

GLA Oversight Committee, 9 July 2015**Transcript of Item 10: Transport for London (TfL) Board Governance**

Len Duvall AM (Chair): All right. Can we return back, then, to our main scrutiny item, item 10, on the agenda? Welcome to Graeme Craig.

Tony Arbour AM (Deputy Chairman): I wonder if you could tell us what the biggest risks are that you have foreseen for your commercial development activities.

Graeme Craig (Commercial Director, Transport for London): Probably the single-biggest risk across all of our activities is market conditions. That obviously has a bearing on property development, retail, advertising and all elements of what we do. In relation to that risk, it is more of a certainty that at some point there will be some form of market correction, particularly in property. That happens every eight to ten years or so and it is more how you deal with it, but that is certainly the largest macroeconomic risk that we face. If we are concentrating on property development, then the usual risks would apply in terms of the planning risk, development risk and sales risk.

The one that is most often raised to me amongst potential partners and indeed potential employees generally relates to either political risk or operational risk. It is, "OK, we get this, you support it and it is great that it is all happening, but what if?" That is the one that is most often raised to me personally. In theory, at least, it is the most damaging in the short term.

However, I would say that there is the ability to attract partners and the ability to attract people into the organisation who can help to grow the value of our estate. We have been much more successful at that than I feared. We are in a position where we have been able to set out that TfL making better use of its assets, improving the quality of its assets, improving locally at stations and generating net revenues can reinvest more broadly in the transport system as a sufficiently obvious case that people understand that, notwithstanding other operational imperatives, it is something the organisation and indeed people more broadly have signed up to and is something that is likely to remain a significant focus for the organisation going forward.

Tony Arbour AM (Deputy Chairman): Do you anticipate that your new Commercial Development Advisory Group (CDAG) will steer you away from these possible upsets? I take your point about the inevitability of spins in the market.

Graeme Craig (Commercial Director, Transport for London): Yes. The key task here, really, if we are thinking about the broader market base, is that historically some organisations are much more effective at being able to read the market or, more particularly, not leaving themselves exposed to the market. Certainly Land Securities, including when Francis Salway [former Chief Executive Officer, Land Securities] was there, was one of the most effective organisations at being able to continue to grow.

The experience, the skill and the wisdom of the people who we have assembled on the CDAG is critical in terms of ensuring that we take a long-term view and a balanced view. We are sitting on fantastic assets with huge footfall. It can be tempting to imagine that everything is going to turn out well. Having some wise heads who

are working through with us on the detail as to how we take things forward and posing the awkward questions about 'what if' must be helpful in terms of ensuring that we are better able to deal with things as they happen.

Tony Arbour AM (Deputy Chairman): You have mentioned the experience with Land Securities. When is the group going to be fully functioning?

Graeme Craig (Commercial Director, Transport for London): They are all now in place. We have our first CDAG meeting proper, as it happens, on Monday. We have already assembled them and brought them up to speed with the work that we are doing on property partnerships. Most of the focus of the team is individual and so they will meet relatively infrequently as a group through the year.

It is one thing to have a governance process that ultimately signs something off, but one can be working on something for months before one actually gets to that Board sign-off. What I am looking for from the CDAG is to get people involved from the outset with the formulation of strategies and schemes. They will be working sometimes independently and sometimes in pairs - rarely more than that - with me and individual people in my team, making sure that from the outset of the development of what we are doing, either property development or asset management activity, they are involved in terms of shaping the thinking.

The people whom we have employed cover large-scale development, smaller-scale development, asset management and corporate financing. They are already starting to be involved in looking into what it is that we have done and offering advice or mentoring me and people on the team as to factors that we should think about. As it happens, the first meeting is on Monday and, as much as anything, that is an opportunity for them to share with each other and to share with me and key members of my team their initial thoughts on what they have found.

Tony Arbour AM (Deputy Chairman): I think you described them as 'wise heads'. Did I hear you correctly?

Graeme Craig (Commercial Director, Transport for London): They are wise and they have heads. I think we can safely join those things together.

Tony Arbour AM (Deputy Chairman): OK. This one is for Howard and it perhaps relates to the previous discussion we were having. Given the vast landholdings that TfL has and given that these wise heads have connections in the property business, how do you think that they are going to negotiate conflicts of interest?

Howard Carter (General Counsel, Transport for London): Firstly, all of them are required to declare the interests that they have and so that is transparent. Secondly, they are required not to take part, through the terms of appointment that they are given, in any issue in which they may have a conflict of interest.

Thirdly, conflict has been very much at the forefront of our mind in terms of making the appointments. This would have been an area where it would have been possible to have got into some difficulty if we were not careful. However, that has been taken into account in the recruitment process and, so far as we are aware, we have a group of people who are not likely to run immediately into lots of issues about conflicts. Either they are people who are retired or have held posts but no longer do, or they are some distance from actually doing this thing in practice now, although they have a huge amount of experience of having done it through their careers. That has been taken into account through the process.

Graeme Craig (Commercial Director, Transport for London): Yes. We are confident in things as they stand. Clearly, we need to continue to stay on top of it. We do have existing procedures from other activities across the rest of the organisation in terms of managing conflicts. If there were any danger of significant

conflict, then I am sure we would ask the relevant CDAG member to stand down. Ultimately, they need to be in a position to help inform us on the projects on which we are working and, if they are conflicted out from being able to do that, the thing that would have to give would be their membership of CDAG.

Tony Arbour AM (Deputy Chairman): I can well understand the scenario you have explained for a particular site or a particular event that was coming up but, before recruitment, was such a discussion held with each of the members?

Graeme Craig (Commercial Director, Transport for London): Yes, and that formed part of the interview process that we went through with all --

Caroline Pidgeon MBE AM: That is good.

Valerie Shawcross CBE AM: I think we are all very supportive of this development in general, but it is obviously novel and new ground for a public organisation to go into such commercial, competitive activity.

My question is about information management and financial information management because, on the one hand, we have a public interest in transparency and ensuring that the public financial interest is protected and, on the other hand, we have an interest in the success of this activity, which may well mean a higher degree of commercial information being held privately because potential developments or figures flying around could get out to competitors.

Within the system, how will we have, on the one hand, the public interest surety that the finances are operating as well as they possibly could be and yet, on the other hand, ensure that this activity is handled with enough commercial sensitivity and privacy so that we are getting the best commercial success for TfL?

Graeme Craig (Commercial Director, Transport for London): That is a big question.

Valerie Shawcross CBE AM: I am sorry, but you understand what I am saying?

Graeme Craig (Commercial Director, Transport for London): No, it is an entirely right question but it is a big question. It is at the heart of the things that I am seeking to address and that we within the team are seeking to do. Let me say one thing to begin with, which is that I do not think the sole measure of what we are doing is financial. I am sure that that is the case and indeed probably --

Valerie Shawcross CBE AM: That struck me as the area where we need to achieve two impossible things before breakfast: be public and be private.

Graeme Craig (Commercial Director, Transport for London): Yes. On the specifics of the question, before I come back to the broader strategy, there was a time not so long ago when we would not publish sponsorship deals even after they had been done, even one that had been signed two years previously. We were sensitive about how much money someone was actually paying. Lo and behold, these days we have been publishing contracts on the day that we have been signing, including schedules of payments and updating when payments are made. The world has not fallen down on us.

Valerie Shawcross CBE AM: No.

Graeme Craig (Commercial Director, Transport for London): There is an opportunity for us to be more transparent. We have shown - with your active encouragement; let us put it positively - that it is possible to be

transparent and yet for that not to materially impact on the commercial position in which we find ourselves. It comes back to the political risk point and the understandable, enormous sensitivity with some organisations or some sectors. Entering into a relationship with an organisation that is subject to the scrutiny and challenge that TfL is, will people wonder about the implications? Contracts that they would not dream of wanting to be in the public domain we are then saying that we have to issue and that you cannot work with us unless you understand that.

Part of our challenge is to convince them that we have done this in other areas and we will continue to look to expand that and that we do not think that, in and of itself, it should materially harm them or us. Part of our job is to ensure that we continue to push for transparency in terms of both what we do and what our partners do. Occasionally that will be unsettling but I have no desire to roll back; indeed, I have a desire to continue to progress on what we have done in terms of transparency because, whether it is transparency of contracts or open data or any one of the other things that seemed controversial at the time, I have no qualms whatsoever about the fact that those are positive things.

Expanding the area more broadly, I do not doubt that we can hit the financial returns that are required. It comes back to risk, actually. For me, a risk is: are we taking maximum opportunity with everything that we have? There are a very large number of challenges that TfL faces. Those challenges go beyond financial. The financial sits there as well. There is the investment locally in the transport network as well as the requirements elsewhere. London clearly has challenges in terms of housing. It has challenges in terms of employment. We could and should seek to maximise the benefit or the return that we have from the assets that we have. To some extent there is a conflict or at least a balance that needs to be drawn between those things. Seeking to ensure that we get an outcome that is the best possible outcome and that we are not driven is one of the things that is a risk and is something that needs to be managed. However, TfL operating its business in a transparent way means we are more rather than less likely to get to the right outcome.

Valerie Shawcross CBE AM: OK. Just one more if I may, Chair. If I am imagining a problem where there is not one, I am glad about that. We certainly fight tooth-and-nail for as much transparency as possible.

Graeme Craig (Commercial Director, Transport for London): You do, indeed.

Valerie Shawcross CBE AM: However, there is a difference between the transparency when the deal is done, when the contract is signed, when the thing is in effect and the information control in the lead-up to that.

I will give you what might be an example. TfL is a property developer. You have a piece of property. There is an old property next door to it that you wish to acquire in order to increase the value of the property you already have. Presumably, you would want to keep that very private before you buy it in order to ensure that you are not inviting predatory activity from other property developers. There must be a degree of privacy around the decision-making about buying that property next door.

Graeme Craig (Commercial Director, Transport for London): Yes.

Valerie Shawcross CBE AM: That is the area that I am looking at. TfL as a property developer needs to operate in a way that gives it the opportunity to maximise the portfolio it holds, and it is in that stage that I would see that there might be some problems. It is not about your Board because I can see that your advisory Board has been very well chosen, but if there is information abroad within TfL about this aspiration to buy this particular site - it is just a small example - and you have people who are property developers on the TfL Board

or property developers around the system somewhere, how do you contain that information? Is there a problem there or not? Am I making that up?

Graeme Craig (Commercial Director, Transport for London): It is a good example of where we would want to control very tightly information that we have. We are currently wrestling with how, legally, we deal with it in terms of property partnerships. In the case of property partnerships, we may end up with a framework of, let us say, 12 parties. We are seeking to come up with an equitable solution for the fact that if we say that the next deal we want them to consider is at X, we would have no desire for any one of our 12 partners, for example, to then go out and get themselves in a ransom position.

Valerie Shawcross CBE AM: Exactly.

Graeme Craig (Commercial Director, Transport for London): The answer to the exam question you have set is that we need to have a legal mechanism that stops people who are on the inside of the tent from taking a position that gives them a material advantage and that we try to ensure that, on cases like that, the number of people who are on the inside of the tent is sufficiently limited.

There is a distinction between the two. We would seek to avoid publishing and we have sought to avoid publishing a list of all of our developments that we are planning on undertaking across London. We have reconciled that with the fact that we do currently and will continue to publish all of our landholdings across the capital and, if anyone had sufficient time on their hands, they could look online and see all of the land that we own across London. I would encourage other public bodies to similarly publish all of their land across London. If that then means that anyone who has sufficient time can go through and see where there are development opportunities, then good luck to them, frankly, because there is more development, undoubtedly, that could happen across all public sector land across London.

However, we would not publish the detail of individual schemes that we are seeking to bring forward because there would be a risk that people would take a predatory position. When people do for whatever reason have access to that information, then we are seeking to put in place the legal means to prevent them from taking a ransom position with us.

Valerie Shawcross CBE AM: That is exactly right. That is what I wanted to hear. Thank you.

Caroline Pidgeon MBE AM: CDAG, in some ways, is a bit like IIPAG.

Graeme Craig (Commercial Director, Transport for London): In some ways.

Caroline Pidgeon MBE AM: As a member of the Transport Committee and as an Assembly Member, I get to see a limited amount of its work. How are we as an Assembly going to see the work of this advisory group and how it has influenced your decision-making and the things it has recommended so that we can see that it is offering value for money and assisting you with your work, as it were?

Graeme Craig (Commercial Director, Transport for London): OK. Let me begin by explaining the differences with IIPAG. In part, this is driven by what it is that I was looking for. I said earlier that we could easily, particularly on property development deals, spend months trying to work something up. We go through enormous scrutiny, which is all fine, whether that is with the relevant operating Board, our customer group internally, our value group, legal and internal audit will all scrutinise the work that we do even before it goes to the finance and policy committee and the Board. There is a lot of effort that goes into assembling something.

I was particularly keen on with CDAG that it is involved at the outset. It is helping to shape the thinking from the outset. There is always a danger, whatever form of scrutiny or governance that is in place, of the dynamic being one where someone comes in with a paper and, like it or not, their mental mind-set can be to get this paper through and to defend their position. For the person on the other side of the table, their mental mind-set can be to poke, to prod and to see what is wrong with it. I was keen, in the case of CDAG, for people to be sitting on the same side of the table and for them to be, in a private way, able to offer sometimes fairly harsh advice on the thinking that has gone on but where they do not feel obliged to justify their existence. Our joint goal here is to ensure that we have the highest quality of output that then feeds through the rest of the process and goes through all the existing scrutiny, none of which we have reduced one iota as a result of putting CDAG in place.

As proof of the pudding, let us see. I would be more than willing to attend with CDAG and for Members of any Committee to invite observations on them. They are sufficiently esteemed that nothing that I say is going to quieten down their views on what it is that they have found. It would be an actively good thing to introduce them to the Members of the Assembly either individually on schemes where there may be particular concerns or indeed to Committees as a whole and to understand whether the process has worked or not. This is something that is new to TfL. It would be an actively good thing to understand, as we are going through it, which elements of it are working and which ones are not. In the spirit of openness, I am quite happy that I share and that they share which elements of it could potentially be employed elsewhere. Certainly, there are no qualms at all from my point of view. I have discussed it with them and they would be willing, subject to their own time pressures, to meet with Members of the Assembly.

Caroline Pidgeon MBE AM: That would be helpful. IIPAG at times has been helpful and not at other times, but it is interesting to get an insight into its work and what it is shaping or not. That would be good.

Len Duvall AM (Chair): Thank you very much for that offer, which will be taken up.

Joanne McCartney AM: My first set is for Howard, following up a discussion we had earlier with you and Isabel [Dedring] about the TfL Board, and it is about succession planning. Obviously, next year we are going to have a new mayoralty and I was wondering what plans you have made to ensure that the Board is refreshed under the new Mayor and that, equally as importantly, it retains its corporate memory as well.

Howard Carter (General Counsel, Transport for London): Just going back to what we said before, the appointments of course are for the Mayor and so it is actually the GLA's recruitment process that deals with it. I am going to not answer the question but, just to be clear, TfL does not handle the recruitment process at all.

In the past, it has been the case that people have tended to be appointed for a mayoral term and the appointments have all tended to come up together. That does cause a bit of an issue in terms of exactly what you say: of course, you want some degree of churn. A Mayor is going to want some flexibility and is going to want to bring some people in and you want that because that is a healthy corporate governance situation. Having said that, what you do not want is for all of them to disappear on the same day because you lose some continuity, you lose the corporate memory and you lose the expertise that people have built up during the term.

Three years ago when we had the previous Board effectiveness review, there was a recommendation that we should not appoint members for more than two full terms. We did at that point. Going back to some of the early days of TfL's Board appointments, there were some members who were still there after more than eight years. The Board effectiveness review recommended that we adopt a practice of not appointing people

normally - it did not say 'never' but it said 'ordinarily' - for more than two terms. We committed and the GLA committed to follow that practice.

What has happened is that when the Mayor won a second term in office, some reappointments were made for a second term and some new appointments were made at that point. There was some churn. It just so happens - though largely by design - that about half the Board come up for reappointment, having done two full terms, shortly after the mayoral elections. There is an opportunity there. It will be entirely in the gift of whoever is Mayor but about half the Board, approximately, will have finished two terms. Unless there was some exceptional reason to do something different, you would expect most of those to go. About half the Board left will not have been there and it will be up to the Mayor which of those people stay and what mix of new people comes along.

Joanne McCartney AM: My next question is about TfL's transparency. John Biggs [AM] did his own rapporteurship on transparency and there were many recommendations for TfL. I understand you are doing your own transparency review.

Howard Carter (General Counsel, Transport for London): Sort of. We were completely involved in the work that was done here and in fact we have just been asked to give an update on that.

Caroline Pidgeon MBE AM: Yes, that is right.

Howard Carter (General Counsel, Transport for London): We are pulling all that together at the moment. We have two things internally. One, as Graeme was talking about before, is that we have been on quite a transformation in TfL in relation to this. I would not say that we have completely got there but the internal culture about this has transformed, for a number of practical reasons, actually, as well as the scrutiny, the push and the requirement to be more transparent with things like putting out data that app developers have been able to use. We have seen tremendous benefits across the organisation in relation to that.

As Graeme said, there was a view that it was difficult to put out contracts and it was difficult to put out payments. Obviously we have had to take our suppliers on a journey with that because naturally they were not keen that we should do that for sometimes all sorts of good commercial reasons but sometimes just for fear of the unknown and not realising how that would work. We have had an absolute transformation in relation to that and we are publishing a vast swathe of information that we did not two or three years ago.

Having said that, there is always more than you can do. We have tried to identify the things that we think people want but, if I am honest, we were getting to the end of that and were not quite sure what else it was that we should be doing. When we reached that point, we had the thought that it might be a good idea to ask people. We put out nearly three months ago now --

Caroline Pidgeon MBE AM: It was in February.

Howard Carter (General Counsel, Transport for London): We put out a consultation document where we set out our stall a bit on the way we thought we ought to be going in terms of transparency and what we thought the priorities were and what the advantages of it were. We have invited public comment on that. We have had quite a lot of responses and we are just in the process of analysing that. There are quite a few things that people have suggested to us. Some of them are about additional things that we could publish, some of them are about the way we publish or the frequency that we publish and some of them are just making it easier for people to use the information. We are just in the process of analysing the results of that consultation.

We are going to publish the results of the consultation and all the responses that we received and we are also going to publish a response to that. Absolutely, our approach has been that wherever we can - where it is not physically impossible or where people have suggested we publish things that we actually have or where costs are not so prohibitive and we think, "We just cannot quite see that that is worth doing" - to try to agree to as much of that as we possibly can. We will be publishing more information as a result of that.

Joanne McCartney AM: Will your response lead on to a transparency strategy? I understood you were developing one.

Howard Carter (General Counsel, Transport for London): Yes. We used the consultation response to set out our stall, really, and to say what we think the approach ought to be to transparency. We have invited comment on that at the same time. It is fair to say - and, broadly speaking, the strategy was, self-evidently, "We think it is a good thing to do this and we should do it" - that we have not really had a lot of push-back on the strategy. Mainly, the responses have been practical things such as, "Yes, we like the strategy but could you publish this? Could you publish that? Could you publish that data to a different timescale? Could you publish it in a different format so that it is easier to use?" They have been mainly detailed comments that we have had and, broadly speaking, we have had a lot of support for the direction of travel.

Graeme Craig (Commercial Director, Transport for London): Yes. I was going to add that what is also important is that it also becomes easier over time. In part it is the fear of the unknown but also, if you know the contract is going to be published, the whole thing is designed in a way that you know that it will be published on the day. If you are putting together a new transport scheme, then you design it in such a way that you know the data will be subject to open data so that is built in from the outset. It becomes self-perpetuating. Part of what you are thinking about any time you are undertaking a new endeavour is, "What are the transparency implications of it?" It becomes a much more straightforward thing, including physically, to do than to intercept a process that is partway through and then think about transparency or wait until it is done and then think, "What can we publish?"

Howard Carter (General Counsel, Transport for London): The sponsorship contracts are a very good example of that. In the past, to be blunt, we would be asked for one of those documents and we would then have to try and work out what the implications were, what people felt about it, what needed to be redacted, etc, and there would be a lot of organisational running around to try and work out what to do. Now it is completely systematised. We have committed to doing it. We are doing it as a matter of routine. We are putting them out there now before people are even asking us for them. That is the position that we ought to be in with --

Graeme Craig (Commercial Director, Transport for London): People would understand from the outset that there is no point trying to do any work with us unless they are willing to accept that the contract will then be published.

Joanne McCartney AM: When are you going to publish your response?

Howard Carter (General Counsel, Transport for London): To the consultation?

Joanne McCartney AM: Yes.

Howard Carter (General Counsel, Transport for London): Do you know? I cannot quite remember what date we have committed to. I have a feeling it might be September.

Joanne McCartney AM: It is in the autumn?

Howard Carter (General Counsel, Transport for London): In the autumn, definitely, yes.

Joanne McCartney AM: The other thing as well is that there is the opposite: you can publish so much information that people cannot find anything. One of the questions that has been asked - and I have no doubt that people have responded to you on this - was about Freedom of Information Act (FOI) requests. Can they be made available on the website in a searchable form as a matter of course? The police do this and other GLA core group bodies do it.

Howard Carter (General Counsel, Transport for London): That is one of the points that was made in the consultation. We are having a hard look at that not from the point of view of whether it is a good idea or not - we have resolved that we will do that - but because we have a practical problem in that the number of FOI requests that we get is quite large.

Joanne McCartney AM: That is why they should be searchable.

Howard Carter (General Counsel, Transport for London): It needs to be searchable and usable. What we do not want to do is just have to employ another couple more members of staff just to put all those things into it. We are just in the process of changing over the IT system - I am sorry if this is too much detail - where we store those requests. That will give us the capability to readily publish them without it being an expensive thing to do. We are expecting that system to come online in the autumn. Yes, we are taking a very hard look at getting ourselves in a position to be able to do that. It is a couple of thousand responses a year, though, and so it is quite a lot of material. It is not an easy thing to do.

Andrew Boff AM: Why not just upload them to WhatDoTheyKnow¹?

Howard Carter (General Counsel, Transport for London): Something like 20% to 30% of the responses that we give come through WhatDoTheyKnow or an equivalent website. They are available out there but you would have to go to those websites and search for them and people do not necessarily always use that website. There are others that do the same thing.

Andrew Boff AM: They use other ones, yes.

Howard Carter (General Counsel, Transport for London): The answer is not for us to tell everybody we will not reply unless it comes through them; we think the answer is for us to do what some others do - although it is not terribly widespread in the public sector - and publish a full database. There are a few organisations that do it, but it is best practice and more. It is quite ahead of the game, actually, to do it. I know the GLA is already doing it but those organisations that do it are still relatively few.

There are a few that publish a selection. We did have a think about whether we should do that. The trouble is: whose selection is it? People will not be happy. Even if we think we are publishing the ones that people will be interested in, we will get accused of being selective in the ones that we have published. We have taken the view that we will put them all out there and we will do it ourselves; we just need to get the IT in a position where it is not a really expensive and cumbersome thing to do. We are nearly there.

¹ <https://www.whatdotheyknow.com/>

Joanne McCartney AM: Thank you. That is helpful. My last question is to Graeme. It is about the Transport for London Bill.

Graeme Craig (Commercial Director, Transport for London): Yes.

Joanne McCartney AM: I want to ask you how important it is to your future work. I understand that it did not quite get through in the last Parliament and you are hoping to get it through in this one.

Graeme Craig (Commercial Director, Transport for London): We keep trying. We do keep trying.

Joanne McCartney AM: How far does your strategy hinge on getting this bill through?

Graeme Craig (Commercial Director, Transport for London): In no sense does it 'hinge' on it. What it does is it gives us powers. It covers a range of activities. For me, the most important one is it gives us the ability to set up joint ventures in the form of limited liability partnerships (LLPs). Those are more economic from a tax point of view than setting up a company limited by shares and it is an accident of fate, really, that the GLA Act does not allow us to set up an LLP. The direct implication of that, if we are talking financially, in a spirit of transparency and Howard may kick me under the table --

Howard Carter (General Counsel, Transport for London): No, we have spoken about what it means financially (overspeaking)

Graeme Craig (Commercial Director, Transport for London): The potential implications for us are £30 million or £40 million, in that sort of order; possibly £50 million. That is money that we would rather invest in transport. It is not a game-changer - the overall target is to deliver £3.4 billion - and we are not going to be taking forward a scheme on the basis of it being a joint venture that is a company limited by shares rather than an LLP. However, it limits in an entirely preventable way not insubstantial sums of money that can be reinvested in the transport network in order to pay for things that we all want like step-free access. It is a frustration that we do not have the powers. It is a frustration that we do not have them yet. It directly impacted the tax bill that we had in terms of Earls Court.

Howard Carter (General Counsel, Transport for London): The main area, financially, that makes the biggest difference is not so much in relation to commercial property transactions; it is to do with our ability to manage financial risks such as currency fluctuations and commodities where we have those built into contracts. There are some powers in the bill that allow us to manage that in a way that most big commercial organisations would to make sure that you can reduce the risk that you are exposed to in relation to those market fluctuations. That is where we think there is quite a significant financial saving in having slightly broader powers to do some of that.

Graeme Craig (Commercial Director, Transport for London): There are other implications in terms of pensions as well.

Howard Carter (General Counsel, Transport for London): Yes.

Len Duvall AM (Chair): Why are you pursuing a bill in that form when there might well be some devolution legislation? Transport for the north, I am thinking of.

Howard Carter (General Counsel, Transport for London): We would be very grateful if these powers were picked up through a Government bill and we have been asking for that. It is fair to say that there is

sympathy for these powers and an understanding of why we would want them; the challenge is getting the Parliamentary time and getting the Government to commit to doing it. This is why we are continuing with the private bill process. It is certainly not, as we were intimating earlier, a straightforward process at all and it has taken far too long. We think we are edging to the end of that process, but I say that very hesitantly because it has taken a long, long time.

Joanne McCartney AM: We probably do not have time today, Chair, but, through you, it might be helpful if we get some feedback after the meeting because some opponents have said that if you were able to set up these limited partnerships, there might be less transparency involved with them and it could lead to increased speculation and speculative risks, as opposed to what is happening at the moment. You seem to have said that, from your point of view, it would mitigate any financial risks.

Graeme Craig (Commercial Director, Transport for London): That is the intention, yes, absolutely.

Joanne McCartney AM: If we could get some clarity after the meeting, it might be helpful.

Caroline Pidgeon MBE AM: In writing, yes.

Valerie Shawcross CBE AM: Do you have some public affairs support and advice on this? From my understanding, there are a couple of Members of Parliament (MPs) who are very aggrieved about the Earls Court development and who stand up and object on a weekly basis when the bill comes through. That, I would have thought, could be dealt with because (a) this bill does not affect that in any way, shape or form and (b) it is in the public interest. There would be some compromise to be had in terms of the transparency element of this bill, which is the issue that is sold by the National Union of Rail, Maritime and Transport Workers as a reason to object. What strikes me is that TfL does not seem to have mobilised its public affairs capacity to tackle this intelligently.

Howard Carter (General Counsel, Transport for London): I am sure there is more we could do on that. We do take advice in relation to that. We also take advice on the Parliamentary process and the best way to approach that as negotiations. We have made a number of procedural concessions in terms of the legislation but, frankly, we are finding that for the reason you say - because there are a very small number of people who are determined to slow the progress of the bill and stop it if they are able to - it is a political issue. It is not an issue about the rationality of particular clauses in the bill.

For example, the last time there was an opportunity for MPs to lay amendments to that bill, a whole raft of wrecking amendments was put down. None of them were about sensible extra safeguards or issues to do with the bill. We would have been perfectly happy - and we have all the way through been perfectly happy - to discuss that because this is really just about a few mainstream abilities to manage risk in a slightly better way. They were just wrecking amendments designed to stop the bill going through.

Graeme Craig (Commercial Director, Transport for London): Other people within my team, people in the public affairs team and I have met the MPs concerned and have singularly failed to persuade them to change tack for whatever reason. The arguments are quite clear but I have obviously failed to get those across. We would happily continue to seek to do so.

Howard Carter (General Counsel, Transport for London): We also have overwhelming support in Parliament for the bill; it is just that the private bill process allows a very small number of individual backbench MPs to block the process and slow it down at every stage.

Len Duvall AM (Chair): Can I thank you for the way that you have answered the questions? We will follow up with you on some of the things that you mentioned and recommendations around some of your activities. Thank you.