

TRANSPORT FOR LONDON

FINANCE AND POLICY COMMITTEE

**SUBJECT: INVESTMENT PROGRAMME ADVISORY GROUP GATEWAY
REVIEW FORWARD PLAN**

DATE: 13 JULY 2010

1 PURPOSE AND DECISION REQUIRED

- 1.1 This paper sets out the forward plan of the Investment Programme Advisory Group (IPAG), to the end of March 2011, for the Finance and Policy Committee to approve.

2 BACKGROUND

Establishment of the Investment Programme Advisory Group

- 2.1 In 2009, the Mayor and the Secretary of State for Transport agreed revisions to the governance and assurance of the delivery of the TfL Investment Programme.
- 2.2 The key proposals for the new arrangements were to:
- (a) enhance project assurance processes that provide reporting to the TfL Board, building on the existing gateway approval process; and
 - (b) establish a group of independent advisors to provide advice and scrutiny on the delivery of the Investment Programme to the Finance and Policy Committee and the Board.
- 2.3 In March 2010, the Mayor confirmed the appointment of six members of the IPAG from May 2010.
- 2.4 The IPAG was established to advise the Finance and Policy Committee and Board in two principal areas:
- (a) the delivery of the Investment Programme at portfolio level, including management and organisational capability and the efficiency, effectiveness and economy of delivery of the Investment Programme, including all maintenance, renewal, upgrades and major projects, but not operations and raising any issues of concern relevant to delivery of projects to time and to budget, efficiently and economically; and
 - (b) the approval of projects by the TfL Board and/or Finance and Policy Committee, by overseeing the system of gateway reviews and ensuring they are undertaken thoroughly and efficiently, and (where necessary) recommending that further reports or reviews be commissioned.

2.5 The terms of reference of the Group require that annually, the IPAG will propose a workplan for the year to the Finance and Policy Committee for its agreement. The plan will cover both the Group's involvement in the review of specific projects and its activities to form a broader assessment of the delivery of the Investment Programme. The workplan will be kept under review by the Group, and changes will be proposed to the Finance and Policy Committee as required.

2.6 This paper details the activities the IPAG will undertake to March 2011.

3 IPAG WORKPLAN FOR 2010/11

Project Gate Reviews

3.1 As noted in the report to the Finance and Policy Committee in June 2010 an exercise was planned to prioritise the input of the IPAG to those projects of highest strategic importance or risk. The evaluation of projects has been undertaken against the Investment Programme Management Office Risk Categorisation criteria of:

- (a) Schedule Rigidity;
- (b) Customer Impact / Benefits / Business Criticality;
- (c) Scope Ambiguity / Delivery Complexity (Technological / Business Process);
- (d) Integration Complexity (Multi-Stakeholder / Cross-Modal);
- (e) Political / Reputational Risk;
- (f) Skills / Capability Scarcity;
- (g) Legislative Requirement; and
- (h) Consent Complexity.

3.2 Details of the projects and reviews selected as a result of the categorisation are shown in Appendix 1.

Reviews of Systemic Activities

3.3 To assist the IPAG in forming an overall view on the delivery of the Investment Programme at portfolio level, including management and organisational capability and the efficiency, effectiveness and economy of delivery of the Investment Programme, a number of 'systemic reviews' are proposed. These reviews will examine TfL's approach to delivery of the Investment Programme as a whole, rather than a project specific perspective.

3.4 The proposed areas for examination by the Group in 2010/11 are;

- (a) approach to levels and management of risk allowance and management contingency – July to September;
- (b) Portfolio, Programme and Project Management Maturity Model assessment – Using the Office for Government Commerce assessment model of Portfolio, Programme and Project Management to conduct an assessment of the maturity of TfL's approach in these areas – August to November 2010;
- (c) Programme Management of the Sub Surface Railway upgrade – capacity / capability / process – August to October 2010;

- (d) approach and effectiveness of value engineering – Assessment of TfL’s approach against a maturity model to ensure suitable mechanisms are in place for cost reduction in capital projects – July to September 2010;
- (e) Governance of Projects – to look at the overall governance and approval of projects to determine whether it can be made more effective or efficient – September to December 2010; and
- (f) Knowledge Sharing – look at how effective information sharing across TfL is and whether there can be more done to enable innovation and developments to be shared and utilised – October 2010 to February 2011.

Tube Lines

- 3.5 Following the acquisition of Tube Lines, the IPAG will extend its role across the projects being delivered by Tube Lines and provide advice in respect to any project approvals or issues related to the delivery of this programme of works.
- 3.6 In addition, the role of the IPAG in relation to the provision of advice on the options for the future organisational structure for Tube Lines and the provision of performance benchmarking is being explored. These tasks will require additional resource levels over and above the initial expectations set out for the IPAG at the time of its establishment. Therefore, the above programme will be reviewed in light of the final agreed role of IPAG in relation to TfL’s recent acquisition of the Tube Lines companies, which is currently being discussed with the Government.

4 RECOMMENDATION

- 4.1 The Finance and Policy Committee is asked to;
 - (a) APPROVE the IPAG workplan for 2010/11; and
 - (b) NOTE that the activity of the IPAG in relation to Tube Lines is being explored and a proposal will be provided to the TfL Board.

5 CONTACT

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IPAG Forward Work Plan

Corporate

Description
Future Ticketing Project - Phase 2
Silvertown River Crossing

Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11
					D			
					B			

London Rail

Description
East London Line Phase 2

Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11
C			D					

Surface Transport

Description
Olympic Route Junction Improvements
10 Cycle Superhighways - Phase 1
Cycle Hire Scheme (extension for phase 2)
Blackwall Tunnel Northbound
SSR Programme Review

Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11
					C			
	D							
	D							
								D+

London Underground

Description
Northern Line Extension to Battersea
Track Programme Contract
Bank Congestion Relief
Baker/Bond Street Tunnel
Tottenham Court Road Congestion Relief
Sub Surface (SSR) Upgrade Programme: ATC signalling
11/12 Civils and Structures Programme
Sub Surface (SSR) Upgrade Programme: Signalling Immunisation

Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11
			B				C	
		D						
		B+						
				C				
					D+			
				D				
							P	
								D

Key

Months of Gates relate to submissions to the Project Review Group (PRG)

Where further submission to Finance and Policy Committee or Board is required, the approval will be sought from the meetings subsequent to the PRG

Corporate Gates normally apply to a project at the following stages of their project lifecycles:

- Gate A – Project commencement (compulsory gate);
- Gate B – Single option selection*;
- Gate C – Pre-tender;
- Gate D – Contract award*;
- Gate E – Project close (compulsory gate); and
- Gate P – Review for annualised programmes of minor schemes.