

Board

Date: 19 July 2016

Item: London Underground Operations Delivery Secondment Arrangements

This paper will be considered in public

1 Summary

- 1.1 The purpose of this paper is to set out the commercial and contractual position regarding the secondment agreement between Amey and Tube Lines Limited entered into on 31 December 2002 (the Secondment Agreement) and seek a decision as to the continuation or otherwise of that arrangement.
- 1.2 On 8 July 2016, the Finance and Policy Committee endorsed the recommendations in this paper.
- 1.3 A paper is included in Part 2 of the agenda, which contains exempt supplemental information. The information is exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the business affairs of TfL. Any discussion of that information must take place after the press and public have been excluded from this meeting.

2 Recommendations

2.1 The Board is asked to:

- (a) note the paper; and
- (b) make a decision regarding the continuation or otherwise of the Secondment Agreement as detailed in the paper included on the Part 2 agenda.

3 Background

- 3.1 On 31 December 2002, Tube Lines Limited (Tube Lines) entered into the Secondment Agreement for the provision of certain key individuals (circa 20.) to manage and deliver the operational maintenance and support to Tube Lines for the Jubilee, Northern and Piccadilly lines. At that time Tube Lines was the PPP (public private partnership) company responsible for the upgrade and maintenance of the relevant lines and was in private ownership. Amey was one of the original shareholders (alongside Bechtel and Jarvis). When TfL acquired Tube Lines from the remaining shareholders (Amey and Bechtel) in 2010, the Secondment Agreement remained in place.

- 3.2 The Secondment Agreement expires in 2033 but has the option for either party to terminate at the end of 2017 and again at the end of 2024 by serving notice of termination (which will take effect at the end of December of the relevant year). Termination at the end of 2017 would require service of the requisite notice by 30 June 2017. If this right is not exercised, the arrangement will extend for a further 7 ½ year term (to 2024).

4 Financial Implications

- 4.1 Details of the commercial and contractual position regarding the secondment agreement can be found in the paper included in Part 2 of the agenda.

5 Views of the Finance and Policy Committee

- 5.1 On 8 July 2016, the Finance and Policy Committee considered a similar paper and endorsed the recommendations in this paper. The view of the Committee is set out in the paper on Part 2 of the agenda.

List of appendices to this report:

None.

List of background papers

None

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