

**Date:** 11 October 2023

**Item:** Use of Delegated Authority

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**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 Financial Authority (unbudgeted), 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 21 June 2023, there has been:
- (a) one use of Chair's Action, in relation to Crossrail Assets Restructuring;
  - (b) one use of Procurement Authority by the Commissioner, in relation to the GTT Network Contract Variation; and
  - (c) one Mayoral Direction to TfL relating to Withdrawal of Day Travelcards on the TfL Network (MD3142).
- 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 112, 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 has been one use of Chair's Action since the last meeting.

### **Crossrail Assets Restructuring**

- 4.3 On 6 October 2022, the Committee approved the Crossrail Asset Restructuring, subject to obtaining the necessary consents from the Secretary of State. On 13 April 2023, consent was given by the Secretary of State. On 21 June 2023, the Committee was verbally updated on the need to approve change to the approval via Chair's Action.
- 4.4 On 4 July 2023, the Committee was asked to consider a technical change to the original approval, to set an interim internal charge and an amendment to the intercompany lease so that a rent based on this charge can be levied and the rental trade of Crossrail Limited can commence. This enables capital allowances to transfer to Rail for London (Infrastructure) Limited (RfL(I)) upon restructure. There is no incremental cost to TfL as these charges are internal.
- 4.5 On 8 July 2023, the Chair of the Committee, in consultation with available Members, noted the paper and approved Land Authority of £13m per accounting period for an interim internal charge (based on the anticipated Infrastructure Recovery Charge (IRC)) from Rail for London Limited to RfL(I) until the debt funded capital investment of the infrastructure is recovered or an IRC is set by the Office of Rail and Road.
- 4.6 The use of Chair's Action was considered appropriate as a decision was required before this meeting of the Committee.
- 4.7 The paper relating to this request has been published on [tfl.gov.uk](https://tfl.gov.uk).

## **5 Authority Approvals**

- 5.1 Financial Authority is the authority to spend money, receive income, incur a financial liability or redistribute funds to relevant third parties in respect of their respective allocated budgets. Financial Authority is automatically granted to the extent that an activity or Programme or Project is 'budgeted'. This paper reports on any use of unbudgeted Financial Authority.
- 5.2 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.
- 5.3 Land Authority is the authority to engage in a Land Transaction or to dispose of any assets. Use of Land Authority related to Places for London Limited will be reported to the Land and Property Committee.
- 5.4 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 164.

- 5.5 Since the last meeting, the following use of delegated authority has been exercised.

**Procurement Authority Commissioner:**

- (a) GTT Network Contract Variation. This is a long-term networks contract that connects around 4,700 end points, supporting operationally critical Surface services, including traffic light control, CCTV, Road User Charging, iBus and Road Tunnels. The contract is being transitioned to Capita.

## **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 has been one Direction issued to TfL since the last report, which has also been reported to the Board on 29 March and the Audit and Assurance Committee on 5 June 2023.

(a) **Withdrawal of Day Travelcards on TfL Network** (MD3142 11/07/23)

TfL's funding settlements with Government assume TfL will generate between £0.5bn and £1bn of additional net revenue per annum from 2023. TfL's assessment of Day Travelcards is that it is effectively underfunded by the Travelcard Agreement at a total cost of approximately £40m a year.

As a fairer share of the income from Day Travelcards is yet to be agreed with the Train Operating Companies, the Mayor has directed TfL to give six-months' notice to terminate the relevant provisions of the Travelcard Agreement.

Should the Department for Transport and Train Operating Companies propose an alternative arrangement during this notice period, which is financially acceptable to TfL and allows it to meet the requirements of its funding settlement with Government, this notice could (by agreement) be retracted and Day Travelcards remain available.

**List of appendices to this report:**

None

**List of Background Papers:**

Minutes from previous meetings of the Committee.

Chair's Action paper on Crossrail Assets Restructuring, issued on 4 July 2023.

Greater London Authority Decision Making Database.

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