

Date: 6 October 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 22 June 2022, there has been:
- (a) five uses of Chair's Action since the last meeting:
 - (i) three in relation to extensions to the funding settlement with Government (prior to a long-term settlement being agreed by the Board on 30 August 2022);
 - (ii) one in relation to changes to the Santander Cycles – 2022 Scheme Tariff Change; and
 - (iii) one in relation to extending the terms of the Elizabeth line Concession Agreement by two years;
 - (b) five uses of Procurement Authority or Land Authority by the Commissioner or the Chief Finance Officer; and
 - (c) two Mayoral Directions to TfL in relation to: revision of the Mayor's Transport Strategy (MTS) and road-user charging guidance; and September 2022 fares revision.
- 1.3 Similar papers are submitted to the Land and Property Committee and 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 the remit of those Committees, 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 five uses of Chair's Action since the last meeting. Three in relation to extensions to the funding settlement with Government (prior to a long-term settlement being agreed by the Board on 30 August 2022), one in relation to changes to the Santander Cycles – 2022 Scheme Tariff Change and one in relation to extending the terms of the Elizabeth line Concession Agreement by two years.

Funding

- 4.3 Following the meeting of the Committee on 22 June 2022, a letter was received from the Department for Transport (DfT) proposing a further extension of the funding arrangements on the same terms up to 13 July 2022. The letter set out the Government's rationale for the extension.
- 4.4 On 23 June 2022, a paper was issued to Members. The Chair, in consultation with available Members of the Board, noted the paper and, subject to receipt of a signed letter from the Secretary of State in the terms described in the paper, accepted the recommendation of a further extension to the funding agreement with the DfT for TfL to 13 July 2022, as described in the paper, to allow discussions to continue. Agreement to the proposal did not indicate agreement to the reason for the extension as outlined in the letter from the Secretary of State for Transport.
- 4.5 On 12 July 2022, a paper was issued to Members. The Chair, in consultation with available Members of the Board, noted the paper and, subject to receipt of a signed letter from the Secretary of State in the terms described in the paper, accepted the recommendation of a further extension to the funding agreement with the DfT for TfL to 28 July 2022, as described in the paper, to allow discussions to continue.
- 4.6 Following the extension of the funding settlement to 28 July 2022, the DfT issued a letter late on 22 July 2022 that provided TfL with a draft proposal for a Long-Term Funding Settlement, which included several new conditions beyond those included in the previous funding agreements. To allow time for

officers to properly consider and respond to the proposals from the DfT a further extension to the funding agreement was requested. The DfT had consented only to an extension to 3 August 2022.

- 4.7 On 27 July 2022, a paper was issued to Members. On 28 July 2022, the Chair, in consultation with available Members of the Board, noted the paper and, subject to receipt of a signed letter from the Secretary of State in the terms described in the paper, accepted the recommendation of a further extension to the funding agreement with the DfT for TfL to 3 August 2022, as described in the paper to enable discussions to continue.
- 4.8 No further extensions to the funding settlement were agreed by the DfT, though discussions on its offer continued throughout August 2022. On 30 August 2022, the Board met and approved a long-term funding settlement.
- 4.9 The use of Chair's Action for the extensions to the funding settlements were considered appropriate to enable discussions to continue with the DfT on a long-term funding settlement. The papers and final letters have been published on the TfL website.

Santander Cycles – 2022 Scheme Tariff Change

- 4.10 On 3 August 2022, Members were sent a paper and asked to approve amendments to the scheme tariff for the London Cycle Hire Scheme, also known as Santander Cycles. The proposals were part of the Cycle Hire Modernise, Electrify and Expand programme, which aims primarily to increase usage of Santander Cycles and, therefore, cycling volumes in London in line with Proposal 6 of the MTS to “increase the use of TfL’s Cycle Hire scheme, and explore the potential new models of Cycle Hire”. The new tariff is core to enabling the wider improvements within the programme, such as the rollout of 500 assisted peddling electric bikes (e-bikes).
- 4.11 The new tariff introduces a simplified single ride option, offers a new option of a monthly subscription, and increases the price of an annual subscription but with an extended hire period of 60 minutes. E-bikes are priced as a premium option which is reflective of the additional functionality. The proposal was informed by extensive research and engagement with customers.
- 4.12 On 5 August 2022, the Chair, in consultation with Members of the Board, noted the paper and approved a revised scheme tariff as set out in the paper for Santander Cycles for implementation in September 2022 and authorised the Commissioner to revise the scheme tariff from time to time, as they may consider appropriate, to reflect TfL’s operational requirements and/or financial objectives.
- 4.13 Members noted that the authority for the Commissioner to revise the scheme tariff from time to time was consistent with the authorisation that had been in place since the scheme launched in 2014. Board approval had been sought for the latest changes as the introduction of the new tariff structure and of e-bikes into the scheme was a substantive change to the initial scheme approval. Future changes to the tariffs would continue to be reported to the

Board and Board approval would be sought for any future substantive changes to the scheme.

- 4.14 The use of Chair's Action was considered appropriate as a decision to vary the tariff was required to meet the proposed implementation timetable.
- 4.15 The paper has been published on the TfL website but the appendix remains exempt from publication.

Elizabeth line Train Operating Concession Extension

- 4.16 On 22 August 2022, Members were sent a paper and asked to approve Procurement Authority to enter into an extension to the existing Concession Agreement between Rail for London Limited (RfL) and MTR Corporation (Crossrail) Limited for the operation of passenger services on the Elizabeth line.
- 4.17 On 23 August 2022, the Chair, in consultation with Members of the Committee, noted the paper and approved additional Procurement Authority in the sum set out in the exempt appendix, for an extension to the current Concession Agreement for the Elizabeth line and for costs relating to regulatory access charges relating to the central section of the line.
- 4.18 The use of Chair's Action was considered appropriate as a decision to extend the term of the Concession Agreement was required before 28 August 2022, being the last date by which RfL was entitled to exercise the option to extend.
- 4.19 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 Financial Authority, 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, the following use of delegated authority has been exercised by the Commissioner and Chief Finance Officer.

Procurement Authority Commissioner:

- (a) Old Street Design and Build contract variation;
- (b) SAP Managed Services Agreement contract variation;
- (c) Automatic Train Control Project – Appointment of a Programme Partner; and
- (d) Speed Awareness Courses contract award; and

Land Authority Chief Finance Officer

- (e) Aldgate High Street – disposal

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 are reported to this Committee.

6.8 There have been two Directions issued to TfL since the last report.

Revision of the MTS and road-user charging guidance [MD2987](#) (20 May 2022)

6.9 The Mayor directed TfL to draft revised MTS text to provide for road user charging's role in addressing the triple challenges of toxic air pollution, the climate emergency and congestion and, as a first step, the potential London-wide expansion of the Ultra Low Emission Zone; arrange for an integrated impact assessment to be produced; and consult the public and stakeholders on his behalf. In addition, the Mayor issued supplementary guidance to TfL as to the consultation. The consultation ran from 20 May to 29 July 2022.

September 2022 fares revision [MD3028](#) (2 September 2022)

6.10 The Mayor directed TfL to implement from 4 September 2022 an increase in the fee for obtaining an Oyster card from £5 to £7 and to make this fee non-refundable and to apply a peak fare to all journeys to/from Heathrow that include Zone 1 travel.

List of appendices to this report:

None.

List of Background Papers:

Minutes from previous meetings of the Committee.

Greater London Authority Decision Making Database.

Chair's Action papers – issued on 23 June, 12 July, 27 July, 3 August and 22 August 2022 and subsequently published on tfl.gov.uk

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