

Date: 11 October 2017

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

This paper will be considered in public.

1 Summary

- 1.1 This paper sets out the proposed action plan to implement the recommendations from the independent review of IIPAG carried out by TC Chew, which was considered at the meeting of the Committee on 13 July 2017. This paper will also be submitted to the Programmes and Investment Committee on 18 October 2017.

2 Recommendation

- 2.1 **That the Committee notes and approves the action plan.**

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 13 July 2017 and its recommendations were endorsed.

4 Action Plan

- 4.1 TfL has developed an action plan for the implementation of the recommendations made by TC Chew. This is contained in Appendix 1.

List of appendices to this report:

Appendix 1 – IIPAG Review Recommendations and Action Plan.

List of Background Papers:

Audit and Assurance Committee Paper – IIPAG Review – 13 July 2017.

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Appendix 1 – IIPAG Review Recommendations and Action Plan.

Recommendation		Action	Owner	Due Date
Section A: Working with the Business				
A1	A Memorandum of Understanding between IIPAG and TfL should be prepared. This should clarify both how TfL should expect IIPAG to engage with it and also how TfL should be expected to work with IIPAG. IIPAG Relationship Champions should be identified to work with colleagues from across TfL to reinforce the Memorandum of Understanding and to help build constructive relationships.	Produce TfL-IIPAG Memorandum of Understanding (MoU). This will 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 the Executive Committee and IIPAG.	General Counsel IIPAG	Feb 2018
		Appoint Relationship Champions. Relationship Champions, 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.	Head of Project Assurance	Nov 2017
Section B: The Three Lines of Assurance				
B1	IIPAG must form part of the new Risk and Assurance model, taking an active role in the coordination of work across assurance providers.	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.	Director of Risk and Assurance	Dec 2017
		This will be documented in the MoU (see A1 above).	General Counsel	Feb 2018

Recommendation		Action	Owner	Due Date
B2	IIPAG should support the continuous improvement of the first and second lines of assurance.	Revise Terms of Reference. IIPAG Terms of Reference to be revised to reflect this and other review recommendations. Revised draft to be submitted to the Audit and Assurance Committee (AAC) for its December 2017 meeting following consultation with the Chairs of the AAC and the Programmes and Investment Committee (PIC) and the Deputy Mayor. The revised Terms of Reference will be submitted to the TfL Board at its January 2018 meeting for information.	Head of Project Assurance	Jan 2018
Section C: Balance of Work Areas				
C1	IIPAG should propose a high level annual work plan with input from TfL. This should be considered by the TfL Executive before being put to the AAC for formal approval. The work plan should be reviewed by both PIC and AAC twice per year.	Revise Mayoral Direction. TfL will draft revised wording for a Mayoral Direction to reflect this and other recommendations. This proposed drafting will be submitted to the GLA for implementation.	General Counsel	Nov 2017
		This recommendation will also be incorporated into the revised terms of reference (see B2 above).	General Counsel	Jan 2018
Section D: The Breadth of the IIPAG Assurance Remit				
D1	IIPAG should work collaboratively with TfL to prioritise their work based on the risk to the business. The final determination of the work plan should however remain with the AAC.	This requirement will be reflected in the revised Mayoral Direction (see C1 above).	General Counsel	Nov 2017
		This requirement will also be documented in the MoU (see A1 above).	General Counsel IIPAG	Feb 2018
		Amend AAC and PIC Terms of	General Counsel	Nov 2017

Recommendation		Action	Owner	Due Date
		Reference to reflect this recommendation.		
Section E: Benchmarking and Asset Management				
E1	IIPAG's role in benchmarking should be to assure the benchmarking process, to advise on the work plan and to produce public reports that help to interpret key information and advise TfL on how they might act on the information. IIPAG's involvement in Asset Management Plans should be limited to specific commissions by either the PIC or the AAC.	This requirement will be reflected in the revised Mayoral Direction (see C 1 above). This will also be incorporated into the revised terms of reference (see B2 above).	General Counsel General Counsel	Nov 2017 Jan 2018
Section F: Reporting Requirements				
F1	The reporting requirements contained in the IIPAG Terms of Reference should be adjusted to reflect those outlined in the table in Section F.	This requirement will be reflected in the revised Mayoral Direction (see C 1 above). This will also be incorporated into the revised terms of reference (see B2 above). Amend AAC and PIC Terms of Reference to reflect this requirement (see D1 above).	General Counsel General Counsel General Counsel	Nov 2017 Jan 2018 Nov 2017
F2	The AAC should hold a private meeting with IIPAG annually, in line with the private meetings held with the Director of Internal Audit and Chief Finance Officer.	Amend AAC Terms of Reference to include this requirement (see D1 above). This will also be incorporated into the revised IIPAG terms of reference (see B2 above).	General Counsel General Counsel	Nov 2017 Jan 2018
Section G: The Role of Government				

Recommendation		Action	Owner	Due Date
G1	The Mayoral Direction establishing IIPAG and the IIPAG Terms of Reference should be amended. These amendments should remove the requirement for the Secretary of State for Transport to be involved in the management of IIPAG, but retain an expectation that IIPAG's reports will be shared with the Department for Transport.	This requirement will be reflected in the revised Mayoral Direction (see C1 above).	General Counsel	Nov 2017
		This will also be incorporated into the revised terms of reference (see B2 above).	General Counsel	Jan 2018
Section H: Governing IIPAG				
H1	An IIPAG Panel should be formed to provide strategic advice. This core Panel should draw on expertise from a Pool of Experts for advice on specific issues.	This will also be incorporated into the revised terms of reference (see B2 above).	General Counsel	Jan 2018
		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.	Head of Project Assurance	Oct 2017
H2	The Chair of the IIPAG Panel should be appointed by the Deputy Chair of the TfL Board. The Chair of the AAC should be responsible for further appointments to the IIPAG Panel. Appointments should be made on the basis of a two plus two year contract.	This requirement will be reflected in the revised Mayoral Direction (see C1 above).	General Counsel	Nov 2017
		This will also be incorporated into the revised terms of reference (see B2 above).	General Counsel	Jan 2018
		This will also be incorporated into the revised recruitment plan (see H1 above).	Head of Project Assurance	Oct 2017
Section I: The Affordability and Cost of IIPAG				
I1	The IIPAG Budget should be agreed annually with the AAC when agreeing to the high level annual work plan.	This requirement will be reflected in the revised Mayoral Direction (see C1 above).	General Counsel	Nov 2017
		This will also be incorporated into the revised terms of reference (see B2 above).	General Counsel	Jan 2018

Recommendation		Action	Owner	Due Date
		Amend AAC and PIC Terms of Reference to reflect this requirement (see D1 above).	General Counsel	Nov 2017
Section J: IIPAG Remuneration				
J1	IIPAG Panel members remuneration should be set in line with that of other TfL advisory groups.	This will also be incorporated into the revised recruitment plan (see H1 above).	Head of Project Assurance	Oct 2017