

Date: 13 October 2021

Item: **Independent Investment Programme Advisory Group
Quarterly Report**

This paper will be considered in public

1 Summary

- 1.1 This paper presents the Independent Investment Programme Advisory Group (IIPAG) quarterly report for October 2021. It describes the work undertaken since the last report presented to the Committee in July 2021.
- 1.2 A paper is included on Part 2 of the agenda which contains exempt supplemental information that is exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the business affairs of TfL. Any discussion of that exempt information must take place after the press and public have been excluded from this meeting.

2 Recommendation

- 2.1 **The Committee is asked to note the paper and the exempt supplementary information on Part 2 of the agenda.**

3 IIPAG Quarterly Report

- 3.1 Under its Terms of Reference, IIPAG is required to produce quarterly reports of its advice on strategic and systemic issues, logs of progress on actions and recommendations and the effectiveness of the first and second lines of project and programme assurance. IIPAG's quarterly report for October 2021 is included as Appendix 1 to this paper.

4 Management Response to IIPAG Quarterly Report

- 4.1 We welcome the ongoing cross cutting work that IIPAG is undertaking, this is proving most helpful. The IIPAG recommendations arising from this work are being discussed by senior management and acted upon as necessary.

Effectiveness of the First and Second Lines of Defence

- 4.2 With respect to the findings summarised in IIPAG's quarterly report on the effectiveness of TfL's first and second lines of defence, the TfL Programme Management Office (PMO) has introduced a number of improvements including new reporting and deep dive reviews which, having been well received, improved performance visibility and delivery confidence for targeted projects. However, the PMO shares IIPAG's view that there is more that can be done to further strengthen our first line of defence.

- 4.3 We are actively pursuing, in collaboration with the wider delivery community, the PMO Continuous Improvement Plan in response to the IIPAG report following the previous review of the PMO undertaken earlier this year.
- 4.4 This plan implements a consistent approach to performance management against baseline, performance reporting and change control across TfL capital delivery. Roll out will be progressive with initial focus on TfL's most significant projects that will benefit the most. Phase one, covering the Major Projects Directorate's projects, is scheduled to complete in October 2021.
- 4.5 Our guidance and instructions for PMO functions of planning, controls and risk management will be reviewed and implemented in Quarter 3 of 2021/22. We will build on this firm foundation to increase consistency of reporting output, simplify its production and increase focus on analysis and insight.
- 4.6 In addition to actions specific to the PMO Continuous Improvement Plan, we are taking immediate actions to focus on and improve performance of existing project governance (Pathway gates) through training and a refresh of accountabilities, along with hardening a number of business as usual reports and monitoring.
- 4.7 Together these measures will result in greater consistency of process application throughout project delivery, recognising the challenging nature of TfL's diverse portfolio of projects, while simplifying processing, improving the data and insight available to drive business decisions making.
- 4.8 In relation to the effectiveness of second line assurance we welcome the positive feedback from IIPAG on the continued strengthening of the TfL Project Assurance team and fully understand the points IIPAG make with respect to ensuring we maintain the calibre of staff recruited into the team.

Asset Information in TfL

- 4.9 Outlined below are the actions we are undertaking in response to the recommendations raised by IIPAG in their report on Asset Information in TfL (Appendix 2).
- 4.10 A common State of Good Repair (SoGR) framework has been agreed for all TfL assets. The framework has been applied to an initial selection of circa 20 asset types, and is actively being rolled out to more asset groups. The level of maturity differs by asset type and a number of asset types will need to develop their base data over the coming years to support this approach. However, the SoGR framework, has for the first time, provided a common framework that all TfL asset condition/health is mapped to, and is providing a basis for comparison and alignment of approaches. SoGR is being supported by other metrics, including risk, fault trends and obsolescence; all of which is feeding into the risk-based asset prioritisation which takes account of asset criticality.
- 4.11 A combined SoGR metric for assets has been added to the TfL scorecard. The top-level metric is a combination of around 15 individual asset groups. A dashboard has been developed to monitor and report on the top level and supporting SoGR metrics. The aim is to improve the information in the dashboard over the coming months and launch it so it is accessible to all TfL staff before the end of this financial year.

4.12 We fully support the recommendation to hold regular asset health reviews at senior executive meetings. Currently appropriate asset strategy/engineering representatives attend the London Underground (LU) Executive meeting and Surface Transport Leadership meetings. Andy Lord (Managing Director of LU and TfL Engineering) currently attends the TfL Executive Committee meeting. Going forward we will work with the Executive groups and this Committee to agree what and when asset health will be on the agenda.

List of appendices to this report:

Appendix 1: Independent Investment Programme Advisory Group - Quarterly Report
October 2021

Appendix 2: Asset Information in TfL – Part 1: Senior Management Information

A paper containing exempt supplemental information is included on Part 2 of the agenda.

List of Background Papers:

None

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