

Transport for London

Minutes of the Meeting

Microsoft Teams

5pm, Tuesday 9 August 2022

Members

Sadiq Khan (Chair)
Seb Dance (Deputy Chair) (for part)
Julian Bell
Kay Carberry CBE
Bronwen Handyside
Anne McMeel
Dr Nelson Ogunshakin OBE
Mark Phillips
Marie Pye
Dr Nina Skorupska CBE
Dr Lynn Sloman MBE
Ben Story
Peter Strachan

Government Special Representative

Becky Wood (for Part 1 only)

Executive Committee

Andy Byford	Commissioner
Howard Carter	General Counsel
Patrick Doig	Group Finance Director and statutory Chief Finance Officer
Stuart Harvey	Chief Capital Officer
Andy Lord	Chief Operating Officer
Lilli Matson	Chief Safety, Health and Environment Officer
Gareth Powell	Chief Customer and Strategy Officer
Tricia Wright	Chief People Officer

Staff

William Bradley	Senior Advisor to the Deputy Mayor
Jackie Gavigan	Secretariat Manager
Joanna Hawkes	Director of Corporate Finance
Emma Lucas	Chief of Staff, Finance
Sue Riley	Principal Committee Officer
Christopher Tann	Head of Financial Accounting and Tax
Richard Watts	Deputy Chief of Staff, GLA

68/08/22 Apologies for Absence and Chair's Announcements

Apologies for absence had been received from Heidi Alexander, Prof. Greg Clark CBE, Anurag Gupta and Dr Mee Ling Ng OBE.

The Chair welcomed everyone to the meeting, which was being broadcast live on the Greater London Authority website and on YouTube to ensure the public and press could observe the proceedings.

As a quorum of Members were not available to attend in person, the meeting was being held online and any decisions that needed to be taken would be taken by Chair's Action after the meeting or at a subsequent meeting, should that prove necessary. A note of the decisions taken, including the key issues discussed, would be published on TfL's website.

The meeting was called on 8 August 2022, with less than five clear working days' public notice in accordance with Standing Order 33. The Chair had agreed, in accordance with Section 100B(4)(b) of the Local Government Act 1972, that the meeting be called as a matter of urgency as decisions were required in relation to TfL's funding. With the agreement of the Chair, the papers for the meeting were published on 9 August 2022 as discussions on the matters in the papers were ongoing.

The Chair reminded Members that the current funding settlement from Government had expired and an agreement had yet to be reached with the Department for Transport due to a number of conditions that had significant operational implications for TfL. It was critical that any agreement reached was in the best interests of London.

Due to the confidential and commercially sensitive nature of the current negotiations, it was not possible to discuss any of the details in Part 1 of the meeting.

69/08/22 Declarations of Interest

All Members confirmed that their declarations of interests, as published on tfl.gov.uk, were up to date and there were no additional interests that related specifically to items on the agenda.

Due to the nature of the discussions in Part 2 of the agenda, Becky Wood, as the Government's Special Representative had not received the paper and left the meeting for the discussion of that information.

70/08/22 Update on TfL Funding

Andy Byford thanked Members for joining the meeting at such short notice and provided a brief update on the current situation and a summary of the timeline and subsequent extensions. It had been a long process which had still not concluded, despite tireless work on the part of both TfL and Government officials.

TfL was still awaiting an updated version of a revised Government letter issued on 4 August 2022. The Government had proposed the use of a complex funding mechanism based on several assumptions, and the previous letter contained several numerical errors identified by TfL that required correction and it was therefore not possible to provide clarity on the funding position today.

Patrick Doig summarised the key issues in the paper that had been circulated to Members on 9 August 2022, which covered the current funding position and TfL's assessment of what would be required in agreeing a long-term funding proposal.

Long-term capital funding was required to avoid a "managed decline" scenario and to enable TfL to set a balanced budget and approve its Statement of Accounts for the Year Ended 31 March 2022. Although the current funding arrangement had expired on 3 August 2022, TfL was able to continue meeting its financial and contractual obligations due to its adequate cash reserves.

It was the responsibility of the Chief Finance Officer to set a balanced budget under Section 114 of the Local Government Finance Act 1988, and this included an assumption that there was sufficient funding in the medium- to long-term.

The issue of borough funding was raised. The continued extension of discussions meant that boroughs would receive no funding until an agreement was reached, which was impacting on services such as cycling proficiency schemes. Trade Unions and other stakeholders were also concerned.

Following the exclusion of the press and the public, Members discussed the quantum of the settlement and the proposed conditions attached to it. While it would enable TfL to avoid the managed decline budget scenario and was an improvement on the previous funding arrangements, there remained a significant funding gap. Furthermore, the conditions proposed were complex and restrictive, covering every aspect of TfL's budget including revenue and thus limited the Board's autonomy. The proposed funding settlement was also only for 20-months and not the long-term capital funding settlement sought.

TfL was in continued discussions with Government officials on the detail of the proposals and the assumptions on which they were based. These discussions were ongoing.

Members considered how the funding gap could be addressed, particularly given many of the proposed conditions prescribed what TfL could and could not do.

If a satisfactory settlement was not agreed then TfL's external auditors, EY, may not be able to sign off TfL's accounts as TfL would not be a going concern. The Chairs of the Audit and Assurance Committee and the Finance Committee would be kept informed of progress.

Patrick Doig set out the timing constraints for reaching an agreement and the finalising of the accounts. The Board would be kept up to date on any developments and ahead of any public statements on funding.

The Board noted the report and thanked staff for their continued work.

71/08/22 Date of Next Meeting

The next scheduled meeting of the Board would be held on Wednesday 12 October 2022 10.00am. Another extraordinary meeting would be called when a revised funding settlement letter had been received.

72/08/22 Exclusion of the Press and Public

The Board agreed to exclude the press and public from the meeting, in accordance with paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended), when it considered the exempt information on the Update on TfL Funding.

The meeting closed at 7.00pm.

Chair: _____

Date: _____