

Date: 9 March 2022

Item: Use of Delegated Authority

This paper will be considered in public

1 Summary

- 1.1 The use of delegated authority is a standing item on the agenda to inform the Committee of any use of delegated authority by the Committee, through Chair's Action or of Procurement or Land Authority (in respect of matters within the Committee's remit) granted by the Commissioner and the Chief Finance Officer in accordance with delegated authorities under TfL's Standing Orders since the last meeting of the Committee. The paper also provides information on Mayoral Directions to TfL within the Committee's remit.
- 1.2 Since the meeting of the Committee on 24 November 2021, there has been:
- (a) seven uses of Chair's Action, five exercising authority delegated by the Board in relation to TfL's funding arrangements and two relating to the extension of contracts for Premises and Fabric Maintenance and Security Services;
 - (b) no use of Procurement Authority by the Commissioner or the Chief Finance Officer and no use of Land Authority; and
 - (c) one Mayoral Direction to TfL in relation to March 2022 fare changes (MD2937, 14 February 2022).
- 1.3 A similar paper is submitted to the Programmes and Investment Committee in respect of any use of Chair's Action or Procurement Authority and Programme and Project Authority granted by the Commissioner and the Chief Finance Officer in respect of matters within that Committee's remit, together with relevant Mayoral Directions.

2 Recommendation

- 2.1 **The Committee is asked to note the paper.**

3 Use of Authority Delegated by the Board

- 3.1 There has been no use of authority delegated by the Board since the last meeting.

4 Use of Chair's Action

- 4.1 Under Standing Order 113, in situations of urgency, the Board delegates to each of the Chair and the Chairs of any Committee or Panel the exercise of any functions of TfL on its behalf, including the appointment of Members to Committees and Panels. Any use of Chair's Action is reported to the next ordinary meeting.
- 4.2 There have been seven uses of Chair's Action since the last meeting relating to TfL Funding Packages and contract extensions.

Funding Packages

- 4.3 At the meetings of the Board on 8 December 2021 and 2 February 2022, Members were updated on the progress of discussions with Government on securing a long-term funding settlement for TfL, given the impact of the coronavirus pandemic on TfL's finances. There have been four extensions of the third extraordinary funding and financing package (the Third Funding Package) and a new fourth extraordinary funding and financing package (the Fourth Funding Package) to ensure TfL continued to provide transport services in London. The Chair of the Finance Committee exercised Chair's Action, following consultation with available Members of the Board, to approve each extension of the Third Funding Package and to approve the Fourth Funding Package.
- 4.4 The Third Funding Package initially covered the funding period 1 June to 11 December 2021. It was extended on four occasions:
- (a) on 11 December 2021 a one-week extension was agreed to 18 December 2021;
 - (b) on 17 December 2021 an extension was agreed to 4 February 2022;
 - (c) on 4 February 2022 a two-week extension was agreed to 18 February 2022; and
 - (d) on 19 February 2022 a one-week extension was agreed to 25 February 2022.
- 4.5 On 25 February 2022, the Fourth Funding Package was approved to cover the funding period 26 February to 24 June 2022. This package provides certainty in relation to income, in addition to the Extraordinary Support Grant of £200m. It also includes a number of conditions, which includes the continuation and further development of initiatives commenced under previous funding agreements with the Department for Transport.
- 4.6 The use of Chair's Actions to approve the funding arrangements have been published on tfl.gov.uk.

Premises and Fabric Maintenance Contract Extension

- 4.7 On 26 January 2022, Members considered a request relating to the supply of premises and fabric maintenance services across the TfL estate, which is a business as usual protection of safety critical assets. The use of Chair's Action was considered appropriate as a decision was required ahead of this meeting of the Committee.
- 4.8 On 28 January 2022, the Chair of the Committee (in consultation with available Members) noted the paper and the supplementary exempt appendix and granted additional Procurement Authority for the extension of a contract for the supply of premises and fabric maintenance services across the TfL estate.
- 4.9 The paper has been published on the TfL website but the appendix remains exempt from publication.

Security Services Contract Extension

- 4.10 On 26 January 2022, Members considered a request relating to the provision of security services across the TfL estate (Security Services) which is a business as usual protection of safety critical assets. The use of Chair's Action was considered appropriate as a decision was required ahead of this meeting of the Committee.
- 4.11 On 28 January 2022, the Chair of the Committee (in consultation with available Members) noted the paper and the supplementary exempt appendix and granted additional Procurement Authority for the extension of a contract for the supply of security services across the TfL estate.
- 4.12 The paper has been published on the TfL website but the appendix remains exempt from publication.

5 Procurement and Land Authority Approvals

- 5.1 Procurement Authority is the authority to make a binding or contractual commitment with a supplier for the purchase of goods, services, land or works or to receive income arising from TfL Group activities in the areas of goods, services, land or works.
- 5.2 Land Authority is the authority to engage in a Land Transaction or to dispose of any assets.
- 5.3 The Board had delegated to the Committee approval of unlimited Procurement Authority and Land Authority in relation to Transactions and Commercial Development opportunities. The approvals delegated to the Commissioner and the Chief Finance Officer are set out in the Table of Authorities in Standing Order 169.
- 5.4 Since the last meeting, there has been no use of delegated authority to approve Procurement Authority nor Land Authority by the Commissioner and the Chief Finance Officer.

5.5 The Commissioner has not granted Procurement Authority since the last meeting.

6 Mayoral Directions to TfL

6.1 The Greater London Authority (GLA) Act 1999 (as amended), permits the Mayor to issue to TfL general directions as to the manner in which TfL is to exercise its functions or specific directions as to the exercise of its functions (or not to exercise a power specified in the direction). Directions are also often made in relation to the implementation of matters in respect of which the Mayor delegates statutory powers to TfL.

6.2 The Mayor makes Mayoral Directions through Mayoral Decisions. Papers for Mayoral Directions set out the financial and other implications. If those implications change over time, that will be reported to the GLA.

6.3 All Mayoral Decisions are issued in writing, with the information that is not exempt from publication included on the GLA's Decisions Database on its website: <https://www.london.gov.uk/about-us/governance-and-spending/good-governance/decisions?order=DESC>.

6.4 Mayoral Directions fall into three broad categories: those addressing technical issues relating to statutory powers; those related to commercial development activities; and those related to projects and programmes. Mayoral Directions relating to TfL are reported to the Board's Committees for discussion as soon as possible after they are received by TfL or published. Regular reports will list the relevant Directions for as long as they are applicable.

6.5 Annually the Audit and Assurance Committee considers the list as part of its consideration of the annual audit plan to ensure that appropriate audit resource is applied to assurance on TfL's work in implementing Mayoral Directions. This will also be kept under review at each quarterly meeting of that Committee.

6.6 A summary of current Mayoral Directions to TfL is maintained on the "How we are governed" page on our website, with links to the relevant Mayoral Decisions: <https://tfl.gov.uk/corporate/about-tfl/how-we-work/how-we-are-governed>. That page will be updated as and when further Directions are made.

6.7 Mayoral Directions to TfL addressing technical issues with our statutory powers or related to our commercial development activities are reported to this Committee.

6.8 There has been one Direction issued to TfL since the last meeting.

March 2022 Fares Changes (MD2937, 14 February 2022)

6.9 Since May 2020, there have been a series of funding agreements with Government to ensure TfL can continue to deliver an effective and efficient transport service to Londoners throughout the coronavirus pandemic and

beyond. A long-term objective of the funding agreements is that TfL obtains financial sustainability as soon as possible, with a target date of April 2023.

- 6.10 Further to a funding agreement with Government dated 1 June 2021, and an extension and amendments to that June 2021 agreement made on 17 December 2021, the Mayor committed to implementing an overall increase on fares of Retail Price Index (RPI) +1 per cent.
- 6.11 On 14 February 2022, the Mayor approved a Fares Revision to deliver this commitment. The changes are required so that TfL can reach financial sustainability in line with the long-term objective of the funding agreements, while ensuring the increase in fares is as affordable as possible for Londoners. The fares increases were implemented from 1 March 2022.
- 6.12 A summary of the fares revision is:
- (a) bus and tram single fares to increase by 10p to £1.65; and the daily bus and tram cap to be raised to £4.95. The Bus & Tram Pass season price is increased to £23.30 for a 7 Day ticket. The free Hopper transfer will remain in place, permitting multiple free bus and tram transfers within an hour;
 - (b) on the Tube in Zones 1-6, and on other rail services in London where Tube fares apply, pay-as-you-go (PAYG) fares will typically increase by between 10p and 30p;
 - (c) Travelcard prices and the associated PAYG caps will increase in line with RPI from 1 March. These increases reflect national government rail fares policy, over which the Mayor has no control. As a result, Travelcard season ticket prices and the associated all-day PAYG caps increase by 3.8 per cent overall;
 - (d) fares on TfL services for journeys from outside London are subject to guidance from the Department for Transport, with the same fares applying on Train Operating Company and TfL services.

List of appendices to this report:

None.

List of Background Papers:

Minutes from previous meetings of the Committee.
Greater London Authority Decision Making Database.

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