

## **Independent Investment Programme Advisory Group**

### **Quarterly Report November 2024**

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#### **1. Introduction**

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

#### **2. IIPAG Activity**

- 2.1. We have reviewed one programme for which an annual submission is being made to the December meeting of the Programmes and Investment Committee (PIC) - Safe and Healthy Streets. We have undertaken continuous assurance on Four Lines Modernisation (4LM) and the Piccadilly Line Upgrade (PLU) programmes.
- 2.2. We have also undertaken several projects reviews, including for three major renewals schemes for which TfL will seek Major Road Network (MRN) funding from the Department for Transport (DfT), a Step Free Access scheme and a major technology project.

#### **3. Common Themes**

- 3.1. We continue to see professionalism and commitment from project teams, but also some recurring causes of concern.

##### **MRN Schemes**

- 3.2. The reviews of potential MRN funded schemes have highlighted significant opportunities and challenges. The opportunity is the possibility of securing external funding towards a large proportion of the cost of major renewals on critical road infrastructure. Our previous reports have highlighted concerns over deteriorating asset condition and the insufficiency of funding to prevent further deterioration. Against this background TfL needs to make the best possible case to secure additional funding through MRN for major renewals that would otherwise be unaffordable.
- 3.3. However, the conditions for application for and use of MRN funding are onerous. At present there is no certainty about the longer term future of MRN funding, and under the current rules construction must start by April 2025 (although it appears that a somewhat later date has been agreed for one scheme). This is putting great pressure on the timetable for scheme development and submission of business cases to the DfT. This is especially concerning as the schemes tend to be inherently risky, with work on degraded structures bringing uncertainty around technical scope, and associated schedule and cost risks. Under the MRN arrangements the DfT contribution is fixed relatively early (before contractor prices

are available), with TfL bearing all subsequent cost risk. It is therefore important that wherever possible TfL agrees submission timescales with DfT that will allow design, schedule, cost estimates and risk assessments to be developed to a sufficient level of robustness. Further, the range of possible outcomes for TfL contributions needs to be clearly set out for decision makers.

### **Traffic Management Costs**

- 3.4. We have also observed a number of cases, across MRN schemes and Safe and Healthy Streets, where costs for road network schemes have increased markedly due to higher traffic management costs. TfL is placing increased emphasis on the need to avoid significant disruption to timetabled bus services and to protect performance, which is requiring longer and more expensive traffic management arrangements, compared with earlier assumptions. We have seen these cost increases emerging rather late, leaving little time for consideration of different options or how higher costs will be managed. Adoption of more impactful traffic management arrangements to make schemes more affordable can be less palatable to local stakeholders and so brings other risks. For the future the stronger emphasis on protecting buses needs to be built into assumptions and optioneering from the outset, together with associated consideration of cost, schedule and stakeholder impacts.

## **4. Cross-cutting work**

- 4.1. We have two cross-cutting reviews underway:
  - a. A review of how TfL takes account in the investment programme of targets to reduce carbon emissions. We are completing the interviews for this review.
  - b. Our second piece of work on Renewals (following our earlier review of the Delivery of Renewals). This second review is looking at the earlier stages of prioritisation and workbanks. We are drafting the report on this review.
- 4.2. We are also considering TfL's progress in implementing the recommendations of IIPAG's review of asset information.

## **5. Resources**

- 5.1. As noted in our last report, IIPAG is currently operating with 2 vacancies (out of 7 positions). Following a recruitment exercise one additional member is being appointed.
- 5.2. An additional member with specialist signalling experience has advised they will be stepping down from the end of December 2024. To ensure IIPAG have sufficient skills in this area we will be appointing a replacement, who has previously held an IIPAG position, to commence at the start of December to enable handover.

Alison Munro  
Chair, IIPAG

November 2024