

**Subject:** Delegations Review  
**Agenda item:** Public item 10  
**Report No:** 7  
**Meeting date:** 26 March 2013  
**Report to:** Board  
**Report of:** Dennis Hone, Chief Executive

**FOR AGREEMENT**

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**This report will be considered in public**

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**1. SUMMARY**

- 1.1. This paper sets out proposed changes to the Legacy Corporation's scheme of delegations.

**2. RECOMMENDATIONS**

- 2.1. This paper asks the Board to:
- **NOTE** the review of delegations and the changes proposed;
  - **CONSIDER** issues of general delegations, emergency action delegations and third party delegations;
  - **AGREE** the revised schemes of delegations attached at Annexe A; and
  - **DELEGATE** to the Chief Executive authority to make consequential amendments to Financial Regulations, Standing Orders and the Planning Scheme of Delegations, to reflect this revised scheme.

**3. BACKGROUND**

- 3.1. The Legacy Corporation's scheme of delegations, its standing orders and its financial regulations were agreed by the Board in April 2012 and have been subject to minor amendments in the intervening period.
- 3.2. In December 2012, the Board agreed a revised committee structure, and noted that:
- “a review is underway on delegations as a whole, and will propose new delegations, to both committees and staff, early in 2013. For the purposes of their terms of reference, each committee will be empowered to take decisions in accordance with the Scheme of Delegations. It is intended that the revised delegations will enable committees to take decisions within their sphere of activity, but will ensure that strategic and significant decisions, including the agreement of budgets and business plans, will continue to be taken by the full Board, which will also receive reports on overall corporate performance.”
- 3.3. The review has taken into account:

- The principle of greater delegation to committees set out above;
- The desirability of empowering senior management;
- The need to make delegations as simple as possible; and
- The need to ensure that delegations are able to respond to the Legacy Corporation's changing role, and to unforeseen urgent events that may arise when Queen Elizabeth Olympic Park becomes fully operational.

#### **4. PRINCIPAL CHANGES PROPOSED**

##### **General delegation**

- 4.1. The current scheme of delegation only delegates specific decisions to committees or officers, albeit with some generic delegations (eg, over 'day-to-day management'). All other decisions are effectively reserved to the Board.
- 4.2. The Planning Scheme of Delegations, inherited from ODA, takes a different approach, delegating all planning decisions to the Director of Planning, with the exception of specified decisions that are reserved to the Planning Committee or Board. Similarly, the Greater London Authority's (GLA) scheme of delegation authorises officers, in relation to their areas of responsibility, "to do anything in furtherance of the principal purposes of the GLA ... that does not involve expenditure exceeding the authorised limit".
- 4.3. In order to empower senior staff and to avoid ambiguity about whether a specific delegation is in place for a specific action, it is proposed that the Legacy Corporation adopts a similar model whereby senior officers (Directors and Executive Directors, or equivalent) are authorised to take action to further the Legacy Corporation's aims, except where authority (eg, for committing expenditure or signing documents) has been explicitly reserved to a higher level. The revised scheme of delegations has been drafted with a view to ensure that decisions for all relevant matters are allocated to officers or staff with appropriate seniority for the decision at hand.
- 4.4. Decisions that may not be specifically reserved to the Board or committees, but which are seen as novel, contentious or repercussive, will continue to be referred to the Board, committees or senior officers as appropriate.

##### **Urgent and emergency action delegation**

- 4.5. While the general delegation above may help to ensure that the requisite authority is in place for unforeseen circumstances, there may also be instances where urgent action is required that would normally require a committee or Board resolution.
- 4.6. In these circumstances, other organisations have allowed the Chair and/or Chief Executive to take decisions (in consultation with other Board members) and with the requirement for such decisions to be reported to the next Board meeting.
- 4.7. It is proposed that an emergency action provision is introduced, but that it excludes and planning decisions, and is subject to an email round to all relevant Board and/or committee members, and consultation with the appropriate committee Chair.
- 4.8. In addition, all staff should be empowered to take emergency action, including where there is danger to life or limb (thereby enabling effective response to any emergencies on the Park), in consultation with the most senior member of staff who can be contacted.

##### **Financial delegations for committees and officers**

- 4.9. Revised financial delegations are proposed to enable:

- the Board to take spending decisions above £20 million (currently above £10 million);
- Investment Committee to take spending decisions between £10 million and £20 million (currently no delegation);
- The Chief Executive to take spending decisions up to £10 million (unchanged);
- The Executive Director of Finance and Corporate Services to take spending decisions up to £5 million (currently £1 million);
- The Executive Director of Infrastructure to take spending decisions up to £3 million within the approved transformation budget (no change);
- Other Executive Directors to take spending decisions up to £1 million (currently £250,000); and
- Other staff delegations to remain the same.

#### **Planning delegations**

- 4.10. The former Scheme of Planning Delegations (agreed in September 2012) specifically precluded any role for the Planning Decisions Committee in relation to planning policy. The revised Scheme proposes an advisory role, but the agreement of planning policy documents continues to be reserved to the Board.

#### **Greater London Authority approvals**

- 4.11. For information, the scheme of delegations also includes the rights of consent or consultation reserved to the GLA under the terms of the Localism Act 2011, or the Memorandum of Understanding (when signed).

### **5. CONSULTATION**

- 5.1. Consultation has taken place with the Greater London Authority, and members of the Chairman's Committee, and their comments have been taken on board.

### **6. LEGAL ISSUES**

- 6.1. The Scheme of Delegations is consistent with the legislative framework for the London Legacy Development Corporation (in particular the Local Government Act 1972, the Greater London Authority Acts 1999 and 2007, and the Localism Act 2011).

### **7. FINANCIAL ISSUES**

- 7.1. The Chief Finance Officer (CFO) has specific responsibilities under Section 127 of the Greater London Authority Act 1999 to ensure proper financial administration. In the view of LLDC's CFO, the changes proposed, taken together with the provisions of the Financial Regulations, represent a reasonable balance between empowering and delegating authority, and ensuring that appropriate control mechanisms are in place for the proper administration of the Legacy Corporations financial affairs.

### **8. LIST OF APPENDICES TO THIS REPORT**

- Annex A: Revised Scheme of Delegations

<h4><b>List of Background Papers</b></h4> <ul style="list-style-type: none"> <li>• LLDC Scheme of Delegations, Financial Regulations and Standing Orders</li> </ul>
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## **ANNEXE A:**

### **Revised draft scheme of delegations – for adoption in March 2013**

1. This Scheme of Delegation of the Legacy Corporation has been adopted by the Board (meaning the members of the Legacy Corporation meeting as such) and can only be altered by the Board.
2. Financial commitments may only be made pursuant to a delegation if all necessary approvals and authorisations have been obtained at appropriate stages. These are:
  - a. For projects with a value of £1,000-£10,000, a short project checklist must be completed
  - b. For projects with a value of up to £250,000, a project initiation document must be completed before orders are placed
  - c. For projects above £250,000, a project initiation document and a business case must be prepared before procurement commences, with a final project approval completed after procurement has been concluded.
  - d. In addition, for projects above the relevant European procurement threshold or above £250,000 (whichever is lower), a standalone procurement strategy may be required – the legal and procurement team can advise.
3. Delegations may only be exercised in accordance with the Legacy Corporation's Financial Regulations and Procurement Code. Budgetary controls will be maintained through the finance department. Attention is drawn to the provisions of the Financial Regulations in relation to the signature or other execution of contracts and grant agreements.
4. The table below sets out how the functions of the Legacy Corporation are delegated to staff, or reserved to the Board, to committees, or to particular tiers of management.
5. Expenditure may only be incurred within budgets and for purposes approved by the Legacy Corporation's Board, generally through its approval of the Legacy Corporation's budget and/or business plan.
7. The notes on GLA approvals are provided for guidance only.

<u>Type of decision</u>	<u>Delegation</u>	<u>Notes</u>
General delegation	<p>The Board delegates, to any Executive Director, Director and equivalent, all of the functions of the Legacy Corporation (other than those functions within the delegations to the Planning Decisions Committee) that are within the scope of that officer's job description, provided that this excludes any decision:</p> <ul style="list-style-type: none"> <li>a) on a matter that is reserved to the Board, a Committee or Sub-Committee, the Chief Executive, or other specified officers, under these delegations, or</li> <li>b) for which there is no budget provision, or</li> <li>c) which may be novel, contentious or repercussive.</li> </ul> <p>and in each case subject to the recording of their decisions and all considerations relevant to those decisions in a manner consistent with the procedures approved from time to time by the Chief Executive.</p>	
Urgent action	<p>The Board delegates to the each of the Chair and Deputy Chair the exercise of any functions of the Legacy Corporation (other than those functions within the delegations to the Planning Committee) between meetings where the matter to be decided is urgent provided that, prior to taking action, the Chair or Deputy Chair shall email all Board members (and the GLA Observer) notifying them of the intended action and seeking their views, and shall also seek the view of the relevant committee chair.</p> <p>If the Chair and Deputy Chair are unavailable for any reason and where any urgent matter involves reputational or financial risk to the Legacy Corporation and it is not possible to convene an urgent meeting of the Board or the appropriate Committee the Board delegates to the Chief Executive the exercise of any functions of the Legacy Corporation in relation to the urgent matter provided that, prior to taking action, the Chief Executive shall email all Board members (and the GLA Observer) notifying them of the intended action and seeking their views within a reasonable time frame, and shall also seek the view of the relevant committee Chair.</p> <p>Any Chair's, Deputy Chair's or Chief Executive's action using this provision must be recorded in writing along with the Members consulted and their views (if any) and reported to the next ordinary meeting of the Board.</p> <p>All staff are delegated the authority to take emergency action in case of imminent danger to life or limb, in consultation with the most senior member of staff present.</p>	
Spending, grants, asset disposals,	<p>The Board reserves the approval of procurement, spend and commercial transactions (including disposals) as follows:</p> <ul style="list-style-type: none"> <li>• The Investment Committee can give approval between £10m and £20m, within approved budgets.</li> <li>• The Park Opening and Operations Committee can approve sponsorship deals and concession agreements between £10m and £20m, except where these are novel or contentious.</li> <li>• The Chief Executive can give approval up to £10m, within approved budgets.</li> <li>• The Executive Director of Finance and Corporate Services can give approval up to</li> </ul>	<p>Sums referred to are cumulative rather than annual (ie, a ten-year contract paying £3m per annum would require full Board (and potentially mayoral) approval</p> <p>Officers should note the following consents are required from the Mayor of London:</p> <ul style="list-style-type: none"> <li>• Giving financial assistance (ie grants) to any person or organisation (except where such grants are for less than £100,000, and are made in line with the Legacy Corporation's policy on grants)</li> <li>• Disposal of land for less than best consideration which can</li> </ul>

<u>Type of decision</u>	<u>Delegation</u>	<u>Notes</u>
	<p>£5m, within approved budgets.</p> <ul style="list-style-type: none"> <li>• The Executive Director of Infrastructure can give approval up to £3m within the approved transformation budget.</li> <li>• Any member of the Executive Management Team can give approval up to £1m within their approved budgets.</li> <li>• Any Director can give approval up to £100,000 within their approved budgets.</li> <li>• Any Head of Service can give approval up to £50,000 within their approved budgets.</li> <li>• Any Senior Manager can give approval up to £20,000 within their approved budgets.</li> <li>• Any Manager can give approval up to £10,000 within their approved budgets.</li> </ul> <p>Within the Infrastructure Directorate:</p> <ul style="list-style-type: none"> <li>• The LLDC Transformation Project Sponsor can approve estimated spend up to £250,000 within the approved transformation budget.</li> <li>• The Project Management Partner (PMP) Project Director can approve estimated spend up to £175,000 within the approved transformation budget.</li> <li>• The PMP Head of Commercial can approve estimated spend up to £125,000 within the approved transformation budget</li> <li>• Any PMP project manager and contract administrator can approve estimated spend up to £50,000 within the approved transformation budget.</li> </ul>	<p>reasonably be obtained, or disposal of land that was compulsorily purchased,</p> <ul style="list-style-type: none"> <li>• Permitting a subsidiary to borrow money, raise stock, or raise finance otherwise than from LLDC,</li> </ul> <p>Subject to the approval of the Memorandum of Understanding with the GLA, mayoral approval is also required for</p> <ul style="list-style-type: none"> <li>• Investments and disposals valued over £10m if not in Business Plan</li> <li>• All disposals relating to GLA-DCMS agreement on receipts</li> </ul>
Virements	<p>Each of Chief Executive and Executive Director of Finance and Corporate Services can vire <u>between</u> directorates up to the thresholds set out above, subject to reporting to Change Board in line with its terms of reference. The sum of these virements must be zero.</p> <p>Each of Chief Executive and Executive Director of Finance and Corporate Services can vire project budgets into the Transformation budget for the purpose of delivery, subject to reporting to Change Board in line with its terms of reference. The sum of these virements must be zero.</p> <p>Any member of Executive Management Team can vire <u>within</u> their directorate budgets up to the thresholds set out above, subject to reporting to Change Board in line with its terms of reference. The sum of these virements must be zero.</p>	The Change Board meets monthly to review all programme, scope and budget changes that are changes not within the delegations of Executive Directors.
Contract variations and change	Contract variations and changes with a financial impact can be approved by officers and committees in line with the delegations set out above, based on the higher of the value of the original or revised contract.	This means, for example, that a £2 million change to a £9 million project would require approval by the Investment Committee, as it would go over the £10m threshold.
Contracts and other legal documents	<p>The signature or execution of all contractual documents with the exception of deeds, including novations, and other documents creating legal rights and liabilities, requires two signatures:</p> <ul style="list-style-type: none"> <li>• One of the Chief Executive, Executive Director of Finance and Corporate Services, and General Counsel; and</li> </ul>	Consequential amendments to Financial Regulations and Standing Orders

<b>Type of decision</b>	<b>Delegation</b>	<b>Notes</b>
	<ul style="list-style-type: none"> <li>Another of the above, or any other member of the Executive Management Team, or any other employee appointed in writing by the Chief Executive in accordance with Standing Orders.</li> </ul> <p>Deeds may be executed on behalf of the Legacy Corporation by application of the seal in accordance with paragraph 11 of Schedule 21 to the Localism Act 2011 (i.e. by authentication of the seal by either the Chair or a Board Member). In addition, each of the Chief Executive, the Executive Director of Finance and Corporate Services, and the General Counsel are hereby authorised to authenticate the seal.</p>	
Applying for planning permissions	The Board delegates the decision to apply for planning permission to the Chief Executive, unless the application is novel or contentious, or has financial implications that would make it subject to approval by Board or Investment Committee	
Compulsory purchase order	Making compulsory purchase orders is reserved to the Board	Officers should note that making compulsory purchase orders requires the Mayor of London's consent.
Budget, business plan and annual report	The agreement of the annual budget, the business plan, and the annual report and accounts is reserved to the Board	Subject to the approval of the Memorandum of Understanding with the GLA, The Legacy Corporation is required to consult with the Mayor before formally submitting its budget and business plan to its Board for approval.
Bodies corporate	The following decisions are reserved to the Board: <ul style="list-style-type: none"> <li>The formation and dissolution of bodies corporate or partnerships,</li> <li>The acquisition of more than 25 per cent of the shareholding of any company, and</li> <li>the appointment and removal of directors to bodies corporate or partnerships.</li> </ul>	Officers should note that forming or acquiring interests in bodies corporate requires the Mayor of London's consent
Appointments and governance	<p>The following decisions are reserved to the Board:</p> <ul style="list-style-type: none"> <li>The agreement of standing orders, terms of reference for committees, schemes of delegation, and financial regulations;</li> <li>The appointment of Board members and external members to committees; and</li> <li>The settlement of any claim against the Corporation involving allegations of discrimination or whistle-blowing.</li> </ul> <p>The following decisions are reserved to the Chairman's Committee</p> <ul style="list-style-type: none"> <li>the appointment of the Chief Executive, the setting of his or her objectives, and his or her removal from office; and</li> <li>the approval of any settlement on termination of employment to members of the Executive Management Team that include more than six months' salary costs, or equivalent.</li> </ul> <p>All other settlements on termination of employment that include more than pay in lieu of notice are reserved to the Chief Executive.</p>	<p>Officers should note that the following matters require the Mayor of London's consent:</p> <ul style="list-style-type: none"> <li>Approving terms and conditions for appointing staff;</li> <li>Determining rates and eligibility criteria for staff remuneration, travelling and other allowances, pensions and gratuities;</li> <li>Appointing non-board members to a committee or sub-committee.</li> </ul> <p>The Mayor of London has delegated to the Legacy Corporation responsibility for determining rates and eligibility criteria for Board and staff remuneration, travelling and other allowances, pensions and gratuities, subject to consultation with the Mayor.</p> <p>Subject to the approval of the Memorandum of Understanding with the GLA, The Legacy Corporation is required to consult with the Mayor before adopting its standing orders or rules of procedure, and adopting its scheme of delegations.</p>

<u>Type of decision</u>	<u>Delegation</u>	<u>Notes</u>
Planning	<p>Authority for planning decisions is delegated as per the separate Planning Scheme of Delegations, adopted in September 2012.</p> <p>The agreement of local planning policy including community infrastructure levy charging schedules is reserved to the Board, though the Committee may advise on these matters.</p>	Consequential amendment to Planning Scheme of Delegation