18 March until 18 July 2016, authority to approve any matter reserved to the Board and in relation to any Financial, Project, Land or Procurement Authority approved, the authority to delegate to the TfL Officers and Subsidiaries (defined in paragraph 3 below):

- 1 the ability to agree the terms of and execute (whether by deed or otherwise) on behalf of TfL or any Subsidiary (as appropriate) any documentation to be entered into in connection with such projects or transactions (including, without limitation, all agreements, deeds, guarantees, indemnities, announcements, notices, contracts, certificates, letters or other documents); and
- 2 to do all such other things as they consider necessary or desirable to facilitate the execution and implementation of the projects or transactions.
- 3 The following TfL Officers and Subsidiaries shall have delegated authority:
 - (a) TfL Officers: the Commissioner, Managing Director Finance, Managing Director Rail and Underground, Managing Director Surface Transport, General Counsel and the Chief Finance Officer; and
 - (b) Subsidiaries: all subsidiary companies of TfL including Transport Trading Limited and any other subsidiary (whether existing presently or to be formed) of Transport Trading Limited: any of the directors shall be authorised to act for and on behalf of any such subsidiary.

41/03/16 Report of the meetings of the Finance and Policy Committee held on 16 February and 2 March 2016

The Chairman of the Committee, Peter Anderson, gave an update on the meetings of the Finance and Policy Committee, held on 16 February and 2 March 2016.

The Board noted the report.

42/03/16 Report of the meeting of the Audit and Assurance Committee held on 8 March 2016

In the absence of the Chairman, the Vice Chairman of the Committee, Steve Wright, gave an update on the meeting of the Audit and Assurance Committee, held on 8 March 2016. He highlighted that the Committee had discussed in detail the Garden Bridge Design procurement process. The Committee Chairman had provided a written summary of the discussion to the Chairman of the GLA's Oversight Committee.

The Board noted the report.

43/03/16 Report of the meeting of the Safety, Accessibility and Sustainability Panel held on 10 March 2016

The Chairman of the Panel, Charles Belcher, gave an update on the meeting of the Safety, Accessibility and Sustainability Panel, held on 10 March 2015.

The Committee welcomed the introduction of the Bus Safety Programme, which was recognised as a first significant step in improving the safety of passengers and other road users. Michael Liebreich had provided the Commissioner and Managing Director Surface Transport with his suggestions for making the programme even more rigorous.

The Board noted the report.

44/03/16 Report of the meeting of the Remuneration Committee held on 15 March 2016

The Chairman of the Committee, Baroness Grey-Thompson, gave an update on the meeting of the Remuneration Committee, held on 15 March 2016.

The Committee had recommended that the new Mayor agree the 2016/17 performance targets for the Commissioner as soon as possible after their election. The new Mayor was also recommended to undertake a full review of the Group Scorecard for 2017/18 to ensure that it reflected the purpose and priorities of TfL. The 2017/18 Group Scorecard and proposed performance targets for the Commissioner would be reviewed and agreed by the Committee in March 2017.

The Board noted the report.

45/03/16 Any Other Business the Chairman Considers Urgent

As this was the last meeting of the Mayoralty, the Chairman, Boris Johnson, thanked Members for their kindness, support, constructive criticism and most of all their support for continued investment, which was essential to keep London moving. The Board had played an important part in an extraordinary period of growth in the history of London's transport over the previous eight years. He listed the achievements during that period.

Boris Johnson attributed government support for the investment programme and greater control of the railways to how well TfL was run. TfL had driven out £16bn in savings and efficiencies and continued to bear down on costs and to increase its income from commercial opportunities.

Isabel Dedring thanked Boris Johnson personally and on behalf of the Board for his energy, tenacity and vision. Behind the scenes, he had personally driven the work to secure the Bakerloo line extension, Crossrail 2, ULEZ and the major changes in cycling provision. Boris Johnson returned the compliment and thanked the Commissioner, Managing Directors and TfL staff.

The Commissioner also thanked the Chairman, Deputy Chairman and Board for their support and constructive challenge. He acknowledged the strength of his Managing Directors but appreciated the direction set by the Board.

There was no other business to discuss that was not included on the agenda.

The next scheduled meeting would be held on Tuesday 19 July 2016 at 10.00am.

46/03/16 Exclusion of Press and Public

The Board 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 exempt appendices to the following items: New Tube for London Programme: Piccadilly Line Modernisation; Bank Station Capacity Upgrade; Jubilee Line Upgrade 2; Northern Line Upgrade 2; London Overground Train Operating Concession; New Advertising Agreement; Crossrail - Project Delivery Partner Final Incentive Scheme; Crossrail - Extension of the Interim CRL Funding Payments Agreement with Network Rail; Final Results of the 2015 Actuarial Valuation of the TfL Pension Fund; Treasury Management Strategy 2016/17.

There being no further business, the meeting closed at 12.20pm.

Chair: _____

Date: _____