

Date: 2 March 2022

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 March 2022. It describes the work undertaken since the last report presented to the Committee in December 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 Independent Investment Programme Advisory Group's quarterly report, the management response set out below 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 March 2022 is included as Appendix 1 to this paper.

4 Management Response to IIPAG Quarterly Report

- 4.1 In its quarterly report, IIPAG refer to the review of TfL Supply Chain Contracts. We welcome IIPAG's review and the recommendations made.
- 4.2 A significant proportion of TfL's portfolio is currently committed and in delivery. The future capital portfolio will be shaped by the outcome of current funding negotiations. An initial review and characterisation of the future portfolio will be undertaken to inform how best to target and address the recommendation to develop a business level contracting strategy, and the timescales for implementation.

- 4.3 The commercial strategy for a programme or project is heavily interconnected with the client, delivery and packaging strategies. TfL's current approach is based upon the Government's Project Initiation Routemap and involves a number of TfL's Pathway products including the Project Execution Plan and Procurement Strategy. The existing Pathway products will be reviewed to identify if a new product, or the enhancement of existing products, is needed with respect to the approval of commercial strategies at an early stage of project development, and subsequently during the project life.
- 4.4 Two additional gates have already been introduced into Pathway to assess market readiness and contract award. The effectiveness of these and other current pre-contract Pathway stage gates will be reviewed jointly with TfL's Programme Management Office.
- 4.5 TfL already engages regularly with other UK infrastructure clients to share common challenges and good practice and is an active member of the Transport Infrastructure Efficiency Group, Major Project Association and Infrastructure Client Group. Building on this existing engagement, a regularised series of meetings will be established with a focus on sharing of learning and best practice.
- 4.6 The Procurement and Supply Chain directorate is finalising its senior manager change programme, which has focussed on establishing the right capacity and capability to lead the function. This has included the appointment of a new Supply Chain Director for the capital investment programme. As part of the ongoing Improvement Programme we will review how stronger leadership of commercial strategy can be taken forward as part of the 2022/23 work plan.
- 4.7 All functions involved in capital projects have an impact on the commercial outcome of a contract. TfL already provides training in the New Engineering Contract for non-commercial disciplines. Opportunities to build broader cross-functional commercial acumen and experience will be reviewed within TfL's Capital Efficiencies Plan and a plan drawn up accordingly.

List of appendices to this report:

Appendix 1: Independent Investment Programme Advisory Group – Quarterly Report March 2022

Exempt supplementary information is included in a paper on Part 2 of the agenda.

List of Background Papers:

None

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