

Date: 5 June 2024

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 June 2024. It describes the work undertaken since the last report presented to the Committee in March 2024.

2 Recommendation

2.1 **The Committee is asked to note IIPAG’s Quarterly Report and the management response and approve the IIPAG Workplan for 2024/25.**

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, progress against actions and recommendations and the effectiveness of the first and second lines of project and programme assurance. IIPAG’s Quarterly Report for June 2024 is included as Appendix 1.

3.2 Figure 1 sets out the status of the IIPAG recommendations at the end of each of the last three quarters. The six overdue recommendations shown at the end of Quarter 4 of 2023/24 (10 December 2023 to 31 March 2024) are not critical issues.

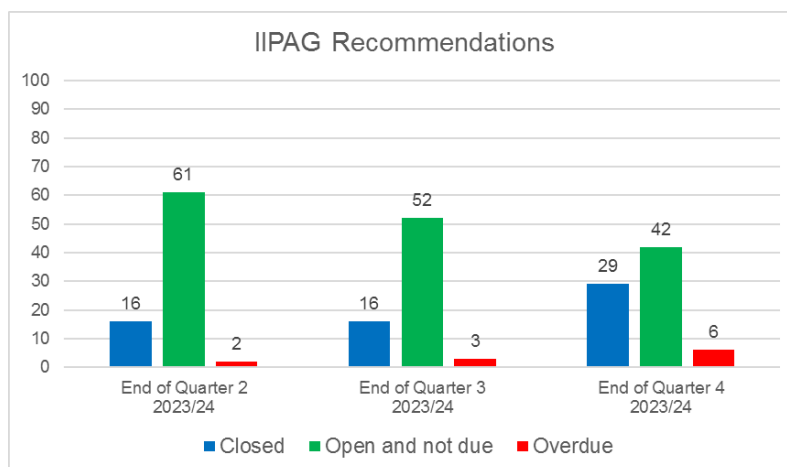


Figure 1: Status of IIPAG Recommendations

3.3 From the assurance reviews undertaken during Quarter 4 IIPAG made 10 recommendations, none of which were critical issues. All of the recommendations were agreed with the respective project teams.

4 Management Response to IIPAG Quarterly Report

TfL Assets

- 4.1 We recognise and agree with the IIPAG findings regarding the Streets, Bus and Rail and Sponsored Services Renewals programme and elsewhere in TfL.
- 4.2 The current position on the condition of TfL assets is the direct result of constrained TfL finances following the removal of the Government operating grant in 2018, the impact of the coronavirus pandemic and the subsequent lower patronage and short term funding settlements. Cumulatively this has meant that TfL's asset investment has been considerably lower than previously planned or required to effectively maintain TfL assets. This has resulted in a steady decline of asset condition and the current position with a lower level of asset resilience and an increasing reliability risk across TfL services. This is evidenced by the increasing impact on and disruption to services due to asset faults.
- 4.3 To ensure we fully understand the risks and associated impacts, and to inform decision making, we are placing greater emphasis on asset condition through senior level meetings and the TfL business planning process. This includes the establishment of an asset management steering group for escalation of asset risks, development of improvement workstreams and balancing of investment priorities. Asset risks including Enterprise Risk ER06 (Deterioration of operational performance) are also presented to the Executive Committee and relevant Panel meetings to ensure they are fully aware of any emerging concerns. Business planning for this financial year has placed an increased emphasis on asset condition and risks, and detailed network and asset plans are being developed to ensure all senior stakeholders are fully sighted on the asset risks prior to and during key investment decision making.
- 4.4 Greater financial certainty will help us address our asset condition and in parallel we will continue to improve our asset management and deliver efficiencies. We are progressing a number of asset management improvement initiatives to maximise the impact of investment. These initiatives include digitising of asset management, optimising delivery planning, improved decision support systems, activity-based budgeting and understating the whole life costs of asset ownership.

5 IIPAG Workplan for 2023/24

- 5.1 IIPAG's proposed workplan for 2024/25 is provided in Appendices 2 and 3. We support the proposal and ask the Committee to approve the IIPAG workplan for 2024/25.

List of appendices to this report:

Appendix 1: Independent Investment Programme Advisory Group - Quarterly Report June 2024

Appendix 2: IIPAG Workplan 2024/25

Appendix 3: IIPAG Workplan – Sub Programme and Project Reviews 2024/25

List of Background Papers:

None

Contact Officer: Lorraine Humphrey, Director of Risk and Assurance
Email: LorraineHumphrey@tfl.gov.uk