

**Date: 5 November 2014**

**Item 11: Report of the meeting of the Finance and Policy Committee held on 25 November 2014**

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**This paper will be considered in public**

## **1 Summary**

- 1.1 To report to the Board on the meeting of the Finance and Policy Committee held on 25 November 2014.

## **2 Recommendation**

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

## **3 Background**

- 3.1 The main matters considered by the Committee were:
- (a) Operational and Financial Performance and Investment Programme Reports – Second Quarter, 2014/15;
  - (b) Commercial Development Advisory Group;
  - (c) Review of the Assurance and Approval Processes applicable to Investment Projects;
  - (d) Project Monitoring – Project Approvals; and
  - (e) Transfer of West Anglia routes from DfT to TfL and Crossrail and West Anglia Station Leases

## **4 Issues Discussed**

### **Operational and Financial Performance and Investment Programme Reports – Second Quarter, 2014/15**

- 4.1 The Committee noted TfL's Operational and Financial Performance and Investment Programme Reports for the second quarter of 2014/15 (22 June – 13 September 2014). No specific issues were raised at the meeting.
- 4.2 A paper on the Operational and Financial Performance and Investment Programme Reports – Second Quarter, 2014/15 appears elsewhere on the agenda.

### **Commercial Development Advisory Group**

- 4.3 The Committee endorsed the recommendation that the Board approves the terms of reference of the Commercial Development Advisory Group (CDAG) and notes the recruitment process. The purpose of the CDAG was to provide scrutiny, assurance and expert advice on strategies and plans, both in formulation and during implementation.
- 4.4 The Committee was keen that recruitment of a high calibre group be undertaken as soon as possible, to enable the Commercial Development Directorate to achieve the challenging targets set out in the Business Plan. It was anticipated that a Chairman would be appointed by the end of January 2015 and would assist in recruiting the remaining members by the end of March 2015.
- 4.5 A paper on the Commercial Development Advisory Group appears elsewhere on the agenda.

### **Review of the Assurance and Approval Processes applicable to Investment Projects**

- 4.6 The Committee considered a report from EC Harris that benchmarked TfL's assurance approval processes against its peers, as part of the drive for TfL to aspire to have a robust 'best in class' programme assurance process, led by the Programme Management Office.
- 4.7 Members discussed the recommendations in the EC Harris report and the views of the Independent Investment Programme Advisory Group. An implementation plan would be developed to address the recommendations. This would be reviewed at a meeting of the Finance and Policy Special Purpose Sub-Committee, to be held on 16 December 2014. The Implementation Plan would then be submitted for approval to the Committee in January 2015.

### **Project Monitoring – Project Approvals**

- 4.8 The Committee noted the forward approval programme for projects with a value in excess of £50m, from November 2014 to June 2016. Members were advised that the cycle superhighways item on the forward schedule would be submitted to the Board in early 2015, rather than December 2014, to allow adequate consideration to be given to the high volume of consultation responses.
- 4.9 There had been no Project Authority granted by the Commissioner or the Managing Director, Finance, in accordance with delegated authority under TfL's Standing Orders, since the last meeting.

### **Transfer of West Anglia routes from DfT to TfL and Crossrail and West Anglia Station Leases**

- 4.10 The Committee endorsed the recommendations to the Board in relation to: the proposed transfer of responsibility for the West Anglia Inner passenger train

(WAI) services and stations from the Department for Transport to TfL; the proposals for London Overground Rail Operations Limited (LOROL) to operate the WAI services and stations under the existing London Overground Concession Agreement; and the proposal for TfL to enter into 125 year station leases in respect of certain West Anglia Inner and Crossrail stations.

- 4.11 A paper on the Transfer of West Anglia routes from DfT to TfL and Crossrail and West Anglia Station Leases appears 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 25 November 2014.

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