

# Transport for London

## Minutes of the Programmes and Investment Committee

Conference Rooms 1 and 2, Ground Floor, Palestra,  
197 Blackfriars Road, London, SE1 8NJ

10.00am, Wednesday 20 July 2022

### Members of the Committee

Ben Story (Chair)  
Julian Bell  
Seb Dance  
Peter Strachan (via Teams)

### Government Special Representative

Becky Wood

### Executive Committee

|               |  |
|---------------|--|
| Andy Byford   | Commissioner   |
| Patrick Doig  | Group Finance Director and statutory Chief Finance Officer |
| Stuart Harvey | Chief Capital Officer                                      |

### Staff

|                   |   |
|-------------------|---|
| Bruno Carr        | Head of Investment Delivery Planning, London Underground and Elizabeth line   |
| Dan Champion      | Head of Investment Delivery Planning, Air Quality, Technology and Environment |
| Andrea Clarke     | Director of Legal   |
| Michael Cooper    | Director, Project Management Office (via Teams)                               |
| Christian Fowler  | Head of Investment Delivery Planning, Public Transport                        |
| Lorraine Humphrey | Director of Risk and Assurance (via Teams)                                    |
| Shamus Kenny      | Head of Secretariat   |
| Rob Niven         | Head of Investment Delivery Planning, Major Projects                          |
| James Norris      | Interim Head of Project Assurance   |
| Ed Preedy         | Chief of Staff, Investment Delivery Planning                                  |
| David Rowe        | Director, Investment Delivery Planning  |
| Rachel Sherry     | Finance Director, Major Projects  |
| Lucinda Turner    | Director of Spatial Planning  |

### Independent Investment Programme Advisory Group (IIPAG) Attendance

|               |              |
|---------------|--------------|
| Simon Collins | IIPAG Member |
|---------------|--------------|

### 31/07/22 Apologies for Absence and Chair's Announcements

Apologies for absence were received from Dr Nelson Ogunshakin OBE and Dr Lynn Sloman MBE. Howard Carter, General Counsel, was also unable to join the meeting and was being represented by Andrea Clarke. Peter Strachan was attending via Teams and was able to take part in the discussions but was not counted toward the quorum. The meeting was quorate.

The meeting was being broadcast live on TfL's YouTube channel to ensure the public and press could observe the proceedings and decision-making.

Financial Authority was currently provided through the two-year Budget for 2021/2022 and 2022/23, approved by the Board on 28 July 2021. As the current funding agreement with Government expired on 28 July 2022, any Authority granted at this meeting that related to both the current funding period and commitments that extended beyond the period of the Business Plan and Budget may need to be revised as part of future budgets to be considered by the Board. If additional funding was not available, a prioritisation of the TfL Investment Programme would be required and some programmes and projects would not be taken forward and revised authority would be sought as appropriate. All approvals given would be overseen in accordance with TfL business controls in respect of draw down.

The Chair reminded those present that safety was paramount at TfL and encouraged Members to raise any safety issues during discussions on a relevant item or with TfL staff after the meeting. No matters were raised.

### **32/07/22    Declarations of Interests**

Members confirmed that their declarations of interests, as published on [tfl.gov.uk](http://tfl.gov.uk), were up to date and there were no interests to declare that related specifically to items on the agenda.

### **33/07/22    Minutes of the Meeting of the Committee held on 18 May 2022**

**The minutes of the meeting of the Committee held on 18 May 2022 were approved as a correct record and signed by the Chair.**

### **34/07/22    Matters Arising and Actions List**

Andrea Clarke introduced the paper, which set out progress against actions agreed at previous meetings of the Committee.

**The Committee noted the actions list.**

### **35/07/22    Use of Delegated Authority**

Andrea Clarke introduced the item, which provided an update on the use of delegated authority by the Committee, through the use of Chair's Action or of Procurement Authority and Programme and Project Authority, in respect of matters within the Committee's remit, granted by the Commissioner and the Chief Finance Officer.

After the publication of papers for this meeting, one decision had been taken through Chair's Action, relating to the London Underground Four Lines Modernisation

Programme. Following consultation with the Committee, on 13 July 2022, the Chair approved additional Procurement Authority for the Automatic Train Control contract. The reason for urgency was due to the timing of contractual payments. A separate paper on the Four Lines Modernisation Programme appeared elsewhere on the agenda for this meeting (see Minute 40/07/22).

Since the meeting on 18 May 2022, there had been no approval of Procurement Authority nor Programme and Project Authority by the Commissioner or the Chief Finance Officer. There had also been no Mayoral Directions to TfL within the Committee's remit.

**The Committee noted the paper.**

### **36/07/22 Investment Programme Report - Periods 11-13, 2021/22**

Stuart Harvey and David Rowe presented the Investment Programme Report for Periods 11-13, 2021/22 (9 January to 31 March 2022). Funding uncertainty continued to impact the Investment Programme with many schemes paused. Once a long-term funding settlement is agreed the Programme would be reviewed and refreshed.

During the quarter, TfL continued to implement measures to improve safety, health and environmental performance and focussed on back to basics safety leadership where progress had plateaued.

During the year, TfL had delivered 17 out of 22 strategic milestones for major projects on time or early. Those that had slipped included the Four Lines Modernisation Programme (see Minute 40/07/22) and the Piccadilly Line Upgrade, where inflation challenges were expected to increase the estimated final cost, although good progress was made on the manufacture of the innovative new rolling stock. The estimated final cost for the Silvertown Tunnel remained stable with considerable work underway to remain within its authority level.

Members cited the opening of the London Overground Barking Riverside Extension for revenue service ahead of schedule and below its authority level as a good example of TfL working with the private sector to unlock homes and provide a public transport alternative to car use. The Bank Station Capacity Upgrade Programme remained on time and to cost with the Northern line southbound platform now open. A lot of work had also been undertaken to de-risk the Elephant and Castle project, with the development agreement now signed.

Members noted the progress on London Underground projects, many of which were station enhancements and included further step-free access work, though funding uncertainty meant future step-free access work would require third-party funding. Lifts and escalators work had been completed at South Kensington station, which had made a significant improvement to the station, though Members were disappointed that TfL's planning application for a development on land around the station had been refused and TfL was considering its options.

On Surface programmes, Members noted the progress on the Healthy Streets and Air Quality Programmes, including initiatives to increase the number of electric vehicles charging points. Good progress was being made on Cycleway 4, which was due to complete in summer 2022 and Cycleway 9 had completed, transforming Hammersmith Gyration for vulnerable road users. TfL had recently published its Vision Zero progress report and was progressing initiatives to lower the speed of vehicles, to reduce the likelihood of a collision occurring and the severity of the outcome. Safety critical joints had also been replaced on the Westway. The funding situation meant that the focus on roads was on keeping assets in a safe state of repair but once funding had been secured, safer junctions initiatives could be progressed. The business planning discussions would look at the cost benefit analysis of critical safety works and how they were prioritised against passive renewals in other parts of TfL.

The Chair welcomed the detail included in the high-quality report but requested that consideration be given to consistently referring to quarters, rather than seasons and that the difference between net and gross estimated final costs be explained.

While data had been provided on the original costs of some programmes, this had proved difficult for complex programmes such as the Four Lines Modernisation due to its age and very distinct stages of rolling stock, infrastructure and signalling. Similarly, the Silvertown Tunnel programme's delivery date had changed but the estimated final cost had not due to the funding model. Further explanation would be provided when exceptions to the reporting format occurred and where project were on target due to a reduction in scope or change of circumstances.

**The Committee noted the report and the exempt supplementary information on Part 2 of the agenda.**

### **37/07/22 Independent Investment Programme Advisory Group Quarterly Report**

James Norris and Simon Collins introduced the report, which provided an update on the Independent Investment Programme Advisory Group (IIPAG) work undertaken between May and June 2022.

IIPAG had undertaken several reviews, including some for programmes on the agenda for this meeting. The report included the findings of the second part of its cross-cutting review of Asset Information. Bringing asset teams across TfL under a single leadership team was showing benefits, including TfL's response to the recent hot weather conditions. It was recognised that the quality of asset data varied across the teams and would benefit from asset modelling and lessons were being learned from the asset data and management of the Elizabeth line. Management had accepted the recommendations and were working to implement them.

IIPAG had made one new strategic recommendation that a set of Key Performance Indicators be developed for renewals programmes.

Members noted the cost pressure in relation to the Old Street project and that the team was working hard and closely with the contractor to manage this.

A new member had been appointed to the IIPAG team, Enrique Fernandez-Pino, who had extensive technology and data experience.

**The Committee noted the Independent Investment Programme Advisory Group's quarterly report, the management response and the exempt supplementary information on Part 2 of the agenda.**

### **38/07/22 TfL Project Assurance Update**

James Norris introduced the paper, which provided an update on the project assurance work undertaken during Quarter 1 of 2022/23 (1 April to 25 June 2022).

Four programme reviews were undertaken, with the Independent Investment Programme Advisory Group (IIPAG) involved in three of them. In the same timeframe 12 project assurance reviews were undertaken, with IIPAG involved in four of these. These reviews gave rise to a total of 63 recommendations, of which two were defined as critical issues that should be addressed before projects proceed to the next stage. All programmes and project teams had been receptive to the reviews and were addressing the actions.

The response to recommendations was tracked and the number of overdue actions were reducing. It was anticipated that actions currently overdue would be addressed before the next meeting of the Committee.

**The Committee noted the paper and the exempt supplementary information on Part 2 of the agenda.**

### **39/07/22 Review of Progress on Value for Money**

David Rowe and Ed Preedy introduced the item, which provided an update on the progress to date in developing a comprehensive Value for Money (VfM) programme, designed to complement the extensive cost-saving efforts of the business to achieve financial sustainability by 2023/24. Work had commenced in December 2020 and, in response to advice from the Independent Investment Programme Advisory Group (IIPAG) in September 2021, all VfM initiatives were focussed on addressing economy, efficiency, effectiveness and equity.

The focus of this update was on the improvements in effectiveness (spending wisely) and equity (spending fairly). To address effectiveness, the quality and presentation of business cases had been reviewed as they are key components of decision-making. This included the use of dashboards, improved offline preparation for project gates to allow meetings to focus on key maturity issues and a renewed focus and measurement to ensure the right outcomes were being achieved, including if anticipated benefits were realised. IIPAG and the Project Assurance team would review the changes to pathway and realisation benefits later in the year. The recent strategic recommendation on asset modelling would also improve business cases.

On equity, a lot of work had been undertaken on improving Equality Impact Assessments through engagement with third-party disability organisations and it was recommended that HM Treasury work on measuring social value be considered.

Members welcomed the progress made and the importance of learning lessons from previous projects in terms of benefit realisation and improving business cases. They looked forward to the VfM improvements being reflected in due course in papers to the Committee.

**The Committee noted the paper.**

## **40/07/22 London Underground Four Lines Modernisation Programme**

Stuart Harvey and David Rowe introduced the item, which provided an update on the delivery of the highly complex Programme.

As reported to the Committee in July 2021, while the infrastructure works had made good progress a combination of factors (linked to software development, installation and subsequent impact of the coronavirus pandemic) had delayed the signalling. An extensive review of cost and time had been undertaken and informed the requested change in Programme and Project Authority. A further update would be provided to the Committee when high risk development of software on the interoperable sections of the Metropolitan line has been progressed.

Signal Migration Area 5 (SMA5) was commissioned in March 2022, with good underlying system performance, although a specific software issue required fixing. To introduce further improvements to the existing sections in service, an additional software update was to be implemented in November 2022 prior to the next SMA going live. Therefore, the schedule for future SMAs going live had been reviewed, with SMA6 and SMA7 (both covering the eastern end of the District line) expected to go live in the first quarter of 2023. The final section of signalling, SMA14 (Rayners Lane to Uxbridge), was expected to go live between spring and autumn 2025. The commissioning of SMA5 would allow for a new timetable to be introduced in September 2022, which would make further improvements to journey times over a wider area. At that time, the entire Circle line would benefit from the improved journey times.

Members discussed the challenges with the software and noted the good collaboration with the supplier. Members welcomed the assurance provided against the review of the Programme. The critical assurance recommendation would be addressed as soon as possible.

**The Committee noted the paper and the exempt supplementary information on Part 2 of the agenda and:**

- 1 approved additional unbudgeted Programme and Project Authority for the sum set out in the paper on Part 2 of the agenda; and**

- 2 noted that the matters for which Authority was sought above extended beyond the period of the 2022/23 Budget and provision would, therefore, need to be made for them in future Budgets.**

## **41/07/22 Northern Line Extension**

Stuart Harvey and David Rowe introduced the item, which provided an update on the final stages of the delivery and closeout of the Programme, following the successful launch of the Northern Line Extension on 20 September 2021, which had unlocked a huge development area in London.

The paper highlighted some of the early benefits of the project realised to date, including for TfL's supply chain across the UK. While the wider economic benefits were below the original business case baseline, due to the impact of the coronavirus pandemic and the economy on transport demand, the extension had delivered a step-change in public transport accessibility in the area, which was previously poorly served by public transport despite its relatively central location.

TfL was undertaking a comprehensive benefits realisation project to better inform the business cases and funding models for the Bakerloo line extension and Crossrail 2 projects. The Programme had benefitted from a strong focus on value engineering.

Members congratulated all staff involved in the successful delivery of the Programme.

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

## **42/07/22 London Underground Infrastructure Renewals Programme**

David Rowe and Bruno Carr introduced the paper, which provided an update on the progress of the Programme. The Programme included the sub-programmes: Built Environment and Civils, Systems (Power, Electrical, Fire, Mechanical and Communications, Lifts and Escalators), and Safe Track Access. The Programme maintained the safety, operability, and reliability of London Underground (LU) assets through a prioritised programme of renewals.

The paper noted the achievements from the previous updates to the Committee in March 2021 for the LU Renewals Programme, and December 2021 for Lifts and Escalators and the rationale for consolidating these into a single LU Infrastructure Renewals Programme. TfL's current funding situation meant the Programme's budget was based on a managed decline scenario, which meant the condition of assets would decline, therefore the asset strategy team was working hard to prioritise resource allocation supported by addressing the recommendations of the Project Assurance team and the Independent Investment Programme Advisory Group. The focus of the consolidated programme would be on safety and reliability and be data led, learning from the Northern Line Extension and Four Lines Modernisation Programmes.

**The Committee noted the paper and:**

- 1 agreed that the London Underground Renewals and Lifts & Escalators Programmes be consolidated into a London Underground Infrastructure Renewals Programme with a total Programme and Project Authority of £1,192.2m; and**
- 2 agreed that the London Underground Fleet, Track and Signals Programmes be consolidated into a London Underground Train Systems Programme with a total Programme and Project Authority of £1,790.3m.**

### **43/07/22 East London Line Housing Infrastructure Programme**

David Rowe introduced the paper, which sought additional Financial Authority and Programme and Project Authority to continue the East London Line Housing Infrastructure Fund (HIF) Programme. These works were primarily funded by the HIF and comprised infrastructure upgrades to the London Overground and London Bus networks.

Following approval in June 2020, TfL had authority to enter into the HIF agreement with the Greater London Authority and the Department for Levelling Up, Housing and Communities (the Ministry of Housing, Communities and Local Government as was) (DLUHC) and to progress the initial design stages of the Programme.

Members noted an overview of the progress made by the Programme to date and that a phased approach had now been adopted: Phase 1 would cover Canada Water bus station, Surrey Quays station upgrade, traction power upgrade and signalling upgrade; and Phase 2 would cover Surrey Canal new station and train stabling, with requisite changes to the HIF Grant Determination Agreement. An updated business case was presented for the Programme based on the phased approach along with the financial implications and key risks for TfL from committing to the detailed design and implementation of Phase 1. Phase 2 was being considered as part of a wider programme with the DLUHC.

The Phase 1 work would deliver the most homes and considerable wider benefits to London including environmental benefits and more travel choices and represented value for money for TfL. Phase 1 benefits were not reliant on Phase 2. Lessons were being learnt from the Major Projects Directorate on contractor engagement.

Members discussed the lessons learnt from similar programmes and the process to receive funding and the related conditions for that funding.

**The Committee noted the paper and the exempt supplementary information on Part 2 of the agenda and:**

- 1 approved additional unbudgeted Financial Authority of £92.65m for the receipt of funds and expenditure on infrastructure upgrades to the London Overground and London Bus networks within Phase 1 of the East London Line Housing Infrastructure Fund Programme;**

- 2 approved additional Programme and Project Authority of £82.09m for the design and construction of infrastructure upgrades to the London Overground and London Bus networks within Phase 1 of the East London Line Housing Infrastructure Fund Programme and further design activities for infrastructure upgrades to the London Overground within Phase 2 of that Programme; and**
- 3 noted that Procurement Authority for the design of infrastructure upgrades to the London Overground and London Bus networks would be sought at officer level in accordance with Standing Orders.**

#### **44/07/22 Public Transport Programme**

David Rowe introduced the item which requested additional Programme and Project Authority for the continuation of the Programme until the end of 2024/25. The Programme maintained the safety, operability and reliability of the surface public transport network through the delivery of a prioritised programme of planned and reactive renewals.

Members noted an update on the progress of the Programme and the financial allocations by mode for 2022/23 and 2023/24, demonstrating how the spend aligned with the asset strategy for each Public Transport mode. The request for Programme and Project Authority for the East London Line Housing Infrastructure Fund programme had been considered earlier in the meeting (see Minute 43/07/22).

TfL's current funding situation meant the Programme's budget was based on a managed decline scenario, which meant the focus was on safety and reliability using State of Good Repair metrics and obsolescence across a wide range of assets, which were supported by the assurance reviews. The assurance reviews had identified some areas for improvement including on asset data. The Programme was well governed but was diverse and so consideration would be given to reviewing what was in the scope of the Programme.

**The Committee noted the paper and:**

- 1 approved additional budgeted Programme and Project Authority of £54.9m for the continuation of the Public Transport Programme through to the end of 2023/24; and**
- 2 noted that the matters for which Programme and Project Authority was sought included commitments that extended beyond the period of the current Budget and appropriate provision would, therefore, need to be made for those commitments in future Business Plans and Budgets.**

#### **45/07/22 Surface Technology Programme 2022/23**

David Rowe introduced the paper, which set out the progress of the Programme and requested additional Programme and Project Authority to cover delivery in 2022/23 and commitments in future years.

The Programme consisted of renewals projects required to ensure operations within Surface Transport retained the technology capabilities to operate safely and efficiently. It also contained a small number of enhancements projects that supported this aim within the managed decline scenario. Projects were within three key focus areas: Roads Technology; Compliance, Enforcement and Safety Technology; and Public Transport Technology.

Members noted Programme activity and the proposed transfer of scope into and out of the Programme, and an overview of planned investment in 2022/23. Attracting and retaining technology specialists remained a challenge. A larger bank of projects than would be delivered were listed to provide flexibility to progress projects if others slipped, to avoid a repeat of the underspend in 2021/22. The assurance reviews supported the Programme, recognising the risk to delivery from resource constraints and the need to improve project forecasting. As TfL moves to its new operating model, consideration will be given to merging the Programme with the London Underground Technology Programme.

**The Committee noted the paper and exempt supplementary information on Part 2 of the agenda and:**

- 1 approved £15.2m Programme and Project Authority for the Surface Technology Programme, taking cumulative authority to £154.1m;**
- 2 approved transfer of the Innovation Fund out of the Programme into operating expenditure, which had no impact on the Programme's Programme and Project Authority;**
- 3 noted that the matters for which Authorities were sought above included commitments that extended beyond the period of the 2022/23 Budget and provision would, therefore, need to be made for those commitments in future Budgets; and**
- 4 noted that Procurement Authority for the various initiatives would be sought at officer level in accordance with Standing Orders.**

## **46/07/22 Road User Charging**

David Rowe introduced the item, which summarised the key developments in road user charging (RUC) since the update to the Committee in March 2022, as part of the wider Air Quality and Environment Programme annual submission. The paper focused on the progress of the three newest proposed RUC projects, London-wide Ultra Low Emission Zone (ULEZ), Scrappage Scheme and Future RUC along with an assessment of the likely requirement for additional Programme and Project Authority to the end of 2022/23, totalling £53.7m, which would be requested once TfL's current funding position was clearer.

The six-month update on the impact of the ULEZ showed good progress in reducing toxins in the air as the rate of compliant vehicles was higher than originally forecast. Members noted the interdependencies in the schemes and the authorities would be

sought once TfL's current funding position was clearer through Chair's Action. The assurance reviews supported the projects and recommended a clear strategy, in addition to the business cases, to help improve the governance and management of the projects as a single Programme.

**The Committee noted the report and the exempt supplementary information on Part 2 of the agenda.**

#### **47/07/22 Members' Suggestions for Future Discussion Items**

Andrea Clarke introduced the current forward plan for the Committee. The requests for further papers would be added to the plan.

**The Committee noted the forward plan.**

#### **48/07/22 Any Other Business the Chair Considers Urgent**

There was no urgent business.

#### **49/07/22 Date of Next Meeting**

The next scheduled meeting of the Committee would be held on Wednesday 19 October 2022 at 10.00am.

#### **50/07/22 Exclusion of the Press and Public**

**The Committee agreed to exclude the press and public from the meeting, in accordance with paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended), when it considered the exempt information in relation to the items on: Investment Programme Report, Periods 11-13, 2021/22; Independent Investment Programme Advisory Group Quarterly Report; TfL Project Assurance Update; London Underground Four Lines Modernisation Programme; Northern Line Extension; East London Line Housing Infrastructure Programme; Surface Technology Programme 2022/23; and Road User Charging.**

The meeting closed at 13.00pm.

Chair: \_\_\_\_\_

Date: \_\_\_\_\_