

# Transport for London

## Minutes of the Programmes and Investment Committee

Conference Rooms 1 and 2, Ground Floor, Palestra,  
197 Blackfriars Road, London, SE1 8NJ  
10.15am, Wednesday 21 February 2018

### Members Present

Dr Nelson Ogunshakin OBE (Vice Chair in the Chair)  
Dr Alice Maynard CBE  
Dr Nina Skorupska CBE  
Dr Lynn Sloman  
Ben Story

### In Attendance

#### Executive Committee

Mike Brown MVO	TfL Commissioner
Michele Dix	Managing Director Crossrail 2 (for Minute 07/02/18)
Stuart Harvey	Major Programmes Director
Simon Kilonback	Interim Chief Finance Officer
Mark Wild	Managing Director London Underground

#### Other Staff

Michael Bridgeland	Head of Project Assurance
Tanya Coff	Finance Director, London Underground
Justine Curry	Head of Commercial Law (for Howard Carter, General Counsel)
Patrick Doig	Divisional Finance Director, Surface Transport (for Minutes 01-06/02/18)
David Hughes	Director of Strategy and Service Development, London Underground
Matthew Hudson	Head of Strategy, Technology and Data (for Minute 08/02/18)
John Lambert	Head of Track Programme, London Underground (for Minute 10/02/18)
Sir Terry Morgan CBE	Chairman, Crossrail Limited
Rob Niven	Head of Major Projects Sponsorship, London Underground (for Minute 09/02/18)
Lee Rudderham	Lead Commercial Manager, London Underground (for Minute 10/02/18)
Howard Smith	Operations Director, Crossrail (for Minute 12/02/18)
Allan Thomson	Head of LU Enhancements (for Minute 11/02/18)
Shashi Verma	Chief Technology Officer (for Minute 08/02/18)
David Wylie	Chief Procurement Officer
Shamus Kenny	Head of Secretariat

### Independent Investment Programme Advisory Group (IIPAG) Attendance

Colin Porter	Chief Spokesperson, IIPAG
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## **01/02/18 Apologies for Absence and Chair's Announcements**

Apologies for absence were received from Professor Greg Clark CBE (Chair) and Ron Kalifa OBE. In the absence of the Chair, Nelson Ogunshakin OBE (Vice Chair) chaired the meeting. Howard Carter was also unable to attend the meeting.

## **02/02/18 Declarations of Interests**

Members confirmed that their declarations of interests, as published on tfl.gov.uk, were up to date.

## **03/02/18 Minutes of the Meeting held on 12 December 2017**

Members were advised of corrections to the attendance list for the meeting.

**The amended minutes of the meeting held on 12 December 2017 were approved as a correct record and signed by the Chair.**

## **04/02/18 Matters Arising and Actions List**

Members noted that the Independent Investment Programme Advisory Panel (IIPAG) Work for 2017/18 would be considered by the Audit and Assurance Committee, as part of that Committee's consideration of the Integrated Assurance Plan. Members would be invited to comment on the Work Plan ahead of its consideration by the Audit and Assurance Committee. **[Action: Secretariat]**

**The Committee noted the paper and the actions list.**

## **05/02/18 Investment Programme Report - Quarter 3, 2017/18**

Stuart Harvey, David Hughes and Patrick Doig introduced the Investment Programme Report for Quarter 3, 2017/18 covering October to December 2017. While recognising the good progress on the majority of projects, the updates at the meeting focussed on projects showing red or amber milestones.

Stuart Harvey provided an update on safety, which had been moved to the front of the report. TfL was committed to the safety of its employees, contractors and customers in the delivery of its capital investment and upgrade programmes. To reinforce this core commitment, TfL held its first Supplier Awards in November 2017 to recognise the contribution of suppliers to TfL's delivery. One of the key achievements recognised was the award of Best Environmental Initiative to Ferrovial Laing O'Rourke JV for its work on responsible resources; this included transporting excavated material by barge from the Northern line extension to create arable farmland in Essex. The Northern line extension had recorded no serious injuries during its 3.2km of tunnelling, and the modernisation of the Circle, District, Hammersmith & City and Metropolitan lines has recorded more than 3.5 million hours without a serious injury. The Tottenham Court Road project also had recorded no serious injuries for a year.

Stuart Harvey provided an update on major projects. The four line modernisation programme was showing amber against its stretch targets but overall there was a lot of confidence that the project would be delivered successfully. A significant amount of work had been undertaken on the Northern line extension over the Christmas period and a critical planning application for Kennington Park was due for decision in April 2018.

The Barking Riverside project red 2017/18 budget milestone related to a delay to the issue of the main works tender due to design complexities. The programme had been reviewed and opportunities had been identified to mitigate this delay and the overall project completion date was not at risk.

On stations and infrastructure, the Victoria Station southern ticket hall had been opened and work was underway to quickly resolve some issues with the lifts that provided step-free access. Bond Street station was amber as there were some pressures on costs that were being discussed with the contractor. Commercial issues were also being worked through with the contractor at Bank Station but the completion date was on target and the improvements included much needed step-free access to the station. All issues relating to the provision of step-free access were kept under review to ensure that any common themes were addressed.

David Hughes provided an update on the London Underground projects. Good progress continued across all projects, in particular on the programme to deliver step free access to stations. As previously reported, the only red milestone related to the stretch target to complete work on the Bakerloo line fleet where the latest forecast was April 2019, four months behind the stretch target but a year ahead of the original milestone.

A paper was due to be considered by the Committee in July on the World Class Capacity programme. That paper would include the impact of pausing the purchase of additional Jubilee and Northern line rolling stock and changes to signalling and utilisation of the existing fleet would be maximised to improve capacity.

Patrick Doig provided an update on Surface Transport projects. On Healthy Streets, negotiations continued with the borough and developers on the Wandsworth Gyrotory, while this delayed some milestones, a successful outcome would reduce the costs of the Compulsory Purchase Order. The red milestone on Air Quality related to a decision to strengthen bus compliance with the Ultra Low Emission Zone by requiring the New Routemaster fleet to be Euro 6 engine compliant.

Members welcomed the greater clarity in the reporting and the information on amber and red milestones. While the Budget milestone performance summary pie chart provided an early warning of issues, it did not clearly reflect that most projects within programmes were on time. The reporting would be refined over time to provide greater clarity and assurance on whether an amber or red milestone status impacted on the critical path of projects. The 2018/19 TfL scorecard would include investment programme milestones and costs and performance against these would be monitored throughout the year and the quarterly finance and investment programme reports would be more closely linked together.

Stuart Harvey confirmed that when projects fell behind target, assurance reporting and peer reviews did include an assessment of any safety impact (including the mental health as pressure to deliver on time was increased). Future papers would be more explicit in setting out any safety implications for staff or customers from delays in projects.

All projects were scrutinised and held against efficiency targets. The new Programme Management Office team was being more proactive in ensuring that lessons learned and examples of good practice and value engineering were shared widely. The restructuring of engineering teams into one single engineering function was also delivering benefits by ensuring that appropriate standards were applied to similar items to avoid over specification of products.

**The Committee noted the paper.**

## **06/02/18 Project Monitoring - Programme and Project Approvals**

Michael Bridgeland introduced the paper. Members noted the Programme and Project Authority granted by the Commissioner and the Chief Finance Officer in accordance with delegated authorities under TfL's Standing Orders since the meeting of the Committee on 12 December 2017.

Approvals of Procurement Authority by the Commissioner and Chief Finance Officer were included in reports to the Committee. One approval had been given but was still subject to completion due to the contract standstill period discussions and details would be included in the paper to the next meeting.

**The Committee noted the paper.**

## **07/02/18 Crossrail 2**

Michele Dix introduced the paper, which provided an update on progress with the programme. In addition to supporting congestion relief on the wider network, Crossrail 2 supported the Mayor's strategic objective of 'new homes and jobs', most directly by supporting construction of 200,000 additional new homes.

An independent funding and finance review was to be undertaken, with its Chair and Terms of Reference to be announced shortly. The review was expected to conclude in summer 2018 to enable an updated Strategic Outline Business Case (SOBC) to be submitted to the Government in autumn 2018 for decision. The work to support the review and the updated SOBC had been included in an updated Crossrail 2 business plan for 2018/19. An increase in Programme and Project Authority of £27.96m, to a total of £107.64m, was required to support the work.

Members noted that the Department for Transport was supportive subject to assurances on affordability but also wanted to progress a Northern Powerhouse East-West rail route. Mike Brown MVO had met with John Cridland, the Chair of Transport for the North, to offer support and assistance in the development of its scheme.

**The Committee noted the paper and approved a revised Programme and Project Authority of £107.64m for the Crossrail 2 programme.**

## **08/02/18 Technology and Data Programme 2018/19 and 2019/20**

Shashi Verma and Matthew Hudson introduced the paper which presented the strategic case for the overall Technology and Data (T&D) Investment Programme. The authority request covered the financial years 2018/19 and 2019/20. The Programme would return annually to the Committee for a rolling two year approval. That would enable approvals to be aligned to financial years.

The programme provided the core infrastructure, services and enabling technologies that would allow TfL to deliver its six priorities that supported the successful delivery of the Mayor's Transport Strategy outcomes.

The paper described the range of activities undertaken by TfL's T&D team, though the authority sought related only to those matters for which Programme and Project Authority was required by T&D; it did not include matters where T&D was closely involved in delivery but authorities were secured separately by Surface Transport or London Underground or matters funded by third parties and which had been specifically authorised (such as the Emergency Services Network).

Shashi Verma confirmed that T&D costs had decreased significantly in the last two years. Members welcomed the work to seek out efficiencies and drive down costs as Technology and Data was a key area in businesses where costs had fallen by 30-50 per cent as automation increased and outsourcing companies were significantly reducing bids through value engineering.

Members would be provided with an update later in the year on work to make better use of SAP.

TfL was doing a lot of work on culture and standards to reduce risks related to cyber security and data protection. Recommendations from an internal audit on TfL's preparation for the General Data Protection Regulations, that would come into effect in May 2018, were being addressed.

### **The Committee noted the paper and:**

- 1 approved additional Programme and Project Authority of £107.7m for delivery of the Technology and Data funded Investment Programme (£53.7m in 2018/19 and £54.0m in 2019/20 described in this paper); and**
- 2 noted that Procurement Authority for the various initiatives in the Technology and Data Investment Programme described in the paper would be sought at officer level in accordance with Standing Orders.**

## **09/02/18 London Underground Major Stations Programme**

David Hughes and Rob Niven introduced the paper and the supplemental information on Part 2 of the agenda, which provided an annual progress update and overview of the London Underground Major Stations Programme and the status of its component projects. The Programme had been established to deliver major station enhancements to: provide a step-change in capacity; ensure that operational resilience was maintained at key interchange stations in the medium to long term; safeguard access to and benefits

from upgraded lines; and support local area regeneration, housing and job creation. The Programme was fully authorised, so no additional authority was being sought from the Committee.

The programme supported the Mayor's strategic objective of 'providing a good public transport experience' and would lead through to the 'customer' measure on the TfL Scorecard. The projects contained within the Programme were in various stages of delivery, and the TfL Business Plan accommodates the latest estimated costs for the projects.

Members discussed the overall successful delivery to date of the programme, while noting that there had been some common commercial issues in the close out of different projects. Brining all of the discrete projects together under one programme was enabling lessons to be learned and applied to current and future projects, in particular Camden Town and Holborn.

Members would be offered a visit and a deep dive briefing on the Bank Station project.  
**[Action: David Hughes / Secretariat]**

**The Committee noted the paper and the supplementary paper on part 2 of the agenda.**

## **10/02/18 London Underground Track Renewal Programme 2018/19 and 2019/20**

David Hughes, John Lambert and Lee Rudderham introduced the paper and the supplemental information on Part 2 of the agenda, which provided an annual progress update and overview of the London Underground Track Renewal Programme 2018/19 and 2019/20. The Committee was asked to approve budgeted Programme and Project Authority of £231.57m for the Programme, which was fully funded in the Business Plan.

The Programme played a vital role in supporting line upgrades and maintaining day-to-day service levels and safety to meet the demands of train service patterns. The programme supported the Mayor's strategic objective of 'providing a good public transport experience' and would lead through to the 'improving public transport services' measure on the TfL Scorecard.

Members discussed the recent Rail Accident Investigation Branch (RAIB) report into the derailment of a passenger train near Wimbledon on 6 November 2017. The incident had occurred as a section of track had not been maintained as the precise boundaries of maintenance responsibility between Network Rail and TfL had not been correctly documented and understood by staff and managers. Mike Brown MVO confirmed that he had met with the Chief Executive of Network Rail after the incident and that all of the RAIB recommendations had been addressed for this site and all of the other Network Rail and TfL boundary sites. To provide further assurance, both TfL and Network Rail had agreed to cross-border maintenance checking.

Members and staff acknowledged the benefits that innovation from both the public and private sector had brought to track renewal work. TfL lead the world in its methods, including being the first to undertake overnight track renewals; the challenge was to stay at the cutting edge. TfL was changing its supplier engagement model to be more collaborative and outcome focussed with shared benefits for efficiencies.

**The Committee noted the paper and the supplementary paper on Part 2 of the agenda and:**

- 1 approved Programme and Project Authority of £231.57m (outturn including risk) for the London Underground Track Renewal Programme for 2018/19 and 2019/20; and**
- 2 approved Procurement Authority for the London Underground Track Renewal Programme for 2018/19 and 2019/20 as set out in the paper on Part 2 of the agenda.**

## **11/02/18 London Underground Rolling Stock Renewals Programme**

David Hughes and Allen Thomson introduced the paper, which provided an annual update and review of the London Underground Rolling Stock Renewals Programme and sought additional Programme and Project Authority of £199m. The authority requested was fully funded within the TfL Business Plan.

The Programme had been established to deliver: modifications to passenger rolling stock to improve safety, accessibility, reliability and customer satisfaction, while reducing maintenance costs; and modifications to existing engineering vehicles (supporting track maintenance) and the procurement of replacement vehicles to reduce the cost of infrastructure renewals and minimise line closures. The Programme supported the Mayor's strategic objective of 'providing a good public transport experience' and would lead through to the 'improving public transport services' measure on the TfL Scorecard.

**The Committee noted the paper and approve additional Programme and Project Authority of £199m (outturn including risk) for the London Underground Rolling Stock Renewals Programme in order to progress a number of projects aimed at accessibility legislation compliance and improvements to safety and reliability.**

## **12/02/18 Crossrail Update**

Howard Smith introduced the paper and the supplemental information on Part 2 of the agenda, which provided an update on the status of the Crossrail Project, which was now 90 per cent complete.

Good progress continued to be made across a number of areas, and the programme was forecast for successful introduction of Elizabeth line services on schedule in December 2018. A significant number of Network Rail works to deliver infrastructure between Paddington and Heathrow were completed over Christmas 2017 and handed back on-time for operational services on 2 January 2018. These works would support operation of services between these two locations from May 2018 and a significant highlight was the delivery of major signalling and track works in the Paddington area to connect in the Crossrail tunnels and depot to the mainline. The first stage of the new depot facility at Old Oak Common was also energised on 9 January 2018 and testing had commenced at the facility.

As reported to the Board, there remained some significant cost and schedule pressures, which continued to be actively managed by Crossrail Limited. The energisation of the central tunnel, which had been deferred from November due to technical issues, had now taken place and was being tested. Bombardier continued to work on the software issues on the new trains. Contingency plans were being implemented, which included rephrasing and rescheduling to meet the planned delivery date. Not all of the work on stations was on schedule but all would be completed in the central section when the service went live.

Mike Brown MVO continued to meet with the most senior people at Bombardier and he and the Mayor would shortly be meeting the Global Chief Executive of Siemens.

**The Committee noted the paper and the supplemental paper included on Part 2 of the agenda.**

### **13/02/18 Member suggestions for future agenda discussions**

Shamus Kenny introduced the paper and the Committee's updated forward programme. The forward plan would be updated to reflect the inclusion of strategic risk monitoring and mitigation once those risks were agreed and allocated to committees and panels.

Members were keen to better understand what mechanisms and procedures were in place to drive and demonstrate greater value in the delivery of its investment programme. TfL was undertaking an end to end review of project lifecycles to identify how it could identify opportunities and cultural changes to drive better value. An update would be provided to the Committee when this work was better developed.

**[Action: Simon Kilonback]**

**The Committee noted the forward programme.**

### **14/02/18 Any Other Business the Chair Considers Urgent**

There was no urgent business.

### **15/02/18 Date of Next Meeting**

The next scheduled meeting of the Committee would be held on Wednesday 16 May 2018 at 10.15am.

### **16/02/18 Exclusion of the Press and Public**

The Committee agreed to exclude the press and public from the meeting, in accordance with paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended), when it considered the exempt information in relation to the items on: London Underground Major Stations Programme, London Underground Track Renewal Programme 2018/19 and 2019/20; and Crossrail Update.

The meeting closed at 12.00pm.

Chair: \_\_\_\_\_

Date: \_\_\_\_\_