

Board



Date: 20 March 2018

Item: Report of the Meeting of the Finance Committee held on 5 March 2018

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 March 2018.

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 March 2018 were published on 23 February 2018 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) Finance Report – Period 10, 2017/18;
- (b) Treasury Management Strategy 2018/19;
- (c) Treasury Management and Derivative Investment Policies;
- (d) Treasury Activities;
- (e) Mayoral Direction to TfL on its Affordable Housing Programme 2017/18;
- (f) South Kensington – Around Station Development;
- (g) Multi-lateral Interchange Fees; and
- (h) Transformation Programme.

3.3 A summary of the discussions and decisions at the meeting is provided below. The more detailed minutes of the meeting held on 5 March 2018 will be published ahead of the meeting of the Committee on 4 July 2018.

4 Issues Discussed

Finance Report – Period 10, 2017/18

- 4.1 The Committee discussed and noted TfL's financial results for Period 10, 2017/18, period ending 6 January 2018.
- 4.2 Staff were thanked and congratulated on the significant work undertaken to keep London's transport network moving in the recent extreme weather conditions.
- 4.3 Members requested that London Underground patronage income be included in future reports.
- 4.4 The Finance Report for Period 10, 2017/18 appears elsewhere on the agenda for this meeting of the Board.

Treasury Management Strategy 2018/19

- 4.5 Members noted the paper and recommended that the Board approve the proposed TfL Treasury Management Strategy for 2018/19. The Strategy comprises the Investment Strategy 2018/19, the Borrowing Strategy 2018/19, the Risk Management Strategy 2018/19 and the Counterparty Exposure Limits.
- 4.6 This item appears elsewhere on the agenda for this meeting of the Board.

Treasury Management and Derivative Investment Policies

- 4.7 The Committee noted the paper and recommended that the Board approve the proposed TfL Treasury Management Policy Statement and Treasury Management Practices and the proposed TfL Group Policy relating to the use of Derivative Investments for 2018/19.
- 4.8 This item appears elsewhere on the agenda for this meeting of the Board.

Treasury Activities

- 4.9 The Committee noted the paper, which provided an update on key treasury activities for the period from 1 April 2017 to 13 February 2018.
- 4.10 The Deputy Chair offered to meet with the Interim Corporate Finance Director and her team, to discuss areas of best practice.

Mayoral Direction to TfL on its Affordable Housing Programme 2017/18

- 4.11 Members noted the paper, the Mayoral Direction 2183(MD2183), and the impact on TfL and the rationale for the Direction.
- 4.12 This arrangement would form part of the budget process moving forward.

South Kensington – Around Station Development

- 4.13 The Committee noted the paper and approved the disposal of leasehold land interests at the Site and a joint venture with the preferred bidder for the redevelopment at South Kensington, including the provision of step-free access.

Multi-lateral Interchange Fees

- 4.14 The Committee noted the update in relation to litigation commenced by TfL concerning the fees charged in respect of debit card and credit card transactions. Due to a declared interest, the Chair left the room for the discussion of this item and had not received the supplementary information on the Part 2 agenda.
- 4.15 The Committee would be kept informed of progress.

Transformation Programme

- 4.16 The Committee noted the regular update. An informal deep dive session would be held after the next meeting.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the Finance Committee on 5 March 2018.

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