

Date: 5 October 2023

Item: Independent Investment Programme Advisory Group
Quarterly Report

This paper will be considered in public

1 Summary

- 1.1. This paper presents the Independent Investment Programme Advisory Group (IIPAG) quarterly report for October 2023. It describes the work undertaken since the last report presented to the Committee in July 2023.
- 1.2. A paper is included on Part 2 of the agenda which contains exempt supplemental information that is exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the business affairs of TfL. Any discussion of that exempt information must take place after the press and public have been excluded from this meeting.

2 Recommendation

- 2.1 **The Committee is asked to note the Independent Investment Programme Advisory Group's quarterly report and the exempt supplementary information on Part 2 of the agenda.**

3 IIPAG Quarterly Report

- 3.1 Under its Terms of Reference, IIPAG is required to produce quarterly reports of its advice on strategic and systemic issues, logs of progress on actions and recommendations, and the effectiveness of the first and second lines of project and programme assurance. IIPAG's quarterly report for October 2023 is included as Appendix 1 to this paper.

4 Management Response

- 4.1 TfL welcomes the work IIPAG are undertaking on cross cutting reviews and will provide the necessary management responses to the recommendations made.

IIPAG common themes

- 4.2 We appreciate IIPAG raising these common themes, which we acknowledge are key issues arising from recent assurance reviews. IIPAG have raised these concerns in the relevant reports and management responses have been provided accordingly. We will share these issues with senior leaders and engage with the wider business to develop a consistent pan TfL approach.

Programme slippage

- 4.3 A number of factors lead to slippages across programmes and projects. The Programme Management Office (PMO) are currently reviewing trends in strategic milestones to understand root causes, mitigations and recovery resilience, and will be completing a detailed lessons learnt exercise to inform milestone setting for the next year.
- 4.4 PMO has recruited a new Professional Head of Planning with a remit to develop more robust schedules, with clearer logic, critical path and assumptions that have been challenged and validated. In turn this will ensure better schedule confidence.
- 4.5 PMO utilise performance indicators to assess robustness of the schedule and undertake Quantitative Schedule Risk Analysis at key stages of major programmes and projects, which informs re-baseline, time risk allowance and/or prolongation risk provision. PMO is also developing a new reporting suite that will enable better forward-looking data.

Overprogramming

- 4.6 Although the application of overprogramming has been used successfully in some areas of TfL (most notably in London Underground in 2022/23), it is recognised that some areas of the business are over relying upon overprogramming. Further work is needed to define the scope, requirements and design of our annualised projects at the Business Planning stage. This will ensure that an appropriate level of overprogramming is applied and prevent reliance on overprogramming to manage in year delivery and spend.
- 4.7 We appreciate that there is a need to provide a clear definition of overprogramming and how this is a distinct process from efficiency targets and other delivery confidence adjustments. We will work with the Finance team and the wider business to address this issue and to develop a more consistent approach ahead of Business Planning for the next year.

Monitoring of actual delivery against annual baselines

- 4.8 PMO hold the data for performance against baseline for Capital Projects, but do not currently report against an 'annualised' baseline. The same is applicable to annualised programmes where the schedule variance is measured against performance baseline.
- 4.9 Schedule performance is monitored and reported by PMO against the Current Performance Measurement Baseline each period and variance recorded. This data can be used to analyse the project performance against the end of the previous financial year. PMO agrees that it would be beneficial to provide the annualised performance of the major capital projects to understand the degree of over optimism in the schedules to date for this financial year.
- 4.10 PMO have identified an action to look at trends of delivery against plan. Based on the findings from this review, PMO will be looking to develop a plan to monitor this more regularly over the next year.

List of appendices to this report:

Appendix 1: Independent Investment Programme Advisory Group - Quarterly Report
October 2023

Exempt supplementary information is included in a paper on Part 2 of the agenda.

List of Background Papers:

None

Contact Officer: Andrea Clarke, Interim General Counsel
Email: AndreaClarke@tfl.gov.uk