AGENDA ITEM 8

TRANSPORT FOR LONDON
BOARD

SUBJECT: REVISION OF STANDING ORDERS
MEETING DATE: 6 FEBRUARY 2008

1 PURPOSE OF THIS REPORT

1.1 To seek Board approval for a revision of Standing Orders and related governance arrangements.

2 DECISION REQUIRED

2.1 That the Board approves:
   (a) the revision of Standing Orders as set out in this report;
   (b) the delegation to General Counsel of the final wording of the changes; and
   (c) the appointment of Ellen Howard, Director of Governance, General Counsel as a Joint Secretary of Transport Trading Limited.

3 BACKGROUND

3.1 TfL’s Standing Orders regulate its proceedings. The Standing Orders are used to:
   (a) determine the decision-making structure within TfL;
   (b) regulate the conduct of meetings such as Board committees and panels; and
   (c) set out the authorities of individuals to take decisions on behalf of TfL in respect of incurring expenditure, foregoing income and/or to commit TfL, by contract or otherwise.

3.2 The Finance and Audit Committees have responsibilities in relation to internal decision-making authorities and they have been consulted on the proposed revisions to Standing Orders.

3.3 The GLA Act vests the Board with powers and the Board delegates these as it chooses. Currently, TfL’s Standing Orders, with limited exceptions, only specifically delegate to the Commissioner and Chief Officers.

3.4 Until now Chief Officers have authorised their staff to undertake activities using a variety of methodologies. In order to ensure consistency across TfL it is proposed that the Board makes all delegations across the TfL Group. Greater clarity is also desirable in relation to the processes for Procurement, Project and Land Authority.
3.5 The authority for signing and/or sealing TfL documents is set-out in SO1. It has now been reiterated in Appendix 1 of SO 2 which deals with a wide range of authorities. This has been done because it is sensible for all guidance on these matters to be in one place.

4 PROPOSED REVISIONS OF STANDING ORDERS

Levels of Authority

4.1 The absolute levels of authorities proposed in the revised Standing Orders are for the most part the same as in the current Standing Orders. These levels have largely remained constant since the inception of TfL.

4.2 The levels of authority reflect the overall size of TfL’s budget, the large quantity of financial transactions and the size and number of projects being undertaken.

4.3 Authorisation is the culmination of a number of processes designed to ensure that expenditure in general and projects in particular are subject to rigorous examination before they are presented for authorisation.

4.4 A project for authorisation would have been scrutinised through the following processes:

(a) Budgetary assurance;
(b) A modal project group;
(c) A Chief Officer and/or the Commissioner;
(d) The Project Review Group; and
(e) The MD Finance.

4.5 The levels of authorities in the Standing Orders are maxima and Chief Officers will have the flexibility to set the actual levels for their staff at any lower level appropriate to their activities.

Types of Authority

4.6 It is proposed that the SOs are amended so that authorities are more precisely defined. The Authorities are:

(a) Financial – the authority to spend;
(b) Project - the authority to begin implementation of a project;
(c) Commitment – the authority allowing relevant officers to commit to expenditure and/or income;
(d) Procurement - the authority allowing relevant officers to finalise procurement activities;
(e) Disposal - the authority allowing relevant officers to finalise disposal activities; and
(f) Land – the authority allowing relevant officers to engage in activities relating to land.
Clarification of Authorities

4.7 The processes around the use of Authorities have been clarified.

4.8 All transactions must have a Financial Authority which is automatically granted if the full cost is in the Budget or Investment Programme. The procedures issued by the MD Finance must be followed for non-budgeted Financial Authority to be obtained.

4.9 Procurement has two aspects. The first relates to the internal authorisation of expenditure and the second to the finalisation of contracts with external suppliers. Both of these aspects need to be authorised separately.

Authorisation Levels

4.10 It is proposed that the delegated authority levels will be standardised across TfL using pay band levels. All officers will be conditionally authorised to undertake transactions up to the level for their band level but only those officers whose work activities require that they have the ability to exercise authorities will have that authority triggered.

4.11 Chief Officers will be able to appoint all or some of their Directors as authorising officers. They in turn will appoint authorising officers for Payband 5 and so on to Payband 1.

4.12 The levels for each band are maxima and authorising officers will set the specific level of authority for their staff to reflect the nature of their activities.

4.13 An authorising officer can authorise any officer in an equal or lower payband to undertake transactions up to the level for their payband level as set out in the appendix.

4.14 There is provision for individual officers to be authorised in writing to undertake transactions at a higher level to that which their payband would otherwise authorise, subject to maxima set out in the SO. Authorisation can only be given by an appropriate level of authorising officer, or the Commissioner or the Chief Officer to whom they report.

Strategic Executive Group

4.15 It is proposed to establish a Strategic Executive Group to debate and where appropriate take decisions on a corporate basis on matters that are of relevance across the TfL Group. The Commissioner will chair the group of Chief Officers which will meet at least four times a year.

4.16 The Terms of Reference would be consistent with those for other TfL decision-making bodies and will provide for the Group to consider cross-organisation issues including:

(a) Significant TfL strategies and policies on matters not reserved to the Board;

(b) Significant corporate systems e.g. IM, accommodation;
(c) Corporate projects and initiatives with cross-modal implications; and
(d) Such other matters as determined by the Chair.

Terms of Reference of the Remuneration Committee

4.17 It is proposed that in future agreements in relation to the stepping down of the Commissioner, Chief Officers and certain staff appointed by the Board will be considered by the Remuneration Committee and that the Terms of Reference be altered accordingly.

Appointment to Transport Trading Limited

4.18 Ellen Howard is the Director of Corporate Governance. Amongst other things this role involves overseeing the administration of Transport Trading Limited. To facilitate this role it is proposed that the TfL Board appoint Ellen Howard as a Joint Secretary to Transport Trading Limited.

Revised Standing Orders

4.19 Those parts of Standing Orders that have been revised to give effect to the changes in authorisation levels and procedures are attached as an appendix.

4.20 It is proposed that the changes to authorisation levels and procedures, as approved by Board, will take effect from 1 April 2008. This will enable training to be arranged and guidance to be produced before the changes take effect. Other changes will take effect immediately.

5 IMPLICATIONS FOR EQUALITIES AND INCLUSION, CRIME AND DISORDER AND SUSTAINABILITY

5.1 Standing Orders that provide clear and effective control and guidance to TfL’s activities are an essential pre-requisite for the successful delivery of TfL’s aspirations in relation to equality and inclusion, crime and disorder and sustainability.

6 RECOMMENDATIONS

6.1 The Board is asked to approve the:

(a) Revision of Standing Orders as set out in this report, with those relating to Standing Order 2 coming into effect on 1 April 2008 and other changes with immediate effect;
(b) Delegation to General Counsel of the final wording of these changes to Standing Orders; and
(c) Appointment of Ellen Howard, Director of Corporate Governance, General Counsel as a Joint Secretary of Transport Trading Limited.
SCHEME FOR AUTHORITIES

INTRODUCTION

1. The provisions of this appendix do not apply to the TfLPF.

2. Before any transaction is entered into on behalf of the TfL Group, excluding LTIG and TfL Trustee Company, the appropriate authorities to proceed must have been granted under the provisions of this appendix.

3. The range of authorities potentially required before proceeding with any transaction are set out below and are defined in the Glossary attached as appendix 2 of this SO:

   (a) financial;
   (b) project;
   (c) commitment;
   (d) procurement;
   (e) disposal; and
   (f) land.

4. All transactions require Financial Authority. Additional authorities for any transaction may be required under the provisions of this appendix.

5. A transaction is defined in the Glossary attached as appendix 2 of this SO.

AUTHORITIES

Financial Authority

6. Subject to paragraphs 7 and 8 below, if applicable, approval of the TfL Business Plan or for the current financial year the Group Budget provides the requisite Financial Authority for the Commissioner, Chief Officers, all other appropriately authorised officers and TfL Group companies to:

   (a) incur expenditure; and/or
   (b) accept a financial liability; and/or
   (c) collect income; and/or
   (d) redistribute funds to relevant third parties in respect of their respective allocated budgets.
7. Financial Authority may only be exercised subject to meeting the requirements set out below:

(a) the existence of appropriate provision in the budget; or

(b) the written approval of those authorised to enter into unbudgeted expenditure in accordance with applicable Financial Procedures as issued by the MD, Finance; or

(c) the written approval of those authorised to approve virement of expenditure in accordance with applicable Financial Procedures as issued by the MD, Finance; and

(d) compliance with:

   (1) SOs; and

   (2) TfL’s financial, procurement, disposal and land transaction policies;

   (3) financial standards or instructions issued by the MD, Finance;

   (4) any other applicable authorisation procedures.

8. When applicable, Financial Authority is also subject to meeting the following additional requirements:

(a) securing specific approval, where required; and

(b) compliance with any restrictions or conditions included in the Business Plan.

**Commitment and Procurement Authority**

9. Prior to entering into a transaction that commits expenditure a Commitment Authority must have been obtained from the relevant authorising body/postholder as set out in paragraph 20 below. This is in addition to the following requirements:

(a) Financial Authority in accordance with paragraph 6 of this appendix; then

(b) Project Authority in accordance with paragraphs 15 and 20 of this appendix, if the transaction is required for the purposes of a project. Commitment Authority will be automatically granted when Project Authority is granted unless the Authorising Body requires a separate authority be obtained.

Land is subject to a separate authorisation process as set out in paragraph 13 of this appendix.
10. Prior to entering into a transaction that involves procurement activities a Procurement Authority must have been obtained from the relevant authorising body/postholder as set out in paragraph 20 below. This is in addition to the following requirements:

(a) Financial Authority in accordance with paragraph 6 of this appendix; then

(b) Project Authority in accordance with paragraphs 15 and 20 of this appendix, if the transaction is required for the purposes of a project; and

(c) Commitment Authority as set out in paragraph 9 of this appendix.

Land is subject to a separate authorisation process as set out in paragraph 13 of this appendix.

Disposal Authority

11. Prior to entering into a transaction that involves disposal activities a Disposal Authority must have been obtained from the relevant authorising body/postholder as set out in paragraph 20 of this appendix. This is in addition to the following requirements:

(a) Financial Authority in accordance with paragraphs 6 of this appendix; then

(b) Project Authority in accordance with paragraph 20 of this appendix if the disposal is required for the purposes of a project.

Land is subject to a separate authorisation process as set out in paragraph 13 of this appendix.

12. If the Mayor’s Opinion and/or Secretary of State’s written consent is required a disposal transaction cannot be completed until this has been obtained. It should be noted that the Mayor’s Opinion is required for the disposal of all surplus assets not only the disposal of land and buildings.
Procurement and disposal authorities in relation to land

13. Prior to entering into a land transaction a Land Authority must have been obtained from the relevant authorising body/postholder as set out in paragraph 20 of this appendix. This is in addition to the following requirements:

(a) a Financial Authority in accordance with paragraph 6 of this appendix; then

(b) a Project Authority in accordance with paragraphs 15 and 20 of this appendix if the land in question is required for the purposes of a project;

(c) a Commitment Authority. Commitment Authority will be automatically granted when Land Authority is granted unless the Authorising Body requires a separate authority be obtained; and

(d) a Procurement Authority in accordance with paragraphs 10 and 20 of this appendix

14. In addition to obtaining the authorities set out in paragraph 13 all land transactions (including, without limitation, the terms and the method of any disposal or purchase) consultation must also take place with:

(a) one or other of:

(1) the Director of Group Property and Facilities; or
(2) the Director of Corporate Finance; or
(3) an officer of either Group Property and Facilities or Corporate Finance; and
(4) have the Mayor’s Opinion and/or Secretary of State’s written consent, where applicable, before the transaction is completed.

Project Authority

15. Prior to committing to expenditure on a project a Project Authority must have been obtained from the relevant authorising body/postholder as set out in paragraph 20 below.
16. Prior to committing to expenditure on a project the following authorities must have been obtained in sequential order as set out below:

(a) Financial Authority in accordance with paragraphs 6 of this appendix;
(b) Project Authority in accordance with paragraphs 15 and 20 of this appendix;
(c) if applicable Land Procurement and/or Disposal Authority in accordance with paragraphs 13, 14 and 20 of this appendix;
(d) Commitment in accordance with paragraph 9 and 20 of this appendix. Commitment Authority will be automatically granted when Project Authority is granted unless the Authorising Body requires a separate authority be obtained; and;
(e) Procurement and/or Disposal Authority in accordance with paragraph 10 and 20 of this appendix.

17. The possession of the requisite authorities as set out in paragraph 16 of this appendix permits officers with managerial responsibility for a project to:

(a) incur expenditure; and/or
(b) accept a financial liability; and/or
(c) collect income; and/or
(d) redistribute funds to relevant third parties in respect of their respective allocated budgets.

18. At the time Project Authority is granted the authorising body/postholder will set a percentage tolerance level, which may be zero, by which a project may exceed its approved cost 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 authority within the tolerance level must not cause the level of authorisation to exceed the authorising body/postholders’ approval level. Any variation in excess of the tolerance limit must be authorised in accordance with paragraphs 31 - 34 of this appendix.

19. A report will be submitted to each ordinary meeting of the Finance Committee summarising any approvals of projects given by the Commissioner or the MD, Finance, since the last Committee meeting.
Authorising bodies/postholders

20. The table on the following pages sets out the monetary limit, up to and including the stated figure, to which bodies or postholders can grant one or more of the following authorities -

(a) Financial Authority for unbudgeted expenditure or income;
(b) Project Authority;
(c) Commitment Authority for expenditure or income;
(d) Procurement and Disposal Authorities;
(e) Land Authority.
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21. All authorities for Directors and officers in paybands 1 to 5 are subject to obtaining the written consent, which may be in electronic form but it must be retained and be capable of being printed, of the appropriate authorising officer as set out in paragraph 22 or the Commissioner or Chief Officer to whom he/she ultimately reports.

22. Chief Officers may appoint appropriate authorising officers. Authorising officers can in turn appoint other authorising officers from within any payband equal to or lower than their own. The exception is Procurement Authority which can only be authorised by a Chief Officer or a Director with operational responsibility for procurement or the relevant Head of Procurement.

23. All authorising officers must ensure that the correct level of authorisation is recorded in SAP for those officers they have authorised.

24. The Commissioner or Chief Officer or Director to whom an officer reports may give permission in writing, which may be in electronic form but it must be retained and be capable of being printed, for individual officers to authorise transactions above their payband level as set out in paragraph 20 subject to the maxima also set out in paragraph 20.

25. Any appropriate authorising officer, Commissioner or Chief Officer to whom an officer reports may give permission for individual officers to authorise transactions at any lower level than the maximum for the officer’s payband as set out in paragraph 20.

26. 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, or in his/her absence;
(b) the Acting Commissioner, or in both their absences;
(c) the MD, Finance, or as an alternative to any of the above;
(d) the Chief Officer with operational responsibility for the area concerned.
27. 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.

28. In calculating the level of Financial Authority required for a land transaction, the total potential financial commitment must be taken into account. However, the total should exclude any statutory interest which will be payable/receivable in any event.

29. 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 any 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.

30. Where a transaction is of an indefinite duration the estimated value for the purposes of paragraph 20 of this appendix is the total gross amount of the consideration that is expected to be paid in the first four years. The exceptions to this are land transactions, where the Director of Group Property and Facilities provides valuation guidelines.

Variations

31. Variations to the approved amount of any authority must be approved in accordance with the table set out in paragraph 20 of this appendix and regard must be given as to the impact of any increase in cost on:

(a) any applicable Procurement Procedures; and
(b) EU procurement directives and UK procurement regulations.

32. The level of authority required to approve a variation is based on the value of the current proposed variation plus the aggregated total of all previous variations (if any) to the original value of the authority. The body/postholder approving a variation arising from the operation of this paragraph can require that all, or some specified subsequent variations be authorised at a higher level of authorisation. The exception to these requirements is for PPP/PFI activities, which are dealt with in paragraph 33.
33. The calculation for the purposes of paragraph 31 for any specific authority for PPP/PFI activities shall not include:

(a) the value of the original authority to establish a PFI/PPP; or

(b) the aggregated total of any other authorities and their variations to that original PPP/PFI authority.

34. Where a higher level of authorisation has been required because of the operation of paragraph 32 any calculation of the level of authorisation required for any subsequent variation by virtue of the operation of paragraph 32 should start the aggregation of variations anew.

Establishing a transaction

35. Except as set out in paragraph 36 of this appendix the following transaction activities 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 material and assets.

36. The following transaction activities 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;

(b) land transactions; and

(c) other transactions as defined 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.

37. Notwithstanding any other authority given by this SO, but subject to EU procurement directives and UK procurement regulations, where it is proposed that a transaction (other than a land transaction) over the value of £500,000 be awarded other than through a competitive process, the MD, Finance must be informed 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/she may nominate from time to time) if he/she so requires. Where the MD, Finance has been directly involved in the transaction, the Commissioner must be informed and the transaction may be reviewed.
by the Commissioner (or such person as he/she may nominate from
time to time).

38. All transactions must be expressed to be governed by English Law
unless otherwise agreed by General Counsel or the Director of Legal
and Compliance.

Sealing and execution of documents

39. As set out in SO 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 consent of the General Counsel.

40. As set out in SO 1 any of the following officers are authorised, subject
to the constraints of TfL’s SOs, to sign contracts or other documents
on behalf of any part of the TfL Group:

(a) the Commissioner;

(b) a Chief Officer; or

(c) officers with the consent of a Chief Officer.
GLOSSARY

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

**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.

**Board** means the membership of TfL from time to time as constituted under paragraph 2 of Schedule 10 to the Greater London Authority Act 1999.

**Budgeted** means that funds for specific goods or services have been included within the TfL Budget approved by the Board as amended by any approved variations.

A project is considered to have financial authority (i.e. it is 'budgeted'), when the project and the full expenditure is explicitly included in the TfL Budget or Business Plan as approved by the TfL Board, whichever is later. NB Budgets can cover more than one year depending on the requirements at the time, and the Business Plan is normally associated with the Q2 forecast. Where the cost of a project or activity is greater than the budgeted sum explicitly attached to that project, or the project is not in the Business Plan; then it is the size of the unbudgeted element which determines the financial authority level required. Details of these approved budgets and business plans are available as unique financial models on the TfL financial system as advised by Group Finance.

**Budgeted projects** means projects for which there is full funding in the current year’s budget and future years of the business plan.

**Chair** means the Chair of the Board.

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

**Chief Officer** means any MD and General Counsel.

**Commissioner** means the person appointed by the Board to be the TfL Commissioner.
Commitment Authority for expenditure means an authority to commit funds to obtain:

(a) goods;
(b) services;
(c) land; or
(d) works.

required by the business.

Commitment Authority for expenditure is exercised by authorisation of a Shopping Cart in TfL’s electronic finance and budgeting system or a document of equivalent effect.

Commitment Authority for income means an authority to accept funds arising from TfL activities in the areas of:

(a) goods;
(b) services;
(c) land; or
(d) works.

In emergency or urgent situations Commitment Authority may be given orally, in such cases it must be confirmed in writing as soon as reasonably practical. Commitment Authority does not include issuing instructions to external suppliers to start work or proceed with the supply of goods.

Disposal Authority means an authority to dispose of any assets.

DLR means Docklands Light Railway.

External transaction means a third party is directly involved.

Financial Authority means an authority to:

(a) spend money;
(b) receive income;
(c) incur a liability; or
(d) redistribute funds to relevant third parties.

Financial liability means the legal obligation to pay money to another party if specific, predetermined circumstances arise.

GLA means the Greater London Authority.

IP means the TfL Investment Programme.
**Land Authority** means an authority to engage in a land transaction.

**Land transaction** means the acquisition or disposal of land and buildings or interests in, or rights over, land and buildings including:

(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; and

(c) the settlement of compensation claims related to land and buildings or interests in, or rights over, land and buildings,

but shall not include any such transaction entered into by a subsidiary for or in connection with the following:

(1) protection of the subsidiary's undertaking;

(2) 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'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

(3) 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.

**LTIG** means London Transport Insurance (Guernsey) Limited.

**MD** means any of the postholders appointed to manage the Directorates of Finance, Planning, Marketing and Communications, Group Services, 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 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 the Board.

**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 he/she ultimately reports. See also definition of TfL Officer.
**Postholder** means any member or officer named either individually or in a group in this SO.

**Procurement Authority** means an authority to make a binding or contractual commitment with a supplier for the purchase of:

(a) goods;

(b) services; or

(c) works.

Before Procurement Authority is exercised appropriate Commitment Authority must have been given. Both authorities may be granted by the same postholder.

Procurement Authority is exercised by release of an Order / instruction from TfL's electronic contract systems, or by entering into a contract. In emergency or urgent situations Procurement Authority may be exercised orally, in such cases it should be confirmed through release of an Order / instruction from TfL's electronic contract systems, or signature of a contract document as soon as reasonably practical.

Procurement Authority extends to any action required within any existing contracts/relationships e.g. unsatisfactory performance deductions, 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 e.g. the application of service credits or agreed incentive payments.

**Project** is 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 project.
**Project Authority** means an authority with regard to a project to:

(a) spend money;
(b) receive income;
(c) incur a liability; or
(d) redistribute funds to relevant third parties.

**Secretary** means the Secretary of the Board and is a role of the General Counsel.

**SO** means Standing Order.

**Subordinate Bodies** means a body established by the Board which is:

(a) a committee of TfL;
(b) a sub-committee of a committee of TfL;
(c) a body of members or officers of TfL; or
(d) a body of members and officers of TfL.

**Subsidiary Company, which includes a subsidiary of a subsidiary**, has the meaning given to it by section 736 of the Companies Act 1985 that is TfL-

(a) controls the voting rights; and
(b) has the right to appoint or remove its board of directors.

**TfL** means Transport for London.

**TfL Group** means TfL and its subsidiary companies.

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

**TfLPF** means Transport for London Pension Fund.

**TfL Trustee Company Limited** is the trustee of the TfLPF.

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

(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;
(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 existing contract or arrangement;

(e) the imposition of remedies for breach of a contractual commitment for example calling of bonds and guarantees, exercising step-in or termination rights; or

(f) the acquisition or disposal of land and buildings or any rights or interests in land including any variations in such rights or interests. It also includes the settlement of compensation claims relating to land and buildings.

Transaction does not include the process of obtaining tenders (formal or informal), proposals or quotations for supplies, services and works provided that such tenders, proposals and quotations shall be 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.

Unbudgeted means that no, or insufficient, funds have been included for specific goods or services or works within the original TfL Budget approved by the Board as amended by any approved variations.

Unbudgeted projects means projects for which there is not full funding in the current year's budget or future years of the business plan.

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 can apply. It is essential for the undertaking to retain its identity after it has been transferred, and this means that it must operate in much the same way as it did before the transfer.

Variation means:

(a) a change 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) a change in monetary value of the contract originally awarded because of for example an annual negotiated price review, a cost change as result of legislation or other external circumstances, or

(c) administrative variations such as a change of name;

(d) any change which results in the value for money of the subject matter decreasing.
Vice Chair means the member designated by the Mayor to be Deputy Chair under the Act.

Virement means the act of transferring resources from one Budget area to another.

Working days are Monday to Friday, excluding Bank Holidays.