

This paper will be considered in public

1 Summary

- 1.1 There are a number of matters which will require decisions that are reserved to the Board; those matters are TfL's revenue collection contract, the acquisition of a company in relation to the proposed over site development at Southwark station, the Underground emergency services network and additional rolling stock for London Overground. Timing constraints mean that those decisions are required outside the planned cycle of Board meetings. This paper seeks, therefore, that decisions on these matters should be delegated to the Finance Committee and the Programmes and Investment Committee as appropriate.

2 Recommendations

2.1 **That the Board delegates to:**

- (a) **the Finance Committee authority to approve those matters reserved to the Board in relation to any extension of Transport for London's revenue collection contract and in relation to the acquisition of a company to support the proposed over site development at Southwark station; and**
- (b) **the Programmes and Investment Committee authority to approve those matters reserved to the Board in relation to the Underground's emergency services network and in relation to additional rolling stock for London Overground,**

in each case including, without limitation, any Financial Authority (whether budgeted or unbudgeted), and Programme and Project Authority and any Procurement Authority.

3 Background

Revenue Collection Contract (RCC)

- 3.1 The RCC provides the front office devices (gates, validators, vending equipment, docking stations and their associated control systems), back office and other services to support Oyster, contactless, ITSO, magnetic tickets and Cycle Hire rentals. In 2014, approval was given for a new RCC which was awarded to Cubic and commenced in August 2015 with a term of seven years, extendable by TfL to ten years.

- 3.2 Consideration is being given to exercising that option to extend the contract on a basis that offers improved value to TfL. Any financial implications will be described in detail when approval is sought from the Finance Committee.
- 3.3 A decision is required before the next meeting of the Board in November 2017 as the terms offered by Cubic expire at the end of September 2017.

Southwark station over site development

- 3.4 TfL has an opportunity to deliver an office-led development at Southwark Station comprising at least 160,000 sq ft of office, retail, cultural space, public realm and to facilitate the delivery of a net increase of affordable homes. The new homes, which are likely to be rented out at a social rent, will be constructed and owned by LB Southwark. To facilitate the development, it is proposed that TfL acquires all of the land required for the development prior to planning submission. This will require the acquisition of an existing special purpose vehicle company and a decision is required by the end of September 2017.

Emergency Services Network (ESN)

- 3.5 Emergency services (police, fire and rescue, and ambulance) and other public safety users in the UK currently use a dedicated national communications network known as Airwave. This is due to be replaced by an upgraded Emergency Services Network (ESN). The Home Office has contracted the mobile network operator EE to deliver ESN coverage for the whole of the UK over its 4G network. The current contract with EE does not cover the London Underground or DLR networks, which need to be included by the end of 2018 to start transitioning users from Airwave to ESN in London from January 2019.
- 3.6 Since 2014, TfL has been working with the Home Office and EE to design a 4G infrastructure on the Underground capable of carrying ESN and to agree appropriate funding. A decision on approving Financial Authority will be required shortly.

Additional rolling stock for London Overground

- 3.7 Approval was given in June 2015 for a Manufacturing and Supply Agreement (MSA) with Bombardier to provide new Class 710 rolling stock for London Overground, along with a related Train Services Agreement (TSA) for maintenance services.
- 3.8 TfL is considering exercising priced options under the MSA and expanding the TSA to cater for the Barking Riverside Extension and an increase in services on the East London Line.
- 3.9 A decision may be required outside of the normal meeting cycle to avoid incurring re-mobilisation costs from the train manufacturer.

List of appendices to this report:

None

List of Background Papers:

Finance and Policy Committee paper "Revenue Collection System and Associated Services Procurement" dated 17 July 2014

Finance and Policy Committee paper "London Overground Train Procurement" dated 17 June 2015

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