

INDEPENDENT INVESTMENT PROGRAMME ADVISORY GROUP

QUARTERLY REPORT TO AUDIT AND ASSURANCE COMMITTEE, JUNE 2025

Introduction

This report to the Committee describes Independent Investment Programme Advisory Group's (IIPAG) activities in March to April 2025. We have made no new strategic recommendations.

IIPAG Activity

At the time of writing, we are due to start a review of the Rail and Station Enhancements Programme, and possibly HS2, for the July meeting of the Programmes and Investment Committee (PIC). PIC is scheduled a month after the Audit and Assurance Committee on this occasion, so we are currently unable to report on this period's programme reviews.

We have undertaken one sub-programme review, on London Underground Fleet Heavy Overhaul, and have received briefings on a few projects coming up to important decision points over the coming months.

Common/Systemic Issues

We have previously highlighted the difficulty of getting a clear view of **cost and schedule performance for continuous rolling programmes**. These programmes can consist of a large number of smaller interventions and commonly deploy over-programming, so that new work can be added if the originally planned work is delayed. As work is added year on year the EFC is increased. The result is that there is not a clear baseline against which performance can be assessed, and EFC comparisons over time are not meaningful. To tackle this issue, we have recommended in a recent case that delivery tranches might be established within the programme, to enable improved visibility and control of financial and schedule performance.

PA's monitoring of recommendations from IIPAG and PA reviews shows that the issue that has been raised most frequently in the past year is the **adequacy of project and programme schedules**. Concerns have been raised about the quality of the construction of schedules, and the realism and robustness of assumptions that underpin them. For more complex projects and programmes, we have raised concerns about the

lack of integrated schedules, and lack of visibility of critical paths. We intend to look further at this issue and its causes through a cross-cutting review in 2025/26.

This Committee has previously observed that most of the systemic issues we raise are not new and has asked us to consider **what progress TfL has made on recurrent themes**. To answer this question, we propose to provide some commentary on themes we have raised over the past five or so years. In December 2021 we identified 8 common themes from our reviews:

1. The systems and processes for project control and reporting.
2. Capability and resources
3. Programme/portfolio management
4. Costs and risk
5. Commercial and contracting strategies
6. Governance
7. Value for money and business cases.
8. Information, including project and programme reporting.

To this list we would now add:

9. Project Schedules
10. Asset Condition.

We plan to report against these ten themes. This will be largely qualitative, drawing on our experience of assurance reviews and what we see across the investment programme. We will target the September meeting of this Committee. We would welcome any comments on this approach.

Cross-Cutting Work

We have finalised our reports on:

- How TfL takes account in the Investment Programme of targets to reduce carbon emissions
- Our second piece of work on asset renewals, looking at planning, prioritisation and workbanks.

These are currently being considered by TfL management, and we will submit them to PIC once complete.

We have one review underway:

- Pathway for Programmes: process and application. This follows our earlier review of Pathway for Projects.

We are also considering TfL's progress in implementing the recommendations of our earlier review of Asset Information, and TfL's progress with improvements to the Procurement and Commercial function.

Work Programme for 2025/26

This Committee approves IIPAG's work programme each year. Attached to this report is the proposed plan for 2025/26, for which we seek approval.

Recruitment is ongoing for members of the new IIPAG safety sub-group and once appointments have been made a workplan for this sub-group will be drafted and issued for approval.

Alison Munro

Chair, IIPAG

April 2025