

Board

Date: 19 July 2017



Item: Report of the meeting of the Programmes and Investment Committee held on 28 June 2017

This paper will be considered in public

1 Summary

1.1 To report to the Board on the meeting of the Programmes and Investment Committee held on 28 June 2017.

2 Recommendation

2.1 **That the Board notes the report.**

3 Background

3.1 The main matters considered by the Committee are listed below. The items marked with an asterisk appear elsewhere on the agenda for this meeting.

- (a) Investment Programme Report - Quarter 4, 2016/17;
- (b) Project Monitoring - Programmes and Project Approvals;
- (c) London Underground World Class Capacity Sub Programme Review;
- (d) London Underground Stations;
- (e) London Underground Infrastructure Renewals Programme Authority Submission;
- (f) Surface Assets Programme;
- (g) TfL Growth Fund;
- (h) Rotherhithe to Canary Wharf Crossing;
- (i) Oxford Street;
- (j) Euro VI Bus NOx Abatement;
- (k) Taxi Delicensing and Zero Emission Capable Grant Schemes;
- (l) Elizabeth Line Operations and Transition Update*;
- (m) Crossrail - Report on Sponsor Board Proceedings;
- (n) Independent Investment Programme Advisory Group – Review;
- (o) Garden Bridge - TfL's Response to the Hodge Review*; and
- (p) Gospel Oak to Barking Electrification Programme.

4 Issues Discussed

Investment Programme Report - Quarter 4, 2016/17

- 4.1 The Committee noted 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.
- 4.2 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. It was agreed that the wider communications message, including the availability of information on the TfL website, would be looked at with a view to producing a map showing where cycling investment works were planned, taking place and had been completed.

Project Monitoring – Project Approvals

- 4.3 The Committee noted the forward approval programme for projects with a value in excess of £50m and details of the Programme and Project Authority granted by the Commissioner and the Managing Director Finance in accordance with delegated authority under TfL's Standing Orders.

London Underground World Class Capacity Sub Programme Review

- 4.4 The Committee noted the paper and the supplementary information included in Part 2 of the agenda and approved the recommendations relating to Jubilee and Northern line trains and Northern Line Upgrade 2 as set out in the annual programme report. This included progressing 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.

London Underground Stations

- 4.5 The Committee noted the paper and the supplementary information included in Part 2 of the agenda and approved additional Programme and Project Authority and Procurement Authority for the London Underground Stations sub-programme in order to progress a number of projects that will improve station accessibility, upgrade station capacity and enable a number of collaborative projects. Members also noted the work under way to maximise third party contributions in order to deliver the programme at lower cost.

London Underground Infrastructure Renewals Programme Authority Submission

- 4.6 The Committee noted the paper and the supplementary information included in Part 2 of the agenda and approved additional Programme and Project Authority for the London Underground Infrastructure Renewals Programme to undertake lift and escalator renewals until 2024/25, and power and energy projects until 2018/19.

- 4.7 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.

Surface Assets Programme

- 4.8 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.
- 4.9 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.
- 4.10 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.
- 4.11 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.

TfL Growth Fund

- 4.12 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.
- 4.13 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.

Rotherhithe to Canary Wharf Crossing

- 4.14 The Committee noted the paper and the supplementary information included in Part 2 of the agenda which provided an update on the proposed new crossing between Canary Wharf and Rotherhithe. The Committee had requested the update as part of its consideration of the Healthy Streets programme at its meeting in March 2017 and noted the work programmed to take place in advance of a fuller report being presented to the October meeting of the Committee. Members requested to be kept informed of the work taking place to ensure that accurate costings of potential crossing options are established and external fundraising opportunities maximised.

Oxford Street

- 4.15 The Committee noted an overview provided of the Oxford Street Transformation project and updates on the progress made to date. The Oxford Street Transformation project was noted to form 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.
- 4.16 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 to include further information on improving accessibility, options for improvements in the public realm and the funding of future phases.

Euro VI Bus NOx Abatement

- 4.17 The Committee approved additional budgeted Programme and Project Authority of £25m for the retrofitting of buses to meet the Euro VI emissions standard. This will ensure that the entire bus fleet meets the Euro VI emissions standard by September 2020. This will primarily be achieved by retrofitting enhanced Selective Catalytic Reduction systems on up to 4,920 buses. This authority submission covers the first 1,150 retrofits, which are expected to be delivered by spring 2018.
- 4.18 The Committee noted the potential for London to be leading the way in a vital area 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.

Taxi Delicensing and Zero Emission Capable Grant Schemes

- 4.19 The Committee noted the paper and the supplementary information included in Part 2 of the agenda and approved budgeted Programme and Project Authority of £30.7m for the implementation and operation of the Taxi Delicensing and Zero Emission Capable (ZEC) Grant Schemes until the end of 2020/21. This will 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.

Elizabeth Line Operations and Transition Update

- 4.20 The Committee noted the update paper, which appears elsewhere on the agenda for this meeting. There were no issues raised to draw to the attention of the Board.

Crossrail - Report on Sponsor Board Proceedings

- 4.21 The Committee noted the paper and the supplementary exempt information provided in Part 2 of the meeting.

Independent Investment Programme Advisory Group – Review

- 4.22 The Committee noted the content of the IIPAG Review Report and endorsed its recommendations to the Audit and Assurance Committee.
- 4.23 In endorsing the report's recommendations, the Committee noted that further discussion would take place between the Chief Finance Officer and 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.

Garden Bridge - TfL's Response to the Hodge Review

- 4.24 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.
- 4.25 A paper on the TfL response to the Hodge Review appears elsewhere on the agenda for this meeting. 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.

Gospel Oak to Barking Electrification Programme

- 4.26 The Committee noted the paper and the supplemental paper included on Part 2 of the agenda which provided an update on the delays to the Gospel Oak to Barking Electrification (GOBE) programme and the potential effects on customers and stakeholders. The GOBE programme is designed to allow electric trains onto a currently diesel-only operated route that is shared with freight in north London.
- 4.27 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.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the Programmes and Investment Committee on 28 June 2017

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