

## Board

**Date:** 16 October 2024

**Item:** Report of the Meeting of the Finance Committee held on 19 August 2024 and the Meeting to be held on 9 October 2024

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**This paper will be considered in public**

### **1 Summary**

- 1.1 This paper provides a summary of the item considered by the Finance Committee at its meeting on 19 August 2024 and the items to be considered at its meeting on 9 October 2024 (after the date that the papers for this meeting of the Board are published).

### **2 Recommendation**

- 2.1 **The Board is asked to note the report.**

### **3 Committee Agenda and Summary 19 August 2024**

- 3.1 The papers for the meeting of the Committee held on 19 August 2024 were published on 9 August 2024 and are available on the [TfL website](#) with a link to the video recording of the meeting on [TfL's YouTube channel](#).
- 3.2 The meeting of the Committee considered a paper on Docklands Light Railway (DLR) Operations and Maintenance Procurement and approved Procurement Authority for entry into the Franchise Agreement and ancillary agreements. The Franchise Agreement had been reviewed and revised to address lessons learnt and to align with TfL's and DLR's strategic priorities and outcomes, which included: driving demand; improving services for customers; achieving excellence in safety and security; supporting TfL in delivering its goals to reduce greenhouse gas emissions and improve air quality; providing good working conditions for colleagues employed in delivery of DLR services; and exploiting opportunities from enhancements, particularly the new trains.
- 3.3 Members noted and discussed the technical, commercial and financial components that were evaluated and how each bidder scored to ensure that the new Agreement was awarded to the most economically advantageous bidder.

### **4 Committee Agenda and Summary 9 October 2024**

- 4.1 The papers for the meeting of the Committee to be held on 9 October 2024 (after the date that papers for this meeting of the Board were published) were

published on 1 October 2024 and are available on the [TfL website](#) with a link to [TfL's YouTube channel where a video recording of the meeting would be available](#).

- 4.2 The main matters to be considered by the Committee are:
- (a) Use of Delegated Authority;
  - (b) Finance Report – Period 5, 2024/25;
  - (c) Treasury Activities;
  - (d) Prudential Indicators - Outturn for the Year Ending 31 March 2024;
  - (e) Public Service Obligations Regulations 2023 – Contract for the Provision of Railway Services by London Underground;
  - (f) Track Protection Resources Contract Extension;
  - (g) Extension and Increase in Procurement Authority for Cleaning Contract with ABM Facility Services UK Limited;
  - (h) Procurement and Commercial Review;
  - (i) Forthcoming Key Procurement Activities;
  - (j) Risk and Assurance Report Quarter 1 2024/25;
  - (k) Enterprise Risk Update – Supply Chain Disruption and Ineffective Procurement and Contract Management (ER05); and
  - (l) Enterprise Risk Update – Financial Resilience (ER07).
- 4.3 A summary of the items to be considered and decisions due to be taken is provided below. The more detailed minutes of the meeting will be published ahead of the meeting of the Committee on 18 December 2024.

## **5 Issues to be Discussed on 9 October 2024**

### **Use of Delegated Authority**

- 5.1 The Committee is asked to note the paper on the use of delegated authority. Since the meeting of the Committee on 11 July 2024, there has been no use of specific authority delegated by the Board, nor any Mayoral directions to the Board within the remit of the Committee.
- 5.2 There has been one use of Chair's Action for Procurement Authority, unbudgeted Financial Authority, and Programme and Project Authority specifically in respect of the Capital Commitments, for the award of New Advertising Arrangements for Rail (including London Underground) and for Bus Shelters.

- 5.3 Several bus operating contracts have required unbudgeted Financial Authority approval by the Chief Finance Officer. There have also been four uses of Procurement Authority in relation to: the Digital Spot Speed Cameras contract; the Fire Protection (Rail) maintenance contract; Trust Fund Payments for claims processed through TfL's Private Medical Benefit Administrator contract; and the Telephony Maintenance contract ancillary services.

#### **Finance Report – Period 5, 2024/25**

- 5.4 The Committee is asked to note TfL's financial results to the end of Period 5 of 2024/25, the year-to-date ending 17 August 2024.
- 5.5 A similar Finance Report is elsewhere on the agenda for this meeting of the Board.

#### **Treasury Activities**

- 5.6 The Committee is asked to note an update on TfL's key treasury activities for the period from 24 February to 20 September 2024.

#### **Prudential Indicators – Outturn for the Year Ending 31 March 2024**

- 5.7 The Committee is asked to note TfL's performance against the prudential indicators for the financial year 2023/24. TfL's 2023/24 draft Statement of Accounts has been used to calculate the outturn which has been compared against the Board approved indicators.

#### **Public Service Obligations Regulations 2023 – Contract for the Provision of Railway Services by London Underground**

- 5.8 The Committee is asked to note the paper and approve Procurement Authority for entry into a contract between TfL and London Underground Limited for the provision of the Underground services, as required by the Public Service Obligations in Transport Regulations 2023.

#### **Track Protection Resources Contract Extension**

- 5.9 The Committee is asked to note an update on the Track Labour Framework and approve Procurement Authority for £7.27m for external Track Protection Resources procured through the London Underground Track Labour Frameworks for the period to March 2025, giving a total Procurement Authority of £708.42m.

#### **Extension and Increase in Procurement Authority for Cleaning Contract with ABM Facility Services UK Limited**

- 5.10 The Committee is asked to note the paper on the award of a contract extension for the provision of cleaning services and approve additional Procurement Authority in the sum set out in the paper on Part 2 of the agenda for the supply of cleaning services across the TfL estate.

## **Procurement and Commercial Review**

- 5.11 The Committee is asked to note an update on TfL's Procurement and Commercial Review, including cost management practice and highlighting developments since the last update to the Committee in June 2023.

## **Forthcoming Key Procurement Activities**

- 5.12 The Committee is asked to note the summary of the major new procurements or contract extensions planned over the next two years and those for which approval will be required from the Committee by way of Chair's Action over the next six months. It also highlights significant forthcoming procurements that require approval at officer level during that period.

## **Risk and Assurance Report Quarter 1 2024/25**

- 5.13 The Committee is asked to note an overview of the status of and changes to the Enterprise Risks that fall within the remit of the Committee. It also summarises the findings from the assurance activity associated with these risks and the work completed by the Risk and Assurance Directorate during Quarter 1 of 2024/25 (1 April to 22 June 2024).

## **Enterprise Risk Update – Supply Chain Disruption and Ineffective Procurement and Contract Management (ER05)**

- 5.14 The Committee is asked to note an update on how TfL manages the risk across supply chain disruption and ineffective procurement and contract management. It outlines the scope of the risk, current assessment, preventative controls, mitigation activities and improvement plans to reduce TfL's risk across its supply chain activities.

## **Enterprise Risk Update – Financial Resilience (ER07)**

- 5.15 The Committee is asked to note an update on how TfL manages the risk across financial resilience. It outlines the scope of the risk, current assessment, preventative controls, mitigation activities and improvement plans to reduce TfL's risk across its financial activities.

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

None

## **List of Background Papers:**

Papers submitted to the Finance Committee on 19 August 2024 and to the meeting to be held on 9 October 2024

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