

**Date:** 16 May 2018

**Item:** Use of Delegated Authority

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**This paper will be considered in public.**

## **1 Summary**

- 1.1 To inform the Committee of Programme and Project Authority and Procurement 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 meeting of the Committee on 21 February 2018. A similar report will be submitted to the Finance Committee in respect of Procurement Authority and Land Authority granted by the Commissioner and the Chief Officer in respect of matters within the Finance Committee's remit.

## **2 Recommendation**

- 2.1 **The Committee is asked to note the paper.**

## **3 Background**

- 3.1 The Commissioner (and in his absence, the Chief Finance Officer) has delegated authority to approve Programme and Project Authority on programmes and projects up to a value of £50m that contain less than £25m of unbudgeted expenditure.
- 3.2 The Chief Finance Officer has delegated authority to approve Programme and Project Authority for programmes and projects under £25m that contain less than £10m of unbudgeted expenditure. Approval of authority for projects of less than £5m that contain less than £2m of unbudgeted expenditure is delegated to Chief Officers and is not reported here.
- 3.3 The Commissioner (and in his absence, the Chief Finance Officer) has delegated authority to approve budgeted Procurement Authority up to a value of £100m.
- 3.4 The Chief Finance Officer has delegated authority to approve budgeted Procurement Authority up to a value of £25m.

## **4 Programme and Project Authority Approvals**

- 4.1 To enable an appropriate level of governance, processes are in place for the authorisation, control and reporting of projects.
- 4.2 Programme and Project Authority will normally be granted by the Committee for all programmes and projects as part of the defined Sub-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 Sub-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. As the Committee receives and approves more Sub-Programmes, the number of individual approvals at project level will diminish.

- 4.3 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.
- 4.4 The Committee will also be informed of the implementation of any applicable Direction from the Mayor relating to TfL's Programmes and Projects. There is nothing to report for this meeting.

#### **Approvals by the Commissioner**

- 4.5 Since the meeting of the Committee on 21 February 2018, the Commissioner has not approved Programme and Project Authority for any projects.

#### **Approvals by the Chief Finance Officer**

- 4.6 Since the meeting of the Committee on 21 February 2018, the Chief Finance Officer has approved Programme and Project Authority for three projects. Further details are set out in Appendix 1.

## **5 Procurement Approvals**

#### **Approvals by the Commissioner**

- 5.1 Since the meeting of the Committee on 21 February 2018, the Commissioner has approved one Procurement Authority in respect of matters within the Committee's remit.

#### **Approvals by the Chief Finance Officer**

- 5.2 Since the meeting of the Committee on 21 February 2018, the Chief Finance Officer has not approved any Procurement Authority in respect of matters within the Committee's remit.
- 5.3 Further details are set out in Appendix 2.

#### **List of appendices to this report:**

Appendix 1: Summary of Programme and Project Authority approved by the Chief Finance Officer.

Appendix 2: Summary of Procurement Authorities approved by the Commissioner or Chief Finance Officer.

#### **List of Background Papers:**

None

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## Appendix 1: Summary of approvals by the Chief Finance Officer

<b>CU-PJ001C    Bank Over Station Development</b>	
<b>Existing Programme and Project Authority</b> £0.69m	<b>Financial Authority in Business Plan</b> £20.83m
<b>Additional Programme and Project Authority</b> £1.47m	<b>Estimated Final Cost</b> £20.83m
<b>Cumulative Programme and Project Authority</b> £2.16m	<b>Variance Commentary</b> None
<b>Outputs and Schedule</b>	<p>The project will build an over-station development at Bank.</p> <p>Additional Programme and Project Authority of £1.47m was granted covering the following main scope item:</p> <ul style="list-style-type: none"> <li>• Demolition of the building at 20 Abchurch Lane.</li> </ul> <p>Further Programme and Project Authority will be requested for the design and construction of the supporting foundations for the potential development in September 2018.</p> <p>The project will complete by March 2023.</p>

<b>ST-PJ340    Surface Narrow Band Radio Replacement</b>	
<b>Existing Programme and Project Authority</b> £0.19m	<b>Financial Authority in Business Plan</b> £10.28m
<b>Additional Programme and Project Authority</b> £10.09m	<b>Estimated Final Cost</b> £10.28m
<b>Cumulative Programme and Project Authority</b> £10.28m	<b>Variance Commentary</b> None

**Outputs and Schedule**

The project will replace the Bus radio system, to support the past and expected growth in call volume.

Additional Programme and Project Authority of £10.09m was granted. The new Authority covers the following main scope items:

- Central radio system hardware.
- 9,500 on-bus radios.

The project will complete by March 2020.

**UIP3103****LU Maintenance Modernisation**

**Existing Programme and Project Authority**  
£1.80m

**Financial Authority in Business Plan**  
£14.00m

**Additional Programme and Project Authority**  
£6.20m

**Estimated Final Cost**  
£13.90m

**Cumulative Programme and Project Authority**  
£8.00m

**Variance Commentary**  
None

**Outputs and Schedule**

The project will deliver £511m maintenance cost savings over 5 years to 2021/22, across 6 asset groups – fleet, track, stations, signals, power, network services.

Additional Programme and Project Authority of £6.20m was granted following an Option Integrated Assurance Review. The new Authority covers the following main scope items:

- Roll out of Lean processes across depots.
- Development of further initiatives

Further Programme and Project Authority will be requested for the design and delivery of risk-based maintenance in March 2019.

The project will complete by March 2020.

## Appendix 2: Summary of Procurement Authority Approvals

Approval Date	Contract / Project Name	Type	Total Value (£k)	Approval
07/03/2018	Rotherhithe to Canary Wharf River Crossing – Engineering & Architectural Services	Contract Award	8,000	Chief Procurment Officer (under delegation from Chief Finance Officer)