

Board



Date: 30 January 2018

Item: Report of the Meeting of the Programmes and Investment Committee held on 12 December 2017

This paper will be considered in public

1 Summary

1.1 To report to the Board on the meeting of the Programmes and Investment Committee held on 12 December 2017.

2 Recommendation

2.1 **The Board is asked to note the report.**

3 Committee Agenda and Summary

3.1 The papers for the meeting of the Committee held on 12 December were published on 4 December 2017 and are available on the TfL website: <https://tfl.gov.uk/corporate/publications-and-reports/programmes-and-investment-committee>

3.2 The main matters considered by the Committee were:

- (a) Investment Programme Report - Quarter 2, 2017/18;
- (b) Project Monitoring - Programme and Project Approvals;
- (c) Independent Investment Programme Advisory Group (IIPAG) - Review Implementation;
- (d) TfL Growth Fund;
- (e) Lifts and Escalators Procurement Authority request;
- (f) Public Transport Portfolio;
- (g) London Overground Rolling Stock Maintenance Savings;
- (h) Crossrail – Report of the Sponsor Board; and
- (i) Elizabeth Line Operational Readiness and Integration;

- 3.3 A summary of the discussions and decisions from the items on the agenda is provided below. The more detailed minutes of the meeting held on 13 October will be published ahead of the 21 February 2018 meeting of the Committee.

4 Issues Discussed

Investment Programme Report - Quarter 2, 2017/18

- 4.1 The Committee noted the progress of the programmes and projects in the Investment Programme.
- 4.2 Members welcomed the progress being made across the Investment Programme. Arising from a suggestion by Members, future reports would provide information on movement from the previous period and changes in milestones for amber and red projects.

Project Monitoring - Programme and Project Approvals

- 4.3 The Committee noted the forward approval programme for projects with a value in excess of £50m and details of the Project Authority granted by the Commissioner and the Chief Finance Officer in accordance with delegated authority under TfL's Standing Orders.
- 4.4 As previously requested, future reports would include information on the overall spend on programmes and projects to date, what was expected to have been spent and how this was controlled.

Independent Investment Programme Advisory Group (IIPAG) - Review Implementation

- 4.5 The Committee noted the update on the implementation of the IIPAG review recommendations and the proposed terms of reference, which was also being considered by the Audit and Assurance Committee. The revised terms of reference appear as an item elsewhere on the agenda for this meeting.

TfL Growth Fund

- 4.6 The Committee discussed the proposed approach for allocating the £200m TfL Growth Fund, which was used to support smaller scale transport schemes that would unlock housing and regeneration.
- 4.7 Members discussed the need for tighter governance of the scheme and more explicit evaluation criteria to encourage bids that supported the objectives of the Mayor's Transport Strategy, such as modal share and healthy streets and Affordable Housing targets. Members recommended that the proposed evaluation scheme for future bids should be ambitious, and developed by looking at lessons learned by other evaluation schemes across the public sector. Bids should be benchmarked for their contribution to increasing housing, jobs and wider benefits and the time it would take to realise those benefits. Dr Lynn Sloman offered to help support the development of the evaluation scheme.

- 4.8 Given the difficulty in securing matched funding for some schemes in outer London, staff would talk to London Councils, as well as individual boroughs about priorities for the use of the fund and the availability of other sources of funding. The Committee would receive updates on the use of the Growth Fund twice a year.
- 4.9 The Committee noted the method for identifying the prioritised list of schemes and proposed governance arrangements and authorised the Director of City Planning to allocate the remaining £100m of the Growth Fund to schemes on the prioritised list as appropriate, and to manage potential changes to that allocation within the Programme and Project Authority.

Lifts and Escalators Procurement Authority request

- 4.10 The Committee approved Procurement Authority and approval to extend two of the six contracts across London Underground (LU) for the maintenance and renewals of lifts and escalators on LU stations.
- 4.11 The Committee discussed the work undertaken now and planned for the future to drive down costs to achieve better value in the maintenance contracts, including proposals for greater standardisation and simplification of LU's requirements in the future. The extensions to the proposed contracts were for 6.25 years each but included break clauses.

Public Transport Portfolio

- 4.12 The Committee noted the strategic case for the Surface Transport Public Transport Programme, which maintained the safety and reliability, performance, planning and project management of London Buses, London Overground, Docklands Light Railway, London Trams, Emirates Air Line, Santander Cycles and London River Services through a prioritised programme of cost effective renewals and enhancements that supported growth, housing, jobs and improving modal share. The Committee approved budgeted Programme and Project Authority for the programme, which covered financial years 2017/18 and 2018/19.
- 4.13 Members noted the rigour in the process to assess the condition of assets, which was at the heart of TfL's safety process and was comparable to assessments of other investment programmes across TfL. While the system looked complex, it provided the Commissioner and Chief Finance Officer with assurance that the asset base across TfL was reviewed in appropriate detail, but the process would be kept under review and simplified if appropriate.
- 4.14 The Programme would return annually to the Committee to renew and validate a rolling approval. That would enable approvals to be aligned to financial years which complemented the nature of the programme and simplified the approval request.

London Overground Rolling Stock Maintenance Savings

- 4.15 The Committee authorised the removal of the class 378 Train Services Agreement break clause in 2023, which would secure savings for TfL and authorised an increase in Procurement Authority.
- 4.16 Members requested that the Chief Finance Officer keep a record of future commitments in forecasting so that TfL was aware of any build up of future liabilities.

Crossrail - Report on Sponsor Board Proceedings

- 4.17 The Committee noted the summary of the key issues from the October and November 2017 meetings of the Crossrail Sponsor Board.
- 4.18 The Committee noted that, as requested at the last meeting of the Board, that reporting arrangements to Committees on operational readiness and transition were being reviewed to ensure appropriate assurance and scrutiny.

Elizabeth Line Operational Readiness and Integration

- 4.19 The Committee noted the good progress of the project and the governance processes to support operational readiness and the integration of Crossrail into TfL. An updated paper appears elsewhere on the agenda for this meeting.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the Programmes and Investment Committee on 12 December 2017

Contact Officer: Howard Carter, General Counsel
Number: 020 3054 7832
Email: HowardCarter@tfl.gov.uk