Programmes and Investment Committee

Date: **3 July 2018**

Item: **TfL Growth Fund**

This paper will be considered in public

1 Summary

TfL Growth Fund				
Existing Financial Authority	Estimated Final Cost (EFC)	Existing Project and Programme Authority	Additional Financial Authority Requested	Total Programme and Project Authority
£555m	£555m	£555m	£0m	£555m

1.1 In June 2017, the Committee granted Programme and Project Authority of £200m for the second phase of the Growth Fund Programme (the Programme).

1.2 With the Programme now established, the focus of this year's paper is to:

(a) Re-confirm why the Growth Fund is of critical importance in achieving the Mayor's objectives set out within both the Mayor's Transport Strategy and the London Plan and delivery of the TfL Scorecard;

(b) Provide evidence of the progress within the Programme in delivering projects during 2017/18;

(c) Summarise the planned delivery and milestones for 2018/19, as well as key risks and emerging benefits;

(d) Identify lessons learned, and the steps taken to improve the approach to management of the Programme over the past year; and

(e) Give assurance to the Committee on the progress of the Programme both in terms of delivery and in setting up robust arrangements going forward.

1.3 A paper is included in Part 2 of the Agenda which includes exempt supplementary information on details of individual schemes and supporting information.

2 Recommendations

2.1 The Committee is asked to note the paper and the related supplemental information on Part 2 of the Agenda.

3 The Growth Fund Programme

3.1 The Growth Fund remains a crucial component of TfL's overall investment programme. While clearly many of our programmes and projects support growth generally, this Programme is directly targeted at unlocking housing and regeneration. This continues to be a priority for London and TfL for the following reasons:

(a) The new draft London Plan sets out the importance and urgency of tackling challenges around housing delivery. The new target is for 66,000 homes each year (up from 42,000 in the previous Plan); London has been averaging less than half of this in actual delivery;

(b) With the imperatives around housing delivery, alongside strengthened protection for the Greenbelt in national policy, we must increase densities and maximise the use of brownfield sites within London;

(c) TfL will be participating fully, alongside the Greater London Authority (GLA), for the Examination in Public of the London Plan and will need to demonstrate how we are supporting its delivery;

(d) The new MTS has a much stronger emphasis on supporting new homes and jobs through 'Good Growth'. And the bold and ambitious vision set out in the MTS requires an approach that puts mode shift, health and the quality of life at the centre of planning the city and its transport system;

(e) Many boroughs have housing targets that have more than doubled but face significant challenges in delivering higher density development, with local opposition and the current lack of transport (and other) infrastructure in some areas. We need to work with them to help deliver sustainable growth in practice; and

(f) Forecasts are still assuming strong ongoing population growth within London.

3.2 A fundamental aspect of this is new and enhanced public transport connections to support growth areas. Many areas of London with the greatest potential to support housing and new communities are not well connected into the existing transport networks or suffer from particular challenges e.g. severance. The Growth Fund plugs a gap in our investment programmes in terms of smaller scale targeted investment in particular areas where transport currently acts directly as a constraint. The key objectives of the Growth Fund are to:

(a) Support sustainable transport schemes that directly unlock homes and jobs in line with the principles of Good Growth;

(b) Support transport outcomes that align with the new MTS – delivering significant co-benefits in terms of step free access, Healthy Streets and passenger improvements;

(c) Leverage third party funding to maximise the impacts of TfL funding and ensure development and other sources are contributing an appropriate share; and

(d) support schemes that are deliverable within the current TfL Business Plan period.

3.3 With these strategic objectives in mind the Growth Fund also has some particular advantages in terms of enabling us to:

(a) Negotiate with developers and others to actually bring to fruition funding deals which help deliver beneficial development that might otherwise not be viable or be mired in protracted negotiations / stalemate;

(b) Be agile and respond to opportunities that can emerge quickly and require early commitment to transport improvements to enable progress to be made;

(c) Take advantage of one-off and time critical opportunities to secure significant 'prizes' e.g. new station boxes integrated into a development and step free access delivered as part of a wider scheme;

(d) Provide initial funding confidence or bridge funding which can catalyse funding packages to deliver schemes that do not then actually require the funding or can pay it back;

(e) Support schemes with significant wider benefits but which may not fare as well under traditional appraisal frameworks and so would otherwise be unlikely to be funded through other TfL programmes and budgets; and

(f) Work with GLA and boroughs to deliver higher density sustainable development in practice and embed more sustainable travel patterns and supportive local policy in parts of London which would otherwise have low density, car-dependent development.

3.4 As the London Assembly Regeneration Committee highlighted in its report from December 2015: "There are clear benefits to a Fund that has a different role to the remainder of TfL's capital budget. A flexible funding stream which gives a higher priority to regeneration in the business case allows TfL to unlock development in places where it may otherwise stall. And although the sums in question are relatively small, they can have a significant impact because they may lever latent funding from other sources such as developer contributions and boroughs".

3.5 The Growth Fund programme provides an important framework for putting sustainable transport at the heart of planning the city and helps drive integrated land use and transport planning. The Programme also contributes specifically to achieving a number of measures in the TfL Scorecard such as sustainable mode share targets.

3.6 The Programme is made up of a number of different types of transport schemes, and comprises contributions to a wide variety of projects, ranging from small scale interventions to higher-profile projects. The types of scheme it generally supports are:

(a) New stations to open up parts of London currently not well served by rail and serve new passengers in areas of growth;

(b) Station upgrades to support growth and regeneration in key areas, address congestion problems, improve passenger experience, and make stations accessible;

(c) Road network projects on the TLRN and borough roads that tackle constraints on development, support the delivery of Healthy Streets outcomes including bus improvements, urban realm and active travel, and improve the efficiency of key junctions;

(d) Town centre packages including a range of different measures to regenerate town centres, improve bus, cycle, walk access and deliver a step change in place quality, alongside and facilitating significant development; and

(e) New links to connect less accessible parts of London with major growth potential, and support place-making, regeneration and sustainable travel outcomes. Given the scale of the Fund the contributions will be a fairly small proportion of the total costs but can be crucial in catalysing a funding package, as with the Barking Riverside extension.

4 Progress within the Programme in 2017/18

4.1 The Programme is now delivering significant benefits across London; unlocking new homes and jobs, delivering new public transport capacity and leveraging third party funding. Successes this year include:

(a) Woolwich Arsenal Elizabeth Line station is on schedule to directly unlock 3,500 new homes and has led to the wider regeneration of Woolwich town centre. The station will be delivered in December 2018. This project has leveraged significant funding from the developer, Berkeley Homes, and wider developments to build the station;

(b) Consent has been granted for the Barking Riverside Extension. The Growth Fund’s contribution to this scheme catalysed the funding package which will now enable the delivery of 10,800 new homes. Early works on the project have progressed to plan and the in-service date of 2021 has been confirmed;

(c) Tottenham Hale and White Hart Lane stations are well advanced in being upgraded to increase capacity and accessibility and open additional access routes to support the growth in the Tottenham Hale area. Both stations will be complete in time for the 2019/20 football season in August 2019; and

(d) The Programme team’s focus on identifying and making the case for transport schemes that can unlock growth has been instrumental in developing strong bids for other sources of funding such as the Housing Infrastructure Fund (HIF) and Business Rates Retention (BRR) Pilot. Catford Gyratory, secured £10m from the HIF and there is the potential for a further £500m of Government grant funding to deliver transport projects including upgrades to the DLR and East London line.

4.2 In addition this year, we have also confirmed Growth Fund funding for four additional schemes which can now progress to unlock over 15,000 new homes as well as a range of transport benefits. These schemes are:

(a) Upgrade of Walthamstow Central Station: the upgrade of the Victoria line station will help enable around 2,000 new homes across Walthamstow town centre and provide capacity for future growth in the area which is planned. This scheme will provide a second entrance to the station as well as deliver step-free access;

(b) New station building at Colindale: the scheme will deliver a new station building with step-free access and new pedestrian and cycle links – helping to support around 10,000 new homes, 1,000 jobs and the wider regeneration of the area. This scheme is being supported by contributions from section 106 agreements and Community Infrastructure Levy of c£14m which we have agreed with the borough;

(c) Enhanced capacity on Elmers End branch of London Trams: double tracking of the branch line and a second platform at Elmers End tram station will provide additional facilities to enable service improvements and address reliability issues on the network. Once delivered, this will support growth in Croydon and Bromley and future growth along the tram network; and

(d) New southern entrance at Ilford Station on TfL Rail: this will support the significant growth and development in the area, accommodating the increasing passenger demand and with a new entrance helping reduce pressure on the main station entrance and benefit bus passengers alighting at stops along Ilford Hill.

5 Growth Fund Management and Governance

5.1 Significant work has been undertaken over the past year to improve the management and governance of the Programme, based on:

(a) recommendations made by TfL Project Assurance and an independent review of the Programme by the Independent In vestment Programme Advisory Group (IIPAG) in 2017/18;

(b) lessons learned through the ongoing management of the Growth Fund, including discussions with sponsors; and

(c) a review of other programmes similar to the Growth Fund such as the GLA’s Good Growth Fund.

5.2 TfL Project Assurance completed an Integrated Assurance Review (IAR) on the Growth Fund Programme in May 2017. Seven recommendations were made and accepted, and IIPAG also provided a further four recommendations.

5.3 We will continue to actively review the programme and apply further lessons where appropriate.

Governance

5.4 TfL owns and manages the Fund, with overall governance of the Programme owned by City Planning. The Programme interfaces closely with other programmes and projects within TfL since it contributes towards the wider funding package of a range of projects. This includes the Stations (and step free access) programme, Healthy Streets, and Rail Investment programmes.

5.5 TfL's Executive Committee has provided and will continue to provide programme governance reflecting the broad and 'bespoke' remit of the Fund. This is consistent with IAR 2017 recommendation iii. Specifically, the Programme is now reporting into TfL's Executive Investment Committee, , which reviews key investment proposals and decisions internally before they go to the Board or its Committees for approval.

5.6 The programme also closely interfaces with the GLA who have strategic responsibility on planning and managing growth and development in London, in particular responsibility for the housing strategy for London, the Opportunity Area and Housing Zones programmes and also key relationships with developers and boroughs on individual development schemes.

5.7 The Growth Fund's key interface is through the GLA Growth Board which has representation from four Deputy Mayors, the Chief of Staff and the Mayor's Director of Policy and informs the strategic direction of the Growth Fund. The Growth Board is advisory, rather than decision making.

5.8 During the past year, TfL has strengthened day to day interaction at the officer level. The involvement of the GLA is vital to help identify priorities, support the progress of schemes and ensure benefits are realised. This close working has also given us much more influence over the bidding process, which only the GLA as an upper tier authority can submit to. If these bids are successful, TfL could secure over £500m of grant funding to support schemes across London.

Budget

5.9 Financial Authority for the Programme has been granted in two tranches of £355m in 2012 and £200m in 2017. The profile of the Financial Authority is shown below in Table 1. The profile of the first tranche of funds is based on March 2017 project budgets. The profile of the second tranche was agreed by the Committee in June 2017.

Table 1. Growth Fund Financial Authority Profile

Tranche	Date of Profile	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	Total
		£m	£m	£m	£m	£m	£m	£m	
Tranche 1	**March 2017**	**49**	**47**	**99**	**44**	**52**	**37**	**27**	**355**
Tranche 2	**December 2017**	**0**	**1**	**1**	**45**	**48**	**105**	**0**	**200**
Total Financial Authority		**49**	**63**	**94**	**76**	**101**	**142**	**27**	**555**

5.10 Over the past year there has been some re-profiling based on the 2017 Business Plan and slippage to a small number of the Programme's projects which has resulted in the re-profiling of expected spend to future years (see Table 2). These changes are generally due to some of the inherent complexities and interdependencies associated with these growth-oriented projects, which are also complex transport projects in their own right. The key changes are:

(a) **Croydon Fiveways** – financial forecast re-profiled after further work required to respond to and reflect results of consultation;

(b) **Wandsworth Gyratory** – now dealing with extended land negotiations resulting in a revised delivery schedule;

(c) **Vauxhall Cross** – extended land acquisition and planning discussions have resulted in a re-profiled financial forecast and pushed back the delivery dates; and

(d) **Metropolitan Line Extension** – as the Committee will be aware, TfL is closing down activities in respect of the Metropolitan Line Extension scheme, unless and until new arrangements to provide additional funding are put in place to address the funding shortfall. Some monies have been spent on development work and additional rolling stock required for the project which was ordered in advance as part of a rolling stock order for the Metropolitan Line (this has now been delivered and will be put into use). The Growth Could potentially be used to support alternative transport measures in place of the Metropolitan Line Extension.

5.11 A total of £475m has been committed to projects so far, with £24.1m allocated to four new projects this year (as set out in section 4.2 above). The paper on Part 2 of the agenda provides details of the spending profile for each committed project within the Programme. There are 15 schemes now competing for the remaining £80m not formally committed yet. All of these schemes fully meet the Growth Fund's objectives, and have a nominal allocation, but we will only formally commit funding once we are satisfied that potential delivery risks have been addressed. The list of potential schemes competing for this remaining funding are set out in Part 2 of the agenda. The process by which we allocate funding and manage the Programme is set out below.

Table 2 Growth Fund Budget Profile - May 2018

	Actuals 2016/17	Actuals 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	**Total**
	£m	£m	£m	£m	£m	£m	£m	£m	**£m**
Financial authority	49	63	94	76	101	142	27	0	**555**
Expected spend (as of 2018/19)	49	40	74	90	105	161	30	2	**555**
Committed spend (as of 2018/19)	49	40	74	84	72	124	30	2	**475**

Delivery and Risk management

5.12 The reliance on third parties for delivery of the associated homes and development (and sometimes elements of the transport schemes themselves) causes some challenges and delivery risks to projects funded through the Growth Fund. In particular, our experience since the original allocation of the Growth Fund in 2012 has taught us that the dependence on developers, as well as other third-party funding and requirements (such as Compulsory Purchase Orders (CPOs)), can often lead to slippage. It is important that TfL effectively manages the Fund in order to reduce the Programme's exposure to risk and to re-allocate funding to other projects should this become necessary.

5.13 During 2017/18, we have developed a more sophisticated approach to managing the Growth Fund which enables us to respond to changes in project circumstances and focus funding on where it can best deliver the Programme's objectives and manage risk. This involves:

(a) An **active management approach**, where we regularly check and re-evaluate the portfolio to ensure it is focused on schemes that are deliverable;

(b) The development of new **Delivery Service Agreements**, which set out the milestones a project must reach before funding is released as well as reporting and monitoring requirements; and

(c) **Over-programming** the fund to keep pressure on the delivery of schemes and account for project delay, reliance on third parties, and other risks that could adversely affect delivery.

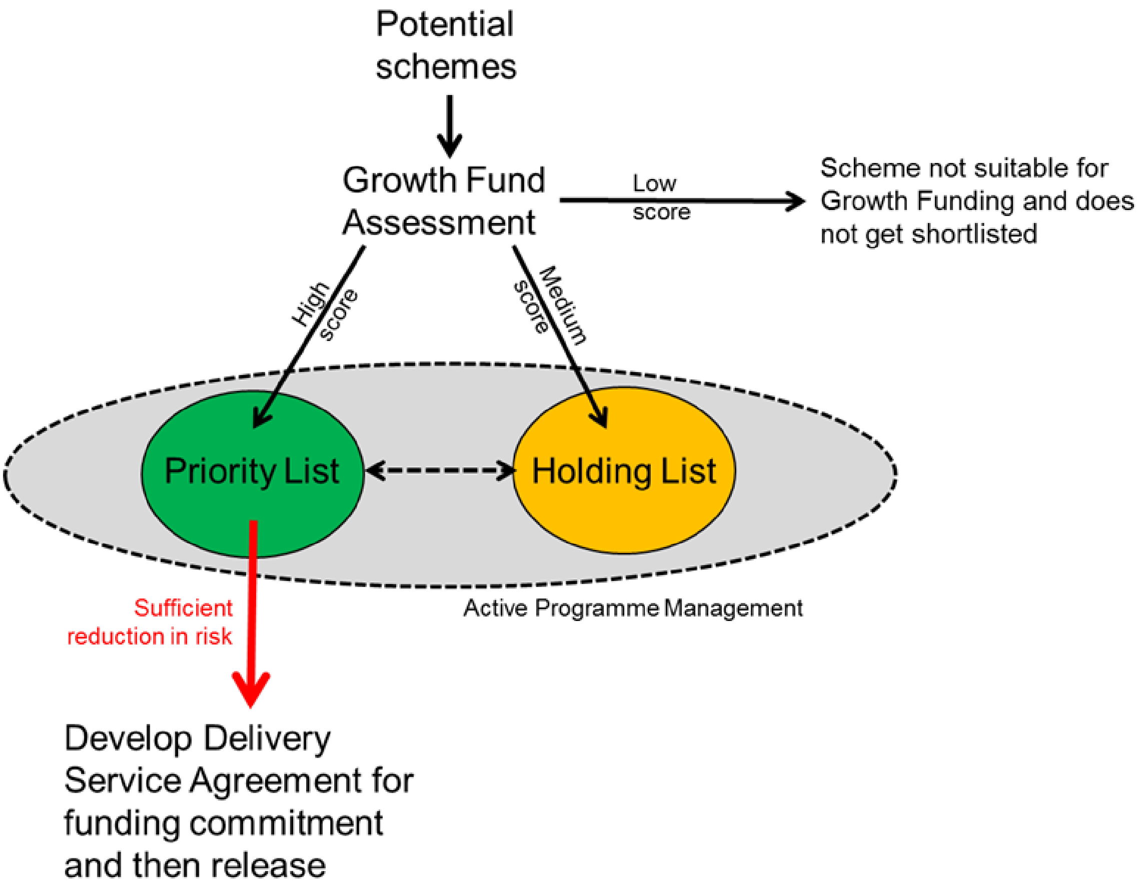
The Active Management Approach

5.14 Our experience from the original allocation of the Growth Fund is that the status of schemes can change rapidly, which can lead to slippage. In such circumstances, it may be necessary to reallocate funding to other schemes which can better meet the Programme's objectives.

5.15 Alternatively, other third party funding may become available, which can result in TfL being able to reduce its contribution while still delivering the scheme. For example, many of the potential Growth Fund schemes are also subject to bids for the HIF. Some of these are for match funding which will complete funding packages for key schemes. For others, if successful, it would mean that Growth Fund contributions were no longer needed or could be reduced; enabling us to allocate Growth Fund monies to other projects that meet the Programme's objectives.

5.16 All potential Growth Fund schemes are robustly assessed against a set of agreed criteria (set out in Table 3 below). The highest ranking schemes are placed in the 'Priority Scheme list' where there is a high chance it will be allocated Growth Fund money, subject to deliverability and addressing scheme risks. Schemes that score well - but lower - are placed in the 'Holding List', where the allocation of funding is less certain at the time of assessment, but could move into the 'Priority List' if the status of the scheme improves in future. Schemes with a low score are not taken forward – but other funding sources / opportunities may be identified if the schemes contribute positively to other objectives.

Figure 1 – The Active Management Approach



5.17 We maintain regular communications with project leads but also carry out a general review against the criteria (set out in Table 3) at least every six months. Schemes are then potentially re-prioritised according to changes in their scores.

5.18 If a scheme on the Priority List has a sufficient reduction in risk, we will progress to funding commitment using mutually agreed Delivery Service Agreements. These agreements set out key milestones which, if/when met, trigger release of the Growth Fund money and by which progress is monitored.

5.19 Reduction of 'risk' to projects on our Priority List include: a firm commitment by third parties to match-fund the costs of the project; sufficient cost certainty through project processes (e.g. internal project management stages or externally, Network Rail GRIP stages); planning decisions which provide more certainty on the timescales for the infrastructure or the scale of housing that could be unlocked.

Delivery Service Agreements

5.20 In line with the recommendation from the 2017 IAR (IAR recommendation (ii)), it is proposed that the commitment to funding for individual schemes is not open ended. Rather we are placing reasonable stipulations on funding contributions made, through a Delivery Service Agreement which will include specific timescales and milestones for each scheme as well as defining the assumed benefits, with the Growth Fund contribution tied to meeting these.

5.21 In effect the 'guarantee' of funding from the Growth Fund would be time limited and if progress is not forthcoming, funding would be reallocated. This seeks to balance the aim of providing early certainty for a project to enable them to e.g. secure their other funding contributions versus maintaining pressure on actual delivery and providing an incentive to all parties to act (e.g. progress any necessary CPOs, commit match funding, etc.). In the case of a project not proceeding as expected, the funding could be reallocated to other schemes

5.22 This also enables us to ring-fence contributions to ensure funding is spent on its intended purpose. Unused funding or aborted projects would be required to return funding to the Programme for reallocation.

Approach to Over-programming

5.23 In December 2017, the Committee agreed to over programme the Growth Fund by £89m. This pre-supposes some slippage in schemes and also anticipates potential allocation of HIF money to schemes in the Programme, allowing us to reallocate to other projects. There are 15 schemes competing for the remaining £80m of funding (as set out in Table 2, all of which have a nominal allocation and fully meet the Growth Fund's objectives. If we decide to allocate funding to all of these schemes, using the approach described above, this will result in over-programming to the agreed level of £89m. This is justified based on our experience that, even when funding is formally allocated, not all schemes will proceed (either to the anticipated timescales or at all).

5.24 As part of this we are seeking to carefully manage sponsor and stakeholder understanding and expectations in terms of funding allocations and commitments. There is clearly a delicate balance between providing sufficient confidence to enable enough progress to be made in order to make firmer funding commitments versus over-extending our available funding and creating stakeholder expectations that cannot be met.

5.25 We will review the levels of over-programming every six months based on:

(a) The level of risk associated with projects where funding is committed in principle (and subject to a Delivery Service Agreement). This will include consideration of where the project's status; and

(b) A programme level review of strategic risks;

Scheme Assessment / Prioritisation

5.26 Funding is allocated on a competitive basis to schemes which are best aligned with the Programme's objectives. As set out above, projects are reviewed against these criteria every six months as part of the active management approach.

5.27 The Programme's objectives, which were presented to the Committee in June and December 2017, are that all schemes must:

(a) Unlock growth: the scheme must enable new homes and jobs that would otherwise not be able to come forward, and must also represent good value for money relative to the expenditure;

(b) Leverage other funding: the Growth Fund is an enabler programme in that it makes financial contributions to projects in other programmes. Schemes must show how the Growth Fund can unlock a wider funding package and leverage third party funding from developers, boroughs and other sources;

(c) Be deliverable: both the infrastructure and the housing must be deliverable within a reasonable timescale; and

(d) Be aligned with Mayoral Priorities: schemes must be aligned with the MTS and other Mayoral priorities.

5.28 In order to ensure consistency and transparency in the allocation of the Fund, a set of more detailed criteria has been developed against which all prospective schemes are assessed. These criteria were also presented to the Committee in June 2017 and December 2017. The scoring is weighted towards Unlocking Growth and Deliverability to reflect the Growth Fund's objective of supporting housing and regeneration.

5.29 In line with IAR 2017 recommendation (i), we have added some additional criteria this year to ensure projects fully reflect the new MTS and the draft London Plan. These have been aligned with the MTS Outcomes as shown in the diagram in Appendix 1. We will continue to review the criteria to ensure the projects allocated funding best meet the Programme's objectives.

Table 3 – Growth Fund Assessment Criteria

Growth Fund assessment criteria	Notes
Unlocking Growth (*Criteria presented in December 17 Committee Paper)*	
Number of homes /£m contribution	This is the key measure of value for money
Level of directness of the impact (contingent vs wider support role)	Qualitative judgement, informed by range of technical evidence
Alignment with priority growth areas	As identified in London Plan
Regeneration impact	Judgement based on whether scheme in bottom 20% of most deprived areas in London and expected impacts
Additional criteria	
Number of affordable homes unlocked	Based on current plans, or default to London Plan policy if not known
Number of jobs unlocked	Jobs directly unlocked by scheme, as well as potential for indirect economic growth
Wider Funding Package (*Criteria presented in December 17 Committee Paper)*	
Contribution from developer(s)	Total expected contribution
Contribution from other sources	Total expected contribution
Reasonableness in context (eg low viabilities)	Qualitative judgement based on technical evidence of viability and other factors
Additional criteria	
% of funding from other sources	Schemes should have at least 50% of funding from other sources, subject to reasonableness context
Deliverability (*Criteria presented in December 17 Committee Paper*	
Timescale	Schemes are required to spend Growth Fund money before March 2022
Third party reliance	Scale of third party funding, plus number of different sources
Confidence/reliability of third party funding	Degree to which third party funding is secured
Risk to delivery	Includes cost and planning risks, as well as overall complexity of scheme
Alignment with MTS / other Mayoral priorities (*Criteria presented in December 17 Committee Paper)*	
Wider / co-benefits delivered by the scheme	Eg other cultural, environmental etc benefits
Alignment with key approaches (eg Healthy Streets)	
Additional criteria	
Does scheme increase sustainable mode share?	Included to ensure scheme is aligned with MTS
Does scheme improve safety?	Included to ensure scheme is aligned with MTS
Does scheme improve access to PT for all?	Included to ensure scheme is aligned with MTS
Does scheme reduce motor dominance and improve AQ?	Included to ensure scheme is aligned with MTS
Does scheme improve quality of PT experience?	Included to ensure scheme is aligned with MTS

External Funding / Partners

5.30 The Growth Fund is an ‘enabler’ programme in that it makes financial contributions to projects in other programmes – whether within TfL or sometimes to third parties including Network Rail or boroughs - to complete funding packages in return for securing growth (homes and jobs) and other benefits.

5.31 The Fund can help catalyse funding deals that otherwise would be mired in protracted negotiations or stalemate, as at Elephant & Castle or West Ham for example. Our initial commitment can also be used to enable a more effective negotiation, encouraging developers to increase their contribution towards delivery of the works.

5.32 As well as funding from the private sector, the Growth Fund has been critical in leveraging funding from other public sector sources too. The GLA has made HIF bids to Government for over £500m of transport related funding, with match funding from the Growth Fund critical to many of the bids. The Growth Fund has also been important in making the case for investment from other GLA funding pots.

5.33 Together with colleagues across TfL and the GLA, we are also working more extensively with the boroughs to leverage better outcomes from the Programme. Typically this involves placing more specific requirements on funding contributions linked to growth, including commitment to increased densities of development, to allow realisation of the full benefit of the project. For example, we may seek supporting policy change in local planning frameworks linked to the delivery of a Growth Fund project to optimise housing and sustainable travel where otherwise lower density development would be likely with higher car parking provision.

5.34 We are undertaking a review of prospective schemes where TfL can potentially recoup the value of the Growth Fund investment from a development, and then recycle this into other schemes. This may be in the form of a bridging loan, to accelerate the delivery of a scheme, a clawback mechanism or a type of shared value agreement. As part of this, we are to develop workable mechanisms for schemes where appropriate.

Benefits Realisation

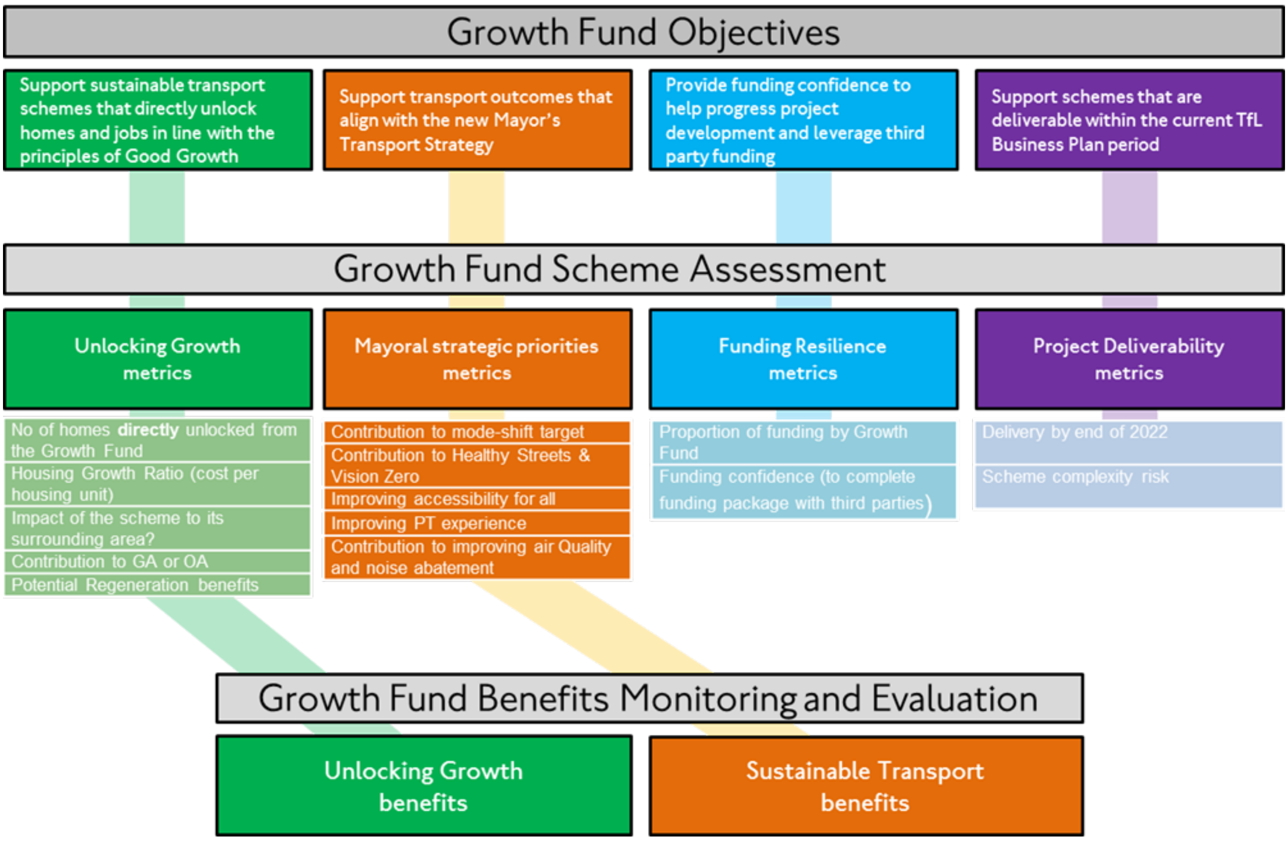
Monitoring and Evaluation Strategy

5.35 The collection of evidence on project performance and impact is an integral part of our project delivery process. To ensure successful delivery of the project, as well as the wider benefits expected, we will require all projects to undertake monitoring across multiple stages of project delivery. This will provide evidence of how the Programme is delivering against its objectives, and also serve to offer lessons learned which will help shape and design future rounds of the Growth Fund Programme.

5.36 We have made significant progress in developing a monitoring and evaluation strategy this year. Sponsors will own the assessment of benefits, adhering to the guidelines in the Strategy, although City Planning is currently looking at opportunities to provide Programme support across some key indicators to reduce costs, increase efficiencies and ensure consistency and value for money. Sponsors will be able to choose the measures which their project is assessed against, depending on the objectives of the project. Some measures, such as the total number of houses unlocked (as a key objective of the Programme), will be mandatory.

5.37 The assessment measures flow from the Growth Fund Objectives and the Scheme Assessment Criteria. This ensures that there is consistency across the Programme in assessing and appraising schemes and ensures a clear strategic purpose aligned with the MTS.

Figure 2 – Relationship between Monitoring & Evaluation measures and Programme objectives



5.38 Project sponsors will be asked to baseline their expected outcomes soon after funding is committed (as part of Stage A below). Working with City Planning, sponsors will need to demonstrate how those benefits are to be secured and set out a strategy for doing so.

5.39 The measures are both quantitative and qualitative and will be applied across four key stages of project delivery. Importantly, this includes stages before project completion so that action can be taken if there is evidence that the project may not deliver the expected level of benefits.

5.40 The four key stages of assessment are (with further details in Appendix 2):

(a) Stage A - Inception (within 6 months of funding agreement);

(b) Stage B – Delivery (during delivery period);

(c) Stage C – Reporting (within 6 months of project completion); and

(d) Stage D – Longer term reporting (6-24months after completion, depending on impact of project).

5.41 We have benchmarked the approach with other organisations (in line with IAR 2017 recommendation (v)), and will continue to collaborate with different departments across TfL and the GLA to develop the strategy.

Benefit realisation through stakeholder relationships

5.42 Using our existing relationships with the boroughs, we are now much more engaged at a project delivery level, to ensure that schemes deliver the expected benefits. As well as tracking project progress, we also track and are actively involved in, discussions to ensure housing, jobs and wider regeneration benefits are secured.

6 Growth Fund Programme Delivery

6.1 A brief summary of each Growth Fund project, including recent progress, milestones and risks, is provided in Part 2 of the agenda.

7 Financial Implications

7.1 TfL’s 2017 Business Plan sets out the plans for the transport network over the five years 2018/19 to 2022/23 and provides the Financial Authority needed to deliver the scope of the work set out in this paper. The TfL budget for 2018/19, a development of year one of the Business Plan, was approved on 20 March 2018.

7.2 TfL’s Business Plan and Budget includes financial provision for the full year’s scope of work. A summary of the budget for 2018/19 and business plan costs to 2021/22 is shown in Table 2.

7.3 Schemes which benefit from a Growth Fund contribution will be required to seek the necessary full authorities through their established approval boards.

8 Assurance

8.1 TfL Project Assurance conducted an Integrated Assurance Review (IAR) on the Growth Fund Programme in May 2018.

8.2 The objective of the IAR was to provide the Committee with a report on whether with the sub-programme was sufficiently well managed for the Programme.

8.3 An Integrated Assurance Plan (IAP) will be developed as a required product of the Programme Review setting out Programme and Project Authority and Procurement Authority for the following 12 months, agreed by the relevant Directors and Head of Assurance.

8.4 TfL Project Assurance will undertake continuous assurance of the sub-programme on a periodic basis and monitor progress.

List of appendices to this paper:

Appendix 1 – MTS Outcomes and Indicators
Appendix 2 – Monitoring and Evaluation Strategy Stages

List of background papers:

Project Assurance Integrated Assurance and management response

London Assembly Regeneration Committee, Transport-led regeneration: Has TfL's Growth Fund risen to the challenge Reviews?, December 2015

Integrated Assurance Review

Progress made against 2017 Integrated Assurance Review recommendations

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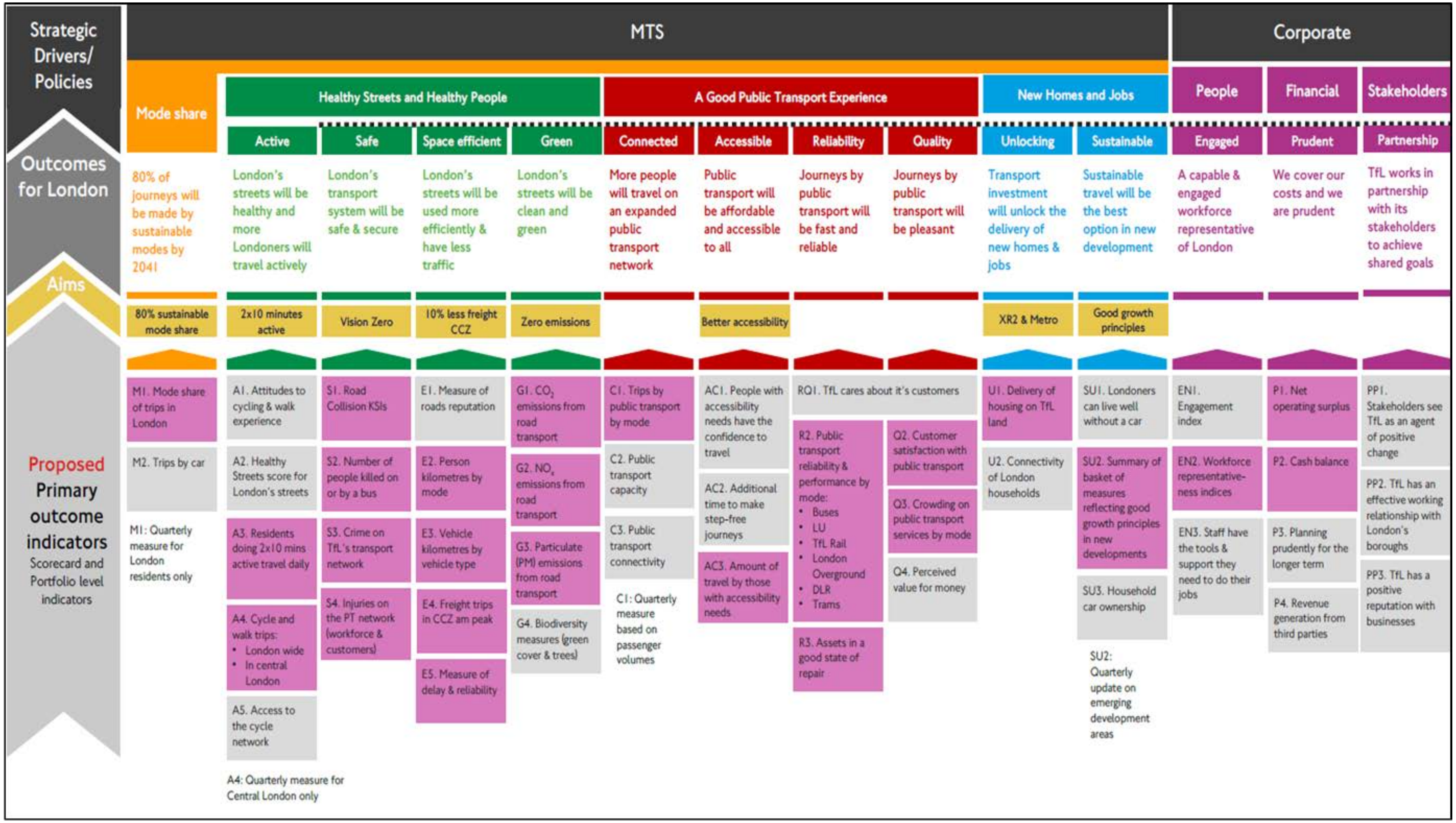
Appendix 1 – MTS Outcomes and Indicators



Appendix 2 - Monitoring and Evaluation Strategy Stages

Stage A - Inception (within 6 months of funding granted)

- Overview: Initial reporting on project performance, taking into account impacts achieved and effectiveness of delivery process
- All projects are required to complete a self-evaluation against the project objectives
- All projects required to set out a ‘logic-map’ of how the scheme delivers benefits in line with the Programme’s objectives
- In setting the objectives for the self-evaluation, projects will need to answer the questions set out in the ‘Evidence Collection Scope’. This will include case studies and other qualitative insights where relevant
- The approach is scalable – larger projects will be required to assess a wider range of potential impacts

Stage B – Delivery (during delivery period)

- Ongoing monitoring throughout the delivery period to understand progress and keep a track on performance
- Regular reporting on progress, highlighting issues as and when they arrive so we can offer support as necessary
- Any evidence on outputs and beneficiaries should start to be reported during this stage
- Verify physical aspects of scheme are in line with those expected at Stage A

Stage C – Reporting (within 6 months of project completion)

- Overview: Initial reporting on project performance, taking into account impacts achieved and effectiveness of delivery process
- All projects are required to complete a self-evaluation against the project objectives (Stage A)
- In setting the objectives for the self-evaluation, projects will need to answer the questions set out in the ‘Evidence Collection Scope’
- This will include case studies and other qualitative insights where relevant

Stage D – Longer term reporting (6-24months (or more) after completion, depending on impact of project)

- Some projects will be required to complete an additional self-evaluation against the project objectives (Stage A)