

**Date:** 26 February 2025

**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 last meeting of the Committee, on 18 December 2024, there have been:
- (a) no uses of specific authority delegated by the Board, nor any use of Chair's Action;
  - (b) several uses of unbudgeted Financial Authority in relation to bus contracts;
  - (c) two approvals of Procurement Authority in relation to: the extension of the Pan TfL Agreement for the supply of Electrical Consumable Goods; and the Capital Partner Contract; and
  - (d) no Mayoral Directions within the Committee's remit.
- 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 authority delegated by the Board since the last meeting of the Committee.

## **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 no use of Chair's Action since the last meeting of the Committee.

## **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 £21.993m, and the annualised impact in future years is £51,252m. For 2024/25, our tender programme is now complete and is 18 per cent above existing contract prices and 11 per cent above Budget.

### **Procurement Authority**

- 5.7 Extension of the Pan TfL Agreement for the supply of Electrical Consumable Goods: The original framework contract (split into two lots) was awarded in August 2019, for a period of four years, with options to extend for up to another four years. The Commissioner approved Procurement Authority of £2,555,588, for the second year of four optional one-year extension periods.
- 5.8 Capital Partner Contract: In 2021, TfL Capital procured a long-term, service driven partnership with external consultancies to drive value, share lessons and provide resource augmentation where necessary across Capital projects that were delivered across various Directorates. The duration of the call-off contracts is for 24 months, with the option to extend by two additional 12-month periods. The Commissioner approved Procurement Authority of £9,200,000 for the first of the two optional extension periods.

## **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 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:**

Greater London Authority Decision Making Database

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