



From: Andrew Pollins
To: All staff
Date: 05 January 2011

Expenditure controls – update effective 5 January 2011

Since the introduction of the expenditure controls set out by [Peter Hendy in July 2010](#), LU has saved over £12million in these areas alone.

Proposed changes

Following this success, the Commissioner has agreed to amend the authorisation level for some controls, delegating responsibility to **LU Executive members** in the following areas:

- New non-permanent labour contracts (with a central review process in place to ensure consistency across the organisation)
- Management consultancy contracts (which are expected to demonstrate that they will enable significant cost savings over a four year period)
- Lunches or refreshments (excluding drinks for staff on duty)
- External room hire
- Hotel accommodation (via Inntel)
- First class post
- Stationery
- Personal headed paper, compliment slips and business cards
- Newspapers and periodicals
- Flowers and Greetings Cards
- Train tickets for business travel (to be obtained through Victoria Coach Station)

In addition, attendance at **external conferences** can now be approved at the discretion of the relevant LU Executive member, and subject to the following criteria:

- The conference content is required by the attendee to perform their role effectively and/or
- The conference content is directly relevant to the acquisition of specific skills or knowledge that is needed to deliver a TfL project or initiative.
- It should be clear how the learning acquired from the conference will be applied back in the workplace.
- The conference should contribute to continuous professional development.

Reminder of controls

Further to this as a reminder, please note that the following controls remain in place:

- All business expenses will be reviewed by the Finance Director prior to authorisation.

- The following will continue to require Managing Director approval:
 - Overseas travel
 - Business entertainment
 - External advertisement of vacancies
 - Purchase of new colour printers and copiers
 - Advertising and marketing expenditure
- Expenditure against risk budgets to be authorised by the Finance Director
- No expenditure to be made against miscellaneous budgets
- All computer consumables (excluding toners), peripherals and computer hardware to be authorised by the Director of IM
- No new mobile phone upgrades will be progressed without LU Executive member approval.

Thank you for your continued focus in achieving such significant savings. They are key to our efforts to become a more efficient organisation. We will continue to monitor these controls over the coming months.

Andrew Pollins
Director of Finance – London Underground