

Board



Date: 30 January 2018

Item: Report of the Meeting of the Finance Committee held on 5 December 2017

This paper will be considered in public

1 Summary

1.1 To report to the Board on the meeting of the Finance Committee held on 5 December 2017.

2 Recommendation

2.1 **The Board is asked to note the report.**

3 Committee Agenda and Summary

3.1 The papers for the meeting of the Committee held on 5 December 2017 were published on 27 November 2017 and are available on the TfL website: <https://tfl.gov.uk/corporate/publications-and-reports/finance-committee>

3.2 The main matters considered by the Committee were:

(a) Telecommunications Commercialisation Project Update;

(b) Access and Wide Area Network Contract Award;

(c) Connect: A Managed Transition from the PFI – Update;

(d) TfL Energy Purchasing 2020 to 2023;

(e) Finance Report – Period 7, 2017/18; and

(f) TfL Business Plan 2017.

3.3 A summary of the discussions and decisions from the items on the agenda is provided below. The minutes of the meeting held on 18 October 2017 were approved by the Committee on 5 December 2017. The more detailed minutes of the meeting held on 5 December 2017 will be published ahead of the meeting of the Committee on 8 March 2018.

4 Issues Discussed

Telecommunications Commercialisation Project Update

- 4.1 The Committee discussed and noted the approach being taken to deliver a range of telecommunications improvements in line with the draft Mayor's Transport Strategy.
- 4.2 The Committee congratulated officers on the progress made and encouraged utilisation of Board Member expertise in this area.

Access and Wide Area Network Contract Award

- 4.3 Members considered the approach and process being undertaken to identify a new supplier for the provision and ongoing management of TfL's outsourced commodity data network services and granted Procurement Authority in respect of the award of the contract to the preferred bidder for Access and Wide Area Network services.
- 4.4 The Committee stressed the importance of good governance and controls over the project.
- 4.5 Project risk would be more clearly set out in future reports and the assurance and risk aspects of this project would also be considered through the relevant processes.
- 4.6 The Committee thanked staff for the considerable progress made.

Connect: A Managed Transition from the PFI – Update

- 4.7 The Committee noted the update on the Connect strategy proposed in October 2017 and welcomed the progress to date.

TfL Energy Purchasing 2020 to 2023

- 4.8 The Committee discussed the current purchasing strategy for the supply of electricity and gas to all applicable TfL supply points through the Crown Commercial Service (CCS) agreed frameworks.
- 4.9 Discussions were ongoing with the GLA as to how TfL would work towards becoming zero carbon by 2030 and the possible options of local energy providers. TfL would continue to influence CCS in improving its environmental energy provision.
- 4.10 The provision of alternative energy options on the scale of consumption required by TfL was not currently available in the market, which was still underdeveloped.
- 4.11 Members were assured that approving the procurement authority as set out in the paper would not shut down pursuing other future options.

- 4.12 It was agreed that TfL's energy purchasing be an explicit item in TfL's annual budget.
- 4.13 The Committee discussed the importance of aligning TfL's energy purchasing strategy with a GLA energy strategy, which would be available in May 2018.
- 4.14 The Committee noted the paper and agreed that a gating process be implemented for energy purchases for the period of supply starting April 2020. Further requests for draw down beyond March 2021 would be submitted to the Finance Committee, and any particularly advantageous commercial arrangements in the meantime, would be taken by Chair's Action.

Finance Report – Period 7, 2017/18

- 4.15 Members discussed the Finance Report for period 7 ending 14 October 2017.
- 4.16 The Committee encouraged TfL to optimise its working capital. Staff were working to reduce costs through supply chain financing.
- 4.17 It was agreed that a report on TfL's strategy on working capital would be submitted to a future meeting.
- 4.18 It was also agreed that a risk and opportunity schedule be incorporated into future finance reports.

TfL Business Plan 2017

- 4.19 The Committee, by authority delegated by the Board on 9 November 2017, approved the TfL Business Plan 2017, subject to any non-material changes prior to the publication of the final document to be delegated to the Interim Chief Finance Officer.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the Finance Committee on 5 December 2017.

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