

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2208

Title: Independent Investment Programme Advisory Group

Executive Summary:

Following the unwinding of the Underground public-private partnerships (PPP), in agreement with the Secretary of State for Transport and under a number of Directions, the then Mayor required Transport for London (TfL) to establish an Investment Programme Advisory Group. The Group was to provide independent assurance and expert advice to the Mayor and Secretary of State for Transport concerning TfL's Investment Programme. That group's remit was expanded under a Mayoral Direction in 2010 to become the Independent Investment Programme Advisory Group (IIPAG). IIPAG is comprised of experts in fields such as civil engineering, rail signalling and ICT.

Given the passage of time since IIPAG was established, a proposal for a review was endorsed by the TfL Audit and Assurance Committee to consider the role and remit of IIPAG. That review has been completed and its recommendations have been agreed with the TfL Audit and Assurance and Programmes and Investment Committees. Representatives of the Department for Transport were interviewed as part of the review and were content that the final report and its recommendations reflected their input. The implementation of the reviews recommendations requires a change to the Mayoral Direction used to establish IIPAG.

Decision:

The Mayor:

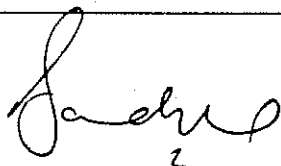
- approves the proposed change to the remit of Transport for London's Investment Programme Advisory Group and its governance; and
- directs Transport for London under section 155(1)(c) of the Greater London Authority Act 1999 in the terms of the attached Direction (Appendix 1).

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

17/12/12

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. In June 2010 Transport for London (TfL) acquired Tube Lines Limited, the then remaining Underground Public Private Partnership (PPP) company. This followed the acquisition in 2008 of all the assets of the entities running the other two Underground PPPs, known collectively as Metronet, and brought those three PPP arrangements for the maintenance, upgrade and renewal of the Underground under TfL's control.
- 1.2. The PPPs included a contractual regime whereby an independent PPP Arbiter collected and analysed benchmarking data relating to the performance of investment in the Underground under the PPPs. With the unwinding of those PPPs, there was no longer a role for the PPP Arbiter but it was, nevertheless, considered by the then Mayor, then Secretary of State for Transport and TfL that there should continue to be expert independent scrutiny of work concerning the maintenance, upgrade and renewal of the Underground to ensure best value for the taxpayer.
- 1.3. In October 2010, the then Mayor directed TfL to expand the remit of TfL's Investment Programme Advisory Group (MD705 – attached as Appendix B). This created the Independent Investment Programme Advisory Group (IIPAG) to provide independent assurance and expert advice to the Mayor and the Secretary of State for Transport concerning TfL's Investment Programme, including all maintenance, renewal, upgrades and major projects, but not operational issues or the activities of Crossrail Limited.
- 1.4. Since the establishment of the current arrangements for IIPAG, there have been a number of changes and developments to the system in which IIPAG operate. A review has therefore been carried out to consider the role and remit of IIPAG.
- 1.5. The conclusions from this review were reported to the TfL Programmes and Investment Committee in June 2017 and the TfL Audit and Assurance Committee in July 2017. TfL subsequently reported to both Committees on a plan for the implementation of the review's recommendations in October 2017.
- 1.6. In order to implement the recommendations made by the review of IIPAG the following key changes to IIPAG's remit and governance are required:
 - Clarifying role of IIPAG in providing assurance to the Mayor and also the TfL Board, the TfL Board Committees and the TfL Executive;
 - Clarifying IIPAG's role in relation to operational issues and benchmarking;
 - Amending the role of the Department for Transport;
 - Allowing IIPAG to make use of a pool of experts to support the Group in its activities;
 - Clarifying the role of IIPAG in assuring the development of the TfL Investment Programme;
 - Specifying IIPAG's role in overseeing the TfL assurance regime;
 - Changing the appointment process for members; and

- Changing IIPAG's reporting requirements.
- 1.7. As the remit and governance of IIPAG is currently the subject of a Mayoral Direction, the Mayor should direct TfL concerning the revised approach, in the form set out in Appendix A.
 - 1.8. TfL have been consulted on the terms of the proposed revised direction. In its November meeting, the TfL Board approved the changes to the Programmes and Investment Committee and the Audit and Assurance Committee's Terms of Reference.
 - 1.9. Representatives of the Department for Transport were interviewed as part of the review and were content that the final report and its recommendations reflected their input. Specifically it is proposed that the Department for Transport no longer be required to;
 - agree a shortlist of potential IIPAG members;
 - be consulted on the annual IIPAG work programme; or
 - approve the IIPAG Terms of Reference.
 - 1.10. The Department for Transport will continue to receive reports produced by IIPAG.

2. Objectives and expected outcomes

- 2.1. The objective is to update the remit and governance of the IIPAG to reflect the recommendations made by the review of IIPAG as adopted by TfL. Implementing these recommendations will ensure IIPAG can continue to support the efficient delivery of the TfL Investment Programme.

3. Equality comments

- 3.1. Section 149(1) of the Equality Act 2010 provides that in the exercise of their functions, public authorities must have due regard to the need to:
 - Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
 - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 3.2. In its activities, this requirement will apply to TfL in implementing the recommendations of the review and IIPAG in its operations.
- 3.3. The obligation in section 149(1) is also placed upon the Mayor, as decision maker. Due regard must be had at the time a particular decision is being considered. The duty is non-delegable and must be exercised with an open mind.
- 3.4. In considering this proposal, the Mayor may conclude that it does not, of itself, have any immediate equality impacts. However it should be noted that IIPAG will play an important role in ensuring the effective delivery of TfL's Investment Programme, the components of which will need to consider all the equalities issues described above.

4. Other considerations

Key risks and issues

- 4.1 The review has sought to minimise duplication and ensure clarity of roles in order to minimise risk. IIPAG will be able to draw in external experts where necessary to address areas of concern where it may not have the requisite skills to address.

Links to Mayoral strategies and priorities

- 4.2 An effective assurance regime will support the delivery of the Mayor's Manifesto commitments and the draft Mayor's Transport Strategy to schedule and budget.

Impact assessments and consultation

- 4.3 Representatives from the Department for Transport were interviewed as part of the review of IIPAG and were content that the final report and its recommendations reflected their input

5. Financial comments

- 5.1. The costs of IIPAG will be met by TfL and are provided in TfL's business plan and budget. Transport for London shall prepare each year a budget for approval by the Audit and Assurance Committee so as to ensure that the Group has adequate resources and appropriate support to enable it to carry out effectively its role as described in this Mayoral Direction. This will include any cost associated with a pool of experts.

- 5.2. There will be no specific financial implications for the GLA arising from this decision.

6. Legal comments

- 6.1. Section 155(1) of the Greater London Authority Act 1999 (GLA Act) provides that the Mayor may issue to TfL:

- a) guidance as to the manner in which it is to exercise its functions,
- b) general directions as to the manner in which it is to exercise its functions, or
- c) specific directions as to the exercise of its functions.

- 6.2. Section 155(3) of the GLA Act also provides that directions which may be issued by the Mayor under subsection (1) may include, in particular, directions as to the manner in which TfL is to perform any of its duties.

- 6.3. Any directions issued under section 155(1) must be issued in writing and notified to TfL.

- 6.4. The Mayor is obliged to exercise the power of direction under section 155(1) in accordance with public law principles of reasonableness and rationality.

- 6.5. The analysis set out in this paper indicates that the Mayor may make the Direction proposed.

7. Planned delivery approach and next steps

Activity	Timeline
Revised Terms of Reference produced in line with the proposed Direction	Complete
Revised Terms of Reference considered by TfL's Programmes and Investment Committee	12 December 2017

Revised Terms of Reference considered by TfL's Audit and Assurance Committee	14 December 2017
Revised Terms of Reference put to TfL Board	30 January 2018

Appendices and supporting papers:

- Appendix A: Mayor's direction to TfL.
- Appendix B: MD705 and direction letter to TfL.
- Appendix C: IIPAG Review Report
- Appendix D: Audit and Assurance Committee Paper – 11 October 2017
- Appendix E: Audit and Assurance Committee Paper – 13 July 2017
- Appendix F: Audit and Assurance Committee Paper – 11 October 2016
- Appendix G: Programmes and Investment Committee Paper – 13 October 2017
- Appendix H: Programmes and Investment Committee Paper – 28 June 2017

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form -NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Claire Hamilton has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Fiona Fletcher-Smith has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Val Shawcross has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 18 December 2017.

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

Date

Tom Middleton on behalf of Martin Clarke 18/12/17

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

Date

D. Bellamy

18/12/2017.

MAYOR OF LONDON

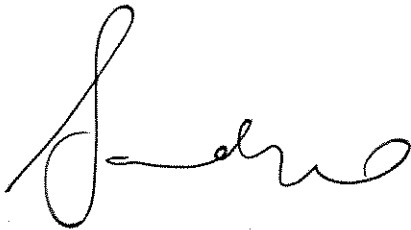
Mike Brown

Transport for London
Windsor House
50 Victoria Street
London SW1H 0TL

Date: 18.12.17

I, SADIQ KHAN, MAYOR OF LONDON, in exercise of the powers conferred on me by section 155(1)(c) of the Greater London Authority Act 1999 ("the Act") direct Transport for London in accordance with the attached document.

Dated this day 18th of December 2017.



Sadiq Khan
Mayor of London

