

# Office of the PPP Arbiter

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**Announcement 02/09**

**16 December 2009**

## **PPP Arbiter updates timetable for Periodic Review reference**

Following representations from Tube Lines, Chris Bolt, the Arbiter for the London Underground Public-Private Partnership (PPP) Agreements, has updated the timetable for handling the later stages of the reference from London Underground in relation to the Periodic Review of Tube Lines' PPP Agreement received on 23 September. The updated timetable for the remaining stages of the Review is attached.

The Arbiter will continue to keep the timetable under review to take account of developments during the reference process.

**ENDS**

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## Tube Lines Periodic Review: updated reference timetable

17 December	<p>Publication of draft directions and draft guidance as follows:</p> <ul style="list-style-type: none"><li>• material change in risk</li><li>• costs</li><li>• performance revenues</li><li>• access allowances</li></ul> <p>Publication of 'initial thoughts' on the level and profile of the ISC, need for base/eligible finance and terms, ability to finance, fixed amounts and RPIX, together with implications for affordability</p>
1 February 2010	<p>Final date for representations on draft directions and draft guidance and responses to initial thoughts consultation</p>
4 March	<p>Publication of final directions and final guidance on:</p> <ul style="list-style-type: none"><li>• material change in risk</li><li>• costs</li><li>• performance revenues</li><li>• access allowances</li></ul> <p>Publication of draft directions on:</p> <ul style="list-style-type: none"><li>• the level and profile of the ISC</li><li>• need for base/eligible finance</li><li>• terms of finance</li><li>• ability to finance</li><li>• fixed amounts and RPIX</li></ul>
6 April	<p>Final date for representations on draft directions issued on 4 March</p>
29 April	<p>Publication of final directions on:</p> <ul style="list-style-type: none"><li>• the level and profile of the ISC</li><li>• need for base/eligible finance</li><li>• terms of finance</li><li>• ability to finance</li><li>• fixed amounts and RPIX</li></ul>

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## Notes

1. The PPP Agreements contain provisions for a Periodic Review to take place every 7<sup>1</sup>/<sub>2</sub> years. On 8 December 2008, London Underground issued restated contract terms for Tube Lines and set an Affordability Constraint; Tube Lines responded to this on 30 June 2009 with updated pricing. The contract allows time for a period of negotiation or for a reference to the Arbiter for directions on future pricing, prior to the start of the second 7<sup>1</sup>/<sub>2</sub> year review period for Tube Lines on 1 July 2010. London Underground submitted such a reference on 23 September 2009.
2. The current reference seeks direction or guidance on a number of matters including:
  - costs;
  - performance revenues;
  - Infrastructure Service Charge payments;
  - financing requirements

The full text of the reference application notice is published at

[http://www.ppparbiter.org.uk/files/uploads/o\\_direction/200992317650\\_Part%20A%20reference%20application%20notice.pdf](http://www.ppparbiter.org.uk/files/uploads/o_direction/200992317650_Part%20A%20reference%20application%20notice.pdf).

3. The reference is being handled in accordance with the Arbiter's Procedural Framework, which incorporates both a Procedural and Analytical approach to Periodic Review. These documents are published on the Arbiter's website, at <http://www.ppparbiter.org.uk/output/page25.asp?DocTypeID=10>.
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