

Independent Investment Programme Advisory Group – Quarterly Report October 2023

1. Introduction

1.1. This report to the Committee describes the Independent Investment Programme Advisory Group (IIPAG) activities in July 2023 – August 2023. We have made no new strategic recommendations.

2. IIPAG Activity

2.1. We have undertaken three programme level reviews in this period covering:

- (i) Silvertown Tunnel,
- (ii) London Underground (LU) Renewals,
- (iii) Piccadilly Line Upgrade (PLU).

2.2. Under the new programme structure that the Committee approved in May 2023 the LU Renewals programme brings together a number of sub-elements that we previously assured separately. For this review, as well as a strategic level view, we also undertook separate reviews of some key sub-elements – Track and Drainage, Fleet Heavy Overhaul, and Central Line Improvement Programme (though we did not produce a separate IIPAG report on CLIP).

2.3. Appendix 1 (Part 2 only) summarises the key points from IIPAG’s reviews, and comments on our on-going assurance of the Four Lines Modernisation programme.

2.4. We have also been involved in a review of the Colindale Station Step Free Access project and continue to be engaged with the Elizabeth Line.

2.5. The accompanying paper from Project Assurance describes management progress in implementing IIPAG’s recommendations.

2.6. Our reviews in this period have raised a few common themes:

- (i) A number of instances of programme or project slippage. While various causes of slippage are cited, over-optimism in schedule forecasting is a recurring factor.
- (ii) Increased reliance on over-programming, both to ensure that budgets are fully utilised in the event of slippage elsewhere, but also as a mechanism for dealing with funding uncertainty. The ambition to optimise the use of available funding is of course right, but over-programming does also carry

some costs. If additional budget is not forthcoming, the level of planned work may need to be reduced at relatively short notice, with implications for resources and the supply chain. Where possible the root causes of the need for over-programming need to be addressed.

- (iii) The lack of comprehensive monitoring of actual delivery against annual baselines. We find that the focus is generally on spend against budget and achievement of milestones, but the latter does not give a full picture of delivery against plan.

3. Progress with Cross-cutting Work

- 3.1. We are currently completing a report on our cross-cutting review of the delivery of renewals; we anticipate that this will be submitted to the December 2023 Committee meeting. Our review of the effectiveness of the Pathway Gate process for projects is in progress.
- 3.2. We are finalising Terms of Reference for our annual review of the effectiveness of the first and second Lines of Defence. We are also preparing for a review of progress with improvements in Procurement and Commercial which have been derived from the earlier Procurement & Commercial Improvement Programme and the ongoing Our TfL Programme workstreams.
- 3.3. As part of our continuous assurance, and as background to our reviews, we receive briefings from time to time from management on developments within TfL. We have recently had briefings on the investment governance workstream, and on developments in the sponsorship function.

Alison Munro

Chair, IIPAG

August 2023