

# Transport for London

## Minutes of the Programmes and Investment Committee

**Paddington Room, 11<sup>th</sup> Floor, Palestra,  
197 Blackfriars Road, London, SE1 8NJ  
10.00am, Friday 13 October 2017**

### Members Present

Prof Greg Clark CBE (Chair) (from Minute 51/10/17)  
Ron Kalifa (in the Chair for Minutes 47/10/17-51/10/17)  
Dr Alice Maynard CBE (from Minute 51/10/17)  
Dr Lynn Sloman  
Ben Story

### In Attendance

#### Executive Committee

Mike Brown	TfL Commissioner
Howard Carter	General Counsel
Michele Dix	Managing Director, Crossrail 2
Vernon Everitt	Managing Director Customers Communication and Technology (for Minute 58/10/17)
Stuart Harvey	Major Programmes Director
Simon Kilonback	Interim Chief Finance Officer

#### Other Staff

Michael Bridgeland	Head of Project Assurance
Tanya Coff	Finance Director, London Underground
Christian Fowler	Head of Lines Upgrade Sponsorship, London Underground (for Minute 53/10/17)
Patrick Doig	Divisional Finance Director, Surface Transport
Jon Fox	Director of London Rail, Surface Transport (for Minute 57/10/17)
David Hughes	Director Of Strategy and Service Development, London Underground
Rhona Munck	Senior Strategy & Planning Manager, Surface Transport (for Minutes 54/10/17 and 55/10/17)
Sam Monck	Head of Borough Projects and Programme, Surface Transport (for Minute 55/10/17)
Ben Plowden	Director of Programme and Project Sponsorship, Surface Transport
David Rowe	Head of Major Projects Sponsorship, Surface Transport (for Minutes 54/10/17 and 55/10/17)
Howard Smith	Operations Director, Crossrail
Shashi Verma	Chief Technology Officer (for Minute 58/10/17)
Clive Walker	Director of Internal Audit
Shamus Kenny	Head of Secretariat

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

Paul Jenkins	IIPAG Member
Colin Porter	Chair, IIPAG

## **47/10/17 Apologies for Absence and Chair's Announcements**

Apologies were received from Dr Nelson Ogunshakin OBE (Vice Chair), Bronwen Handyside and Dr Nina Skorupska CBE. Apologies for lateness had been received from Prof Greg Clark CBE and Dr Alice Maynard CBE. Ron Kalifa chaired the meeting until the arrival of Prof Greg Clark CBE.

## **48/10/17 Declarations of Interests**

Members confirmed that their declarations of interests, as published on [tfl.gov.uk](http://tfl.gov.uk), were up to date.

Colin Porter declared his interest in relation to the item on London Underground Four Lines Modernisation Update (Minute 53/10/17) and had not received the associated Part 2 paper. Colin Porter left the meeting room during discussion of this item.

## **49/10/17 Minutes of the Meeting held on 28 June 2017**

Howard Carter introduced the minutes.

**The minutes of the meeting held on 28 June 2017 were approved as a correct record and signed by the Chair.**

## **50/10/17 Matters Arising and Actions List**

Howard Carter presented the actions list from the previous meeting.

Members noted the update to the action on Cycling Investment (from Minute 26/06/17), which provided a map of current and proposed schemes. TfL was also working with the Ordnance Survey and others to improve the information on the website. Dr Lynn Sloman requested further information that firmed up the indicative information from the strategic cycling analysis already published and the proposals from the cycling delivery plan that was being developed and would discuss this further with Lilli Matson in Surface Transport. **[Action: Lillie Matson]**

**The Committee noted the actions list.**

## **51/10/17 Investment Programme Report - Quarter 1, 2017/18**

Stuart Harvey, David Hughes and Patrick Doig introduced the Investment Programme Report for Quarter 1, 2017/18 covering the months of April to June 2017. Members noted the progress of the programmes and projects. The Committee was informed that the Barking Riverside Extension project was behind target due to delays in completing the design and that the Bakerloo line rolling stock life extension delivery date had also been delayed, though it was hoped that it would be delivered ahead of the new April 2018 target date.

The project to deliver the T-Charge was on target for the launch on 23 October 2017. TfL's tracking of pre-compliance with the new regime showed that people were changing their behaviour with significantly less vehicles that would be subject to the charge entering the zone. Any available information on public awareness trends leading up to the introduction of the scheme would be included in the next report.

**[Action: Patrick Doig]**

Members welcomed the progress being made across the Investment Programme. The Committee requested that future reports provide more detail on the action being taken to address timing or financial issues on projects where the progress was flagged as amber or red. That information would include not just any cost implications for delays in the project but the impact on revenue projections in the Business Plan. Supplementary information could be included on Part 2 of the agenda if it was commercially sensitive.

**[Action: Stuart Harvey]**

**The Committee noted the paper.**

## **52/10/17 Project Monitoring - Programme and Project Approvals**

Simon Kilonback 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.

Members requested that the Committee be provided with information on the overall spend on programmes and projects to date, what was expected to have been spent and how this was controlled.

**[Action: Simon Kilonback]**

**The Committee noted the paper.**

## **53/10/17 Four Lines Modernisation Update**

Colin Porter declared his interest and left the meeting during the discussion of this item.

David Hughes and Stuart Harvey introduced the paper and the related supplementary information on Part 2 of the agenda. The project was the largest single investment programme within the London Underground capital programme and its delivery was essential to achieving capacity and journey time improvements and customer experience on the Metropolitan, District, Hammersmith & City and Circle lines.

The Committee noted the progress to date and the productive working relationship with Thales on this challenging project. While it was forecast to be delivered ahead of the revised schedule and below the budget agreed by the Board in July 2015, the progress was shown as amber as the Major Projects Directorate had been set tough stretch targets. The IIPAG had commented on the ability to achieve the stretch targets given progress to date but staff were satisfied that the targets were incentivising the team to do all that it could. None of the delays in the project were on its critical path and the amber reflected the project being behind its stretch financial and delivery targets but not the overall targets. Mike Brown MVO also confirmed that he and Mark Wild were focussed on the delivery of the programme and that he had regular meetings with the CEO of Thales to ensure it was incentivised for early delivery.

The IIPAG conducted a detailed review of the project every six months. All of the latest recommendations had been accepted and the management response had been clear.

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

## **54/10/17 Air Quality and Environment Programme**

Ben Plowden and David Rowe introduced the paper and the related supplemental information on Part 2 of the agenda, which sought budgeted Programme and Project Authority of £202m, over a four year programme, to reduce emissions from vehicles in London. The programme would return annually to the Committee to renew and validate a rolling approval.

The Committee welcomed the initiatives in the programme and looked forward to the updates, which would include the programme delivery outcomes and also air quality monitoring data to verify if the measures in the programme were achieving the overall goal. Information on carbon emissions and support for electric vehicles (number and location of charging points, impact on the electricity grid) would be shared with the Safety, Sustainability and Human Resources Panel. **[Action: Ben Plowden]**

Members raised the importance of TfL talking to experts in the UK and across the world to think forward about carbon emissions and the implications for TfL and London generally arising from the development of autonomous vehicles and the deadline for ending the sale of new petrol and diesel cars in 2040.

The Committee requested that TfL use its influence with Government to raise the issue of the unavailability of petrol or hybrid vehicles for many disabled people. **[Action: Ben Plowden]**

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

- 1 approved Programme and Project Authority of £202m for delivery of the Surface Air Quality and Environment Programme, covering: £66m in 2017/18; £105m in 2018/19; and £30m for activities which commence in 2017/18 and extend into subsequent years as described in the paper; and**
- 2 noted that Procurement Authority in respect of the various elements of the Air Quality and Environment Programme would be sought at officer level in accordance with Standing Orders.**

## **55/10/17 Oxford Street Transformation Update**

Ben Plowden and Sam Monck introduced the paper and the supplemental information on Part 2 of the agenda, which provided an overview of the Oxford Street transformation project and an update on progress since the previous discussion in June 2017.

TfL and Westminster City Council were working with local residents and businesses on the key issues raised from the first consultation, particularly around the impact of relocated traffic and buses on air quality. The benefits of the proposals on air quality and

the Healthy Streets approach far outweighed any negative impacts. Work was underway to mitigate the concerns raised, including greater coordination and retiming of roadworks. A second consultation would be launched on 6 November 2017 and would run for six weeks. Links to the consultation material would be sent to Members.

**[Action: Ben Plowden]**

Members discussed the strong application to Government by Westminster City Council for Tax Incremental Funding for the second phase of public realm transformation. All parties to the project were engaging with stakeholders to make the case that investment in Oxford Street was a benefit for businesses throughout the UK.

TfL was also looking at the impact of lost revenue from street advertising on bus infrastructure and how to make the most efficient use of its bus fleet in the area and move spare capacity to areas outside central London.

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

### **56/10/17 Rotherhithe to Canary Wharf Crossing**

Ben Plowden and David Rowe introduced the paper and the supplemental information on Part 2 of the agenda on the proposals for a new pedestrian and cyclist crossing between Canary Wharf and Rotherhithe. The crossing would provide a safe, attractive and direct route between the Isle of Dogs and Canada Water Opportunity Areas, reducing journey times and encouraging healthier travel. Further to the discussion on 28 June 2017, the paper set out the progress on the development of a preferred option for the scheme and the next stages of project development, including the proposed procurement arrangements.

A bridge crossing appeared to have a better cost benefit ratio than the tunnel or ferry options but key decisions were still required on location and design. Following a public consultation, firm proposals on a preferred option would be submitted to the Committee in 2018 as part of the Healthy Streets portfolio. As part of the Business Plan discussions, Members would discuss the prioritisation of major capital schemes. Members requested that the paper seeking authority for the Health Streets portfolio clearly set out the criteria and prioritisation of each element.

**[Action: Ben Plowden]**

**The Committee noted the paper and the related paper on Part 2 of the agenda and the work programmed to take place prior to the next update to the Committee, as part of the Healthy Streets Programme submission in April 2018.**

### **57/10/17 Additional New Rolling Stock for London Overground**

Gareth Powell and Jon Fox introduced the paper and the supplemental information on Part 2 of the agenda, which sought authority to purchase additional new class 710 trains to serve the Barking Riverside Extension and to increase services on the East London Line to 20 trains per hour. Delivery of the additional new trains would begin in the 2018/19 financial year.

The Committee noted the options for the use of the trains as part of a long term rolling stock plan and the business case for acquiring up to nine trains now given the current contractual and financing arrangements. The Train Operating Companies had confirmed that there was a strong market for sub-leasing dual voltage trains, should TfL need to do this in the short-term.

The Committee was supportive of the proposal to acquire new rolling stock but agreed that the exact numbers should be determined following the informal Board discussion on Business Plan priorities to enable a decision to be made in view of other pressures for discretionary spend.

The new trains were wheelchair accessible. Dr Alice Maynard CBE would be provided with additional information on the layout of the trains. **[Action: Jon Fox]**

**The Committee noted the paper and the supplemental paper on Part 2 of the agenda and, under the authority delegated by the Board:**

- 1 approved in principle the exercise of options for up to nine new class 710 trains for London Overground, as described in the paper; and**
- 2 authorised the Chair of the Committee to approve the number of new class 710 trains to be purchased, by exercising one or more options, having considered their affordability in the context of preparing TfL's Business Plan, and to grant additional Programme and Project Authority and Procurement Authority as appropriate, with reference to the sums set out in the paper on Part 2 of the agenda.**

## **58/10/17 Emergency Services Network**

Shashi Verma introduced the paper and the supplemental information on Part 2 of the agenda. Under authority delegated by the Board on 19 September 2017, the Committee was asked to approve unbudgeted Financial Authority and Programme and Project Authority for the construction and operation of a neutral host 4G telecommunications infrastructure to support the extension of the new Emergency Services Network (ESN) within the below ground areas of London Underground and selected Docklands Light Railway and London Overground locations, funded by the Home Office.

The Committee noted the challenges for providing ESN coverage on parts of TfL's networks and discussions with the Government. The timetable to replace the current Airwave system was challenging and driven by the expiry of current contracts. The Committee discussed the progress of the project and the inter-relations with TfL's long term telecommunications networks strategy to consolidate its leased and own networks and to manage the rights of way for other users including the public and the emergency services.

The Committee recognised the importance of the project and the Government's timescales but noted that the funding commitment from the Home Office had not been achieved. While the Committee supported the project in principle, it could not approve the unbudgeted Financial Authority and Programme and Project Authority requests without receiving assurances from the Home Office on funding. Members recognised that a decision would need to be made quickly, using Chair's Action.

## **The Committee:**

- 1 noted the paper and the supplemental paper on Part 2 of the agenda;**
- 2 supported the approval of unbudgeted Financial Authority and Programme and Project Authority of £267m in principle, subject to TfL receiving assurances of matched grant funding from the Home Office;**
- 3 noted that a decision would be made by Chair's Action, in consultation with available members of the Committee, when an appropriate level of funding commitment had been received from the Home Office for the installation phases; and**
- 4 noted that any contracts to be entered into in relation to the new Emergency Services Network service would seek Procurement Authority in accordance with TfL's Standing Orders.**

## **59/10/17 Elizabeth Line Operational Readiness and Integration**

Howard Smith introduced the item. The Committee noted the good progress of the project, with construction now 87 per cent complete.

Customer reaction to the new Class 345 train was very positive. Fourteen trains had been built to date; eight had been accepted for passenger service with three currently in passenger service and two used for driver training. The rate of introduction continued to be slightly behind programme but this would not impact on the overall project delivery timetable. The Committee noted the outstanding issues on the trains were being resolved. Lessons from Stage 1 were being captured and incorporated into planning for future stages.

The project was about to move into some crucial testing for Stage 2, including bringing all of the signalling systems together on the train at the testing centre, preparing for testing on the Heathrow path and for the central tunnel section. Responsibility for system integration was with Crossrail Limited and the Commissioner and Managing Director of London Underground worked closely with the Chairman and Chief Executive of Crossrail Limited. Lessons learned from other major infrastructure projects meant the project had a long window of trial operation to ensure the service would be reliable from day one. A briefing on system integration would be arranged for Members. **[Action: Howard Smith]**

Discussions continued with the Government and Network Rail on the timetable for delivering the station works on the west of the route, required for Stage 5.

The Finance Committee would be briefed on the detail of the project's financial position and forecasts, as part of the development of TfL's Business Plan.

**The Committee noted the paper.**

## **60/10/17 Crossrail - Report on Sponsor Board Proceedings**

David Hughes introduced the paper and supplemental information on Part 2 of the agenda, which presented a summary of the key issues from the August and September 2017 meetings of the Crossrail Sponsor Board.

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

## **61/10/17 Crossrail 2**

Michele Dix introduced the paper, which described the work carried out since the last update in March 2017. The paper set out the activities planned during the remainder of the financial year and sought an increase in Programme and Project Authority to support that work.

The Committee noted the impact of the 2017 General Election on the Government's timetable for the consideration of the Strategic Outline Business Case. The Government's response was now expected around the time of the 2017 budget on 22 November 2017. The Mayor and Secretary of State for Transport had committed to reviewing the business case to make it more affordable and the Government had placed a unique requirement on TfL to fund its 50 per cent share of the project costs during construction rather than through revenue generating streams that would normally arise from the completed project. TfL was examining options to reduce costs, including lessons learned from the Crossrail project and options to fund the project through initiatives such as phased opening.

Subject to a positive decision from the Government in autumn 2017, consultation would commence in January 2018 to safeguard the scheme, with a Hybrid Bill proposed for 2020.

The Committee requested a more detailed informal briefing on the project following any Government announcement in the autumn. **[Action: Michele Dix/Secretariat]**

**The Committee noted the paper and approved a revised Programme and Project Authority of £79.68m for the Crossrail 2 programme.**

## **62/10/17 Independent Investment Programme Advisory Group - Review Implementation**

Simon Kilonback and Michael Bridgeland introduced the paper, which set out the proposed action plan to implement the recommendations from the independent review of the Independent Investment Programme Advisory Group (IIPAG) carried out by TC Chew. The review had been considered at the meeting of the Committee on 28 June 2017 and the Audit and Assurance Committee on 13 July 2017.

The Implementation Plan had been considered and supported by the Audit and Assurance Committee at its meeting on 11 October 2017.

Members noted that proposed revisions to the Terms of Reference of the Committee and the Audit and Assurance Committee would be considered by the Board on 9 November 2017. A key priority was the appointment of a new IIPAG Chair to steer the development of the group. The Audit and Assurance Committee would discuss the recruitment plan for the Chair and the pool of experts in December 2017. The recruitment plan would seek to attract a wide and diverse pool of talent that covered the full range of expertise required.

**The Committee noted the paper and approved the action plan.**

### **63/10/17 Any Other Business the Chair Considers Urgent**

There was no urgent business.

### **64/10/17 Member suggestions for future agenda discussions**

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

Dr Lynn Sloman had a useful meeting with John Barry, Head of Network Development – Buses, Surface Transport. The meeting covered the development of the central London bus grid and early thinking on how to achieve the outer London 80% sustainable transport target. The Committee noted that the bus strategy had been discussed by the Customer Service and Operational Performance Panel and future updates were planned which would link to the monitoring of the delivery of the Mayor's Transport Strategy.

**The Committee noted the forward programme.**

### **65/10/17 Date of Next Meeting**

The next scheduled meeting of the Committee would be held on Tuesday 12 December 2017 at 10am.

### **66/10/17 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: Four Lines Modernisation Update; Air Quality and Environment Programme; Oxford Street Transformation Update; Rotherhithe to Canary Wharf Crossing; Additional New Rolling Stock for London Overground; Emergency Services Network; and Crossrail - Report on Sponsor Board Proceedings.

The meeting closed at 1.10pm.

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

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