Independent Investment Programme Advisory Group – Quarterly Report to Audit and Assurance Committee September 2022

1. Introduction

1.1. This report to the Committee describes IIPAG's activities from late May to July 2022. We made one new strategic recommendation, that a set of Key Performance Indicators should be developed to track the performance of projects within renewals programmes. We also report the findings of the second part of our cross-cutting review of Asset Information.

2. IIPAG Activity

2.1. We have undertaken the following sub-programme and project reviews in preparation for meeting of 20 July 2022 of the Programmes and Investment Committee (PIC)

- Surface Technology
- LU Infrastructure Renewals
- Public Transport
- East London Line HIF
- Road User Charging

2.2. We continue to engage in continuous assurance of the 4LM programme. We also undertook a review of the Central Line Improvement Programme which was being considered through Executive governance. The accompanying covering paper from Project Assurance describes management progress in implementing IIPAG's recommendations from sub-programme and project reviews.

2.3. We have undertaken several reviews of renewals programmes recently – London Underground Infrastructure Renewals and Public Transport in this period, and Surface Assets for May 2022 PIC. For all of these sub programmes we have observed some difficulty in getting a good picture of performance. These are multi-year programmes consisting of a large number of small projects. The programme EFCs change as the years covered change, and the composition of annual spend changes, with most programmes reporting slippage. EFCs therefore do not provide a clear picture of cost performance. Similarly, while certain milestones are tracked, they do not give a full picture of schedule performance across the programmes.

2.4. We have therefore recommended that a set of Key Performance Indicators should be developed for renewals programmes. Performance against these metrics would be reported to PIC and other governance bodies. They could also help teams to understand their performance better and to target improvements. This recommendation was supported by PIC at its July meeting. Metrics might include for example:

- The % of projects that are delivered within their original estimated cost/original estimate +10% etc.
- The % of projects delivered on time/3 months early or late etc.
- Unit costs

- Metrics representing quality/outputs compared with forecast

2.5. Whilst some tailoring of metrics to particular types of assets may be necessary, there would be advantage in having a common approach with common metrics as far as possible, to allow comparisons across programmes.

3. Progress with Cross-Cutting Work

3.1. Asset Information Part 2
In May 2022 we completed the second part of a cross cutting study into asset information and asset management within TfL, covering the quality of the asset data available and its completeness. We found that there are significant variations across TfL in the quality of core asset data, such as inventory and condition. In LU only six out of thirteen asset categories are considered to have high quality and easily accessible core data, and of those two are high quality only in part. The picture for Surface assets is better, since good quality core data exists for their key highways assets such as carriageways and structures, although gaps also exist in other more minor asset categories. Work is underway to rectify these gaps in data and this should be a priority, since without good quality core asset data other 'higher order' asset management processes are impossible.

3.2. Capability for asset modelling is very limited in TfL and we think this is an area in which investment is urgently required. This would enhance TfL's ability to demonstrate a robust case for renewals funding.

3.3. The amalgamation of the Asset Strategy teams in Surface and LU and its subsequent reorganisation under the Capital business stream has been a positive development; improvements and a clear sense of direction are showing through. Management of assets across TfL depends on the effectiveness of the 'Guiding Mind' – the collaborative process involving Asset Strategy, Asset Operations and Engineering. Improving asset management competencies across the three disciplines forming the Guiding Mind would help to increase its effectiveness.

3.4. Other cross cutting work
We are currently preparing for our regular reviews of TfL Benchmarking and First and Second Lines of Defence.

4. IIPAG Work Programme for 2022/23

4.1. Given the uncertainties surrounding TfL's finances, and the possible impact on the Investment Programme, we did not submit a detailed work programme to this Committee for approval at the beginning of this financial year. We have now reviewed the position, and our proposed work programme is provided at Appendix 2.

5. IIPAG Membership

5.1. We are pleased that Enrique Fernandez-Pino has joined IIPAG, bringing strong expertise in technology projects, including as Chief Information Officer of Go Ahead Group. TfL is currently recruiting for additional IIPAG members following two resignations.

Contact Officer: Alison Munro, Chair of IIPAG
AlisonMunro1@tfl.gov.uk