

TRANSPORT FOR LONDON

BOARD

SUBJECT: REPORT FROM THE MEETING OF THE FINANCE AND POLICY COMMITTEE – 21 JANUARY 2010

DATE: 3 FEBRUARY 2010

1 PURPOSE AND DECISION REQUIRED

- 1.1 To report to the Board on the meeting of the Finance and Policy Committee held on 21 January 2010.

2 BACKGROUND

- 2.1 The main matters considered by the Committee were:
- (a) Project Monitoring – Project Approvals;
 - (b) Trends in Passenger Demand;
 - (c) Prudential Code – Indicators of Prudence and Affordability – Outturn For The Year Ended 31 March 2009;
 - (d) Freedom Pass Settlement – 2010/11; and
 - (e) Crossrail Compensation Arrangements for Compulsory Purchase.

3 ISSUES DISCUSSED

Project Monitoring – Project Approvals

- 3.1 The Committee reviewed the approvals by the Commissioner and Managing Director, Finance in accordance with delegated authority under TfL Standing Orders. Since the previous meeting, the Commissioner had approved one project: Infrastructure Development in relation to Urban Traffic Control. The Managing Director, Finance had approved three projects: Network Instrumentation to Support the Olympic Route Network; New Bus for London; and Electric Vehicles. The Committee noted the Project Review Group Forward Forecast November 2009 – November 2010.

Trends in Passenger Demand

- 3.2 The Committee noted a summary of the trends in passenger journeys to the end of period 8 (14 November 2009), with data reported in separate submissions from the operating modes on London Underground, London Buses and London Rail. Trend data was close to that assumed in the Business Plan.

Prudential Code – Indicators of Prudence and Affordability – Outturn For The Year Ended 31 March 2009

- 3.3 The Committee noted TfL's performance for 2008/09 against indicators required and defined in the CIPFA Prudential Code and approved by the Board in September 2008. The indicators were to demonstrate that TfL had exercised prudence in assessing the affordability of the capital expenditure and debt necessary to support the budget outputs. The Committee noted the reason why approved values had been exceeded in one Corporate indicator and one related Group indicator and that procedures had changed so that performance against the indicators was reviewed regularly during each financial year.

Freedom Pass Settlement – 2010/11

- 3.4 The Committee noted the settlement between London Councils and TfL for the Freedom Pass and National Concessionary Permit use on TfL services of £251m for 2010/11, and the impacts on income for each of the operating businesses.

Crossrail Compensation Arrangements for Compulsory Purchase

- 3.5 The Committee noted the legal position with regard to compensation for compulsory purchase of property for the Crossrail Project, and the approach which Crossrail Limited (CRL) was taking in relation to this matter. A report on the Crossrail Compensation Arrangements for Compulsory Purchase appears as a separate item on the agenda for this meeting.

Date of Next Meeting

- 3.6 The next regular meeting of the Finance and Policy Committee is scheduled for 9 March 2010 at 9.30am.

4 RECOMMENDATION

- 4.1 The Board is asked to NOTE the report.

5 CONTACT

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