

Appendix 8: Project Assurance Quarterly Report

Q3 (Periods7-9) 2021/22

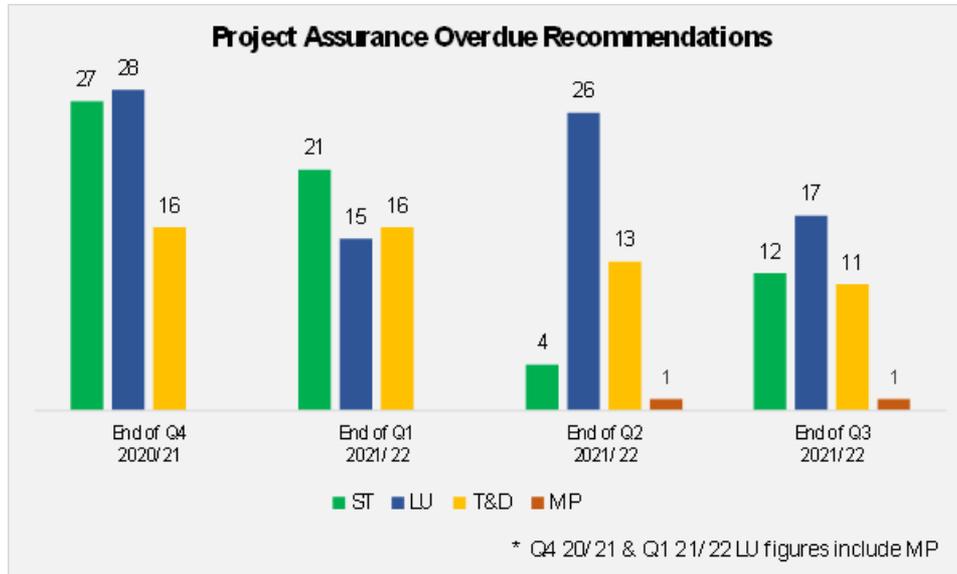
From the reviews undertaken in Quarter 3 we continue to see concerns around availability of staff resources and a lack of robustness in the preparation and reporting of Estimated Final Costs (EFC). Retention of staff across all functions is adding to the staff resourcing challenges (fuller details are covered in main paper).

Sub-Programme Reviews

	Recommendation (Critical Issues)	Commentary
LU Fleet	5 (0)	The London Underground (LU) Fleet sub-programme covers three portfolios: Fleet Heavy Overhauls (delivering large scale, planned maintenance of the passenger fleets); Asset Performance and Capital Delivery Fleet (comprising projects to modify passenger trains); and Engineering Vehicles (covering vehicles supporting the track renewal programme). The sub-programme EFC is £1.7bn, with £1.4bn cost-to-go. The IIPAG and TfL Project Assurance review concluded that overall the sub-programme is in good health, with asset strategies now mature. However, gaps in the management, commercial and production resources have a noticeable impact on delivery performance, causing delays and prolongation costs. Business cases at sub-programme and portfolio levels need to be updated and need to robustly demonstrate value for money.
Barking Riverside Extension	4 (1)	The project is well-managed. However, there has been little progress with commercial recruitment and the team remain under-resourced. Actioning recoveries/compensation events appropriately is key to the final cost being achievable. Close monitoring of progress, movements and risks is required leading up to critical final stage signalling possessions. The station civils works and urban realm are key risks that will need to continue being robustly and proactively managed leading up to the commencement of passenger services in autumn 2022.
Railway Systems Enhancements	0 (0)	Due to the low risk and low value of the Railway Systems Enhancements sub-programme assurance is undertaken via continuous assurance. As part of this the team gave a progress update to IIPAG and TfL Project Assurance and no significant concerns were found. The cost-to-go is £26.6m across seven projects. A £3.6m provision – separate from quantified risk allocations – covers cost and scope uncertainty, notably for remedial works to address asset concerns on the Northern and Jubilee lines. These works are being costed and negotiated with the supplier.

Open and Overdue Recommendations

The following graph shows the number of overdue Project Assurance recommendations at the end of each of the last four quarters. The data shows the business area that the recommendations relate to; LU being London Underground, ST being Surface Transport, T&D being Technology and Data, and MP being Major Projects.



At the end of Quarter 3 there were 127 open recommendations, with 35 of these overdue against their completion date. The reasons they are overdue are understood and they are discussed regularly at portfolio boards so there is sufficient scrutiny at senior level on them.

At the end of Quarter 3 the overdue recommendations included three overdue critical issues; two of these have since been closed with one remaining open, this relates to the Central line Signalling and Control Life Extension Project and the need to ensure that the business case demonstrates value for money for all elements of the scope. The delay in completing this is due to resource issues which are known and being dealt with.