

Independent Investment Programme Advisory Group – Quarterly Report June 2024

1. Introduction

- 1.1. This report to the Committee describes the Independent Investment Programme Advisory Group (IIPAG) activities in March 2024 – April 2024. We have made no new strategic recommendations.

2. IIPAG Activity

- 2.1. We are currently undertaking three programme level reviews ahead of the June meeting of the Programmes and Investment Committee (PIC):
- (i) Four Lines Modernisation (4LM);
 - (ii) Street, Bus and Rail and Sponsored Services Renewals;
 - (iii) Rail and Station Enhancements.

3. Common Themes

- 3.1. Recent IIPAG reviews, in particular the Streets, Bus and Rail and Sponsored Services Renewals review, have reinforced our ongoing concerns over the condition of TfL assets. There appears to be an increasingly firm consensus amongst those responsible for the maintenance and renewal of TfL's assets that declining asset condition and the increased number of assets with higher levels of risk will lead to increasing levels of unpredictability and a greater likelihood that assets will have to be taken out of service in the next few years. This is already happening (for example the A40 slip road and Brent Cross last year) and is likely to accelerate, impacting services and putting greater pressure on budgets.
- 3.2. In our view TfL's renewals posture is becoming increasingly reactive – driven by an annual funding envelope and a long-term lack of investment in renewals. This has meant prioritising in-year failures and emerging priorities using a short-term risk-based approach - rather than based on long term asset condition and minimising whole life costs. In some parts of the network, for example trams and DLR, several asset groups are approaching their end of life simultaneously (fleet, track, and signalling and control). The current renewals budget is insufficient to improve or even stabilise condition across all these major asset groups simultaneously.
- 3.3. We consider that it is especially important that levels of asset risk, the future trajectory and the implications of increasing levels of failure for service disruptions are clearly articulated to senior management and the TfL Board, both to raise awareness around future customer and policy change risks, and also to make the case for the appropriate level of funding.

4. Cross-cutting work

We are currently finalising our reports on the Pathway process for projects, and on the effectiveness of the first and second lines of assurance. These will be covered in our next report to PIC.

We have two reviews underway:

- i. A review of how TfL takes account in the investment programme of targets to reduce carbon emissions.
- ii. Our second piece of work on Renewals (following our earlier review of the Delivery of Renewals). This second piece is looking at the earlier stages of prioritisation and workbanks.

We are also considering TfL's progress in implementing the recommendations of IIPAG's 2021 review of value for money, and our review of asset information.

5. Workplan for 2024/25

The Committee approves IIPAG's workplan each year. IIPAG's proposed workplan for 2024/25 is provided in Appendices 2 and 3, for which we seek approval.

Alison Munro
Chair, IIPAG

April 2024