

**Board**

**Transport  
for London**



**Date: 6 February 2013**

**Item 17: Report of the meeting of Members of the Finance and Policy Committee held on 23 January 2013**

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**This paper will be considered in public**

## **1 Summary**

- 1.1 To report to the Board on the meeting of members of the Finance and Policy Committee held on 23 January 2013.

## **2 Recommendation**

- 2.1 **That the Board note the report.**

## **3 Background**

- 3.1 The formal meeting of the Committee could not be held as there was not a sufficient number of Members present to reach a quorum. The Members present considered the items on the agenda and all papers requiring a decision are included on the agenda for this meeting, with a summary of the views of those Members who were present. The main matters considered were:

- (a) The Autumn Statement 2012;
- (b) Actuarial Valuation of the TfL Pension Fund;
- (c) London Overground Capacity Improvement Programme;
- (d) Sub-Surface Railway Upgrade Revised Programme Authority;
- (e) Total Purchased Services Contracts;
- (f) Taxi and Private Hire Licence Fees;
- (g) Taxi Fares and Tariffs – Annual Revision;
- (h) Congestion Charging and Traffic Enforcement Contract Re-let Project;  
and
- (i) Better Junctions Programme.

## **4 Issues Discussed**

### **The Autumn Statement 2012**

- 4.1 Members noted the effect of the Chancellor's Autumn Statement 2012 on TfL. This covered government support for the Northern line extension to Battersea and the risks of reductions in TfL funding from the levels agreed in the last comprehensive spending review.
- 4.2 Discussions with government were continuing and would be reflected in the TfL Budget that would be submitted to the Board for approval on 27 March 2013. Further information would be provided to the Committee on the impact on the current Business Plan and the case being made to government to secure a longer term funding settlement.

### **Actuarial Valuation of the TfL Pension Fund**

- 4.3 Members noted an update on the progress of the valuation of the TfL Pension Fund as at 31 March 2012, together with details of the movement in funding for the Public Sector and Tube Lines Sections, which had improved since the previous valuation in March 2009. They noted the nature of the discussions with the Pensions Fund on agreeing the Technical Provisions and the schedule of payments required for the Recovery Plan. The deadline for completing the valuation process was 30 June 2013.
- 4.4 Members were advised that the Pensions Fund had an Investment Committee and an Alternatives and Liability Hedging Committee. A copy of the Fund's Investment Strategy would be provided to members of the Committee for information.

### **London Overground Capacity Improvement Programme**

- 4.5 Members noted the progress achieved by the London Overground Capacity Improvement Programme. They supported the recommendation that the Board grant Project and Procurement Authority for the programme, authority to enter into lease agreements for rolling stock and authority to place rolling stock contracts. The amounts requested were within the funding available in the Business Plan for this programme.
- 4.6 A paper on the London Overground Capacity Improvement Programme appears as a separate item elsewhere on the agenda.

### **Sub-Surface Railway Upgrade Revised Programme Authority**

- 4.7 Members discussed the proposal to include three budgeted projects within the scope of the Sub-Surface Railway Upgrade Programme (SUP) three projects not currently included within its budget and scope to enable more efficient delivery. The request would require an increase in authority for the overall SUP. Members were provided with additional information on the scope of each of the projects and the source of their current funding and assured that project teams always sought to deliver projects within or below budget.

- 4.8 The arrangements through which the sponsor reviews and prioritises requests for additional work and ensured value for money under the revised project sponsorship arrangements were noted.
- 4.9 A paper on the Sub-Surface Railway Upgrade Revised Programme Authority, including additional detail on the scope of each project and the source of their existing funding, appears as a separate item elsewhere on the agenda.

#### **Total Purchased Services Contract**

- 4.10 Members discussed the request to increase procurement authority for the Total Purchased Services group of contracts (which primarily supported maintenance activities in London Underground) in order to maintain their utility over the five year contract lifespan to 2015.
- 4.11 Members requested that the paper to the Board include information showing that the savings target for the group of contracts would increase by a value at least proportionate to the level of increased authority being sought.
- 4.12 A paper on the Total Purchased Services Contract, including the additional information requested, appears as a separate item elsewhere on the agenda.

#### **Taxi and Private Hire Licence Fees**

- 4.13 Members noted the details of the proposed changes to taxi and private hire licence fees with effect from 2 April 2013.
- 4.14 A paper on Taxi and Private Hire Licence Fees appears as a separate item elsewhere on the agenda.

#### **Taxi Fares and Tariffs – Annual Revision**

- 4.15 Members noted the outcome of the annual taxi fares and tariffs consultation and that the Board would be recommended to approve the proposed changes, with the changes coming into effect on Saturday 6 April 2013.
- 4.16 A paper on Taxi Fares and Tariffs – Annual Revision appears as a separate item elsewhere on the agenda.

#### **Congestion Charging and Traffic Enforcement Contract Re-let Project**

- 4.17 Members were provided with information on the project, the options considered and why the proposed option was favoured. A progress report, including a request for any further authority required, would be submitted to the Committee in early 2014.
- 4.18 Members supported the recommendation that the Board approve Project and Procurement Authority for the project. A paper on Congestion Charging and Traffic Enforcement Contract Re-let Project appears as a separate item elsewhere on the agenda.

## **Better Junctions Programme**

- 4.19 Members noted the paper, which provided information on the Better Junctions Programme. The objective of the programme was to create road junctions that were safer, attractive and more functional for cyclists, vulnerable road users and other transport modes.
- 4.20 Project Authority was being sought to cover costs incurred by the Programme to December 2013 and so enable the completion of 100 junction reviews, 50 improvement schemes, and a programme of off-street trials. The junctions had been prioritised following an evaluation of Killed and Seriously Injured figures from the previous three years and the effectiveness of each junction change would be monitored so that lessons were learnt for work on improving other junctions. The Members supported the recommendations.
- 4.21 A paper on the Better Junctions Programme appears as a separate item elsewhere on the agenda.

### **List of appendices to this report:**

None

### **List of Background Papers:**

Papers for the meeting of the Finance and Policy Committee held on 23 January 2013.

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