

Date: 28 February 2024

Title: 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 Authority and Programme and Project 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 last meeting of the Committee, on 6 December 2023, there have been:

- (a) no uses of specific authority delegated by the Board;
- (b) one use of Chair's Action in relation to the Ultra Low Emission Zone (ULEZ) Scrappage Scheme;
- (c) one approval of authority by the Finance Committee that would ordinarily be in the remit of this Committee, in relation to the Piccadilly Line Upgrade (PLU);
- (d) two approvals of Procurement Authority in relation to the Gallows Corner Flyover Refurbishment Design and Build Contract award and the novation of the Detection and Enforcement Infrastructure Contract and one approval of Procurement Authority and cumulative Programme and Project Authority in relation to the Colindale Station Upgrade Main Works Contract award;
- (e) no approval of unbudgeted Financial Authority by the Commissioner nor Chief Finance Officer; and
- (f) no Mayoral Directions within the Committee's remit.

1.3 Similar papers are submitted to the Finance Committee and the Land and Property Committee in respect of the use of Chair's Action, Authorities granted by the Commissioner and the Chief Finance Officer and any relevant Mayoral Directions that fall within the remit of those Committees.

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 of the Committee.

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 of the Committee.

London-wide Ultra Low Emission Zone Scrappage Scheme

- 4.3 On 24 January 2024, the Committee received a paper providing an update on the London-wide ULEZ scrappage scheme.
- 4.4 On 26 January 2024, the Chair of the Committee, in consultation with available Members approved additional Programme and Project Authority and unbudgeted Financial Authority of £40m, to enable the continued operation of the scrappage scheme in 2024, giving a total Programme and Project Authority of £211.8m. The approval was subject to the Greater London Authority (GLA) approving a grant of the same sum, which was subsequently received.
- 4.5 The use of Chair's Action was considered appropriate as the scrappage scheme was due to run out of funding by the end of January 2024.
- 4.6 The paper has been published on the [TfL website](#).

5 Use of Authority by the Finance Committee

Piccadilly Line Upgrade – Stage 1 Progress Update

- 5.1 With the agreement of the Chair, an item on the PLU – Stage 1 Progress Update was included on the agenda for the additional meeting of the Finance Committee held on 22 December 2023. The decision on that item related to the Business Plan that was being considered by the Finance Committee and as discussions with Siemens Mobility Limited had been ongoing, including the item on the agenda allowed the decision to be made in public rather than by Chair's Action.
- 5.2 All members of the Board were invited to attend. The report of the meeting of the Finance Committee held on 22 December 2023 was reported to the meeting of the Board on 7 February 2024.
- 5.3 The Finance Committee noted a progress update on the rolling stock, depot and infrastructure projects which made up the PLU Programme and endorsed proceeding with finalising a Compensation Event and the proposal to reprofile payments, both under the Manufacture and Supply Agreement for the Deep Tube Upgrade Programme with Siemens Mobility Limited.

- 5.4 Despite the severe financial pressure and supply chain disruptions following the impact of the coronavirus pandemic, the first train arriving in London for testing remained on schedule for mid-2024, with introduction into service in 2025. Siemens Mobility Limited had requested settlement of a Compensation Event under the terms of the contract. The proposed extended rolling stock manufacturing and testing programme would provide value for money compared to alternative options, such as the significant storage of trains, and preserved the intended introduction of the service frequency increase to 27 trains per hour by May 2027.
- 5.5 The approach also benefitted TfL's revised Business Plan and the overarching Capital Programme by significantly rephasing the PLU cash profile, given the Government capital funding settlement announced on 18 December 2023 resulted in £250m less than assumed in the Business Plan.

6 Programme and Project Authority and Procurement Authority Approvals

- 6.1 To enable an appropriate level of governance, processes are in place for the authorisation, control and reporting of projects.
- 6.2 Programme and Project Authority will normally be granted by the Committee for all programmes and projects as part of the defined Programmes within the overall Investment Programme. Where individual programmes or projects have a value in excess of £50m and have not already received full approval as part of a Programme, requests will be submitted to the Committee for consideration. Those programmes and projects with an estimated final cost of £50m or below, which have been approved by the Commissioner or the Chief Finance Officer, will be reported to subsequent meetings of the Committee.
- 6.3 Where the main contract has not yet been awarded, the Financial Authority and Estimated Final Cost may not be stated because they are commercially confidential.
- 6.4 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.

Approvals by the Commissioner and Chief Finance Officer

- 6.5 Since the last meeting of the Committee, the Commissioner has approved:
- (a) Gallows Corner Flyover Refurbishment Design and Build Contract: Procurement Authority of £32,539,445.33 for the award of the contract to Costain;
 - (b) Detection and Enforcement Infrastructure Contract; Procurement Authority of £153.3m, with £70.7m commitment remaining for a variation for novation; and

- (c) Colindale Station Upgrade Main Works Contract: Procurement Authority of £34.53m, and cumulative Project and Programme Authority of £46.74m to award the contract to Morgan Sindall and BEMO Tunnelling Joint Venture.

7 Financial Authority Approvals

- 7.1 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.
- 7.2 Since the last meeting of the Committee, neither the Commissioner nor the Chief Finance Officer has approved any unbudgeted Financial Authority requests within the Committee's remit.

8 Mayoral Directions to TfL

- 8.1 The Greater London Authority 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.
- 8.2 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.
- 8.3 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>.
- 8.4 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.
- 8.5 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.
- 8.6 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. That page will be updated as and when further Directions are made.
- 8.7 Mayoral Directions to TfL related to projects and programmes are reported to this Committee. There have been no Mayoral Directions to TfL within the Committee's remit since the last meeting.

List of appendices to this report:

None

List of Background Papers:

Minutes from previous meetings of the Committee

Finance Committee 22 December 2023 paper on Piccadilly Line Upgrade

Greater London Authority Decision Making Database.

ULEZ Scrappage Scheme Chair's Action paper, issued 24 January 2024

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