

Board



Date: 8 June 2022

Item: Report of the Meeting of the Programmes and Investment Committee held on 18 May 2022

This paper will be considered in public

1 Summary

1.1 This paper provides a summary of the items considered by the Programmes and Investment Committee on 18 May 2022.

2 Recommendation

2.1 **The Board is asked to note the report.**

3 Committee Agenda and Summary

3.1 The papers for the meeting of the Committee held on 18 May 2022 were published on 10 May 2022 and are available on the [TfL website](#) with a link to the video recording of the meeting on [TfL's YouTube channel](#).

3.2 The main matters considered by the Committee were:

- (a) Use of Delegated Authority;
- (b) Independent Investment Programme Advisory Group Quarterly Report;
- (c) TfL Project Assurance Update;
- (d) London Underground Technology Programme;
- (e) Surface Transport Asset Renewals Programme; and
- (f) Capital Efficiencies Report, 2021/22.

3.3 A summary of the items considered and the decisions taken is provided below. The more detailed minutes of the meeting will be published ahead of the meeting of the Committee on 20 July 2022.

4 Issues Discussed

Use of Delegated Authority

4.1 The Committee noted the paper on the use of delegated authority. Since the meeting on 2 March 2022 there had been three uses of Chair's Action in

relation to (a) approvals from the 2 March meeting, as it was held online; (b) Expanding Pay As You Go on Rail in the South East; and (c) Healthy Streets Programme Continuation.

- 4.2 The Commissioner had approved three Procurement Authority requests in relation to the Piccadilly Line Upgrade Track – Manufacturing Contract for Composite Conductor Rail and Accessories; London-wide Ultra Low Emission Zone (Road User Charging 2023 Scheme); and the variation of the Managed Services contract to cover additional business critical changes to the SAP system.
- 4.3 The Chief Finance Officer had approved one Procurement Authority request in relation to Project Support Agreement – Four Lines Modernisation Wayside Works Agreement Wayside Delivery and Wayside Asset Protection.
- 4.4 There had been no Mayoral Directions to TfL within the Committee’s remit.

Independent Investment Programme Advisory Group Quarterly Report

- 4.5 The Committee noted the update on the Independent Investment Programme Advisory Group (IIPAG) work undertaken since the last report.
- 4.6 IIPAG had completed work on two cross-cutting areas. A review of the Project Management Office (PMO) found that the PMO had been reinvigorated and good progress had been made since 2021. Some areas remained underdeveloped. No specific recommendations were made other than to encourage the PMO to maintain momentum. A review of the treatment of risk found that there was an under provision of risk in some cases.
- 4.7 Members welcomed the reviews and agreed that it was important to track the outcome of decisions, particularly when there were lessons to learn.
- 4.8 Loss of talent remained a risk for TfL. The reorganisation of senior roles clarified accountabilities, provided better governance and would guard against optimism bias.

TfL Project Assurance Update

- 4.9 The Committee noted the update on the project assurance work undertaken between 21 January and 31 March 2022 and the key findings from the reviews.
- 4.10 Seven detailed reviews had been conducted, of which IIPAG were involved in five. The reviews gave rise to a total of 25 recommendations being made, of which none were considered to be critical issues.
- 4.11 There had been an improvement in the close out of recommendations in Quarter 4 of 2021/22. There were two overdue critical recommendations relating to London Underground (LU) projects and Project Assurance continued to work with the teams and progress was being made on both.

London Underground Technology Programme

- 4.12 The Committee noted the paper, which provided an update on the rolling programme to renew operational technology in LU, and approved additional Programme and Project Authority of £63.3m.
- 4.13 A significant proportion of the requested authority was for the Future Operational Network, which related to the renewals of existing systems and the future strategy post 2026. The amount requested was derived through the prioritisation process, whereby each portfolio was given an allocation based on the prioritisation of its assets. Future papers would make clearer how amounts requested were determined to be appropriate.

Surface Transport Asset Renewals Programme

- 4.14 The Committee noted the paper, which provided an update on the programmes that deliver essential asset renewals and managed the state of good repair to provide a safe and operable network, and agreed that the current Programme and Project Authority would apply through to the end of 2024/25.
- 4.15 The Programme's budget for 2022/23 had been decreased to ensure it was within the overall £600m allocation from the Budget for capital renewals across all of TfL. This was significantly lower than the 'Do Minimum' scenario needed to maintain the current condition of the assets. Consequently, TfL's assets were now subject to a 'Managed Decline' scenario where it was forecast that asset condition would deteriorate in 2022/23.
- 4.16 A work bank of schemes was being developed for the future, so the schemes would be ready if certainty of funding was secured.
- 4.17 Restrictions on assets, such as reducing the speed limit on the A40 from 50mph to 40mph, were taken on a case by case basis. TfL needed to maintain safety but also model impacts on other road users and TfL services.
- 4.18 The Commissioner noted that if assets continued to degrade, it would cost more in the long term and take longer to return to a state of good repair. TfL would not allow assets to be unsafe whilst in operation.

Capital Efficiencies Report, 2021/22

- 4.19 The Committee noted the paper, which set out how TfL delivered on the milestones contained in the Capital Efficiency Plan and set out the efficiencies realised during the year.
- 4.20 The target for 2021/22 had been achieved through business as usual activities. Capital Efficiencies workstreams were progressing well. Where there was funding certainty, such as with the Piccadilly Line Upgrade Programme, it was possible to deliver efficient procurement.

4.21 Members were encouraged by the progress made. The report did not currently include efficiencies that would be delivered through the organisational changes.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the Programmes and Investment Committee on 18 May 2022

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