

Transport for London

Minutes of the Programmes and Investment Committee

**Conference Rooms 1 and 2, Ground Floor, Palestra,
197 Blackfriars Road, London, SE1 8NJ
1.30pm, Wednesday 28 June 2017**

Members Present

Prof Greg Clark CBE (Chair)
Dr Nelson Ogunshakin OBE (Vice-Chair)
Bronwen Handyside
Dr Nina Skorupska CBE
Dr Lynn Sloman
Ben Story

In Attendance

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| Michael Bridgeland | Head of Project Assurance |
| Mike Brown | TfL Commissioner |
| Howard Carter | General Counsel |
| Tanya Coff | Finance Director, London Underground |
| Leon Daniels | Managing Director, Surface Transport |
| Patrick Doig | Divisional Finance Director, Surface Transport |
| David Hughes | Director Of Strategy and Service Development, London Underground |
| Sarah Johnson | Head of Crossrail Joint Sponsor Team, London Underground |
| Terry Morgan | Chairman, Crossrail Limited |
| Ian Nunn | Chief Finance Officer |
| Howard Smith | Operations Director, Crossrail |
| Clive Walker | Director of Internal Audit |
| Alex Williams | Director of City Planning |
| James Stanton | Secretariat |

Independent Investment Programme Advisory Group (IIPAG) Attendance

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| Paul Jenkins | IIPAG Member |
| Colin Porter | Chair, IIPAG |

23/06/17 Apologies for Absence and Chair's Announcements

Apologies were received from Ron Kalifa and Dr Alice Maynard CBE.

24/06/17 Declarations of Interests

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

It was noted that Colin Porter had an interest in relation to Minute Item 29/6/17 – London Underground World Class Capacity Sub Programme Review and had not received the associated Part 2 paper. Colin Porter left the meeting room during discussion of this item.

25/06/17 Minutes of the Meeting held on 8 March 2017

Howard Carter introduced the minutes.

The minutes of the meeting held on 8 March 2017 were approved as a correct record and signed by the Chair.

26/06/17 Matters Arising and Actions List

Howard Carter presented the actions list from the previous meeting.

The Committee noted the actions list.

27/06/17 Investment Programme Report - Quarter 4, 2016/17

Leon Daniels and David Hughes introduced the Investment Programme Report (IPR) for Quarter 4, 2016/17 covering the months of January to March 2017. The Quarter 4 IPR detailed the progress and performance of a range of projects that will deliver world-class transport services to London.

The Committee received an update on key aspects of TfL's investment programme. Members were keen that information on the cycling investment programme be made easily available to the public in accessible formats. A map showing where cycling investment works were planned, taking place and had been completed would be shared with Members. It was agreed that the wider communications message, including the availability of information on the TfL website, would be examined and with a view to improving accessibility to the public. **[Action: Leon Daniels]**

The Committee noted the paper.

28/06/17 Project Monitoring - Programmes and 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.

29/06/17 London Underground World Class Capacity Sub Programme Review

David Hughes introduced the World Class Capacity (WCC) Sub-Programme for review. WCC will provide a level of peak service capacity amongst the highest in the World on the Victoria, Jubilee and Northern lines.

The Committee noted that very high levels of train frequency were provided on the lines and that further WCC investment would unlock further improvements. Members noted

the strong business case and agreed that the sub programme should progress the further infrastructure works on the Northern line and the award of a design, manufacture and supply contract for 27 additional Jubilee and Northern line trains with a view to higher frequency services on these lines.

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

- (a) approved additional Programme and Project Authority of £77.2m (outturn including risk) plus that shown in the paper on Part 2 of the agenda for the World Class Capacity Sub-Programme; and**
- (b) authorised Delegated Officers to grant Procurement Authority, to not exceed the value shown in the paper on Part 2 of the agenda, for the award of a design, manufacture and supply contract for 27 additional Jubilee and Northern line trains as described in the paper on Part 2 of the agenda.**

30/06/17 London Underground Stations

David Hughes introduced the paper. The London Underground Stations Accessibility and Enhancements Programme had been established to effectively address common issues and deliver enhancements to station assets. This included improvements in customer accessibility, including a significant increase in stations that provide step-free access, and enhancements to reduce congestion and improve customer journey times. Members noted the work under way to maximise third party contributions in order to deliver the programme at lower cost.

The Committee noted the paper and the supplemental paper on Part 2 of the agenda and approved additional Programme and Project Authority of £178.8m (outturn including risk) for the London Underground Stations sub-programme in order to progress a number of projects that would improve station accessibility, upgrade station capacity and enable a number of collaborative projects with third parties and developers

31/06/17 London Underground Infrastructure Renewals Programme Authority Submission

David Hughes introduced the London Underground Infrastructure Renewals Programme. The programme had been established to deliver the renewal of lifts, escalators, power and ventilation assets to improve safety, accessibility, customer environment, reliability and customer journey times, whilst reducing maintenance costs. The programme also included enhancements to existing TfL assets to increase the generation and use of low and zero carbon energy.

Members noted the timing of the paper and the opportunity to tie into the Mayor's Environment Strategy. The scale of the challenge was noted in terms of an 80 per cent reduction in non renewable energy generation and there was support for TfL to be at the cutting edge of that ambition. It was agreed that the Committee would receive an update in October 2017 on the work already underway to focus on renewable sources of energy and how this would feed into a wider strategy of procurement of sustainable energy sources going forward.

[Action: Matthew Webb]

The Committee noted the paper and the supplementary paper in Part 2 of the agenda and approved additional Programme and Project Authority of £130.58m (outturn including risk) for the London Underground Infrastructure Renewals Programme to undertake lift and escalator renewals until 2024/25, and power and energy projects until 2018/19.

32/06/17 Surface Assets Programme

Leon Daniels introduced the Surface Assets Programme. The programme maintained the safety and reliability of highway, traffic, bus, coach and river assets through a prioritised programme of cost effective renewals and refurbishments.

The Committee was supportive of the programme and the importance of asset investment. Members noted the financial pressures in maintaining the optimum steady state and the current Business Plan. The continued investment in assets was crucial and the Committee were keen to support the case to Treasury that London's roads should be treated on the same basis as the rest of the country regarding funding of road maintenance. London's public transport users should not be a source of subsidy to the upkeep of the capital's roads. It was agreed that a copy of the letter to the treasury would be shared with members and a further update would be provided at an appropriate point.

[Action: Chief Finance Officer]

The Committee noted the strong links and alignment with the Healthy Streets programme and that this would be further strengthened with the appointment of a new Director of Sponsorship.

Members also discussed bus driver welfare facilities and noted that discussions would continue via the Safety, Sustainability and Human Resources Panel regarding the work already undertaken and the small number of bus routes which do not have provision.

The Committee noted the paper and approved budgeted Programme and Project Authority of £352m to maintain the safety and reliability of TfL's Surface assets covering financial years 2017/18 and 2018/19.

33/06/17 TfL Growth Fund

Alex Williams introduced the item. The Committee noted the paper, including the strategic case for the Growth Fund programme and proposed governance arrangements, and the supplementary information included in Part 2 of the agenda and approved Programme Authority of £200m and Project Authority of £100m for the Growth Fund.

The Committee expressed support for the use of the Growth Fund in unlocking and accelerating housing delivery in some of London's key growth areas. Committee Members were keen to ensure that the fund was targeted to ensure maximum public benefit and that it did not support commercial developers to finance their existing responsibilities via public funding. Members noted the level of internal challenge which had been put in place for this, including clear recording of the multiplier effect achieved from uses of the Fund, and to ensure developments embedded cycling, walking and other principles of the Mayor's Transport Strategy.

The Committee noted the paper and the supplementary paper on Part 2 of the agenda and approved Programme Authority of £200m and Project Authority of £100m for the Growth Fund.

34/06/17 Rotherhithe to Canary Wharf Crossing

Alex Williams introduced the item. Members considered the update on the proposed new crossing between Canary Wharf and Rotherhithe, which had been requested as part of the Committee's consideration of the Healthy Streets programme at its meeting in March 2017. Members requested to be kept informed of the work taking place to ensure that accurate costings of potential crossing options were established and external fundraising opportunities maximised. A briefing would be arranged for Members prior to the Committee's meeting in October 2017.

[Action: Leon Daniels]

The Committee noted the paper, the related paper on Part 2 of the agenda and the work programmed to take place in advance of a more comprehensive report being presented to the October meeting of the Committee.

35/06/17 Oxford Street

Alex Williams presented an overview of the Oxford Street Transformation project and updated the Committee on the progress made. The project formed a key part of the Healthy Streets Portfolio approved by the Committee in March 2017 and aligned with a number of outcomes within the draft Mayor's Transport Strategy.

Members noted that a phased approach was being examined with several separate but supportive elements. A full business case would be produced, assessing the proposals developed to date in detail, in advance of the second public consultation scheduled for November 2017. The Committee noted that the transformation project was due to be completed by December 2018 and that this would support the opening of the Elizabeth line.

Members requested a further update on the programme later in the year. This would include further information on improving accessibility, options for improvements in the public realm and the funding of future phases.

[Action: Leon Daniels/Secretariat]

The Committee noted the paper.

36/06/17 Euro VI Bus NOx Abatement

Leon Daniels presented the paper. The additional budgeted Programme and Project Authority for the retrofitting of buses would be used to ensure that the entire bus fleet met the Euro VI emissions standard by September 2020. The authority requested would cover the first 1,150 retrofits of enhanced Selective Catalytic Reduction systems, to be delivered by spring 2018, as part of a retrofitting programme covering up to 4,920 buses.

The Committee noted the potential for London to lead the way in a vital field of technology which may be of wider interest to other cities and bus operators. Members

requested that the potential for developing intellectual property rights in retrofitting technology be explored by the business. **[Action: Leon Daniels]**

Members noted that the retrofitting process led to significant reductions in NOx and PMs with only a minor worsening in fuel efficiency. It was agreed that further details of the emissions and efficiency outcomes of retrofitting would be circulated to Members.

[Action: Leon Daniels]

The Committee noted the paper and approved additional budgeted Programme and Project Authority of £25m for the retrofitting of certain buses to meet emissions standards.

37/06/17 Taxi Delicensing and Zero Emission Capable Grant Schemes

Leon Daniels presented the paper. Budgeted Programme and Project Authority of £30.7m had been requested for the implementation and operation of the Taxi Delicensing and Zero Emission Capable (ZEC) Grant Schemes until the end of 2020/21. This would enable the implementation and operation of the Taxi Delicensing and ZEC Grant Scheme to remove 10,000 of the oldest, most polluting taxis from London's streets and add 9,000 ZEC taxis to the fleet by 31 December 2020.

Members noted that consultation had taken place with the taxi trade regarding the incentives to take up the grant and that the potential use of a further part of the budgeted funding would be dependent on the initial take up.

The Committee noted the paper and approved budgeted Programme and Project Authority of £30.7m for the implementation and operation of the Taxi Delicensing and ZEC Grant Schemes.

38/06/17 Elizabeth Line Operations and Transition Update

Howard Smith and Sarah Johnson introduced the item. The Committee noted construction was now around 85 per cent complete. TfL Rail continued to be amongst the most reliable of any of the national train operators despite the old rolling stock which had been inherited. New trains, which would operate under the Elizabeth line branding from December 2018 with the opening of the central tunnel, were now in use on services between Liverpool Street and Shenfield. The placement of the depot was noted not to be ideal but lessons would be learnt for future operation.

Members also noted that TfL had recently taken over the Tunnelling and Underground Construction Academy. Part of the facility was being reconfigured to be used for the training of Elizabeth line maintenance and operational staff.

The Committee noted the paper.

39/06/17 Crossrail - Report on Sponsor Board Proceedings

Ian Nunn presented a summary of the key issues from the April and June 2017 meetings of the Crossrail Sponsor Board. Members noted the outcome of the Judicial Review case between the Office of Rail and Road (ORR) and Heathrow Airport Limited (HAL) regarding the charging framework for access to the Heathrow Spur. The High Court had upheld ORR's decision and rejected HAL's bid to levy a charge on Crossrail trains travelling to the airport.

The Committee noted the paper and the supplementary paper in Part 2 of the agenda.

40/06/17 Independent Investment Programme Advisory Group - Review

Ian Nunn introduced the paper. In considering the report's recommendations, the Committee noted that further discussion would take place between the Chief Finance Officer and the Independent Investment Programme Advisory Group (IIPAG) in relation to the future working arrangements with a view to ensuring flexibility and that this would provide further clarity on how the ability to call upon additional skills and expertise when required would operate in practice. **[Action: Chief Finance Officer/IIPAG]**

The Committee noted the Independent Investment Programme Advisory Group Review Report and endorsed its recommendations to the Audit and Assurance Committee.

41/06/17 Garden Bridge - TfL's Response to the Hodge Review

Howard Carter introduced the paper. The arrangements which had been brought in for the new TfL Board were felt by the Committee to represent positive steps towards addressing aspects of the review. Members also noted the ongoing work to ensure greater transparency within TfL's procurement processes. Although a large amount of information was made public, Members were supportive of the further work taking place to examine whether more might be possible in terms of presenting information in an accessible format.

The Committee noted the paper and TfL's proposed response to the recommendations of the Rt. Hon. Dame Margaret Hodge MP in her review into the Garden Bridge project to be considered by the Audit and Assurance Committee and Board.

42/06/17 Gospel Oak to Barking Electrification Programme

Leon Daniels introduced the paper. The Gospel Oak to Barking Electrification (GOBE) programme was designed to allow electric trains onto a currently diesel-only operated route that is shared with freight in north London. The Committee noted the update provided on the delays to the GOBE programme and the potential effects on customers and stakeholders.

Members noted that the GOBE project was wholly managed by Network Rail and shared TfL's dismay that further lengthy closures were being requested following the overrun of the initial work. The outstanding Network Rail work would result in further disruption for customers, stakeholders and businesses, as well as resulting in further lost revenue for services. Members noted that, although the works were not managed by TfL and remained the responsibility of Network Rail, lessons would be applied in future with regard to the level of assurance to be required from outside partners. An initial high level overview of this assessment of partnership work, as it related to any current or planned projects, would be shared with Committee Members. **[Action: Leon Daniels]**

The Committee noted the paper and the supplementary paper in Part 2 of the agenda.

43/06/17 Any Other Business the Chair Considers Urgent

There was no urgent business.

44/06/17 Member suggestions for future agenda discussions

Howard Carter introduced the paper and the Committee's updated forward programme.

The Committee noted the forward programme.

45/06/17 Date of Next Meeting

The next scheduled meeting of the Committee would be held on Friday 13 October 2017 at 10am, in the Paddington Room, Palestra.

46/06/17 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 World Class Capacity Sub Programme Review; London Underground Stations; London Underground Infrastructure Renewals Programme Authority Submission; Growth Fund; Rotherhithe to Canary Wharf Crossing; Taxi Delicensing and Zero Emission Capable Grant Schemes; Crossrail – Report on Sponsor Board Proceedings; and Gospel Oak to Barking Electrification Programme.

The meeting closed at 4.40pm.

Chair: _____

Date: _____