

Date: 12 December 2017

Item: **Independent Investment Programme Advisory Group (IIPAG) – Review Implementation**

This paper will be considered in public

1 Summary

- 1.1 This paper updates the Committee on progress against the actions required to implement the IIPAG review recommendations. The paper also presents a revised Terms of Reference for IIPAG for the Committee's consideration.

2 Recommendation

- 2.1 **That the Committee note the update on the implementation of the Independent Investment Programme Advisory Group (IIPAG) review recommendations and endorse the revised IIPAG Terms of Reference for submission to the TfL Board.**

3 Background

- 3.1 IIPAG was established in May 2010, with no material changes to its Terms of Reference since October 2010. In October 2016 the Committee agreed to a proposed review of the role and remit of IIPAG. TC Chew was appointed to lead the review.
- 3.2 TC Chew's final report was presented to the Committee at its meeting on 28 June 2017 and its recommendations were endorsed. An action plan for the implementation of the review's recommendations was presented to the Committee at its October 2017 meeting. An update on progress against the actions required to implement all of the review's recommendations is included in Appendix 1.

4 IIPAG Terms of Reference

- 4.1 In order to implement the IIPAG review's recommendations it is necessary to revise both the Mayoral Direction used to establish IIPAG and also the Group's Terms of Reference. A draft revised Mayoral Direction has been submitted to the GLA.
- 4.2 A revised draft of the IIPAG Terms of Reference has been included in Appendix 2. This has been considered by the Deputy Mayor, Chairs and Deputy Chairs of both the Audit and Assurance Committee and the Programmes and Investment Committee. The Committee is asked to endorse the revised Terms of Reference for submission to the TfL Board in January 2018.

List of appendices to this report:

Appendix 1 – IIPAG Review Action Plan update
Appendix 2 – Revised IIPAG Terms of Reference

List of Background Papers:

Programmes and Investment Committee Paper – IIPAG Review – 28 June 2017
Programmes and Investment Committee Paper – IIPAG Review – 13 October 2017

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Appendix 1 – IIPAG Review Action Plan update.

Action	Owner	Due Date	Current Status
<p>Recruitment Plan. A recruitment plan will be prepared that sets out the next steps for the recruitment of the Chair, members and Pool of Experts.</p>	<p>Head of Project Assurance</p>	<p>Oct 2017</p>	<p>The TfL HR Executive Recruitment team are now implementing plans for the recruitment of future members, initially focusing on a new IIPAG Chair.</p> <p>The Recruitment team has scheduled meetings with members of the TfL Board, Executive and the existing IIPAG Group to identify potential candidates for the Chair. The position will also be advertised by the first week in December 2017 and may be extended into January due to the holiday period.</p> <p>We anticipate potential candidates being approached during December and January and interviews taking place in January 2018. This should allow for a new Chair to be appointed by February 2018.</p> <p>Once a new Chair is appointed we will work with them to develop plans for the recruitment of further member of IIPAG and the Pool of Experts.</p>
<p>Revise Mayoral Direction. TfL will draft revised wording for a Mayoral Direction to reflect review recommendations.</p>	<p>General Counsel</p>	<p>Nov 2017</p>	<p>Complete. A draft Mayoral Direction has been prepared to reflect the recommendations made by the IIPAG review. The draft has been considered by the Deputy Mayor and Chairs of the Audit and Assurance Committee and the Programmes and Investment Committee.</p> <p>The draft has been submitted to the GLA who will seek formal approval from the Deputy Mayor, the Corporate Investment Board and then the Mayor.</p>
<p>Appoint Relationship Sponsors. Relationship Sponsors, drawn from across the business will be appointed, initially to provide input to the IIPAG-TfL MoU. They will then provide an ongoing point of contact for IIPAG and support their area of the business in understanding the role of IIPAG.</p>	<p>Head of Project Assurance</p>	<p>Nov 2017</p>	<p>So far David Hughes (Director of Strategy & Network Development), Shashi Verma (Director of CTO & Customer Experience), Ben Plowden (Director of Project & Programme Sponsorship) and Stuart Harvey (Major Projects Director) have agreed to take on the relationship sponsor roles.</p>

<p>Amend AAC and PIC Terms of Reference. Small changes to the AAC and PIC Terms of Reference are required to implement the IIPAG review recommendations</p>	<p>General Counsel</p>	<p>Nov 2017</p>	<p>Complete. The amendments were agreed by the TfL Board at its meeting on 9 November 2017.</p>
<p>Director of Risk and Assurance to work with IIPAG to agree how its work can be coordinated with the work of the wider Risk and Assurance Directorate.</p>	<p>Director of Risk and Assurance</p>	<p>Dec 2017</p>	<p>Ongoing.</p>
<p>Revise Terms of Reference. IIPAG Terms of Reference to be revised to reflect review recommendations.</p>	<p>Head of Project Assurance</p>	<p>Jan 2018</p>	<p>A draft Terms of Reference has been prepared to reflect the recommendations made by the IIPAG review.</p> <p>The draft has been shared with the Deputy Mayor and Chairs of the Audit and Assurance and the Programmes and Investment Committees for comment.</p> <p>The draft Terms of Reference has been included alongside this paper for the Committee's consideration. Subject to comments from either Committee, the Terms of Reference will be submitted to the January TfL Board meeting for approval.</p>
<p>Produce TfL-IIPAG Memorandum of Understanding (MoU). To include expected ways of working and communications, timescales for written reports and responses, and clear escalation processes. The MoU will be drafted, drawing on the points raised in the review and input from IIPAG and the business. The MoU will be formally agreed by ExCo and IIPAG.</p>	<p>General Counsel</p>	<p>Feb 2018</p>	<p>We have begun drafting the memorandum of understanding and would anticipate it being finalised by the new IIPAG Chair and Relationship Sponsors.</p>



Terms of Reference for the Independent Investment Programme Advisory Group (IIPAG)

Purpose

IIPAG will provide independent assurance and expert advice to the Mayor of London, the TfL Board, TfL Board Committees – primarily the Audit and Assurance Committee and the Programmes and Investment Committee – and the TfL Executive concerning Transport for London's Investment Programme as published from time to time; including all maintenance and renewal works, upgrades and major projects, but not the activities of Crossrail Limited. IIPAG will not provide advice on operational issues except in considering benchmarking or to the extent that they affect the works, upgrades and major projects in the Investment Programme. IIPAG will consider issues of economy, efficiency and value for money in preparing its advice.

Membership and Appointment

There will be up to six members of IIPAG. The Chair of IIPAG will be appointed by the Deputy Chair of the TfL Board. Further members will be appointed by the Chair of the Audit and Assurance Committee.

Members will be appointed on the basis of a two year tenure with the option for TfL to extend this by a maximum of two years.

A pool of experts may also be established by the Chair of IIPAG to support IIPAG in its activities. Appointments to the pool of experts will be subject to appropriate obligations relating to confidentiality and conflicts of interest. The pool of experts will advise TfL but will not be members of IIPAG themselves.

Frequency of Meetings

IIPAG will meet at least twice a year. The Chair of IIPAG will determine the frequency of any additional meetings should they be required for IIPAG to function effectively.

IIPAG members may be required to attend relevant meetings of the TfL Board, the Programmes and Investment Committee or the Audit and Assurance Committee. This will include an annual private meeting with the Audit and Assurance Committee.

Terms of Reference

1. IIPAG will advise the Mayor of London, the TfL Board, TfL Board Committees – primarily the Audit and Assurance Committee and the Programmes and Investment Committee – and the TfL Executive with regard to:
 - (a) the delivery of the TfL Investment Programme. This may include consideration of strategic, systemic or generic issues such as organisational capability and structure, and the efficiency, effectiveness and economy of delivery of the Investment Programme, including all maintenance and renewal works, upgrades and major projects;
 - (b) the approval of projects by the TfL Board and/or Programmes and Investment Committee, by overseeing the system of sub-programme reviews and project-specific reviews and ensuring they are undertaken thoroughly and efficiently, and (where necessary) recommending that further reports or reviews be commissioned;
 - (c) the adequacy of progress and delivery status of major projects between formal approval gates;
 - (d) other aspects of the Investment Programme it considers appropriate;



(e) the adequacy of the development of the TfL Investment Programme, providing assurance that the Investment Programme is affordable, deliverable and aligns with the organisational objectives;

(f) the performance of the first and second lines of assurance for projects and programmes, providing guidance and sharing best practice to ensure the continued improvement of TfL's internal assurance processes; and

(g) benchmarking undertaken by TfL, advising on the workplan and producing public reports that interpret key information and advise TfL on how they might act on the information. IIPAG may advise on benchmarking of operational matters.

The remit of IIPAG does not include the activities of Crossrail Limited. The remit also excludes operational issues except in considering benchmarking or to the extent that they affect the works, upgrades and major projects in the Investment Programme.

2. IIPAG will assign its members or resource from the pool of experts to review and report on specific high value and/or high risk projects or programme areas within the TfL Investment Programme.
3. IIPAG may allocate further tasks required to fulfil this Terms of Reference to its pool of experts.
4. Annually, IIPAG will consult with TfL and propose a workplan for the year to the Audit and Assurance Committee for approval. The plan will be produced to align with the TfL business planning cycle. The plan will cover both IIPAG's involvement in the review of specific projects and its activities to form a strategic assessment of the delivery of the Investment Programme. The workplan will be reviewed twice per year by the Programmes and Investment Committee and the Audit and Assurance Committee, and changes will be proposed to the Audit and Assurance Committee as required.
5. Annually, IIPAG will review the level of resource required to deliver its workplan and will recommend a budget to the Audit and Assurance Committee for approval. This will include any cost associated with the pool of experts.
6. IIPAG will produce:
 - a. reports for the Programmes and Investment Committee on project reviews and sub-programme reviews undertaken;
 - b. quarterly reports of its advice on strategic and systemic issues, new strategic and systemic issues, logs of progress on actions and recommendations and the effectiveness of the first and second lines of project and programme assurance. These reports will be produced for the Audit and Assurance Committee and the Programmes and Investment Committee and should be timed to align with the routing deadlines for both Committees. The quarterly reports will be included in the Committee's public papers; and
 - c. an Annual Benchmarking Report for the TfL Board, interpreting benchmarking data, next steps and actions needed. This will be published by IIPAG.
7. IIPAG will notify the TfL Board and/or its Committees of any issues of significant concern in relation to the value for money or delivery of the Investment Programme.
8. IIPAG will maintain the confidentiality of information provided to them and will follow the agreed procedures for dealing with confidential, legally privileged and other sensitive information.
9. Reports produced by IIPAG are subject to the Freedom of Information Act 2000.