

Transport for London

Minutes of the Programmes and Investment Committee

**Conference Rooms 1 and 2, Ground Floor, Palestra,
197 Blackfriars Road, London, SE1 8NJ
10.00am, Wednesday 8 March 2017**

Members

Prof Greg Clark CBE (Chair)
Dr Nelson Ogunshakin OBE (Vice-Chair)
Ron Kalifa
Dr Alice Maynard CBE
Dr Nina Skorupska CBE
Dr Lynn Sloman

In Attendance

Michael Bridgeland	Head of Programme Management Office Assurance
Mike Brown MVO	TfL Commissioner
Howard Carter	General Counsel
Tanya Coff	Head of Finance, R&U Capital Projects and London Rail Finance
Leon Daniels	Managing Director, Surface Transport
Michele Dix	Managing Director, Crossrail 2
Patrick Doig	Director of Finance, Surface Transport
Stuart Harvey	Sub-Surface Programme Director, 4LM, LU
David Hughes	Director Of Strategy and Service Development, LU
Sarah Johnson	Head of Crossrail Joint Sponsor Team, LU
Sir Terry Morgan CBE	Chairman, Crossrail Limited
Will Norman	Walking and Cycling Commissioner
Ian Nunn	Chief Finance Officer
Gareth Powell	Director, Strategy & Service Development, LU
Dana Skelley	Director of Asset Management, Surface Transport
Howard Smith	Operations Director, Crossrail
Clive Walker	Director of Internal Audit
Mark Wild	Managing Director, London Underground
James Stanton	Secretariat

IIPAG Attendance

Paul Jenkins	IIPAG Member
Colin Porter	Chair, IIPAG

1/3/17 Apologies for Absence and Chair's Announcements

Apologies were received from Bronwen Handyside and Ben Story.

The Chair agreed to vary the order in which the agenda items would be taken. He noted that the items being brought forward highlighted major programmes and represented the way in which the Committee was looking to carry out its business going forward.

2/3/17 Declarations of Interests

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

In relation to Minute Item 12/3/17, DLR Rolling Stock Replacement Programme, Sir Terry Morgan advised that he was Chairman of London City Airport.

3/3/17 Minutes of the Meeting of the Committee held on 30 November 2016

Howard Carter advised that the draft minutes would be updated to reflect the attendance of IIPAG Members at the previous meeting.

The minutes of the meeting held on 30 November 2016, as amended, were approved as a correct record and signed by the Chair.

4/3/17 Matters Arising and Actions List

Howard Carter presented the actions list from the previous meeting. It was noted that the action with regard to Minute 7/11/16 referred to a meeting which was due to take place the following week and would be completed and closed after this.

The Committee noted the Actions List.

5/3/17 Investment Programme Report - Quarter 3, 2016/17

Leon Daniels, Stuart Harvey and Mark Wild introduced the item. The Committee received an update on key aspects of TfL's investment programme. The Investment Programme Report (IPR) for Quarter 3 2016/17, covering the months of October to December 2016, detailed the progress and performance of a range of projects that would deliver world-class transport services to London. Members noted the achievements made with investment in London Underground and that improvement to bus journey times and reliability would be a key challenge in raising customer satisfaction levels. A significant delivery of investment would take place over the next year and Members noted the work taking place to embed TfL knowledge in the boroughs to address local capacity issues.

The Committee discussed ways in which key information could be shared with Members between meetings to ensure that they were kept informed. It was agreed that the schedule of briefings was a valued way to ensure this. In terms of the quarterly reporting arrangements, the Committee requested that they be provided with commentary on any implications to the investment cycle and cash management going forward.

[Action: Ian Nunn]

The Committee noted the paper.

6/3/17 High Level Output Specification (HLOS) - TfL proposals for London

Leon Daniels introduced the paper. The Committee noted the activity being undertaken by TfL to make the case for potential enhancement schemes for delivery in the next five year National Rail financial settlement which runs from 2019 to 2024. Members expressed support for the proposals, including extending the number of stations with step-free access, and the case for investment in London's railways. Investment in London's railways was seen as vital to unlocking economic growth, particularly in the south of London. Following further engagement with stakeholders, the Committee requested TfL consider prioritising the key recommendations. The Committee also requested that Members receive a briefing on the detail of the National Rail financial settlement at an appropriate point.

[Action: Leon Daniels]

The Committee noted the paper and the High Level Output Specification 3 recommendations.

7/3/17 Project Monitoring - Project Approvals

Ian Nunn introduced the paper. Members 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.

The Committee noted the paper.

8/3/17 London Underground Rolling Stock Renewals Programme

David Hughes and Mark Wild introduced the paper. The Committee considered the request for Programme and Project Authority for the London Underground Rolling Stock Renewals Programme and Procurement Authority for the award of a design, manufacture and supply contract for a replacement propulsion system for the Central line fleet.

It was agreed that further details on the assurance process would be shared with Committee Members. It was also agreed that Members would be updated on how TfL ensured that investment projects displayed joined up thinking in meeting the Mayor's wider priorities e.g. how low carbon technology would be incorporated into the new train workshop in Acton.

[Action: Mark Wild]

Members discussed the information provided, including the exempt information submitted during Part 2 of the meeting. It was noted that the inclusion of narrative information on actions taken to ensure robust oversight and controls over deliverability as part of the due diligence process was valued by Members.

[Action: Mark Wild]

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

- (a) approved additional Programme and Project Authority of £199.23m (outturn including risk) for the London Underground Rolling Stock Renewals Programme, giving a total of £449.32m; and
- (b) approved Procurement Authority, in the sums set out in the paper on Part 2 of the agenda, for the award of a design, manufacture and supply contract for a replacement propulsion system for the Central line fleet.

9/3/17 Healthy Streets Programme

Leon Daniels introduced the paper. Members noted the strategic case for the Programme, its constituent projects and the proposed governance arrangements. The Committee heard from Will Norman, the Mayor's Walking and Cycling Commissioner, on work taking place around the mapping of demand for walking and cycling, particularly in relation to key transport hubs. These plans would be shared with Members later in the year. **[Action: Leon Daniels]**

The Committee expressed strong support for the Healthy Streets Programme. Members noted the importance of the information on road space usage contained in the report in terms of winning support for Healthy Streets. Members were keen that the momentum of the Programme be maintained, with the potential for even more ambitious programmes in future being welcomed. This would include the impact of both large scale projects, such as Oxford Street and the Rotherhithe Tunnel, being combined with local improvements across London shopping and residential areas to make a difference to Londoners' lives. Members looked forward to the contribution that the Programme could make, in combination with the Air Quality Programme later in the year, towards the Mayor's commitment to tackling air quality.

It was agreed that the structure, assurance process and lines of reporting for the Programme would be circulated to Members for information. Officers also agreed that the processes would be examined to ensure the effectiveness of the role of equality impact assessments. The Committee also noted that Members would receive briefings on the large scale projects. **[Action: Leon Daniels]**

The Committee noted the paper, including the strategic case for the Healthy Streets Programme; the Healthy Streets Programme estimated value and governance arrangements, and:

- (a) approved Programme and Project Authority of £439m:
 - (i) to undertake all Healthy Streets Programme activities during the financial year 2017/18 (totalling £155m);
 - (ii) to make provision for an allocation of £21m for the first three months of 2018/19 for application in the event that the meeting calendar does not enable the Committee to make further approvals during that period;
 - (iii) to undertake all Healthy Streets Programme activities for any project stage that is planned to commence in 2017/18 but which may extend into subsequent years to a maximum of £263m; and

- (b) further noted that Procurement Authority in respect of the various elements of the Healthy Streets Programme will be sought at officer level in accordance with Standing Orders.**

10/3/17 Surface Transport Asset Capital Programme

Leon Daniels and Dana Skelley introduced the item. The Committee considered the approval of budgeted Programme and Project Authority of £83m in the financial year 2017/18. Members expressed support for work to align the programme of renewals with the Healthy Streets Programme. This was noted to be an example of the way in which programmes should be taken forward as part of a joined up approach to maximise available opportunities in future. Members requested an update on how the linkages between the Capital Programme, the Healthy Streets Programme and the Mayor's Air Quality Programme were being considered at the next meeting.

[Action: Leon Daniels]

The Committee noted the paper and:

- (a) approved budgeted Programme and Project Authority of £83m to undertake all Surface Asset Capital Programme activities during the financial year 2017/18; and**
- (b) noted that Procurement Authority in respect of the various elements of the Surface Asset Capital Programme would be sought at officer level in accordance with Standing Orders.**

11/3/17 Deep Tube Upgrade Programme: Update

Mark Wild introduced the paper. The Committee noted the update and considered the financial details contained in the supplementary exempt information in Part 2 of the meeting. Members had received detailed briefings on the Deep Tube Upgrade Programme and would continue to be briefed on this key investment programme.

[Action: Mark Wild]

The Committee noted the paper.

12/3/17 DLR Rolling Stock Replacement Programme

Leon Daniels introduced the paper. The Committee considered the request to progress the procurement of Docklands Light Railway (DLR) trains and the supporting work streams, including expansion of the DLR depot at Beckton. 43 fixed formation trains would be procured to replace two-thirds of the Docklands Light Railway fleet. The trains would be delivered between 2022 and 2024 and would provide additional capacity to support housing and employment growth.

Members expressed support for the planned investment in the new rolling stock which would bring about performance improvements in a cost effective manner.

The Committee noted the paper and the related paper on Part 2 of the agenda and granted additional budgeted Programme and Project Authority, as set out in the exempt paper submitted, to undertake the procurement process to appoint a manufacturer for the Docklands Light Railway (DLR) trains and supporting work streams, including the expansion of the DLR depot at Beckton.

13/3/17 Procurement Authority for the maintenance of London Overground trains

Leon Daniels introduced the paper. The Committee considered an increase in Procurement Authority, as detailed in exempt information submitted in Part 2 of the meeting, for the Class 378 Train Services Agreement up to the next contract break-point in 2023. The decision would consolidate a number of existing commitments into a single Procurement Authority and would enable purchase orders to be raised efficiently for the maintenance of London Overground trains in financial year 2017/18.

The Committee noted the paper and the related paper on Part 2 of the agenda and approved an increase in Procurement Authority for the Class 378 Train Services Agreement (TSA) up to the next TSA contract break-point in 2023 up to the maximum sum as set out in the supplemental exempt paper submitted.

14/3/17 Silvertown Tunnel

Leon Daniels introduced the paper. The Committee considered the update on the procurement process for the Silvertown Tunnel. The Silvertown Tunnel will provide a new Thames crossing, connecting the A102 to the south with the A1020 Lower Lea Crossing to the north. The scheme is designed to relieve congestion at Blackwall Tunnel and improve network reliability and resilience, as well as enabling a step change in the provision of cross river buses services and supporting planned economic growth in east and south-east London.

Members noted the progress towards securing the Development Consent Order (DCO) for the necessary powers to construct, operate and maintain the Silvertown Tunnel, including the associated use and compulsory acquisition of land and the application of user charges at both Silvertown and Blackwall Tunnels. Members noted that the pricing shown at this stage was indicative and that the opportunity to consider the final pricing model was some way off. The next stage of the process would be the issuing of tender documents to shortlisted bidders.

The Committee noted the paper and the related paper on Part 2 of the agenda and endorsed the continuation of the competitive procurement process and the issuing of the tender documents to the shortlisted bidders for the contract to design, build, finance, undertake some aspects of operation and maintain the Silvertown Tunnel.

15/3/17 Crossrail Transition Update

Howard Smith introduced the paper. The Committee noted the progress on the testing of the new rolling stock and signalling software and both Mike Brown's and Mark Wild's involvement in ensuring a smooth transition, including Mark's role as a member of the Board of Crossrail Limited. Members congratulated the team on the momentum of the project and the significant improvement in the reliability of the existing railway service between Liverpool Street and Shenfield since TfL had taken over responsibility, which had been achieved without any new capital investment.

The Committee noted the paper.

16/3/17 Elizabeth Line - Increasing Service Frequency

Sarah Johnson and Howard Smith introduced the item. The Committee considered the update on the work to enhance service frequency on the Elizabeth line. The proposal to be put before the Board included higher frequency services in the Off Peak and an enhanced Peak service west of London. Members noted that the change would be included in the December 2019 timetable, at the final stage of the agreed Elizabeth line Opening Strategy.

The Committee noted the paper and the related paper on Part 2 of the agenda and recommended that the Board:

- (a) approve Procurement Authority for the acquisition of the additional rolling stock in accordance with the option in the Crossrail Rolling Stock and Depot Contract (RSPA) with Bombardier Transportation, as detailed in the supplemental paper on part 2 of the agenda; and**
- (b) approve amendment of the Sponsor Requirements for Crossrail accordingly.**

17/3/17 Crossrail - Report on Sponsor Board Proceedings

Ian Nunn introduced the paper. The Committee considered the update on the outcome of the meeting of the Crossrail Sponsor Board held on 16 February 2017 and exempt information submitted in Part 2 of the meeting.

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

18/3/17 Crossrail 2

Michele Dix introduced the item. The Committee noted that the Board had expressed strong support for Crossrail 2 and the increase in authority would enable the project to continue and facilitate additional months of planned activities prior to a final decision to proceed from central Government.

The Committee noted the paper and the supplemental paper submitted on Part 2 of the agenda, and approved an increase in total Programme and Project Authority for Crossrail 2 to £66.68m.

19/3/17 Member suggestions for future agenda discussions

Howard Carter introduced the item. Members noted that, in addition to the items listed on the Forward Plan, a paper on the Surface Transport Asset Programme/Portfolio would also be considered at the June meeting.

Members noted the topics suggested for future items and briefings during the meeting and requested that officers look to bring these forward or identify the most relevant committee or panel to consider them. It was noted that, with the interactions and interdependencies between some programmes, it was important to have clarity on the most appropriate forum for Board Member oversight.

Members requested that officers consider how investment and cost profiles, and the funding for them, best be shared with Members going forward.

[Action: Ian Nunn]

The Committee noted the forward programme.

20/3/17 Any Other Business the Chair Considers Urgent

There was no urgent business.

21/3/17 Date of Next Meeting

The next meeting would be held on Wednesday 28 June 2017. Members agreed that the meeting would be held in the afternoon at 1.30pm.

22/3/17 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 Rolling Stock Renewals Programme, Deep Tube Upgrade Programme Update, DLR Rolling Stock Replacement Programme, Silvertown Tunnel, Elizabeth Line – Increasing Service Frequency, Crossrail – Report on Sponsor Board Proceedings, Crossrail 2 and Procurement Authority for the maintenance of London Overground trains.

The meeting closed at 1.25pm.

Chair: _____

Date: _____