

HOUSE OF LORDS

Unopposed Bill Committee on the
Transport for London Bill [HL]

Special Report

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In accordance with Private Business Standing Order 121, the Chairman of Committees selected the following Deputy Chairmen to join him on the Unopposed Bill Committee:

Baroness Gould of Potternewton
Viscount Ullswater

General Information

The transcripts of the proceedings before the Committee are available on the internet at:

<http://www.publications.parliament.uk/pa/ld/ldubctfl0506.htm>

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TRANSPORT FOR LONDON BILL [HL]

1. The Transport for London Bill¹ was introduced into the House of Lords on 23 January 2006 and given a Second Reading on 8 February 2006. The Bill, promoted by Transport for London, confers further powers on Transport for London in relation to road user charging, London cabs and private hire vehicles, surface transport and street management. In addition the Bill contains further miscellaneous provisions relating to Transport for London's powers.
2. Following its introduction four petitions were received against the Bill. One of these was subsequently withdrawn. Petitioners opposed Clauses 14, 12, 15, 17 – 21, and Schedules 1 and 2. These Clauses and Schedules were considered by the Select Committee on the Bill which sat on 23 October 2006 and not by this Committee.
3. The House also received three reports² from Government Departments objecting to provisions in the Bill. These reports, the most recent of which was received on 6 March 2007, were prepared by the Department for Transport together with the Government Office for London. In these reports the Government opposed seven of the Clauses not considered by the Select Committee. Before our Committee met, the Government withdrew opposition to Clauses 16, 22, 28 and 54. Furthermore, Clause 53, to which the Government also objected, was deleted by the promoters. As a result, at the time of our meeting the Government objected only to Clauses 47 and 48.
4. We met on 13 March to consider the unopposed Clauses which had not previously been considered by the Select Committee. At that meeting we agreed a number of amendments to those Clauses.

Clause 47: Power to make arrangements for risk mitigation

5. Clause 47 confers power on Transport for London to enter into derivative instruments for the purpose of limiting the extent to which it, a subsidiary, a joint venture or an associated undertaking will be affected by changes in interest rates, exchange rates or other market rates or prices. The promoters produced evidence demonstrating that such powers were indeed desirable and appropriate for Transport for London. The promoters also proposed amendments to the Bill which more closely define the extent of the powers.
6. The Government's report objected to permitting the unregulated use of derivative contracts by any local authority, including Transport for London. However, speaking on behalf of the Department for Communities and Local Government, Trevor Emmott indicated that the Government no longer wished to recommend removal of the Clause (paragraph 110 of the transcript of the Committee's proceedings³), though they continued to have concerns.

¹ Available from the Parliamentary Agents for the Bill, Rees & Freres, 1 The Sanctuary, Westminster, London SW1P 3JT or on the internet at:

<http://www.publications.parliament.uk/pa/ld200506/ldprbill/003/003.htm>

² These are available on the internet at:

<http://www.publications.parliament.uk/pa/ld200506/ldprbill/003/003rep.htm>

³ The transcripts of the proceedings before the Committee are available on the internet at:

<http://www.publications.parliament.uk/pa/ld/ldubctfl0506.htm>

Transport for London indicated that they were willing to continue negotiations with the Government over this issue (paragraph 14).

7. From the evidence we heard we consider that in principle Transport for London should enjoy the powers which the Clause seeks to confer on them, and **we conclude that Clause 47 should proceed with amendments.**
8. We consider that the promoters and the Government should seek to conclude their negotiations before committee stage of the Bill in the House of Commons.

Clause 48: Agreements under section 215(1) of 1999 Act

9. Clause 48 seeks to clarify the scope of section 215(1) of the Greater London Authority Act 1999. This section is about public-private partnership agreements. The Government's first and second reports objected to this Clause on the basis that Transport for London already had the powers which would be conferred on it by the Clause. However, their third report focused on the financial implications of the financial arrangements which might be entered into under Clause 48. It indicated that the Government would support the Clause remaining in the Bill if Transport for London wished to continue negotiations.
10. We accept Transport for London's case that the scope of the powers under section 215(1) is not sufficiently clear to meet their needs and are pleased to see that both Transport for London and the Government are willing to continue discussions. Again, we consider that they should seek to conclude these negotiations before committee stage of the Bill in the House of Commons.
11. **We conclude that Clause 48 should proceed.**

Conclusion

12. **We direct that the Bill be reported to the House with amendments.**

