

TRANSPORT FOR LONDON

BOARD

SUBJECT: REVISION TO STANDING ORDERS

DATE: 10 DECEMBER 2008

1 PURPOSE AND DECISION REQUIRED

1.1 This report proposes changes in Standing Orders to:

- (a) provide the Finance Committee with authority to authorise projects valued at £50m-£100m;
- (b) remove the requirement for a member to resign from the Board on being elected to any body previously listed in paragraph 2(4) of Schedule 10 to the Greater London Authority Act 1999 (GLA Act 1999);
- (c) clarify MD Surface Transport's delegations; and
- (d) strengthen the role of MD Finance in relation to single source tenders.

1.2 The proposals in this paper were endorsed by the Finance Committee at its meeting on 20 November 2008.

2 BACKGROUND

2.1 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 Board, Committee and Panel meetings; 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 PROPOSED REVISIONS TO PROJECT AUTHORITIES

- 3.1 Standing Orders set out a series of authorities that all projects must obtain over the course of their lifetime. Based on the total value of the project the delegated power to grant these authorities is given to increasingly senior levels of management culminating in projects over £100m which must be authorised by the Board.
- 3.2 At its meeting on 8 October the Finance Committee received a report from the MD Finance on Project Authority Limits. The Committee agreed to recommend to the Board a change to Standing Orders to delegate authorisation of all new projects with an out-turn cost between £50-£100m to the Finance Committee. The Board will continue to authorise projects over £100m, following a recommendation from the Finance Committee.
- 3.3 The Finance Committee at its July meeting approved the Corporate Gateway Approval Process to all projects and programmes that, under Standing Orders, need to obtain authorities from the Managing Director (MD) Finance, the Commissioner or the TfL Board.
- 3.4 Corporate gate reviews provide scrutiny of projects and programmes to determine whether TfL should commence or continue with the project or programme. The gate review provides assurance that a project or programme is deliverable, affordable and provides value for money.
- 3.5 These key commitment points or “Gates” are:
- (a) Commencing a project, including feasibility and option assessment;
 - (b) Validates the single preferred option and commits to the development of a detailed design;
 - (c) Tendering a significant package of work in the marketplace;
 - (d) Awarding a significant contract for delivery; and
 - (e) Closing a project.
- 3.6 Given the decisions taken by the Finance Committee in October it is proposed that all new projects with an anticipated out-turn cost in excess of £50 million but less than a £100 million be considered by the Finance Committee at Gate B above. At that stage the Finance Committee can also determine whether it wishes to consider and approve the project at a later Gate.
- 3.7 It is also proposed to amend Standing Orders so that new projects with an out-turn cost in excess of £100 million be considered by the Board at Gate B on the recommendation of the Finance Committee. The Finance Committee can then recommend to the Board that the Board considers and approves the Project at subsequent Gates if necessary. The Board could also reach this decision independently of the recommendation of the Finance Committee.

4 OTHER CHANGES TO STANDING ORDERS

4.1 Revisions are also proposed to Standing Orders in relation to the following:

- (a) to remove the necessity for a Member to resign from the Board after becoming a member of any body listed in paragraph 2(4) of Schedule 10 to the GLA Act (such as the London Assembly or the House of Commons). This provision was repealed in January 2008;
- (b) to include reference to charging authority in MD Surface Transport's delegations. This updates the position to include explicitly TfL's powers as a charging authority under the GLA Act (reference is currently made in Standing Orders to TfL's functions as a highway authority, local authority, traffic authority and street authority); and
- (c) to require the MD Finance to approve all single source tenders above £500,000. Currently the requirement is for the MD Finance to be informed.

5 RECOMMENDATION

5.1 The Board is asked to:

- (a) APPROVE the changes to Standing Orders as set out above; and
- (b) DELEGATE to General Counsel authority to implement these changes to Standing Orders.

6 CONTACT

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