

Independent Investment Programme Advisory Group – Quarterly Report November 2023

1. Introduction

- 1.1. This report to the Committee describes IIPAG's activities since our report to the Committee's September meeting. We have made no new strategic recommendations.

2. IIPAG Activity

- 2.1. At the time of writing our last report to the Committee we were undertaking three programme level reviews for the October meeting of the Programmes and Investment Committee, these being:
- (i) Silvertown Tunnel;
 - (ii) London Underground (LU) Renewals;
 - (iii) Piccadilly Line Upgrade.
- 2.2. Under the new portfolio structure that the Programmes and Investment Committee approved in May 2023 LU Renewals brings together a number of sub-elements that we previously assured separately. For this strategic level review we also undertook separate reviews of some key sub-elements – Track and Drainage, Fleet Heavy Overhaul, and Central Line Improvement Programme.
- 2.3. We were also involved in a review of the Colindale Station Step Free Access project, and continue to be engaged with the Elizabeth Line and the Four Lines Modernisation Programme.
- 2.4. Our report to the October meeting of the Programmes and Investment Committee highlighted a few common and linked themes:
- (i) A number of instances of programme or project slippage. There are varying reasons for this, and some activities are inherently more uncertain – for example those requiring borough or other consents. However one common cause, which can be addressed, is over-optimism in schedule forecasting.
 - (ii) As a response to recurring slippage, there is increased reliance on over-programming to ensure that budgets are fully utilised, and 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. In our view the root causes of the need for

over-programming need to be addressed where possible; specifically, forecasting accuracy needs to be improved.

- (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.

2.5. We are currently engaged in, or will start soon, programme reviews for the December meeting of the Programmes and Investment Committee. These include:

- (i) Safe and Healthy Streets;
- (ii) DLR Rolling Stock Replacement;
- (iii) iBus2.

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 meeting of the Programmes and Investment Committee. Our review of the effectiveness of the Pathway Gate process for projects is in progress.

3.2. Our annual review of the effectiveness of the First and Second Lines of Defence is just starting. 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. Over recent months we have had briefings on the investment governance workstream, developments in the sponsorship function, and business planning.

Alison Munro
Chair, IIPAG
November 2023