

# TRANSPORT FOR LONDON

## STANDING ORDER 2:

### SCHEME OF DELEGATION

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# **TRANSPORT FOR LONDON**

## **STANDING ORDER 2:**

### **SCHEME OF DELEGATION**

#### **INTERPRETATION**

1. This Standing Order applies to the TfL Group.
2. The Commissioner, acting on advice from the General Counsel, will determine the final interpretation of any provision of this Standing Order.
3. In this Standing Order:
  - (a) words and phrases shall have the meanings set out in the Glossary in Appendix 2;
  - (b) references to paragraph numbers are to paragraphs in this Standing Order;
  - (c) references to signatures or signing include the use of electronic signatures provided they are produced in accordance with procedures issued by the General Counsel;
  - (d) where authority, responsibility or a specific right is given to a named position, the same authority, responsibility or right applies to any person acting in place of that named position;
  - (e) in order for any authority, responsibility or specific right to be validly given, or any constraint to be validly imposed, using the authority of this Standing Order, it must be in writing and in accordance with any applicable financial procedures issued by the MD Finance;
  - (f) any amount stated includes all amounts up to and including that stated amount; and
  - (g) all amounts stated are exclusive of Value Added Tax.

#### **MATTERS RESERVED TO THE BOARD FOR DETERMINATION**

4. The following matters are reserved to the Board for determination.

##### **4.1. Strategic guidance**

Provision of strategic guidance to the Commissioner to facilitate:

- (a) the implementation of the Mayor's Transport Strategy; and

- (b) the provision of safe, efficient, integrated and economic transport facilities and services to, from and within Greater London.

## **4.2. Approvals**

Approval of:

- (a) TfL's Business Plan;
- (b) the TfL Group Budget;
- (c) the Annual Accounts of the TfL Group;
- (d) the Annual Report for the TfL Group;
- (e) Transactions valued over £100 million except where otherwise specified by this Standing Order;
- (f) budgeted Projects valued over £100 million and unbudgeted Projects valued over £25 million;
- (g) proposals to amend the Standing Orders except for those amendments made in accordance with paragraph 76 of Standing Order 1;
- (h) proposals for schemes under the GLA Act for the transfer of any of the following (prior to submission to the Mayor):
  - (i) property, rights and liabilities between TfL and its Subsidiary Companies or between its Subsidiary Companies; or
  - (ii) key system assets;
- (i) proposals to promote local Bills in Parliament (and approval to obtain the GLA's written consent as required by the GLA Act);
- (j) proposals to make an application for an order under the Transport and Works Act 1992 (and approval to obtain the Mayor's written consent as required by the GLA Act);
- (k) proposals to make, amend or revoke:
  - (i) London cab orders, to the extent they prescribe fares for hackney carriages; and
  - (ii) regulations under the Private Hire Vehicles (London) Act 1998, to the extent they prescribe licence fees;

- (l) proposals to make, amend or revoke any other regulations or byelaws, except for those London cab orders and regulations under the Private Hire Vehicles (London) Act 1998 that are specifically delegated to other Officers pursuant to paragraphs 34 and 35;
- (m) the principle of making a compulsory purchase order (but not the actual making, withdrawing or amending of any specific order, which is delegated to Officers pursuant to paragraph 33);
- (n) proposals to enter into arrangements with one or more local authorities for the joint discharge of functions, including approval of the appointment and terms of reference of any joint committee;
- (o) annually, Prudential Indicators (including the authorised limit for borrowing);
- (p) annually, the Treasury Management Strategy; and
- (q) annually, any borrowing and investment (including derivatives) strategies.

#### **4.3. Appointments and Removals**

Appointment and removal of:

- (a) members of the Subordinate Bodies listed in paragraph 66 of Standing Order 1, except where the procedure set out in paragraph 72 or 73 of Standing Order 1 is used;
- (b) directors of Subsidiary Companies (but not directors of subsidiaries of those companies (see paragraph 15)) provided that the Board will only appoint and remove directors of TfLTPF whose appointment is reserved to TfL under the trust deed and rules of TfLTPF;
- (c) directors of Associate or Joint Venture Companies who are subject to appointment by TfL (but not directors of an Associate or Joint Venture Company within the responsibility of a Subsidiary Company (see paragraph 15));
- (d) advisers to Subordinate Bodies, upon the recommendation of the Commissioner; and
- (e) the following Officers:
  - (i) the Commissioner;
  - (ii) the Chief Finance Officer;

- (iii) the General Counsel; and
- (iv) the Director of Internal Audit.

#### **4.4. Delegations**

Delegation of any of TfL's functions to:

- (a) Subordinate Bodies;
- (b) Members;
- (c) Officers; or
- (d) Subsidiary Companies.

#### **4.5. Subsidiary Companies and Associate or Joint Venture Companies**

- (a) Formation, dissolution or disposal by TfL or any Subsidiary Company of any:
  - (i) Subsidiary Company; or
  - (ii) Associate or Joint Venture Company.
- (b) Acquisition or disposal by TfL or any Subsidiary Company of more than 25 per cent of the shareholding of any company.

#### **4.6. Consideration of reports**

Consideration of:

- (a) a statutory report, relevant to TfL, from the GLA Monitoring Officer;
- (b) a statutory report from the Chief Finance Officer;
- (c) public interest reports, advisory notices and prohibition notices issued by TfL's external auditors; and
- (d) reports of the Ombudsman where there has been a finding that injustice has been caused in consequence of maladministration.

#### **4.7. Specific policy matters**

Establishment and review of the following policies for TfL:

- (a) a Treasury Management Policy Statement (covering both borrowing and cash investment);
- (b) policies regarding the exercise of power to issue guarantees and indemnities associated with guarantees;

- (c) policies regarding the exercise of power to give financial assistance; and
- (d) policies regarding the exercise of power to enter into derivative investments.

#### **4.8. Crossrail Project**

- (a) Approval of and amendment to the delivery strategy that sets out how CRL intends to deliver the Crossrail Project;
- (b) a review of CRL's implementation of the Crossrail Project at all formal review points and approval of the issuance of a Positive Project Review Notice following each formal review point;
- (c) the provision of any guarantee (or other form of credit support) to CRL that exceeds £100 million;
- (d) approval of any change of or amendment to the Sponsor's Requirements and responding to any change to the Sponsor's Requirements requested by any person, including CRL;
- (e) approval of the final version (prior to their execution) of each of the Principal Project Documents and the fit-out agreement relating to Woolwich station;
- (f) approval of any amendments, variation or modification to or waiver in respect of the Principal Project Documents;
- (g) any other matter expressly provided for in the Principal Project Documents as requiring the approval of TfL;
- (h) such other matters that are reserved to the Sponsor Board under the Core Agreements or otherwise as TfL and the SoS agree in writing from time to time;
- (i) whether or not to exercise the TfL Put Option pursuant to the Core Agreements;
- (j) the acquisition or disposal by CRL (whether in a single transaction or series of transactions) of any business (or any material part of any business) or any shares in any company;
- (k) approval of the appointment of non-executive directors to the CRL Board, including its non-executive Chair, and the Chief Executive Officer of CRL;
- (l) the creation of any encumbrance (such as a mortgage or other security) in respect of any part of CRL's undertaking, property or assets;
- (m) any proposal to wind up CRL (or similar proceedings); and

- (n) any other matter that is a Specified Matter under the Sponsors Agreement and so reserved to the Sponsors, acting through the Sponsor Board.

#### **4.9. Other**

Disposal or transfer of the whole or any part of TfL's or a Subsidiary Company's Undertakings when the number of staff involved exceeds 100.

### **DELEGATION**

#### **Introduction**

5. Subject to any express provision contained in the GLA Act or a subsequent Act, the Board may arrange for any of TfL's functions to be discharged on its behalf by:
  - (a) any Committee or Sub-Committee;
  - (b) any wholly owned Subsidiary Company;
  - (c) any Member or Officer; or
  - (d) any body of Members or Officers, or Members and Officers.
6. The exercise of any delegated authority conferred by the Board under this Standing Order or otherwise is subject to:
  - (a) any restrictions imposed by or in accordance with law;
  - (b) the Scheme of Authorities in Appendix 1 of this Standing Order and all other provisions of the Standing Orders;
  - (c) any conditions imposed by the Board, the Commissioner, or any Committee or Sub-Committee with authority to impose conditions;
  - (d) all other applicable policies and procedures.
7. A specific delegation granted by this Standing Order takes precedence over a general delegation granted by this Standing Order.
8. Only Subordinate Bodies that are Committees or Sub-Committees may sub-delegate functions pursuant to this Standing Order. An Officer exercising delegated functions under this Standing Order may not sub-delegate those functions to another Officer or body of Officers.
9. Arrangements made pursuant to this Standing Order by the Board, a Committee or a Sub-Committee to delegate the discharge of any of TfL's

functions shall not prevent that body from exercising those functions itself.

### **Chair**

10. In situations of urgency, the Board delegates to the Chair the exercise of any functions of TfL on its behalf provided that, prior to doing so, the Chair shall as far as practicable consult with or arrange for consultation with Members who can be readily contacted. Any Chair's action using the authority of this paragraph must be reported to the next ordinary Meeting in either the public or private session, depending on the nature of the matter to be reported.

### **Committees and Panels**

11. The Board delegates to each Committee and Panel the discharge of any functions of TfL that fall within its terms of reference, except for those functions reserved to the Board under paragraph 4.
12. Where the Board has delegated a function to a Committee, the Committee may delegate the discharge of that function to:
  - (a) any Sub-Committee of that Committee;
  - (b) any Member or Officer; or
  - (c) any body of Members or Officers, or Members and Officers.
13. Where the Board or a Committee delegates the discharge of a function to a Sub-Committee under any express provision contained in the GLA Act, the Sub-Committee may delegate the discharge of that function to:
  - (a) any Member or Officer; or
  - (b) any body of Members or Officers, or Members and Officers.

### **Subsidiary Companies**

#### General

14. The Board delegates to each Subsidiary Company the discharge of any functions of TfL relevant to that Subsidiary Company's role and responsibilities within the TfL Group, except for those functions reserved to the Board under paragraph 4.

15. The Board also authorises Subsidiary Companies to appoint and remove the directors of their own subsidiaries and those directors of Associate or Joint Venture Companies within their responsibility.

#### LBSL

16. The Board delegates to LBSL the discharge of TfL's functions under:
- (a) sections 181 and 183 of the GLA Act, relating to the determination of the London Bus Network and addition or variation of a network service;
  - (b) sections 185 to 190 of the GLA Act, relating to the grant of London Service Permits; and
  - (c) section 104 of the London Passenger Transport Act 1934, conferred on TfL by section 301 of the GLA Act, relating to the erection of bus shelters on the public highway.

#### LBSL, LUL, DLR and RfL

17. The Board delegates to LBSL, LUL, DLR and RfL the discharge of TfL's functions under paragraph 1(1) of Schedule 17 to the GLA Act, relating to the authorisation of persons to collect penalty fares.

### **Commissioner, Chief Officers and other Officers**

#### General delegation to Commissioner

18. The Board delegates to the Commissioner the discharge of any functions of TfL, except for functions reserved to the Board under paragraph 4 or specifically delegated to other bodies or Postholders by the Standing Orders or otherwise.

#### General delegation to Chief Officers

19. The Board delegates to each Chief Officer the discharge of any functions of TfL in respect of matters for which that Chief Officer has responsibility:
- (a) across the TfL Group;
  - (b) in a managerial position; and/or
  - (c) in a professional position;
- except for functions reserved to the Board under paragraph 4 or specifically delegated to other bodies or Postholders by the Standing Orders or otherwise.

20. In the absence of anyone occupying the post of any specific Chief Officer, either on a permanent or temporary basis, the Commissioner may designate one or more other Officers to discharge any functions delegated to that Chief Officer under the Standing Orders. However, this is not intended to limit the effect of paragraph 3(d) which would automatically allow a person acting in the post to discharge the functions delegated to that Chief Officer.
21. The authority delegated to Chief Officers pursuant to the above paragraphs is concurrent with the authority delegated to the Commissioner and may not be exercised by a Chief Officer in respect of any matter where the Commissioner has either exercised, or given a written indication of his intention to exercise, his delegated powers.

#### General delegation to other Officers

22. Subject to satisfying the conditions in the following paragraph, the Board delegates to each Officer (other than the Commissioner or a Chief Officer) the discharge of any functions of TfL in respect of matters for which that Officer has responsibility:
  - (a) across the TfL Group;
  - (b) in a managerial position; and/or
  - (c) in a professional position;except for functions reserved to the Board under paragraph 4 or specifically delegated to other bodies or Postholders by the Standing Orders or otherwise.
23. An Officer may only exercise delegated authority pursuant to the above paragraph in relation to a matter if:
  - (a) the Chief Officer to whom the Officer reports has also been delegated authority in relation to that matter; and
  - (b) the Officer has obtained the written consent of that Chief Officer (or in the absence of that Chief Officer, the Commissioner) to the exercise of that delegated authority.
24. The authority delegated to Officers pursuant to the above paragraphs is concurrent with the authority delegated to the Commissioner and may not be exercised by an Officer in respect of any matter where the Commissioner has either exercised, or given a written indication of his intention to exercise, his delegated powers.

### Specific delegation to MD Surface Transport

25. The Board delegates to the MD Surface Transport and, with that MD's written consent, to each Officer responsible to that MD, the discharge of any of the following functions, except for functions reserved to the Board under paragraph 4 or specifically delegated to other bodies or Postholders by the Standing Orders or otherwise:
- (a) any function of TfL as:
    - (i) a highway authority;
    - (ii) a local authority (in respect of matters for which the MD Surface Transport has managerial and/or professional responsibility);
    - (iii) a traffic authority;
    - (iv) a street authority; and
    - (v) a charging authority under the GLA Act;
  - (b) any function of TfL relevant to the use of the highway, including but not limited to functions under:
    - (i) the Highways Act 1980;
    - (ii) the Road Traffic Regulation Act 1984;
    - (iii) the New Roads and Street Works Act 1991;
    - (iv) section 275 of the GLA Act; and
    - (v) the Traffic Management Act 2004;
  - (c) any function of TfL relating to:
    - (i) hackney carriages (pursuant to the GLA Act, section 253 and Schedule 20); and
    - (ii) private hire vehicles (pursuant to the GLA Act, section 254 and Schedule 21); and
  - (d) any function in respect of taking all steps necessary to institute and pursue prosecutions under the Private Hire Vehicles (London) Act 1998, which with the MD Surface Transport's written consent may be discharged by LBSL.

### Specific delegation to MD Finance

26. The Board delegates to the MD Finance and, in his or her absence, the Chief Finance Officer, the discharge of any functions of TfL in respect of traffic related agreements (revenue agreements) with train operating companies, bus operating companies and others (including the authority to enter into, amend, revoke and make payments pursuant to, such agreements) except for functions reserved to the Board under paragraph 4 or specifically delegated to other bodies or Postholders by the Standing Orders or otherwise.

Specific delegation to MD London Underground

27. The Board delegates to the MD London Underground the authority to:
- (a) enter into contracts for the procurement of electricity for London Underground's Bulk Supply Points;
  - (b) approve, on the advice of the LUL Head of Power, Connect and Revenue Contracts, the price to be paid for blocks of electricity; and
  - (c) consent to the transfer of key system assets pursuant to section 216 of the GLA Act.

Specific delegation to LUL Officers

28. The Board delegates to the LUL Head of Power, Connect and Revenue Contracts and each of the following LUL Officers (acting on the advice of the Head of Power, Connect and Revenue Contracts) the authority to approve the price to be paid for blocks of electricity:
- (a) Director of Projects;
  - (b) Director of Finance and Support Offices; and
  - (c) Head of Commercial Procurement.

Specific delegation relating to Mayor's Opinion

29. The delegations below apply for as long as the function of giving the Mayor's Opinion is delegated to TfL by the Mayor.
30. In respect of any disposal of land, each of the following Officers is authorised to give the Mayor's Opinion:
- (a) Commissioner;
  - (b) MD Finance;
  - (c) Director of Corporate Finance; and
  - (d) Director of Group Property and Facilities.

31. In respect of temporary disposals of land for up to 15 years where TfL reserves the right to take back the land when it is required by TfL, in addition to the Officers listed in the above paragraph, each of the following Officers is authorised to give the Mayor's Opinion:
- (a) any MD (in relation to land for which that MD has managerial and/or professional responsibility); and
  - (b) General Counsel.
32. In respect of disposals of property other than land, Chief Officers and other Officers are authorised to give the Mayor's Opinion for Transactions in respect of which they may grant Disposal Authority in accordance with the Scheme of Authorities in Appendix 1.

Specific delegation relating to compulsory purchase orders

33. Subject to obtaining in principle approval for the making of a compulsory purchase order in accordance with paragraph 4.2(m), the Board delegates to each of the following Officers the making, withdrawing and/or amending of the compulsory purchase order, including settling the detailed boundaries of the land to be acquired, and doing all things necessary to implement the compulsory purchase order:
- (a) the Commissioner; and
  - (b) any Chief Officer (where the Project or Land Transaction to which the compulsory purchase order relates is within that Chief Officer's managerial and/or professional responsibility).

Specific delegation relating to taxi and private hire vehicle legislation

34. The Board delegates the making, amendment and revocation of the following legislation to the Commissioner or, in his absence, the MD Surface Transport:
- (a) London cab orders, except:
    - (i) to the extent they prescribe fares for hackney carriages (which is a matter reserved to the Board under paragraph 4.2(k)); and
    - (ii) those delegated to the Chief Operating Officer – Enforcement and Compliance, Surface Transport under paragraph 35.
  - (b) Regulations under the Private Hire Vehicles (London) Act 1998, except to the extent they prescribe licence fees (which is a matter reserved to the Board under paragraph 4.2(k)).

35. The Board delegates the making, amendment and revocation of the following legislation to the Chief Operating Officer – Enforcement and Compliance, Surface Transport or, in his absence, the Director of Taxi and Private Hire:
- (a) London cab orders made pursuant to section 9(1) of the Transport for London Act 2008 (“TfL Act 2008”) designating directional taxi ranks;
  - (b) London cab orders made pursuant to section 10(1) of the TfL Act 2008 designating rest ranks;
  - (c) London cab orders made pursuant to section 10(2) of the TfL Act 2008 prescribing the maximum lengths of time during which a hackney carriage may stand at a rest rank;
  - (d) London taxi sharing scheme orders made pursuant to section 10(4) of the Transport Act 1985 other than those which prescribe fares;
  - (e) London cab orders which modify or suspend the operation of section 2 of the London Cab and Stage Carriage Act 1907 (privileged cab system) in respect of a station;
  - (f) London cab orders which fix the stands of hackney carriages and the persons who may attend at such stands pursuant to section 9(2) of the Metropolitan Public Carriage Act 1869; and
  - (g) orders and regulations made pursuant to section 4 of London Hackney Carriages Act 1850 appointing standings for hackney carriages, the boundaries of such standings, number of carriages to be allowed in the standing, the times at which the standing may be used, enforcement of order at standings and removal of any person from a standing.

Specific delegation relating to the Crossrail project

36. The Commissioner is authorised to appoint (and replace) from time to time one or more TfL Officers to act on behalf of TfL as Sponsor representative (or an alternate in the absence of a Sponsor representative) in relation to TfL’s membership of the Sponsor Board.
37. The Commissioner or the Sponsor representative is authorised to approve any matter which is not reserved to the TfL Board in paragraphs 4.8(a) to (f) and 4.8(i) to (m) above where such matter for approval has a monetary value of £50,000,000 or less.
38. The Sponsor representative has delegated authority to give:

- (a) approval of any change to the Crossrail Project including any change or amendment to the Sponsor's Requirements with a maximum monetary value of £50,000,000; and
- (b) approval of any amendments, variation or modification to or waiver in respect of the Principal Project Documents with a maximum monetary value of £50,000,000.

## APPENDICES

**SCHEME OF AUTHORITIES**

**INTRODUCTION**

1. Notwithstanding the delegations contained in this Standing Order, before any Transaction or Project is entered into on behalf of the TfL Group the necessary Authorities must have been obtained in accordance with this Scheme of Authorities.
2. However, this Scheme of Authorities does not apply to the following Subsidiary Companies (which have their own schemes for authorising activities undertaken on their behalf):
  - (a) London Transport Museum Limited;
  - (b) London Transport Museum (Trading) Limited;
  - (c) London Transport Insurance (Guernsey) Limited; and
  - (d) TfL Trustee Company Limited (as trustee for TfLTPF).

**TYPES OF AUTHORITIES**

3. All Transactions and Projects require Financial Authority.
4. The other Authorities potentially required before proceeding with a Transaction or Project are:
  - (a) Project Authority;
  - (b) Land Authority;
  - (c) Commitment Authority;
  - (d) Procurement Authority; and
  - (e) Disposal Authority.

**Financial Authority**

5. Financial Authority is the authority to:
  - (a) spend money;
  - (b) receive income;

- (c) incur a financial liability (that is, a legal obligation to pay money to another party if specific, predetermined circumstances arise); or
  - (d) redistribute funds to relevant third parties in respect of their respective allocated budgets.
- 6. Financial Authority will be automatically granted to the extent that an activity or Project is 'budgeted' (see paragraph 8 below).
- 7. To the extent that an activity or Project is 'unbudgeted' (see paragraph 8 below), Financial Authority must be obtained as follows:
  - (a) in respect of a Project, Financial Authority must be obtained from a body or Postholder authorised to grant Financial Authority for unbudgeted Projects (see paragraph 35 below);
  - (b) in respect of a Land Transaction, Financial Authority must be obtained from a body or Postholder authorised to grant Financial Authority for unbudgeted Land Transactions (see paragraph 35 below); and
  - (c) in relation to any other activity, written approval must be obtained from those authorised to enter into unbudgeted expenditure, or those authorised to approve virement of expenditure (that is, the transfer of resources from one budget area to another), in accordance with applicable financial procedures as issued by the MD Finance.
- 8. An activity is 'budgeted' if funding for that specific activity is included in the TfL Group Budget, as approved by the Board and amended by any approved variations. A Project is 'budgeted' when there is full funding in the TfL Group Budget for the current financial year and future years of the TfL Business Plan, as approved by the Board and amended by any approved variations. Where the cost of an activity or Project is greater than the budgeted sum, the size of the 'unbudgeted' element determines the level of Financial Authority required. Details of approved TfL Group Budgets and TfL Business Plans are as advised by Group Finance.
- 9. The exercise of any Financial Authority granted is subject to:
  - (a) securing any specific approval required;
  - (b) compliance with any restrictions included in the TfL Business Plan; and

- (c) compliance with the Standing Orders, financial standards and instructions issued by the MD Finance and all other relevant TfL policies and procedures.

### **Project Authority**

10. Project Authority is the authority to do the following in respect of a Project:
  - (a) spend money;
  - (b) receive income;
  - (c) incur a financial liability (that is, a legal obligation to pay money to another party if specific, predetermined circumstances arise); or
  - (d) redistribute funds to relevant third parties in respect of their respective allocated budgets.
11. Project Authority must be granted by a body or Postholder authorised to grant Project Authority (see paragraph 35 below).
12. At the time Project Authority is granted, the authorising body or Postholder will set a percentage tolerance level, which may be zero, by which a Project may exceed its approved value without the need for further authorisation. Guidance on setting the appropriate level will be provided from time to time by the MD Finance. The additional amount within the tolerance level must not cause the level of Project Authority to exceed the maximum level that the relevant authorising body or Postholder may grant. Any Variation in excess of the tolerance limit must be authorised in accordance with paragraphs 48 to 51 below.
13. A report will be submitted to each ordinary meeting of the Finance and Policy Committee summarising any Project Authority given by the Commissioner or the MD Finance since the last Committee meeting.

### **Land Authority**

14. Land Authority is the authority to engage in a Land Transaction.
15. Land Authority must be granted by a body or Postholder authorised to grant Land Authority (see paragraph 35 below).
16. Commitment Authority, Procurement Authority and any Disposal Authority required will automatically be granted when Land Authority is granted unless the body or Postholder granting Land Authority requires any of those authorities to be separately obtained.

17. In addition to obtaining Land Authority and all other Authorities required, consultation must take place with one of the following Officers in respect of all terms and the method of acquisition or disposal before the Land Transaction is completed:
  - (a) the Director of Group Property and Facilities; or
  - (b) the Director of Corporate Finance; or
  - (c) an appropriate Officer of either Group Property and Facilities or Corporate Finance.
18. If the Mayor's Opinion and/or the Secretary of State's consent is required, the Land Transaction cannot be completed unless and until the opinion and/or consent has been obtained.

### **Commitment Authority**

19. Commitment Authority is the authority to:
  - (a) commit funds to obtain goods, services, land or works required by the TfL Group ("Commitment Authority for expenditure"); or
  - (b) accept funds arising from TfL Group activities in the areas of goods, services, land or works ("Commitment Authority for income").
20. However, Commitment Authority does not include issuing instructions to external suppliers to start work or proceed with the supply of goods.
21. Commitment Authority must be granted by a body or Postholder authorised to grant Commitment Authority (see paragraph 35 below).
22. Commitment Authority for revenue expenditure is granted by authorising a shopping cart in TfL's electronic finance and budgeting system or a document of equivalent effect.
23. In respect of Projects, Commitment Authority must be granted before the issue of an invitation to tender for the delivery of a Project. Commitment Authority will be automatically granted when Project Authority is granted unless the body or Postholder granting Project Authority requires Commitment Authority to be separately obtained.
24. In respect of Land Transactions, Commitment Authority will automatically be granted when Land Authority is granted unless the body or Postholder granting Land Authority requires Commitment Authority to be separately obtained.

25. In emergency situations, Commitment Authority may be granted orally but must be confirmed in writing as soon as reasonably practicable.

### **Procurement Authority**

26. Procurement Authority is the authority to make a binding or contractual commitment with a supplier for the purchase of goods, services, land or works. Procurement Authority extends to any action required within any existing contracts or relationships (e.g. unsatisfactory performance deductions or giving notice and termination of contracts), except where actions relating to contract performance are in accordance with a pre-determined formula or process included in the contract.
27. No Procurement Authority is required to make a contractual commitment to give financial assistance to London local authorities under section 159 of the GLA Act.
28. Procurement Authority must be granted by a body or Postholder authorised to grant Procurement Authority (see paragraph 35 below).
29. Commitment Authority must be granted before Procurement Authority.
30. In respect of Land Transactions, Procurement Authority will automatically be granted when Land Authority is granted unless the body or Postholder granting Land Authority requires Procurement Authority to be separately obtained.
31. Procurement Authority is exercised by release of an order or instruction from TfL's electronic contract systems or by entering into a contract. In emergency situations, Procurement Authority may be granted orally but must be confirmed (by the release of an order or instruction from TfL's electronic contract systems or signature of a contract document) as soon as reasonably practicable.

### **Disposal Authority**

32. Disposal Authority is the authority to dispose of any assets.
33. Disposal Authority must be granted by a body or Postholder authorised to grant Disposal Authority (see paragraph 35 below).
34. In respect of Land Transactions, Disposal Authority will automatically be granted when Land Authority is granted unless the body or Postholder granting Land Authority requires Disposal Authority to be separately obtained.

## AUTHORISING BODIES AND POSTHOLDERS

### Table of Authorities

35. The table below sets out the maximum monetary value in respect of which bodies or Postholders can grant Authorities, subject to the paragraphs following the table (from paragraph 36) which set out restrictions and other requirements relating to the grant of Authorities.

AUTHORISING BODY/ POSTHOLDER	FINANCIAL AUTHORITY FOR UNBUDGETED VALUE OF PROJECTS	FINANCIAL AUTHORITY FOR UNBUDGETED VALUE OF LAND TRANSACTIONS	PROJECT AUTHORITY	LAND AUTHORITY	COMMITMENT AUTHORITY	PROCUREMENT AUTHORITY/ DISPOSAL AUTHORITY
BOARD	UNLIMITED	UNLIMITED	UNLIMITED	UNLIMITED	UNLIMITED	UNLIMITED
FINANCE AND POLICY COMMITTEE			£100,000,000			
COMMISSIONER (ACTING COMMISSIONER IN HIS/HER ABSENCE; MD FINANCE IN ABSENCE OF BOTH)	£25,000,000	£25,000,000	£50,000,000	£100,000,000	CHANGES TO BASE LINE COSTS FOR CROSSRAIL OVER-STATION DEVELOPMENTS: £50,000,000  OTHERWISE: £100,000,000	£100,000,000
COMMISSIONER AND WITH THE COMMISSIONER'S CONSENT, FINANCE DIRECTOR, SURFACE TRANSPORT					TRANSACTIONS FOR THE PROVISION OF BUS SERVICES: £100,000,000	TRANSACTIONS FOR THE PROVISION OF BUS SERVICES: £100,000,000
TUBE LINES (HOLDINGS) LIMITED	£25,000,000	£25,000,000	£50,000,000	£100,000,000	£100,000,000	£100,000,000
MD FINANCE	£10,000,000 (ACTING MD FINANCE IN HIS/HER ABSENCE; CHIEF FINANCE OFFICER IN ABSENCE OF BOTH)	£10,000,000 (ACTING MD FINANCE IN HIS/HER ABSENCE; CHIEF FINANCE OFFICER IN ABSENCE OF BOTH)	£25,000,000 (ACTING MD FINANCE IN HIS/HER ABSENCE; CHIEF FINANCE OFFICER IN ABSENCE OF BOTH)	CROSSRAIL PROJECT: £50,000,000 (CHIEF FINANCE OFFICER OR DIRECTOR OF CORPORATE FINANCE IN HIS/HER ABSENCE)  OTHERWISE: £25,000,000 (CHIEF FINANCE OFFICER OR DIRECTOR OF CORPORATE FINANCE IN HIS/HER ABSENCE)	CHANGES TO BASE LINE COSTS FOR CROSSRAIL OVER-STATION DEVELOPMENTS: £25,000,000 (CHIEF FINANCE OFFICER OR DIRECTOR OF CORPORATE FINANCE IN HIS/HER ABSENCE)  OTHERWISE: £25,000,000 (ACTING MD FINANCE IN HIS/HER ABSENCE; CHIEF FINANCE OFFICER IN ABSENCE OF BOTH)	£25,000,000 (ACTING MD FINANCE IN HIS/HER ABSENCE; CHIEF FINANCE OFFICER IN ABSENCE OF BOTH)
ALL OTHER CHIEF OFFICERS (SUBJECT TO THE EXCEPTIONS BELOW)	£2,000,000	£2,000,000	£5,000,000	£5,000,000	£25,000,000	£25,000,000

AUTHORISING BODY/ POSTHOLDER	FINANCIAL AUTHORITY FOR UNBUDGETED VALUE OF PROJECTS	FINANCIAL AUTHORITY FOR UNBUDGETED VALUE OF LAND TRANSACTIONS	PROJECT AUTHORITY	LAND AUTHORITY	COMMITMENT AUTHORITY	PROCUREMENT AUTHORITY/ DISPOSAL AUTHORITY
CHIEF EXECUTIVE OFFICER OF TUBE LINES LIMITED	£2,000,000	£2,000,000	£5,000,000	£5,000,000	£25,000,000	£25,000,000
CHIEF EXECUTIVE OF CRL				CROSSRAIL PROJECT: £25,000,000 (FINANCE DIRECTOR OF CRL IN HIS/HER ABSENCE)		TRANSACTIONS ENTERED INTO IN CONNECTION WITH THE IMPLEMENTATION OF THE CROSSRAIL DELIVERY STRATEGY: AMOUNTS IN ACCORDANCE WITH CRL SCHEME OF AUTHORITIES AS APPROVED BY CRL
MD SURFACE TRANSPORT					TRANSACTIONS FOR THE PROVISION OF BUS SERVICES: £100,000,000	TRANSACTIONS FOR THE PROVISION OF BUS SERVICES: £100,000,000
MD LONDON UNDERGROUND					TRANSACTIONS FOR POWER SUPPLIES: £100,000,000	
DIRECTOR OF GROUP PROPERTY AND FACILITIES		£2,000,000		INCOME GENERATING LAND TRANSACTIONS: £10,000,000  LAND COMPENSATION CLAIMS (INCLUDING COMPULSORY PURCHASE SETTLEMENTS): £10,000,000  CROSSRAIL PROJECT: £10,000,000  OTHERWISE: £2,000,000		
DIRECTOR OF CORPORATE FINANCE		£2,000,000		INCOME GENERATING LAND TRANSACTIONS: £10,000,000  LAND COMPENSATION CLAIMS (INCLUDING COMPULSORY PURCHASE SETTLEMENTS): £10,000,000  OTHERWISE: £2,000,000	CHANGES TO BASE LINE COSTS FOR CROSSRAIL PROJECT OVER-STATION DEVELOPMENTS: £10,000,000	
FINANCE DIRECTOR OF CRL				CROSSRAIL PROJECT: £10,000,000		

AUTHORISING BODY/ POSTHOLDER	FINANCIAL AUTHORITY FOR UNBUDGETED VALUE OF PROJECTS	FINANCIAL AUTHORITY FOR UNBUDGETED VALUE OF LAND TRANSACTIONS	PROJECT AUTHORITY	LAND AUTHORITY	COMMITMENT AUTHORITY	PROCUREMENT AUTHORITY/ DISPOSAL AUTHORITY
FOLLOWING LUL OFFICERS: • DIRECTOR OF PROJECTS; AND • DIRECTOR OF FINANCE AND SUPPORT OFFICES					TRANSACTIONS FOR POWER SUPPLIES: £25,000,000	
FOLLOWING LUL OFFICERS: • HEAD OF POWER, CONNECT AND REVENUE CONTRACTS; AND • HEAD OF COMMERCIAL PROCUREMENT					TRANSACTIONS FOR POWER SUPPLIES: £5,000,000	
MAXIMUM FOR ANY OFFICER OTHER THAN THOSE SPECIFICALLY IDENTIFIED ABOVE (SEE PARAGRAPH 37)	£1,000,000	£500,000	£2,000,000	£1,000,000	£5,000,000	£5,000,000
DIRECTOR	£1,000,000	£500,000	£2,000,000	£1,000,000	£5,000,000	£5,000,000
DIRECTOR OF TUBE LINES LIMITED						£1,000,000
PAYBAND 5 OR EQUIVALENT	£1,000,000		£2,000,000	£1,000,000	£1,000,000	£1,000,000
PAYBAND 4 OR EQUIVALENT				£1,000,000	£500,000	£1,000,000
PAYBAND 3 OR EQUIVALENT				£250,000	£100,000	£250,000
PAYBAND 2 OR EQUIVALENT				£50,000	£25,000	£50,000
PAYBAND 1 OR EQUIVALENT				£5,000	£5,000	£5,000

## **Requirements relating to the grant of Authorities**

### Approving Officers

36. Any written permission or consent referred to in the following paragraphs may be in electronic form but must be retained and be capable of being printed.
37. Authorities may only be granted by Directors and other Officers in paybands 1 to 5 if they have obtained the written consent of an appropriate “approving Officer” as set out in paragraph 38, or the Commissioner or Chief Officer to whom they ultimately report.
38. Chief Officers may appoint any other Officer to be an approving Officer. Those approving Officers can in turn appoint other approving Officers from within any payband equal to or lower than their own and to a financial level equal to or lower than their own. The exception is Procurement Authority where only a Chief Officer, a Director with operational responsibility for procurement or the relevant Head of Procurement may appoint approving Officers.
39. All approving Officers must ensure that the correct level of authorisation is recorded in SAP for those Officers they have approved to grant Authorities.
40. The Commissioner, or the Chief Officer or Director to whom an Officer reports, may give written permission for an individual Officer to grant Authorities above his or her payband level subject to the maximum set out in the table in paragraph 35.
41. Any appropriate approving Officer, the Commissioner, or the Chief Officer to whom an Officer reports, may give written permission for that Officer to grant Authorities below his or her payband level set out in the table in paragraph 35.
42. In an emergency the following Officers may approve unbudgeted expenditure in excess of their respective levels of Financial Authority for urgent activities required to safeguard the operation, and/or protect the assets, of any part of the TfL Group:
  - (a) the Commissioner;
  - (b) in the absence of the Commissioner, the Acting Commissioner;
  - (c) in the absence of the Commissioner and the Acting Commissioner, the MD Finance; or

- (d) in the absence of all the above persons, the Chief Officer with operational responsibility for the matter concerned.

### Valuation

- 43. Requests for any type of Authority must not be broken down in such a manner that, as a result, a lower monetary value level of Authority is required, so as to avoid:
  - (a) a requirement for seeking authority at a higher level;
  - (b) compliance with UK procurement regulations; or
  - (c) EU procurement directives.
- 44. In determining the appropriate level of any Authority in relation to the Crossrail Project, the value of an individual transaction forming part of the Crossrail Project is to be taken as the relevant value and not amalgamated with the overall value of the Crossrail Project.
- 45. In calculating the level of an Authority required for a Land Transaction, the total potential financial commitment must be taken into account, but any statutory interest which will be payable or receivable in any event should be excluded.
- 46. In calculating the cost of a Project for the purposes of determining the appropriate level of Project Authority, the total gross amount estimated to be paid must be used. This includes both external suppliers and internal costs specifically charged to the Project and will be the total amount that will extinguish all outstanding liabilities for supplies, services and works procured solely to deliver the full Project scope and achieve the Project outcomes.
- 47. Where a Transaction is of an indefinite duration the estimated value for the purposes of the Authorities is the total gross amount of the consideration that is expected to be paid in the first four years. In relation to Land Transactions, specific valuation guidance should be sought from the Director of Group Property and Facilities.

### Variations

- 48. Variations resulting in a change to the approved amount of any Authority must be approved in accordance with the table in paragraph 32 and regard must be given as to the impact of any increase in value on:
  - (a) any applicable procurement procedures;

- (b) UK procurement regulations; and
  - (c) EU procurement directives.
49. Subject to paragraph 51 below, the level of Authority required for a proposed Variation is based on the total of:
- (a) the original value of the Authority;
  - (b) the value of the current proposed Variation; and
  - (c) the aggregate value of all previous Variations (if any).
50. The body or Postholder approving a Variation can require that all or some specified subsequent Variations be authorised at a higher level of Authority. In that case, any calculation of the level of Authority required for any subsequent Variation should start the aggregation of Variations anew.
51. The calculation for the purposes of paragraph 49 for any specific Variation in respect of PPP or PFI activities shall not include:
- (a) the value of the original Authority to establish a PPP or PFI; or
  - (b) the aggregated total value of any other Authorities and their Variations to that original PPP or PFI Authority.

#### Procurement activities

52. Except as set out in the paragraph below, the following Transactions must only be entered into following a competition conducted through a tender process or by competitive quotation:
- (a) any activity either orally or in writing which commits, or may be taken to commit, the TfL Group to any contractual relationship, including the issue of letters of intent; or
  - (b) the sale or other disposal of surplus assets.
53. The following Transactions may proceed other than through competitive tender, subject always to meeting the requirements of the EU procurement directives and UK procurement regulations:
- (a) Transactions of small monetary value as defined in local procurement procedures issued by the relevant Chief Officer or relevant Head of Procurement;
  - (b) Land Transactions; and

- (c) any other Transactions prescribed by procurement procedures issued by the Director of Group Procurement and/or local procurement procedures issued by the relevant Chief Officer or relevant Head of Procurement.
54. Notwithstanding any other authority given by this Standing Order, where it is proposed that a Transaction (other than a Land Transaction) over the value of £500,000 be entered into other than through a competitive process, the MD Finance must give approval before any agreement is made with or instructions given to a supplier. Such a Transaction may be subject to review by the MD Finance (or such person as he or she may nominate from time to time) if he or she so requires. Where the MD Finance has been directly involved in the transaction, the Commissioner must give approval and the Transaction may be reviewed by the Commissioner (or such person as the Commissioner may nominate from time to time).

#### Sealing and execution of documents

55. As set out in Standing Order 1, the application of the TfL seal will be authenticated by the signature of any one of the following persons:
- (a) the Commissioner;
  - (b) a Chief Officer;
  - (c) any other Officer or other person specifically or generally authorised by the Board; or
  - (d) any other Officer with the written consent of the General Counsel.
56. As set out in Standing Order 1 any of the following Officers are authorised, subject to the constraints of the Standing Orders, to sign contracts or other documents on behalf of any part of the TfL Group:
- (a) the Commissioner;
  - (b) a Chief Officer; or
  - (c) any other Officer with the written consent of a Chief Officer.

#### General

57. All Transactions must be expressed to be governed by English law unless otherwise agreed by the General Counsel or the Director of TfL Legal.

## GLOSSARY

**Associate or Joint Venture Company** means a company which is an associate or joint venture (as defined in financial reporting standards issued from time to time by the Accounting Standards Board) of TfL.

**Authority** means each of the following:

- (a) Financial Authority;
- (b) Project Authority;
- (c) Land Authority;
- (d) Commitment Authority;
- (e) Procurement Authority; and
- (f) Disposal Authority.

**Board** means the membership of TfL from time to time as constituted in accordance with paragraph 2 of Schedule 10 to the GLA Act.

**Chair** means the person designated as chair of TfL in accordance with paragraph 3 of Schedule 10 to the GLA Act.

**Chief Finance Officer** means the Officer appointed under section 127 of the GLA Act.

**Chief Officer** means any MD, the Chief Executive of CRL and the General Counsel.

**Commissioner** means the person appointed by the Board to be the TfL Commissioner.

**Commitment Authority** has the meaning given to it by paragraph 18 of the Scheme of Authorities.

**Committee** means each committee of TfL listed in paragraph 66 of Standing Order 1.

**CRL** means Crossrail Limited.

**Crossrail Project** means the project for the development, design, procurement, construction, commissioning, integration and completion of a railway transport system that is capable of operating services from Maidenhead in the County of Berkshire and from Heathrow Airport in the

London Borough of Hillingdon through central London to Shenfield in the County of Essex and Abbey Wood in the London Borough of Greenwich.

**Crossrail Project Development Agreement** means the agreement between the Secretary of State for Transport (1) and TfL (2) and CRL (3) dated 3 December 2008.

**Disposal Authority** has the meaning given to it by paragraph 30 of the Scheme of Authorities.

**Director** means an Officer reporting directly to a Chief Officer, except for those Officers with an administrative role and/or a position title beginning with "Head of".

**DLR** means Docklands Light Railway Limited.

**Financial Authority** has the meaning given to it by paragraph 5 of the Scheme of Authorities.

**GLA** means the Greater London Authority.

**GLA Act** means the Greater London Authority Act 1999.

**Land Authority** has the meaning given to it by paragraph 14 of the Scheme of Authorities.

**Land Transaction** means the following activities in respect of land and buildings, or interests in, or rights over, land and buildings:

- (a) the purchase, sale or exchange of freehold or leasehold land;
- (b) the purchase, grant, assignment, surrender, release or variation of leases, tenancies, covenants, easements and licences;
- (c) any other acquisition or disposal of land and buildings, or interests in, or rights over, land and buildings; and
- (d) the settlement of compensation claims related to land and buildings or interests in, or rights over, land and buildings;

but does not include any of the above activities undertaken by a Subsidiary Company for or in connection with the following:

- (i) protection of the Subsidiary Company's undertaking;
- (ii) the grant of permission to undertake works to, on, adjacent to or over any operational land, structure or asset (or any part thereof) comprised in any Subsidiary Company's undertaking or receipt of permission to undertake works for operational

purposes with respect to any land, structure or asset owned by a third party; or

- (iii) any of the matters listed at (b) above insofar as they are entered into pursuant to or of a type contemplated by a PPP or PFI contract.

**LBSL** means London Bus Services Limited.

**LUL** means London Underground Limited.

**MD** means any of the Officers appointed as Managing Director of the TfL directorates of Finance, Planning, Marketing and Communications, London Rail, Surface Transport and London Underground.

**Mayor's Opinion** means the opinion of the Mayor (or of the person to whom the Mayor has delegated the power to give such opinion) which is required pursuant to paragraph 12(1) of Schedule 11 to the GLA Act in relation to the disposal (whether absolutely or for a term of years) by TfL of any part of its Undertaking or property which is not required for the purposes of the discharge by TfL of any of its functions.

**Member** means a member of TfL appointed in accordance with paragraph 2 of Schedule 10 to the GLA Act.

**Officer** means any office holder or employee (full or part-time, temporary or permanent) of the TfL Group. This excludes agency staff and consultants unless they are appointed as such by the Chief Officer, or an authorised Officer, to whom they ultimately report.

**Panel** means each panel listed in paragraph 66 of Standing Order 1.

**Postholder** means any Member or Officer named either individually or in a group in the Standing Orders.

**Principal Project Documents** means the Crossrail Project documents listed in Schedule 1 to the Crossrail Project Development Agreement.

**Procurement Authority** has the meaning given to it by paragraph 25 of the Scheme of Authorities.

**Project** means a unique set of co-ordinated activities, with definite starting and finishing points, undertaken by an individual or team to meet specific objectives within defined time, cost and performance parameters as specified in the business case. It has the following characteristics:

- (a) a finite and defined lifespan;

- (b) defined and measurable business products (that is, deliverables and/or outcomes to meet specific business objectives);
- (c) a corresponding set of activities to achieve the business products;
- (d) a defined amount of resources; and
- (e) an organisational structure, with defined responsibilities, to manage the activities.

**Project Authority** has the meaning given to it by paragraph 10 of the Scheme of Authorities.

**RfL** means Rail for London Limited.

**Scheme of Authorities** means the scheme for authorising financial activities on behalf of the TfL Group set out in Appendix 1.

**Secretary** means the Secretary of the Board.

**Sponsors Agreement** means the agreement between the Department for Transport and TfL dated 3 December 2008 which governs the relationship between the parties as co-sponsors of the Crossrail Project.

**Sponsor Board** means the Board which governs the relationship between TfL and the Department for Transport and CRL in relation to the Crossrail Project.

**Sponsor representative** means the Officer or Officers appointed by the Commissioner to act on behalf of TfL in relation to TfL's membership on the Sponsor Board.

**Sponsor's Requirements** means the specifications and requirements for the Crossrail Project as specified in Schedule 2 to the Project Development Agreement.

**Standing Orders** means TfL's standing orders which are:

- (a) Standing Order 1 – Decision-Making Structure and Proceedings;  
and
- (b) Standing Order 2 – Scheme of Delegation.

**Sub-Committee** means a sub-committee of a Committee.

**Subordinate Body** means a body established in accordance with Standing Order 1 which is:

- (a) a committee of TfL;
- (b) a sub-committee of such a committee;

- (c) a body of Members or Officers; or
- (d) a body of Members and Officers.

**Subsidiary Company** means a “subsidiary” (as defined by section 736 of the Companies Act 1985 (as may be replaced from time to time)) of TfL. That is, a company is a Subsidiary Company of TfL if TfL:

- (a) holds a majority of voting rights in that company;
- (b) is a member of that company and has the right to appoint or remove a majority of its board of directors; or
- (c) is a member of that company and controls alone, pursuant to an agreement with other members, a majority of the voting rights in that company.

Where the context permits, **Subsidiary Company** includes a subsidiary of a subsidiary of TfL.

**TfL** means Transport for London.

**TfL Group** means TfL and its Subsidiary Companies.

**TfLPPF** means Transport for London Pension Fund, the trustee of which is TfL Trustee Company Limited.

**Transaction** means any of the following activities:

- (a) any activity which commits or may be taken to commit, either orally or in writing, the TfL Group to any contractual relationship, including the issue of letters of intent;
- (b) the sale or other disposal of surplus material and assets;
- (c) variations to contracts;
- (d) the settlement of any claim for additional payment by the TfL Group not expressly covered by an existing Authority or an existing contract or arrangement;
- (e) the imposition of remedies for breach of a contractual commitment, for example the calling of bonds and guarantees and the exercise of step-in or termination rights;
- (f) the acquisition or disposal of land and buildings or any rights or interests in land and buildings including any variations in such rights or interests; and

- (g) the settlement of compensation claims relating to land and buildings;

but does not include the process of obtaining tenders (formal or informal), proposals or quotations for supplies, services and works provided they are obtained in accordance with applicable procurement procedures as issued by the Director of Group Procurement and/or local procurement procedures issued by the relevant Chief Officer or the relevant Head of Procurement from time to time.

**TTL** means Transport Trading Ltd.

**Undertaking** means a distinct area of work or an organised group of resources, including for example personnel where a task relies on the provision of a service where the Transfer of Undertakings (Protection of Employment) Regulations 2006 can apply.

**Variation** means a change:

- (a) in the work originally awarded, resulting in a change in the specification and/or deliverables and/or timing that results in either an increase in the financial cost and/or an increase in risk or liability;
- (b) in monetary value of the contract originally awarded due to, for example, an annual negotiated price review, a cost change as result of legislation or other external circumstances;
- (c) of name or other administrative arrangements; or
- (d) which results in the value for money of the subject matter decreasing.