

(1) OLYMPIC DELIVERY AUTHORITY

and

(2) TRANSPORT FOR LONDON

FUNDING AGREEMENT
in relation to certain transport projects, facilities and services required for the
2012 Games

This **AGREEMENT** is made as a **DEED** the 26th day of March 2007

BETWEEN

- (1) **THE OLYMPIC DELIVERY AUTHORITY**, a body corporate created under Section 3 of the London Olympic Games and Paralympic Games Act 2006 (the "**Games Act**") whose principal office is located at 1 Churchill Place, Canary Wharf, London E14 5LN (the "**ODA**"); and
- (2) **TRANSPORT FOR LONDON**, a body corporate created under Section 154 of the Greater London Authority Act 1999 (the "**GLA Act**") whose principal office is at Windsor House, 42-50 Victoria Street London SW1H 0TL, acting on behalf of itself and on behalf of its Subsidiaries ("**TfL**").

WHEREAS

- (A) The ODA is a statutory body with the responsibility (amongst other things) for ensuring that adequate arrangements are made for the provision, management and control of facilities for transport in connection with the London Olympics (as defined in the Games Act).
- (B) With the consent of the Secretary of State and the Greater London Authority, the ODA may give Financial Assistance in connection with anything to be done by another person for the purpose of carrying out, amongst other things, the duty mentioned in recital (A) above.
- (C) TfL is a statutory body with the duty to provide, and/or secure the provision of public passenger transport services to, from and within Greater London. Pursuant to Section 1(1) of the Local Government Act 1999, TfL is a best value authority and as such is subject to a statutory duty to continuously improve the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- (D) Under Section 10 of the Games Act the ODA is tasked with preparing and keeping under review the Olympic Transport Plan and under Section 12 of the Games Act, TfL is required to co-operate with the ODA for the purpose of implementing the Olympic Transport Plan and, in particular, providing or facilitating transport services in connection with the London Olympics.
- (E) As part of London's bid to host the London Olympics, TfL provided specific guarantees to the International Olympic Committee ("**IOC**") in respect of the projected transport infrastructure, fleet and rolling stock (planned and additional) within TfL's area of responsibility and which is necessary for the London Olympics (the "**Olympic Transport Schemes**").
- (F) At the same time, TfL and the Mayor of London entered into a Memorandum of Understanding dated 1 November 2004 (the "**Mayor/TfL MOU**") under which the parties committed to the delivery of the Olympic Transport Schemes and acknowledged that certain of the Olympic Transport Schemes (i.e. those to which TfL was committed to delivering before winning the bid) would be funded in accordance with the Spending Review 2004 agreed between TfL and the

Department for Transport, and the other Olympic Transport Schemes (i.e. those covered by this Agreement) would require separate funding through Olympic funding sources. This Agreement also covers some additional projects that were not included in the Mayor/TfL MOU or TfL's guarantees to the IOC but were included in the Stakeholder MOU (as defined below) for which TfL will be receiving Financial Assistance from the ODA (subject to the terms of this Agreement).

- (G) While the Mayor/TfL MOU set out the projected costs for the Projects, TfL and the Mayor recognised that spending towards the Projects may necessarily be in different amounts from those specified in the Mayor/TfL MOU.
- (H) Subject to the terms of this Agreement, the ODA is contributing towards the cost of the Projects and this Agreement sets out the basis on which the ODA will provide Financial Assistance to TfL. The Parties recognise the legacy value of the Projects to London.
- (I) Both TfL and the ODA are committed to successful delivery of the Projects and ensuring that the London Olympics are a success. To this end, the Parties wish to work closely together in a spirit of cooperation and partnership.

IT IS HEREBY AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement (unless the context otherwise requires):

"Agreed Business Case" means the Business Case in respect of each Project agreed by the Parties pursuant to Clause 3 or determined in accordance with Clause 12;

"Business Case" means the document substantially in the form used by TfL in its normal course of business (which covers the items set out in Schedule 3, which may be updated from time to time) to be provided by TfL to the ODA;

"Business Day" means any day excluding Saturdays, Sundays or public or bank holidays in England;

"Commencement Date" means the date of this Agreement;

"Contractor" means any third party with whom TfL has contracted for the provision of relevant works or services in respect of a Project;

"Financial Assistance" means the amount of financial assistance as set out in the relevant Agreed Business Case to be made by the ODA to TfL for the purpose of the Projects;

"Games Act" means the London Olympic Games and Paralympic Games Act 2006;

"LOCOG" means the London Organising Committee of the Olympic Games Limited;

“LOCOG Funded Projects” means the transport projects, facilities and services identified as such in Schedules 1 and 2 and that are to receive funding from LOCOG. The Projected Costs for LOCOG Funded Projects are based on the estimated costs set out in the Stakeholder MOU. Such Projects are included in this Agreement as LOCOG funding may be provided via the ODA, in which case the provisions in this Agreement shall apply;

“London Olympics” is as defined under Section 1(1) of the Games Act;

“Mayor/TfL MOU” means the memorandum of understanding referred to in Recital (F) above;

“Milestone” means an event which is the completion of one or more of the specified activities as may be set out in the Agreed Business Case;

“MOUs” means the Mayor/TfL MOU and the Stakeholder MOU;

“Olympic Transport Plan” is as defined under Section 10 of the Games Act;

“Parties” means the ODA and TfL (including their successors and permitted assignees) and **“Party”** shall mean either of them as the case may be;

“Projected Costs” means the estimated capital and operating costs (as at Q2 2004) for each Project, as set out in Schedules 1 and 2, based on the costs set out in the MOUs;

“Projects” means the transport projects, facilities and services listed in Schedule 1 as more particularly described in the applicable Agreed Business Case and any other transport projects, facilities or services within TfL’s responsibility which are necessary for the London Olympics and which the Parties agree should be covered by this Agreement (which may include the schemes set out in Schedule 2);

“Secretary of State” means the Secretary of State for Culture, Media and Sport;

“Stakeholder MOU” means the memorandum of understanding between the Government, the Mayor of London and the British Olympic Association (the “Stakeholders”) entered into in 2004 under which the Stakeholders confirm that expenditure towards transport infrastructure considered essential to host the London Olympics (including the Projects) will be provided from Olympic funding sources, and which sets out the funding sources and estimated capital and operating costs for the Projects (and other essential transport infrastructure and services);

“Status Report” means the regular report (or reports) to be provided by TfL to the ODA in accordance with Clause 5; and

“Subsidiaries” is as defined in section 736 of the Companies Act 1985.

- 1.2 References to singular shall be deemed to include the plural and vice versa and references in either gender shall be deemed to include the other and the neuter.

- 1.3 References to Clauses shall be to Clauses of this Agreement and references to Schedules shall be to the Schedules to this Agreement, and references to paragraphs shall be to the paragraphs in the Schedules.
- 1.4 A reference to any statute, enactment, order, regulation or other similar instrument shall be construed as a reference to the statute, enactment, order, regulation or instrument as amended or re-enacted by any subsequent statute, enactment, order, regulation or instrument and shall include all statutory instruments or orders made pursuant to it whether replaced before or after the date of this Agreement.
- 1.5 Headings are inserted for convenience only and shall not affect the interpretation or construction of this Agreement.
- 1.6 Unless the context otherwise implies, the words “include” and “including” shall be construed as without limitation.

2. TERM AND TERMINATION

- 2.1 Subject to Clause 2.2, this Agreement shall commence on the Commencement Date and shall terminate on the completion of the London Olympics or the date that all the Financial Assistance contemplated under this Agreement is received by TfL, whichever is later and this Agreement shall be deemed to apply in respect of each Agreed Business Case as at the Commencement Date.
- 2.2 Termination of this Agreement is without prejudice to the rights and liabilities of the Parties accrued prior to such termination and Clauses 10 to 14 inclusive shall survive termination of this Agreement and remain in full force and effect.

3. APPROVAL OF BUSINESS CASE AND FINANCIAL ASSISTANCE

- 3.1 Prior to the ODA providing Financial Assistance in respect of any Project, TfL must submit a Business Case (which shall include the amount of Financial Assistance sought) to the ODA for agreement. A Business Case shall contain all the information set out in Schedule 3 unless the Parties agree otherwise.
- 3.2 The ODA and TfL shall work together in good faith to agree the Business Case (and any variations proposed in accordance with Clause 3.7 or Clause 3.8) in respect of each Project as soon as reasonably practicable (recognising that in respect of some Projects, external consent will be required for the Financial Assistance) so as to ensure that the Business Cases are agreed in sufficient time to enable the Projects to be designed, procured, implemented, tested and prepared for the London Olympics.
- 3.3 To aid and expedite the agreement process under Clause 3.2-
 - 3.3.1 The Parties intend to work together on the draft Business Case prior to its submission under Clause 3.1. To this end, TfL will submit a draft Business Case to the ODA, and the ODA will provide any comments to TfL, and the Parties will work together to resolve any issues, all in a

timely and cooperative manner, prior to the submission of the Business Case (unless the Parties agree that such steps are unnecessary); and

- 3.3.2 In cases where Secretary of State and/or Greater London Authority consent is required to the provision of Financial Assistance, the ODA shall seek to obtain such consent in a timely and efficient manner.
- 3.4 The ODA acknowledges that while Schedule 1 sets out the Projected Costs, the amount of Financial Assistance sought and approved as part of the Agreed Business Case may necessarily be in a different amount from the Projected Costs.
- 3.5 Once the Business Case has been agreed by the Parties-
 - 3.5.1 the ODA shall provide written confirmation to TfL of its approval to the Business Case and Financial Assistance to be provided (and where appropriate or necessary, confirmation of the approval of the Secretary of State and/or Greater London Authority);
 - 3.5.2 the ODA shall provide the Financial Assistance in accordance with Clause 4 of this Agreement;
 - 3.5.3 TfL shall proceed with the Project in accordance with the Agreed Business Case; and
 - 3.5.4 TfL shall not vary any material aspect of the Agreed Business Case without the ODA's agreement, unless the Parties have agreed otherwise.
- 3.6 The ODA's confirmation under Clause 3.5.1 may take the form of an approval form appended to the Agreed Business Case or a letter to TfL from the ODA, in either case signed by an authorised person at the ODA, or as otherwise agreed by the Parties. The ODA's confirmation under Clause 3.5.1 shall be taken as confirmation that all necessary external consents have been obtained to the provision of Financial Assistance in respect of the relevant Project.
- 3.7 If TfL wishes to make material or numerous changes to the Agreed Business Case or if it wishes to vary any relevant contract in a manner which could result in material or numerous changes to the Agreed Business Case or if it wishes to seek additional Financial Assistance from the ODA in respect of a Project, TfL shall submit a new or revised Business Case to the ODA in accordance with Clause 3.1, accompanied by a clear explanation as to the reason for the proposed changes, it being recognised that TfL may be entitled to request approval of additional Financial Assistance where a material adverse change in circumstances outside the control of TfL has led to a significant increase in Project costs following agreement of the relevant Agreed Business Case . The Parties shall work together to agree the new/revised Business Case in accordance with Clauses 3.2 and 3.3. In respect of any changes that are not material or significant, TfL may notify the ODA as part of a Status Report in accordance with Clause 5.
- 3.8 If the ODA wishes to make changes to a Project or the Agreed Business Case to secure more efficient delivery of transport for the London Olympics, the ODA

shall submit a new or revised Business Case to TfL in accordance with Clause 3.1, accompanied by a clear explanation as to the reason for the proposed changes. The Parties shall work together to agree the new/revised Business Case and any consequential changes to the amount of Financial Assistance to be provided in accordance with Clauses 3.2 and 3.3.

- 3.9 The Projected Costs are reflected in Schedules 1 and 2. Without prejudice to Clause 3.2, the Parties acknowledge that the ODA cannot in aggregate provide Financial Assistance in relation to Projects in excess of these costs without the consent of the Secretary of State and the Greater London Authority.
- 3.10 Where the Parties are unable to agree the Business Case within a reasonable timeframe, either Party may refer the matter for resolution in accordance with Clause 12.
- 3.11 TfL will use its best endeavours to deliver the Projects according to the programme, costs and other details set out in the Agreed Business Case and will closely work with the ODA to identify, mitigate, avoid and resolve any issues or risks that could delay or otherwise hold up delivery of the Projects.
- 3.12 The ODA reserves the right to recover any Financial Assistance (or part of any Financial Assistance) paid to TfL in respect of a Project in the event that TfL has failed to comply with Clause 3.11 and as a result has failed to deliver the agreed Project output(s), as set out in the relevant Agreed Business Case.
- 3.13 TfL shall account to the ODA for any sums recovered from any Contractor relating to loss suffered by the ODA without prejudice to sums recovered by TfL for its own losses.
- 3.14 TfL agrees to enforce its rights against Contractors in order to achieve, to the extent possible, the delivery of each Project in accordance with the Agreed Business Case. Nothing in this clause shall require TfL to undertake litigation to enforce its said rights where it would not be in the commercial interests of TfL to do so.
- 3.15 The Parties acknowledge that an estimated £40m (40 million pounds) (at Q2 2004 prices) has been budgeted for spectator transport contingency (the "**Contingency**"), as set out in the MOUs. In the event that the ODA agrees to pay TfL any additional Financial Assistance pursuant to Clause 3.7 such additional Financial Assistance may, in the discretion of the ODA, be drawn from the Contingency.

4. PAYMENT OF FINANCIAL ASSISTANCE AND TREATMENT OF VAT

- 4.1 The ODA shall provide to TfL the Financial Assistance (as agreed in the relevant Agreed Business Case) in respect of each Project as follows:
- 4.1.1 monthly in arrears; and/or
- 4.1.2 at such dates or at the end of such other periods as may be specified in the Agreed Business Case; and/or

4.1.3 if specified in the Agreed Business Case, on completion of each Milestone or to reflect agreed Project outputs/deliverables; and/or

4.1.4 as otherwise agreed by the Parties.

4.2 The ODA shall make any payments payable by it under each Agreed Business Case by way of automatic electronic funds transfer in pounds sterling to the Transport for London General Account number 01477042 held at HSBC Bank plc sort code 40-07-13 (or such other bank account in the United Kingdom as TfL may specify in writing to the ODA) and payments shall be made so that cleared funds are received in that account on or before the dates specified in Clause 4.1.

4.3 In a letter to TfL dated 17 January 2007, HM Revenue & Customs gave its view that the Financial Assistance to be provided from ODA to TfL under this Agreement can be regarded as a grant in order that TfL may conduct its normal activities and is therefore outside the scope of VAT. In the event that VAT is subsequently found to be payable on any Financial Assistance, the Parties agree that the Projected Costs and the amounts of Financial Assistance set out in the Agreed Business Cases exclude VAT.

5. STATUS REPORTS

5.1 Unless otherwise agreed by the Parties, TfL will provide the ODA with a regular Status Report in respect of each Project for which there is an Agreed Business Case. A Status Report may cover one or more Projects, and shall be provided at such timeframes to be agreed by the Parties. A Status Report shall contain the information set out in Schedule 4.

5.2 The Parties acknowledge that some Agreed Business Cases and Status Reports will be more detailed than others, and that the level of detail will depend to some extent on the amount of Financial Assistance sought (relative to the overall cost of the Project) and the importance of the particular Project to the London Olympics.

6. NOMINATED PERSON AND JOINT WORKING GROUP

6.1 TfL and the ODA shall each nominate a person (the “**Nominated Person**”) who shall be the day to day primary contact on matters arising under this Agreement. The Parties shall notify each other in writing of the name and contact details of the Nominated Person.

6.2 The ODA and TfL intend to set up a Joint Working Group (or several Joint Working Groups) or similar arrangement to act as an advisory body (and/or decision-making body where relevant) on matters arising under this Agreement, including the consideration of Business Cases and Status Reports and matters arising under Clause 12.

6.3 The ODA and TfL shall agree the constitution of the Joint Working Group(s) which shall set out the duties of the Joint Working Group(s), the membership, and regularity of meetings.

6.4 The ODA shall, on giving reasonable notice to TfL and at ODA's cost, have the right to undertake an inspection of works undertaken as part of a Project prior to

such works being certified as complete by TfL and TfL agrees to take account of any comments made by the ODA, the Parties recognising that this right shall not affect TfL's ability to certify (either itself or through or a third party) such works as being complete.

7. DELAY MITIGATION

7.1 The ODA acknowledges and relies on the expertise of TfL in procuring and implementing transport projects in accordance with agreed budgets, programmes and specifications and TfL acknowledges the importance of delivering the Projects to the programme set out in each Agreed Business Case. On this basis, only in the unexpected event that the ODA has concerns about a substantial delay in the delivery of a Project (in line with the programme set out in the Agreed Business Case), the Parties will work together in order to mitigate or avoid any delay and the following provisions shall apply:

7.1.1 the ODA shall have the right to attend a meeting between TfL and the Contractor, for the purpose of understanding the reason(s) for the delay. TfL agrees to take any comments made by the ODA into account (the ODA recognising that it is TfL's responsibility to manage the Contractor and that the ODA has no right to participate in any negotiations between TfL and the Contractor);

7.1.2 the ODA shall be entitled to request, and TfL agrees to provide within a reasonable timeframe, information reasonably required by the ODA to assess the extent of the delay and the reasons for it;

7.1.3 TfL agrees to prepare and provide within a reasonable timeframe proposals for mitigating or if possible avoiding such delay for approval by the ODA, such approval not to be unreasonably withheld or delayed; and

7.1.4 notwithstanding Clause 8.3, the ODA shall be entitled to view (on request and on giving reasonable notice) a copy of a relevant independent engineer's report (if any).

8. AUDIT/ACCESS TO INFORMATION

8.1 TfL shall maintain true, up to date and complete financial and planning records and accounts and other relevant documentation in respect of all activities relating to the Projects ("**Records**").

8.2 TfL shall retain all Records during the term of this Agreement and for a period of not less than 7 years (or such longer period as may be required by law) following the termination or expiry of this Agreement ("**Retention Period**").

8.3 TfL shall, during the Retention Period and on the giving of reasonable notice by the ODA, make available, and if requested by the ODA, provide copies of, the Records (excluding reports commissioned by TfL from independent engineers) for inspection by the ODA.

8.4 The ODA may, at its own cost, undertake audits into Projects. In addition, TfL and the ODA may jointly commission and fund independent reviews of Projects (or particular aspects of Projects).

9. VARIATION

This Agreement may be varied only by written agreement signed by authorised representatives of the ODA and TfL.

10. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

10.1 Save that any TfL Subsidiary and LOCOG (in respect only of LOCOG Funded Projects) has the right to enforce the terms of this Agreement in accordance with the Contracts (Rights of Third Parties) Act 1999 ("Third Party Act"), the Parties do not intend that any of the terms of this Agreement will be enforceable by virtue of the Third Party Act by any person not a party to it.

10.2 Notwithstanding the provisions of Clause 10.1, the Parties are entitled to vary or rescind this Agreement without the consent of any or all of the TfL Subsidiaries.

11. FREEDOM OF INFORMATION

11.1 The ODA and TfL acknowledge that both are subject to the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 and agree to assist and co-operate with each other to enable compliance with their respective obligations under such legislation including, without limitation, providing to either Party such information as such Party may reasonably request concerning this Agreement.

11.2 The ODA and TfL acknowledge that there is an "Information request handling protocol" dated 3 February 2006 which has been agreed by various parties including the ODA and TfL ("**Information Protocol**"). The Parties agree to abide by the principles set out in the Information Protocol (as amended or replaced from time to time) for the disclosure of any information concerning this Agreement and required under the legislation referred to in Clause 11.1.

12. DISPUTES

12.1 The ODA and TfL shall, in the first instance, seek to settle any dispute or difference arising out of or in connection with the subject matter of this Agreement ("**Dispute**") through discussions at the relevant Joint Working Group or between a relevant representative of TfL and the ODA with authority to resolve the Dispute and if such Dispute remains unresolved within a period of 10 Business Days of the date on which the Dispute first arose then either of the Parties may refer the Dispute to a chief officer (or equivalent) ("**Senior Personnel**") of each of the Parties for resolution.

12.2 If the Dispute is not resolved within 10 Business Days of the referral to Senior Personnel, then either Party may refer such Dispute to the Commissioner of TfL and the Chief Executive of the ODA for resolution.

12.3 If after the expiration of a further 10 Business Days, the Commissioner and the Chief Executive fail to resolve such Dispute, then such Dispute may be referred by either Party to the Olympic Board Steering Group (OBSG) (or such other person or body as may be agreed by the Parties) for resolution. The Parties acknowledge that the OBSG may refer the Dispute to the Olympic Board for resolution. The decision of the OSBG or Olympic Board (or such other person or body as agreed by the Parties), shall be final and binding on the Parties.

13. STATUTORY FUNCTIONS

The Parties acknowledge that this Agreement is without prejudice to any of the statutory powers, duties or functions of either Party and nothing in this Agreement shall constitute a fetter of any of the Parties' statutory duties and discretions whether as a highway, traffic or planning authority or otherwise.

14. GOVERNING LAW

This Agreement shall in all respects be construed in accordance with and governed by the laws of England and Wales and each Party agrees to submit to the exclusive jurisdiction of the English Courts.

IN WITNESS whereof this document has been executed and delivered as a **DEED** by the Parties on the day and year written above.

The Corporate Seal of
The OLYMPIC DELIVERY AUTHORITY
was hereunto affixed to this deed in the presence of

Authorised Officer

The Corporate Seal of
TRANSPORT FOR LONDON
was hereunto affixed to this Deed in the presence of

Authorised Officer

**Schedule 1
Projects**

No	Project Description	Projected Costs (Q2 2004) (£m)	Capital or Operational Scheme
1	Conversion of North London Line to DLR operation, including 4 new stations, extension to Stratford International Station, platform for revised national railways North London Line service at Stratford.	23.50	Capital
2	Infrastructure upgrade at Blackwall and East India stations, and signalling, communications and power modifications between Poplar and Woolwich Arsenal, to allow 3 car train operation to and from Woolwich Arsenal during the London Olympics.	10.51	Capital
3	50% of the cost of 22 additional rail cars to provide 24tph 2 car train service for the London Olympics on converted North London Line, and 3 car train service for the London Olympics to Woolwich Arsenal.	19.80	Capital
4	Increase to station capacity at Prince Regent (second exit to serve ExCeL), and other network stations.	5.00	Capital
5	Provision of new signal loop between Westferry and Royal Mint Street to improve perturbation recovery time.	0.30	Capital
6	Modification to the junction at Royal Mint Street to improve system recovery time.	7.62	Capital
7	Additional DLR staff required to operate the London Olympics service plan.	2.30	Operational
8	Provision of DLR network wide signage for London Olympic games wayfinding.	0.55	Operational
9	<p>London Underground Limited (LUL) Services:</p> <ul style="list-style-type: none"> ▪ Earlier start (0530) and late finish (0230) to services across the network. ▪ Network wide 24hr running to cater for opening and closing ceremonies. ▪ Additional LUL staff ▪ Recruitment and training of LUL volunteers ▪ Additional station and train cleaning ▪ Provision of network wide signage for London 	<p>17.00 (first three items)</p> <p>1.00</p> <p>2.00</p> <p>2.00</p>	Operational

	Olympic games wayfinding		
10	LUL Stations: <ul style="list-style-type: none"> ▪ Upgrade of West Ham station to increase capacity and upgrade of station operations rooms at key interchanges 	10.50	Capital
11	LUL Resilience: <ul style="list-style-type: none"> ▪ Operational resilience on the Central Line to enhance system recovery time and in the event of an incident and additional network maintenance to improve resilience 	10.00	Operational
12	Rescheduling of planned LUL network enhancements to minimise risk of disruption to the London Olympic services	8.00	Operational
13	Junction Improvements to the TfL road network to support the planned London Olympic Route Network	8.80	Capital
14	Enhancement of London Cycle network to provide cycling opportunity for Spectators and workforce	6.00	Capital
15	Enhancement of walking routes in vicinity of London Olympic Park and Venues	2.00	Capital
16	Provision of enhanced bus services and bus station management at Greenwich for O2 Arena	1.00	Operational
17	Background Travel Demand Management (initiatives to suppress background transport demand during the London Olympics period) (all modes)	10.00	Operational
18	Transport arrangements (all modes) for those attending opening/closing Ceremonies	1.10	Operational
19	Shuttle buses for workforce & volunteers	2.20	Operational
20	Transport arrangements (all modes) for test events prior to the Olympics Period	10.00	Operational
21	Signalling and infrastructure works for North London Line	81.72 1.73	Capital Operational
	LOCOG Funded Projects		
22	Olympic Transport Operations Centre (OTOC)	7.50 0.75	Capital Operational
23	Temporary and Permanent works required to the Olympic Route Network	5.56	Capital

24	Enforcement required for Olympic Route Network	0.50	Capital
		1.00	Operational
25	Enhancements to existing TfL bus services for specific transport requirements during the London Olympics period	3.89	Operational

Schedule 2
Possible Projects

Below is a list of schemes/services that the Parties may agree to add to the list of Projects covered by this Agreement:

No	Project Description	Projected Costs (Q2 2004) (£m)	Capital or Operational Scheme
	LOCOG Funded Projects		
1	LUL Network Security Enhancements (for fencing and depot security strengthening)	2.00 3.00	Capital Operational
2	Public Transport Ticketing for Olympic family, workforce and volunteers, and spectators (free ticketing for these groups)	36.46	Operational
3	River Transport – allowance for a pier upgrade and boat services	0.50 0.50	Capital Operational

Schedule 3

Contents of Business Case

Unless the Parties agree otherwise, a Business Case shall contain, amongst other things, the following information (unless such information is not relevant to a particular Project) and such other information as is relevant to the particular Project or as may be reasonably required by ODA to obtain relevant consent to the proposed Financial Assistance, or as the Parties may agree to include.

Please note that this is not the required format for a Business Case, and the items below are in no set order. The format to be provided shall be that which TfL uses in the normal course of its business.

1. Description

- Brief description, sufficient to identify what the Project entails.

2. Main items of scope, and objectives of scheme

- Main items of scope (list of up to about six main items)
- Context for proposal, including description of current position
- Reason for project -normally to address an opportunity, a problem, or an obligation
- Details of objectives, related to the delivery of the TfL's Strategic Priorities (and other Mayoral or Government Strategies if appropriate)

3. Options

- Options considered
- Preferred option, and explanation of why preferred
- Base option for comparison, normally the minimum practicable course of action

Then, for preferred option:

4. Explanation of costs, cost savings and revenues

- Capital, leasing, and revenue costs -where possible costs should be broken down by main items of scope
- Any third party contributions
- Costs avoided (e.g. scheduled asset replacements) and ongoing cost savings
- Revenue from increased demand, secondary revenue (rents, advertising, etc)
- Revenue loss avoided (e.g. by preventing deterioration of service)
- Clarification of whether each cost and revenue is:
 - a) as stated in Investment Programme or elsewhere in the Business Plan reference
 - b) implied in Investment Programme or elsewhere in the Business Plan required
 - c) not included in Investment Programme or elsewhere in the Business Plan

- No. of FTE staff added or reduced, during implementation and/or on an ongoing basis, including additional workstations required relative to available accommodation, and whether costs are fully reflected in budget
- Forecast costs and incomes for TfL, per annum over next six years

5. Explanation of non-financial benefits, including impacts on strategies

- Any benefits that can be monetised, e.g. journey time, ambience or safety Improvements
- Any benefits that can be quantified but not necessarily valued, e.g. reduction of emission of greenhouse gases
- Any benefits that cannot be quantified, e.g. improvements in corporate image
- Any significant disbenefits that could be concealed by an overall net benefit
- Any significant disparities between impacts on population groups – e.g. on different socio-economic groups.
- Extent to which the scheme impacts on TfL's Strategic Priorities (and other Mayoral or Government Strategies if appropriate), and assessment of significance of each impact to progress of relevant strategy
- What benefits the Project provides for (a) the London Olympics, (b) legacy
- Extent to which the scheme impacts on the ODA's policies and objectives that have been notified to TfL regarding sustainability, inclusivity, legacy and health and safety when compared to the then current equivalent policies of TfL it being acknowledged that TfL agrees to take account of and reflect in each Business Case such ODA policies notified to TfL by the ODA from time to time, provided such policies are reasonable and not unduly onerous.

6. Key assumptions

- Any non-standard assumptions used in the analysis of costs and benefits

7. Outcome of quantified analysis

- Benefit:cost ratio / extent to which financially positive
- Point, if any, at which project becomes financially positive
- Sensitivity to disregarding any third party contributions to cost, i.e. using only net cost to TfL
- Sensitivity to assumptions associated with the most uncertainty
- How representative is the quantified analysis of the project's value, given any benefits not included?

8. Feasibility and risk

- Details of any previous or proposed feasibility study
- Any reasons to doubt feasibility, e.g. technical risks, procedural barriers, dependence on other projects, shortage of specialist resources, etc
- Risk assessment (probability and impact)
- Provisions to address longer term risks to business continuity, e.g. vulnerability of key information systems
- Contingency plans to avoid or mitigate risks

9. Overall assessment

- Overall assessment, given quantified analysis, sensitivity tests, any benefits not included in quantified analysis, and project risks

10. ODA Funding

- Amount of Financial Assistance sought
- Timing of payment(s) of Financial Assistance and/or identification of payment milestones for Financial Assistance

11. Funding and Procurement

- Budgetary and cost controls to be applied (where substantially different from such controls normally applied by TfL)
- Anticipated procurement methodology and timetable including, in order to enable the ODA to obtain any required consents in relation to the Financial Assistance, the provision of such information as the ODA may reasonably require to demonstrate that TfL will be undertaking a competitive process which is compliant with applicable law and regulation and has secured value for money
- Anticipated incentive mechanisms and other key contractual terms to be included in relevant contracts to encourage/ensure delivery in line with Project programmes
- Programme for relevant consents required by TfL
- Monitoring and verification systems to ensure works/services delivered to programme and specification (where substantially different from monitoring/verification systems normally applied by TfL)

12. Operational Projects

In relation to these Projects where the ODA's Financial Assistance relates to the provision of services in connection with the London Olympics, TfL shall propose a service specification having regard to the overriding objective that adequate arrangements are made for passenger transport to and from London Olympic venues setting out what services are to be provided, by whom and when (including where applicable, a detailed service timetable) and contingencies should such services not be available for any reason for approval by the ODA and subject to such approval, TfL shall include such service specification (or relevant aspects of it) in the relevant contract.

13. Project Plan/Programme for delivery

- An indicative programme of works (including the programme for obtaining any required consents, if applicable and commissioning and testing the works)
- Key milestones or Project outputs/deliverables

Schedule 4 Status Reports

Unless the Parties agree otherwise, a Status Report shall contain the following information (unless such information is not relevant to a particular Project):

- 1. Project Title**
- 2. Relevant Period for Report**
- 3. Period Update - Executive Summary/Key Highlights**
- 4. Progress Update:**
 - Current status of Project
 - Progress against project plan/programme
 - Milestones achieved/outputs delivered (where relevant)
 - Status of major consents required (if any) (e.g. Transport and Works Act Orders; planning permissions);
- 5. Key Project Issues/Risks**
 - Identification of relevant issues/risks including probability and impact (cost and time)
 - Description of how such issues/risks are being managed/mitigated/resolved
- 6. Financial Report**
 - Costs and claims (financial or time related) incurred to date
 - Amount of Financial Assistance received to date
 - Projected expenditure (with relevant timeframes)
 - Amount of Financial Assistance still to be received (with relevant timeframes)
 - Identification of any project expenditure items that require further approval by the ODA/Secretary of State/Greater London Authority.
- 7. Review of Business Case**
 - Details of any proposed changes to the Agreed Business Case
Note: if any material aspects of the Business Case are to be changed, the ODA's agreement to such material changes will be required, and must be recorded (as part of the Status Report or otherwise).
- 8. Other**
 - Such other information as relevant to the particular Project.
 - Such other detail as the Parties may agree to include

NB: The items above appear in no particular order and headings are for guidance only.