

Date: 17 May 2023

Title: Programmes and Investment Committee Programme
Structure

This paper will be considered in public

1 Summary

1.1 This paper sets out proposed changes to the structure of Programmes within the remit of the Committee and seeks approval of authorities to align with that revised structure. The main changes simplify and reduce the number of Programmes and better reflect TfL's new operating model.

2 Recommendations

2.1 **The Committee is asked to note the paper and:**

- (a) **approve the proposed changes to the Programmes within the remit of the Programmes and Investment Committee; and**
- (b) **approve revised Programme and Project Authority for each Programme, as set out in Appendix 1 of this paper, in place of any previous Programme and Project Authority for the same subject matter.**

3 Background

3.1 Since the formation of the Programmes and Investment Committee in 2016, the Investment Programme has been broken down into approximately 20 Programmes, including a number of standalone major projects, as shown in Appendix 2. Given the passage of time since these Programmes were established and recent changes to TfL's operating model, the current structure has been reviewed.

3.2 While the current structure has worked effectively, changes are proposed to:

- (a) improve the balance between Programmes: following the completion of some projects, and publication of the 2023 Business Plan, existing Programmes are not balanced in value and do not reflect our current investment priorities;
- (b) align with the new operating model: the existing Programme structure is out of date, perpetuating historical organisational structures such as separating Surface and London Underground (LU) investment, inhibiting opportunities for our value chain to deliver more effectively;

- (c) address inconsistencies: projects with common themes, such as risks or resources, are not always grouped together so they can be considered collectively, increasing effort to align processes;
 - (d) reduce inefficiency: investment is split into a large number of Programmes, increasing bureaucracy and complexity in our decision making and requiring significant time from the Committee to review a high volume of separate papers; and
 - (e) reduce fragmentation: it is increasingly challenging to align our investment against various classifications and understand the aggregated output of our investment. This will help address feedback from the Independent Investment Programme Advisory Group (IIPAG) made during assurance reviews in the last year.
- 3.3 The review of the Programme structure has considered the various classifications through which we categorise, manage and report our investment. These include financial considerations, such as distinguishing between asset renewals, new capital investment and funding sources; our internal delivery and operational structures; the various modes we operate; the stakeholders we work with, notably our borough partners; and alignment to key themes and strategic goals.
- 3.4 It is not possible to fully align the Programme structure by these classifications, as they are often incompatible with each other. For example, aligning our Programmes to modes would have the benefit of grouping all bus investment together. However, this would separate other important considerations such as borough-funding processes and prioritisation of investment across the road network to deliver healthy streets; would group projects of dissimilar characteristics such as complexity, risk and resource; and may miss opportunities to drive efficiencies across asset types. The proposed approach therefore seeks to consider and balance all classifications, and to group investment in a way that best meets these competing requirements.

4 Proposed structure

- 4.1 The proposed new structure, as shown in Appendix 3, is designed to address the issues outlined in Section three, while maintaining an appropriate level of detail and scrutiny for the Committee. This reduces the number of Programmes to 15 and would decrease further when major projects such as Northern Line Extension, Barking Riverside Extension and Bank Station Capacity Upgrade close throughout 2023/24. The new structure better reflects TfL's new organisational structure with greater consistency in grouping asset types and method of delivery, plus an increased emphasis on aligning to TfL's strategic outcomes to improve measuring performance against targets. Key changes include:

Network Development and Third-Party Pipeline Programme

- 4.2 This creates a new Programme incorporating major schemes at early-stage development and prior to their allocation to one of the Programmes described below, or as a standalone major project following single option selection. Example projects include Crossrail 2, Bakerloo Line Upgrade, Docklands Light Railway (DLR) to Thamesmead and West London Orbital. This would give the Committee

improved visibility and scrutiny of these projects during initial development and generate opportunities to seek commonality in approach at the beginning of the project lifecycle. An update will be brought to the Committee over the coming year and Programme and Project Authority will be sought as required.

Technology Programme

- 4.3 This merges the three technology-focussed Programmes – LU Technology, Surface Technology, Technology and Data – along with a small number of Rail and Sponsored Services technology projects currently in the Public Transport Programme, which are currently separated in governance despite common resources, stakeholders and delivery of strategic outcomes. As recommended by IIPAG previously, grouping all technology projects within a single Programme will enable greater efficiency and co-ordination, and enhance agile prioritisation of investment and resources. The Committee approved additional Programme and Project Authority for the current Technology and Data Programme in March 2023. A subsequent paper will be submitted to the Committee to cover the current Surface Technology and LU Technology Programmes in July 2023. Thereafter, the combined Technology Programme will be reported as a single annual update from March 2024.

London Underground Renewals Programme

- 4.4 This merges the two existing LU renewals Programmes – LU Train Systems and LU Infrastructure – which are currently separated despite consistency in approach. Grouping all these projects together will enable more holistic oversight and prioritisation, and reduce bureaucracy in managing renewals across Programmes. In addition, this Programme will incorporate Railway Systems Enhancement (formerly 'World Class Capacity'), reflecting the majority of scope has been delivered and the scope reductions and deferrals approved by the Committee in December 2021 no longer justify retaining this as a standalone major project. An update on this new Programme will be submitted to the Committee in the autumn.

Streets, Bus and Rail and Sponsored Service (RSS) Renewals Programme

- 4.5 This groups together renewals that are currently split across the Surface Assets and Public Transport Programmes. These Programmes share a common approach to workbank management and through joining together associated activities such as bus-focussed renewals, improved investment prioritisation and efficiencies can be applied. An update on this Programme will be submitted to the Committee in the summer. While consideration has been given to establishing a combined LU and Surface renewals Programme, this would be disproportionately sized and reduce the Committee's visibility of this critical work.

Rail and Station Enhancements Programme

- 4.6 This brings together the LU Enhancements Programme along with Surface-related enhancements from the Public Transport Programme such as East London Line Housing Infrastructure Fund and DLR Royal Docks, in particular where there are links to third-party developments and funding, recognising the

similarities in activities involved and outcomes that they deliver. In addition, as Elephant and Castle would be the only remaining scope within the existing Major Stations Programme following the completion of Bank Station Capacity Upgrade, this would be included in Rail and Station Enhancements rather than as a standalone major project. An update was provided to the Committee on LU Enhancements in March 2023. A further update on the remainder of the Programme will be provided in the summer.

Safe and Healthy Streets Programme

- 4.7 This would be largely unchanged from the existing Healthy Streets Programme as approved by the Committee in March 2023. The addition of the Bus Customer Action Plan from the existing Public Transport Programme alongside bus priority brings together inter-connected activities to deliver the Bus Action Plan and recognises the importance of holistic investment in the bus network, alongside cycling and walking, to reduce car use and increase travel by sustainable modes. Similarly, the addition of bus safety schemes such as Intelligent Speed Assistance alongside the Safer Junctions and Lowering Speed Limits Programmes would align activities to improve safety on London's road network.

Environment Programme

- 4.8 This would retain the overall structure of the existing Air Quality and Environment Programme whilst reflecting the new green project pipeline that has been developed, as outlined to the Committee in March 2023.

Major Projects

- 4.9 In addition to the Programmes described above, the following schemes would be retained as standalone major projects reporting to the Committee, given their scale and complexity.
- (a) Four Lines Modernisation
 - (b) Docklands Light Railway Rolling Stock Replacement
 - (c) Piccadilly Line Upgrade
 - (d) Silvertown Tunnel
 - (e) Northern Line Extension
 - (f) Barking Riverside Extension
 - (g) Bank Station Capacity Upgrade
- 4.10 As other major schemes reach an appropriate point of maturity these will be proposed for separate reporting and approvals to the Committee. This could include schemes such as Bakerloo Line Upgrade, Road User Charging and DLR to Thamesmead.
- 4.11 It is proposed that the Committee is kept updated on the Elizabeth line benefits management and evaluation workstream as findings are available and studies progress. Following the standing down of the Elizabeth Line Committee planned for July 2023, oversight of any residual delivery activities and railway performance and any investment requests for the renewals Programme or any enhancement

proposals will be aligned with our existing governance structures, including this revised Programme structure, if approved.

5 Financial Implications

- 5.1 In accordance with Standing Orders, Programme and Project Authority has been granted to the existing Programmes shown in Appendix 2. No change in authority levels is requested in this paper. However, it is necessary to re-align Programme and Project Authority with the new structure to mirror the transfers described, either wholesale or by individual project.
- 5.2 This re-alignment is shown in Appendix 1, resulting in the following Programme and Project Authority across the new structure in Table 1. Additional detailed financial information of each Programme will be provided as part of the regular annualised reporting to the Committee.

New Programme	Programme and Project Authority (£m)		
	Gross	Income	Net
Network Development and Third-Party Pipeline	2.7	0.2	2.5
Technology	843.0	29.4	813.6
LU Renewals	3,158.8	0.0	3,158.8
Streets, Bus and RSS Renewals	939.7 ¹	35.0	904.7
Rail and Station Enhancements	967.3	472.1	495.2
Safe and Healthy Streets	773.2	34.8	738.4
Environment	954.0	0.0	954.0

Table 1 – Revised Programme & Project Authority

- 5.3 Programme and Project Authority for the retained major projects listed in paragraph 4.9 would remain unchanged.

List of appendices to this report:

Appendix 1: Proposed Re-alignment of Programme and Project Authority

Appendix 2: Existing Programme Structure

Appendix 3: Proposed New Programme Structure

List of Background Papers:

None

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¹ This includes request for £109.0m additional Programme and Project Authority for the Surface Assets Programme presented in a separate paper on the agenda.

Appendix 1: Proposed Re-alignment of Programme and Project Authority

			New Programmes							Total Gross	Income	Total Net
			A	B	C	D	E	F	G			
			Network Development and Third	Technology	LU Renewals	Streets, Bus and RSS Renewals	Rail and Station Enhancements	Safe and Healthy Streets	Environment			
Existing Programmes	1	Healthy Streets						737.8		737.8	34.8	703.0
	2	Air Quality and Environment							954.0	954.0	0.0	954.0
	3	Public Transport		0.1		336.7	268.5	35.4		640.7	119.7	521.0
	4	Surface Assets				603.0				603.0	35.0	568.0
	5	Surface Technology		154.1						154.1	0.0	154.1
	6	LU Technology		225.9						225.9	0.0	225.9
	7	Technology and Data		462.9						462.9	29.4	433.5
	8	LU Enhancements	1.9		4.3		578.4			584.6	225.0	359.6
	9	LU Infrastructure			1,192.2					1,192.2	0.0	1,192.2
	10	LU Train Systems			1,791.0					1,791.0	0.0	1,791.0
	11	Rail System Enhancements			171.3					171.3	0.0	171.3
	12	Major Stations					120.4			Existing £2,231m P&PA reflects schemes other than E&C and HS2		
	13	Total Gross	2.7	843.0	3,158.8	939.7	967.3	773.2	954.0			
	14	Total Income	0.2	29.4	0.0	35.0	472.1	34.8	0.0			
	15	Total Net	2.5	813.6	3,158.8	904.7	495.2	738.4	954.0			

Transfer of specific Projects / Programmes

3B - Rail and Sponsored Services Technology

3D - Renewals for: DLR, Trams, London Overground, Cable Car, Cycle Hire, Woolwich Ferry, Buses

3E - East London Line HIF, Tram Replacement Rolling Stock, DLR Enhancements

3F - Bus Safety (AVAS, Bus ISA), Bus Customer Action Plan

4D - Reflects different financial years than reported to the Committee in May 2022

4D - This includes additional £109m P&PA sought for the existing Surface Assets Programme presented in a separate paper

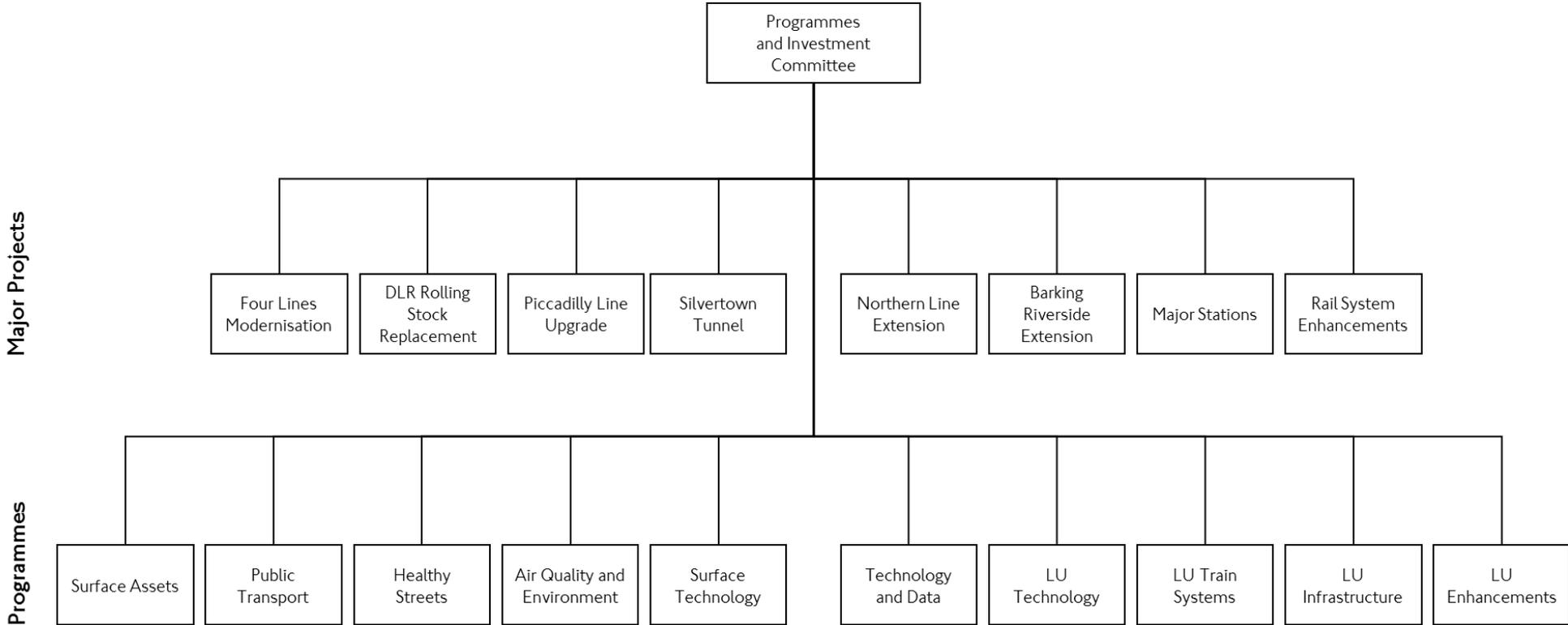
8A - Walthamstow Central Mall Redevelopment

8C - East Ham Wall Rebuild

12E - Elephant and Castle Station Capacity Upgrade and High Speed 2

13A - Network Development and Third Party Pipeline Programme incorporates £0.76m P&PA for Bakerloo Line Upgrade

Appendix 2: Existing Programme structure



Appendix 3: Proposed New Programme structure

