

**TfL Engineering  
Delivery Partner  
Business Case  
November 2017**

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## Background

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The current Engineering operating model is particularly constrained by a number of key challenges surrounding the existing delivery of Engineering. These are summarised below:

- **Engineering teams are disparate:** our Engineering functions sit across 22 different areas, and there are 250+ different job titles, leading to inconsistencies across teams, projects and strategy – there is no consistent engineering model
- **Leadership:** there is no single point of accountability. Leadership is highly fragmented, leading to inconsistent delivery models and governance frameworks
- **Technical strategy:** Engineering lacks the technical influence in enabling “front end” business lifecycle decisions, including a lack of technical vision / strategy
- **Costs:** There is duplication in processes which can lead to high costs, inefficient practices, and an unmeasured performance contribution
- **People:** Engineering is not providing the best opportunities for our people to develop their careers and add to skills sets
- **Efficiencies:** limited maturity in resource and capability management meaning capacity is not effectively managed or right-sized to meet future demand or optimum utilisation levels. In addition, inefficiencies are created by business areas using different processes and methods for developing engineering solutions

The new Engineering Directorate has been mandated in the Mayor’s manifesto to address these challenges. Implementing a single, pan-TfL integrated Engineering Directorate will add value by providing leadership and technical direction at the strategic level.

TfL do not have all the skills and expertise in house to deliver this transformation so procured the support of a delivery partner in February 2017.

## Proposal

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This business case sets out proposals to continue to call on the external support of our delivery partner for Engineering Transformation.

The current delivery partner has been instrumental in step 1 of designing the organisation and high level operating model and supporting the stand-up of the new directorate in September. In this next phase (phase 2) the delivery partner will focus on a range of areas that TfL have insufficient skills sets internally to fill or external support and independence is vital and required.

The current proposal is to spending an additional £[REDACTED] on full time delivery partner consultants between September 2017 and April 2018. At this stage the organisation will be up and running and will continually improve through its in house department of process and methods.

## Business case narrative

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The Mayor's vision included a commitment to merge engineering functions within TfL and create a single Engineering Directorate. This transformation programme is sponsored by George Clark, TfL Director of Engineering Business, to implement the new Engineering Directorate and develop the new Engineering operating model.

The delivery partner will support developing the new pan TfL engineering directorate and release efficiency savings of £29.3m. This is therefore a spend to save requirement.

A great deal of progress has been made to date. We have successfully achieved the 'Stand Up' of the Engineering Directorate on the 17th September, with the vast majority of engineers now reporting to engineers within the new Directorate.

An operating model aligned to the 12 design principles has been developed and is being tested with the delivery businesses. We are in the process of developing the organisation design that underpins the operating model.

We have successfully delivered DG2a in May and we have a detailed and robust plan to deliver DG2b and go-live of the Engineering Directorate including targeted Band 5 interventions to support their on-boarding. We have also spent considerable time supporting the enablers such as programme governance and metrics.

## Project scope

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The scope of the Engineering transformation (and therefore delivery partner support required) covers all areas of TfL where engineering capability is deployed or procured to deliver services to operate, improve and deliver transport infrastructure, and transport systems.

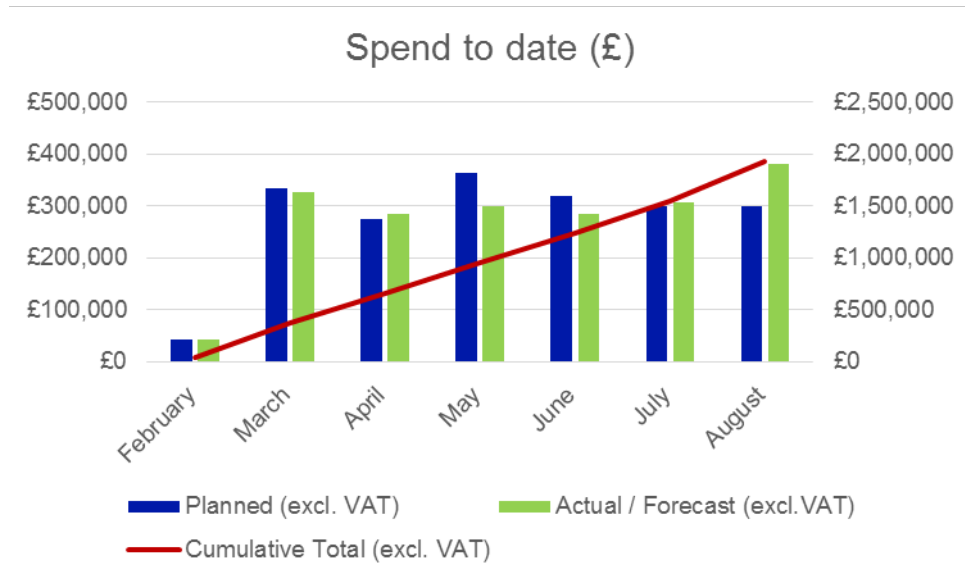
The next phase of delivery partner support will include:

- Ensuring the implementation of the right-sized TfL Engineering workforce proposals
- Detailed design of the TfL Engineering operating model
- 'Go-live' of the new Engineering operating model in April 2018
- Process re-design
- Further efficiencies identification to support the TfL business plan
- Resource Planning for the new Engineering Directorate
- Leadership Development
- Programme Management

## Spend to date

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A breakdown of spend to date is provided below.



## Deliverables

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The delivery partner is required to continue delivering the following work packages as per contract:

### Step 1 Standing up the Engineering Directorate

- Organisational Design Support
- Governance Model Support
- People & Capability Assessment (not started as de-prioritised with Programme Manager)
- Culture and Change

### Step 2: Implementing and optimising the Engineering directorate

- Technical Governance
- Resource Planning
- People & Capability
- Support Tools
- Implementation
- Outcome tracking & Benefits
- Programme Management
- TfL change governance
- Process Support

### Activities outside of scope of original contract

- Driving Operating Model development
- Driving Efficiencies work stream
- Driving Resource Management
- Migration
- Governance of people data
- Leadership
- Programme management support

It is assumed that the current delivery partner team will continue to support through until April 2018 with the majority of the existing team to continue until end of 2017.

The team profile reduces in 2018 as TfL take increased ownership of Transformation and the delivery partner resources will begin handover in 2018 as part of April 'Go Live'.