

Date: 26 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's (IIPAG) quarterly report for June 2024. It describes the work undertaken since the last report presented to the Committee in February 2024.
- 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 June 2024 is included as Appendix 1 to this paper.

4 Management Response

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. This has meant that over the last seven years 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 (including the Executive Committee) and the TfL business planning process and Members will be briefed as part of this process. An asset management steering group has been established 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 the Customer Service and Operational Performance Panel 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.

Cross Cutting Reviews

- 4.1 TfL welcomes the work IIPAG is undertaking on cross cutting reviews, and we look forward to the outputs from the current reviews for which we will provide the necessary management responses to the recommendations made.

List of appendices to this report:

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

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

List of Background Papers:

None

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