

Date: 11 July 2024

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 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 report to the meeting of the Committee on 13 March 2024, there has been:
- (a) no use of specific authority delegated by the Board, nor any Mayoral directions to the Board;
 - (b) two uses of Chair's Action in relation to the London Cycle Hire Scheme (LCHS) Sponsorship Commercial Strategy and Track Delivery Partnership Contract Year 6; and
 - (c) one use of Chair's Action, on behalf of the Programmes and Investment Committee, in relation to approving authorities relating to the Elizabeth line: Service Frequency Increase to Support High Speed 2 (HS2);
 - (d) use of unbudgeted Financial Authority in relation to bus contracts.
- 1.3 This paper also provides information on 11 grants of Procurement Authority, in relation to:
- (a) Pan-Fleet – Sub Surface Railway – Renewal of Bespoke Metals;
 - (b) Bus Stops Shelters Supply, Install and Repair Contracts;
 - (c) Piccadilly line upgrade: Depots Delivery Integrator Contract Extension;
 - (d) Structural Maintenance Services Contract (Bridges and Structures);
 - (e) Track Maintenance Vegetation and Fencing Contract;
 - (f) Chiltern Railways Track And Station Agreements;

- (g) Fabric Maintenance Services Contract;
- (h) Facilities Fabric, Mechanical and Electrical Maintenance Contract;
- (i) Network Rail Services on Rail for London Managed Infrastructure 2024-2026;
- (j) Electric Vehicle Salary Sacrifice Scheme; and
- (k) Pan TfL 1FM (one facilities management) Fire Maintenance Service Contract.

1.4 Similar papers are submitted to the Land and Property Committee and the Programmes and Investment 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 specific authority delegated by the Board.

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 have been three uses of Chair's Action since the last report.

London Cycle Hire Scheme Sponsorship Commercial Strategy

4.3 Further to a briefing, on 17 April 2024 Members were provided with a paper setting out the commercial strategy for the letting of the sponsorship rights for the LCHS from May 2025.

4.4 On 22 April 2024, the Chair of the Committee, in consultation with available Members, noted the paper and the supplementary information provided in an exempt appendix and approved Procurement Authority for the proposed LCHS sponsorship arrangements, which will be announced shortly.

4.5 The use of Chair's Action was considered appropriate due to the cumulative value of the sponsorship rights and the need to finalise a contract before this meeting of the Committee. The public paper relating to this request will be published on tfl.gov.uk once the sponsorship arrangements have been announced.

Track Delivery Partnership Contract Year 6

- 4.6 Further to a briefing, on 23 April 2024 Members were provided with an update on the Track Delivery Partnership contract.
- 4.7 On 26 April 2024, the Chair of the Committee, in consultation with available Members, noted the paper and the exempt appendix and approved additional Procurement Authority of £24.76m for the sixth year of the Track Delivery Partnership contract with Balfour Beatty Rail Limited, giving a total Procurement Authority of £244.76m for that contract.
- 4.8 The use of Chair's Action was considered appropriate as a decision was required before this meeting of the Committee. The public paper relating to this request has been published on tfl.gov.uk.

Elizabeth Line: Service Frequency Increase to Support HS2

- 4.9 With the agreement of the Chair of the Programmes and Investment Committee (due to a declared interest) this Chair's Action request was submitted to the Chair of the Finance Committee.
- 4.10 In December 2023, the Programmes and Investment Committee approved authorities for five additional Elizabeth line trains to support HS2 customers. On 4 June 2024, members of this Committee and members of the Programmes and Investment Committee (except for its Chair) received a paper that proposed 10 additional trains to support service enhancements on the Elizabeth line to respond to the pressures and opportunities on the network.
- 4.11 On 6 June 2024, the Chair of this Committee, in consultation with available Members of the Programmes and Investment Committee (excluding its Chair) and this Committee, noted the paper and the exempt supplementary information. Subject to receipt of a final signed funding letter from Government (which was subsequently received) she approved unbudgeted Financial Authority, Programme and Project Authority, and Procurement Authority for the service enhancements.
- 4.12 The use of Chair's Action was considered appropriate as a decision to enter into the agreement was required before the meeting of the Programmes and Investment Committee scheduled for 26 June 2024 and the decision was critical to agreeing the contract variation with Alstom and issuing the notice to proceed with the order for 10 additional trains for the Elizabeth line in line with the funding conditions set by Government. The public paper will be published on tfl.gov.uk in due course.

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.

Unbudgeted Financial Authority: Bus Contracts

- 5.5 There has been an increasing cost pressure in tender prices for bus operating contracts, which was not fully anticipated when the 2024/25 Budget was set, largely driven by inflation and market conditions. This has been compounded by an increase in the size of the tender programme for this year, due to the early termination of contracts by operators.
- 5.6 Consequently, a number of bus operating contracts have required unbudgeted Financial Authority, which has been approved by the Chief Finance Officer. The total value of the unbudgeted Financial Authority for 204/25 is £17.2m, although the annualised impact in future years is £57.1m per annum.

Procurement Authority (All figures are cumulative)

- 5.7 The use of Procurement Authority within the remit of the Committee, reported below, includes items omitted in error from the last report.
- 5.8 **Pan-Fleet – Sub Surface Railway – Renewal of Bespoke Metals:** The Commissioner approved Procurement Authority of £50,266,000 for bespoke components (generally metal fabrications) for business-as-usual activities.
- 5.9 **Bus Stops Shelters Supply, Install and Repair Contracts:** The Commissioner approved Procurement Authority of £47,833,529 for the South contract and £80,484,297 for the North contract.
- 5.10 **Piccadilly line upgrade: Depots Delivery Integrator Contract Extension:** The Commissioner approved Procurement Authority of £27,524,862 for the extension of the contract between TfL and Lendlease Construction (EMEA) Limited and Jacobs UK Limited joint venture.
- 5.11 **Structural Maintenance Services Contract (Bridges and Structures):** The Commissioner approved Procurement Authority of £77,900,000 to extend the

contract with Dyer and Butler Limited to continue delivery of reactive and maintenance activities for Civil assets across London Underground.

- 5.12 **Track Maintenance Vegetation and Fencing Contract:** The Commissioner approved Procurement Authority of £61,776,000 for a further extension of contract under existing terms with Cleshar.
- 5.13 **Chiltern Railways Track And Station Agreements:** The Commissioner approved Procurement Authority of £49,200,000 to extend the current Track Access Agreement and Station Access Agreements for a further two years for the period April 2024 to March 2026.
- 5.14 **Fabric Maintenance Services Contract:** The Commissioner approved Procurement Authority of £97,169,220 for the award of the contract to Close Brothers Rail Limited, for the supply of fabric maintenance services within stations, depots and other buildings – primarily for London Underground with other ‘rail’ related business areas within TfL.
- 5.15 **Facilities Fabric, Mechanical and Electrical Maintenance Contract:** The Commissioner approved Procurement Authority of £75,600,000 for the award of the contract to Vinci Construction UK.
- 5.16 **Network Rail Services on Rail for London Managed Infrastructure 2024-2026:** The Commissioner approved Procurement Authority of £61,110,096 for payments due under connection agreements and operating services agreements.
- 5.17 **Electric Vehicle Salary Sacrifice Scheme:** The Commissioner approved Procurement Authority of £50,000,000 for the award of the contract to Tuskerdirect Limited, under the Crown Commercial Services Framework.
- 5.18 **Pan TfL 1FM (one facilities management) Fire Maintenance Service Contract:** The Commissioner approved Procurement Authority of £69,800,000 for the extension of the contract with Equans Services Limited.

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 Mayoral decision papers inviting the Mayor to issue a direction 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 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 commercial development activities within the remit of this Committee are reported to this Committee. There have been no Directions issued to TfL within the remit of the Committee since the last meeting.

List of appendices to this report:

None

List of Background Papers:

London Cycle Hire Scheme Sponsorship Commercial Strategy Chair's Action paper, issued 17 April 2024 (to be published in due course)

Track Delivery Partnership Contract Year 6 Chair's Action paper, issued 23 April 2024

Elizabeth line Chair's Action paper, issued 4 June 2024

Greater London Authority Decision Making Database

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