

Date: 18 December 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 9 October 2024, there has been:
 - (a) no use of specific authority delegated by the Board,
 - (b) one use of Chair's Action for Procurement Authority, to enable an extension to TfL's current contract for the supply of physical security services across the pan-TfL estate;
 - (c) uses of unbudgeted Financial Authority in relation to the cyber security incident and bus contracts;
 - (d) five uses of Procurement Authority in relation to: Collaborative Planning and Media Buying Variation; Concessions Scheme Management contract uplift; Existing Oyster Card Framework Agreement extension; Jubilee Line Heavy Overhaul Programme – 96 Train Stock parts; and various agreements with Network Rail and train operating companies; and
 - (e) one Mayoral direction issued to TfL on 16 October 2024 in relation to further financial support fund for Seven Sisters Market traders (MD3299). This has been reported to the Board, the Audit and Assurance Committee and the Land and Property Committee.
- 1.3 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 since the last report.

4 Use of Chair's Action

- 4.1 Under Standing Order 113, in situations of urgency, the Board delegates to each of the Chair, the Deputy Chair and the Chairs of any Committee the exercise of any functions of TfL on its behalf, including the appointment of Members to Committees and Panels. If the Chair, the Deputy Chair or the Chair of a Committee is unable to exercise authority due to unavailability or a conflict of interests, that authority may be exercised by the Chair or Vice Chair of any Committee. Members will be informed as soon as practicable following any use of Chair's action using the authority of this standing order and it must be reported to the next ordinary meeting.
- 4.2 There has been one use of Chair's Action since the last report.

Security Services Contract Extension

- 4.3 On 26 November 2024, Members were sent a paper requesting the exercise of Chair's Action to approve additional Procurement Authority to enable an extension of the contract for the provision of physical security services across TfL. The contract was awarded to Mitie FM Limited in 2017 for a period of five years with the option to extend for a further three years. In January 2022, the Committee had approved additional Procurement Authority to extend the contract until 24 June 2025 and a further extension was proposed.
- 4.4 On 29 November 2024, the Chair of the Committee, in consultation with available Members, approved additional Procurement Authority in the sum set out on the exempt appendix to enable an extension to TfL's current contract for the supply of physical security services across the pan-TfL estate.
- 4.5 The potential use of Chair's Action was included in the Forthcoming Key Procurement Activities paper considered by the Committee on 9 October 2024 and referenced at the additional meeting of the Committee on 19 November 2024. The use of Chair's Action was considered appropriate as the decision was required before this meeting, for continuity of service.
- 4.6 The public paper relating to this request has been published on tfl.gov.uk. The information in the appendix to that paper remains exempt from publication.

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 165.

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, several 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 2024/25 is currently £29.4m, although the annualised impact in future years is £65.8m per annum.

Unbudgeted Financial Authority and Procurement Authority: Cyber Security

- 5.7 Cyber Security Incident: The Commissioner approved unbudgeted Financial Authority and Procurement Authority in relation to TfL's response to the various matters relating to TfL's response to the cyber incident. Further detail is provided on the Finance Report elsewhere on the agenda for this meeting.

Procurement Authority

- 5.8 Collaborative Planning and Media Buying Variation: The Commissioner approved Procurement Authority of £36.1m to exercise the option to extend the TfL collaborative planning and media buying framework with Wavemaker for a period of two years.
- 5.9 Concessions Scheme Management contract uplift: The Commissioner approved Procurement Authority of £2.9m for a forecasted shortfall in the contract which makes provisions for contact centre support and system and scheme management (Oyster Photocards/Oyster card fulfilment services) to customers who are eligible for concessionary travel.
- 5.10 Existing Oyster Card Framework Agreement extension: The Commissioner approved Procurement Authority of £6.25m for a 12-month single-source extension. The Oyster Card Supply Framework is the current route to market for all 16 variants of the Oyster cards. The extension covers the expiration of the existing contracts and the mobilisation of the new contracts.
- 5.11 Jubilee Line Heavy Overhaul Programme – 96 Train Stock parts: The Commissioner approved Procurement Authority of £28.35m for the supply a mix of mandatory and on-condition parts by Alstom to be replaced in line with the Train Maintenance Regime. Alstom is the Original Equipment Manufacturer supplier of the 96 Train Stock Jubilee line trains, the designer and manufacturer of the trains and systems have an in-depth knowledge of how they interface with each other. This level of knowledge and understanding is unique to them.
- 5.12 Various agreements with Network Rail and train operating companies: The Commissioner approved Procurement Authority for 30 live agreements with Network Rail and the train operating companies (eight counterparties in all) in relation to issues such as Track Access and Station Access. Apart from standardisation, the benefits of bringing these together enables us to simplify future arrangements.

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.
- 6.8 There has been one Mayoral direction issued to TfL since the last meeting.

Further Financial Support Fund for Seven Sisters Market traders ([MD3299](#))

- 6.9 Seven Sisters Market is an indoor market consisting of 38 traders and plays a vital role in London's Latin American community as a specialist, culturally specific amenity. The market was housed in a TfL owned building that had to close. As the traders were unable to trade, [MD2724](#) directed TfL to provide financial assistance to traders until a temporary market opened at Apex Gardens, as part of the Seven Sisters regeneration project. The developer withdrew from the regeneration project and [MD2868](#) directed TfL to provide further financial support while TfL progressed new plans. [MD3097](#) directed TfL to provide further financial support across all traders as they were unable to trade until a temporary market opened. [MD3097](#) confirmed that TfL had planning permission for a temporary indoor market, which was expected to open in July 2023, and was applying to open a temporary outdoor market in October 2023.
- 6.10 The opening of a temporary market has been delayed due to unforeseen flaws in the fabric of the building, which must be resolved to make the market safe; and is not now expected until 2025. On 16 October 2024, the Mayor directed TfL to make a fourth hardship payment to traders to support them until the temporary market opens.

6.11 The Mayoral direction has been reported to the meeting of the Audit and Assurance Committee on 27 November 2024, the meeting of the TfL Board on 4 December 2024 and the meeting of the Land and Property Committee on 10 December 2024.

List of appendices to this report:

None

List of Background Papers:

Security Services Contract Extension Chair's Action paper, issued 26 November 2024
Greater London Authority Decision Making Database

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