

Transport for London

Projects and Planning Panel

Subject: Project Monitoring – Project Approvals

Date: 3 October 2013

1 Purpose

- 1.1 To present to the Panel the forward approval programme for projects with a value in excess of £50m, from October 2013 – March 2015, and to inform the Panel of Project Authority given by the Commissioner and the Managing Director (MD) Finance in accordance with delegated authority under TfL's Standing Orders.
- 1.2 The Panel is asked to note the paper.

2 Project Approvals

Background

- 2.1 The Commissioner (and in his absence, the MD Finance) has delegated authority to approve Project Authority on projects up to a value of £50m that contain less than £25m of unbudgeted expenditure.
- 2.2 The MD Finance approves Project Authority for projects under £25m that contain less than £10m of unbudgeted expenditure. Approval of authority for projects of less than £5m that contain less than £2m of unbudgeted expenditure is delegated to Chief Officers and is not reported here.

Forward Approval Programme

- 2.3 To enable an appropriate level of governance, processes are in place for the authorisation, control and reporting of projects. The forward approval programme for October 2013 to March 2015, for projects with a value in excess of £50m, is set out in Appendix 1.
- 2.4 Where the projects have a value in excess of £50m and have not already received full approval from the Finance and Policy Committee, these requests will be submitted to the Finance and Policy Committee for consideration. The approval of projects with an estimated final cost below £50m will be reported to subsequent meetings of the Panel.

Project Approvals by the Commissioner

- 2.5 Since the meeting of the Panel on 8 May 2013, the Commissioner has approved Project Authority on nine projects. Further details of these projects are set out in Appendix 2.

Project Approvals by the MD Finance

- 2.6 Since the meeting of the Panel on 8 May 2013, the MD Finance has approved

Project Authority on seven projects. Further details of these projects are set out in Appendix 3.

3 Recommendation

3.1 The Panel is asked to NOTE the paper.

4 Contact

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Forward Approval Programme – October 2013 to March 2015

To enable an appropriate level of governance, processes are in place for the authorisation, control and reporting of projects.

Projects with a total value greater than £2m (unbudgeted) or £5m (budgeted) require authorisation by the MD Finance. The Pathway Integrated Assurance Review Process (IAR) sets the requirements for the review of these projects prior to approval.

Each gate applies 'challenges' to the project to assess whether it is in a suitable state to move through the gate. The Integrated Assurance Review provides assurance that a project or programme is:

- deliverable – it is likely to deliver the expected benefits within the declared cost/time/performance envelope;
- affordable – the level of expenditure and financial risk involved is acceptable in light of TfL's overall financial position when set against other priorities; and
- value for money – it provides the optimum combination of whole-life cost and quality (or fitness for purpose) to meet users' requirements.

Corporate Gates normally apply to a project at the following stages of their project lifecycles:

- Gate A – Initiation* (compulsory gate);
- Gate B – Option Selection*;
- Gate C – Pre-tender;
- Gate D – Contract award*;
- Gate E – Project close (compulsory gate); and
- Gate P – Programme review (for ongoing programmes).

All figures shown in the following table are in accordance with the approved TfL Business Plan unless otherwise indicated.

* If there is more than two years between gates, projects will be reviewed again at an interim point, e.g. Gate B+ or Gate D+.

Forward Schedule of Project Approvals/Gates

Project	Programme / Asset Group	Estimated Final Cost £m	Note	2013						2014									2015																					
				PPP	FPC	Board	PPP	FPC	Board	PPP	FPC	Board	PPP	FPC	Board	PPP	FPC	Board	PPP	FPC	Board	PPP	FPC	Board																
				Oct-13	Oct-13	Nov-13	Nov-13	Nov-13	Dec-13	Jan-14	Jan-14	Feb-14	Feb-14	Mar-14	Mar-14	May-14	May-14	Jun-14	Jul-14	Jul-14	Sep-14	Oct-14	Oct-14	Nov-14	Nov-14	Nov-14	Dec-14	Jan-15	Jan-15	Feb-15	Feb-15	Mar-15	Mar-15							
Corporate																																								
Crossrail 2	Crossrail	TBC																																						
Future Ticketing Project - phase 1	Customer Experience	73								E																														
Future Ticketing Project - phase 2	Customer Experience	69	4																																					
Future Ticketing Project - phase 3	Customer Experience	TBC								B	B																													
Future Ticketing Project - phase 4	Customer Experience	TBC																																						
Gallions Reach Project	River	150														A	B	B	B																					
Silvertown River Crossing	Streets	700	3																																					
Rail & Underground																																								
Cable Car	DLR	63								E																														
BCV/SSL Track Programme	Infrastructure	623																																						
Baker to Bond Street Tunnel	Infrastructure	34																																						
JNP Civils	Infrastructure	54																																						
JNPTrack Programme	Infrastructure	144																																						
Croxley Rail Link	Overground	TBC								D	D	D																												
London Overground Capacity Improvement Programme	Overground	175																																						
Bank Bloomberg Place	Stations	58																																						
Paddington Station Upgrade	Stations	63																																						
Stations Stabilisation Programme	Stations	363																																						
Victoria Station Upgrade (District and Circle Lines Improvement Works)	Stations	590																																						
Future Stations Programme	Stations	TBC																																						
92TS Bogie Replacement & Gearbox Repair	Trains	65																																						
Deep Tube Programme	Upgrades	16,500																																						
Jubilee Line Upgrade	Upgrades	>>																																						
Jubilee Line World Class Capacity	Upgrades	251																																						
Northern Line Extension to Battersea	Upgrades	TBC																																						
SUP - Infrastructure	Upgrades	95																																						
SUP - ATC (IPAG Interim Review)	Upgrades	1,058																																						
SUP - Ealing Common & Upminster Depots	Upgrades	92																																						
SUP - Neasden Heavy Maintenance Facilities	Upgrades	56																																						
Victoria Line Upgrade	Upgrades	1,029	2																																					
Victoria Line World Class Capacity	Upgrades	43																																						
Surface																																								
London Road User Charging Contract Relet	Congestion Charging	>>	1																																					
Cycling Vision Portfolio	Cycling	913																																						
Cycle Hire Transition	Cycling	>>																																						
Cycle Hire Expansion and Intensification	Cycling	37																																						
A23/A232 Fiveways Road Improvement Scheme	Streets	52																																						
Better Junctions	Streets	100																																						
Hammersmith Flyover Phase 2	Streets	77																																						
TLRN Capital Renewals Programme	Streets	60																																						

TBC: The amount to be approved at the gate will be confirmed closer to the approval date.

>>: Costs are excluded for reasons of commercial confidentiality.

UB: Unbudgeted

Notes:

1. A number of Surface Transport programmes including major road schemes, structures and tunnels and road space management, have not yet been timetabled for review and approval.
2. Timing of Victoria Line Upgrade Gate E (Close) to be confirmed.
3. Timing of Silvertown River Crossing Gate B (Single Option) to be confirmed.
4. Timing of Future Ticketing Phase 2 Gate D+ (Interim Review) to be confirmed.

Summary of projects approved by the Commissioner

LU-PJ611C Croxley Rail Link			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£1,784k	£1,374k	£2,628k	TBC
Authority Approval	<p>Additional Project Authority of £1,254k was granted following an Integrated Assurance Review, for LU to provide Hertfordshire County Council (HCC) and VINCI (and its sub-contractors) with design assurance, knowledge transfer and ongoing support with the detailed design phase of the Croxley Rail Link Project. Authorisation was also granted for LU to undertake ATC signalling design for the rail extension and for Power, Connect and Prestige PFI engagement. LU expenditure is recoverable from HCC and over £1,000k has been recovered to date.</p>		
Outputs and Schedule	<p>The Project is led by HCC and is seeking to divert and extend the existing Metropolitan line from just north of Croxley to a new terminus at Watford Junction and build two new stations on the extension.</p> <p>The Secretary of State for Transport approved the Transport and Works Act Order to proceed in July 2013.</p> <p>The Mayor of London also announced consent to close and discontinue passenger services to and from Watford Metropolitan line station once the new line is opened.</p> <p>The project is due for completion in 2016.</p>		

LT/M/12/024 Wimbledon Tramlink Line Enhancement project			
Financial Authority in Business Plan £30,000k	Previous Project Authority Granted £12,800k	Total Project Authority Granted £30,000k	Estimated Final Cost £30,000k
Authority Approval	Additional Project Authority of £17,200k was granted in July 2013 following a Pre-tender Integrated Assurance Review, to proceed with the Wimbledon Platform 10 Network Rail modifications, the procurement of four additional trams and the tendering process for the twin tracking works.		
Outputs and Schedule	<p>The project will enable twelve trams per hour peak service along the entire route between Wimbledon and Croydon, increasing the frequency and capacity on the line by 50 per cent.</p> <p>The project scope includes:</p> <ol style="list-style-type: none"> 1. A second platform at Wimbledon station. 2. Twin tracking of existing single track from Beddington Lane to Mitcham Junction. 3. The procurement of four new trams. <p>The project is expected to complete in Q1 2016.</p>		

ST-PJ184C Tottenham Hale Gyrotory Project			
Financial Authority in Business Plan £29,610k	Previous Project Authority Granted £29,310k	Total Project Authority Granted £29,610k	Estimated Final Cost £29,610k
Authority Approval	Project Authority of £300k was granted to implement minor changes recommended by the Tottenham Hale Regeneration Taskforce and to install London Streets banners on site hoardings.		
Outputs and Schedule	<p>The purpose of the project is to improve the gyrotory and the associated Tottenham Hale transport interchange by returning traffic to two way operation and creating a new bus station and public square at Tottenham Hale station.</p> <p>The project will complete by October 2014.</p>		

LU – PJ905C Rail Defect Reduction Project			
Financial Authority in Business Plan £49,343k	Previous Project Authority Granted £248k	Total Project Authority Granted £49,343k	Estimated Final Cost £49,343k
Authority Approval	Additional Project Authority of £49,095k was granted following a Contract Award Integrated Assurance Review.		
Outputs and Schedule	<p>The project scope is to improve the reliability of the underground rail network through work to reduce rail defects in the following ways:</p> <ol style="list-style-type: none"> 1. Plain line and points and crossings grinding works. 2. Joint removal works. 3. Establishment of a new 'little and often' grinding work access and resource plans and cost estimates for future works to be handed over to the maintainer. <p>The budgeted project authority of £49.343m consists of £44.800m base cost and £4.473k risk (9 per cent).</p> <p>The first full year of benefit delivery will be in 2015 in time to contribute to the Mayor of London's 30 per cent reliability improvement commitment. The programme will complete in March 2015.</p>		

LU-PJ830C Customer Service Transformation programme (CSTP)			
Financial Authority in Business Plan £72,600k	Previous Project Authority Granted £2,558k	Total Project Authority Granted £10,213k	Estimated Final Cost £43,972k
Authority Approval	Additional Project Authority of £7,655k was granted following an Initiation Integrated Assurance Review, to complete the programme design.		
Outputs and Schedule	<p>The scope is to meet increased customer expectations of how services will be delivered while delivering greater value for money.</p> <p>The programme will complete in November 2014.</p>		

LU-PJ382C Power System Control			
Financial Authority in Business Plan £24,800k	Previous Project Authority Granted £294k	Total Project Authority Granted £1,763k	Estimated Final Cost £48,647k
Authority Approval	Additional Project Authority of £1,469k was granted following an Option Stage Integrated Assurance Review, to develop functional requirements and prepare an invitation to tender (ITT).		
Outputs and Schedule	<p>The project will replace the three existing individual obsolete power control systems with system covering the LU power network.</p> <p>This phase of the project will develop user requirements through market engagement with potential suppliers, followed by the preparation of the ITT in September 2014.</p> <p>The EFC exceeds the Financial Authority by £23,847k, which is unfunded. The Financial Authority is based on an estimate from 2007 and assumes that one of the existing control systems could be expanded to cover the whole power network. The system has since proved to be fragile and a new system is now proposed.</p> <p>Further cost certainty will be obtained through the market testing which is due to complete in July 2014. Until then the shortfall will be included in the 2013/14 Q2 forecast and offset against future projects in the business plan.</p> <p>Delivery of the system is planned for January 2018.</p>		

LU-PJ882C Jubilee Line World Class Capacity			
Financial Authority in Business Plan £251,000k	Previous Project Authority Granted £365k	Total Project Authority Granted £2,618k	Estimated Final Cost £251,000k
Authority Approval	Additional Project Authority of £2,253k was granted for a feasibility study to increase service levels on the Jubilee line from 33 trains per hour (tph) to an expected 36tph.		
Outputs and Schedule	<p>The scope is to maximise the service frequency on the Jubilee line without major infrastructure or signalling investment.</p> <p>Up to sixteen additional trains will be purchased, depending on the chosen service frequency.</p> <p>A preferred option will be decided in April 2014. Project completion is anticipated for Spring 2018.</p>		

LU-PJ682C Piccadilly Line SCADA			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£28,142k	£1,662k	£9,325k	£29,582k
Authority Approval	<p>Additional Project Authority of £7,663k was granted following a Contract Award Integrated Assurance Review, to start the installation of a new signalling control system on the Piccadilly line and to design supporting auxiliary systems.</p> <p>The EFC exceeds the Financial Authority by £1,440k, which is unfunded. The project expects that a reduction in cost uncertainty in later stages will bring the EFC back within Financial Authority.</p>		
Outputs and Schedule	<p>The scope is to replace the obsolete Piccadilly line signalling control assets with a new system, compatible with SUP ATC. The Piccadilly line signalling system itself (such as trackside equipment) is not affected.</p> <p>The new signalling control system has been designed and is ready for roll-out. The supporting auxiliary systems are still in design. The approved project authority provides for the roll-out of the core system to commence while design of the auxiliaries is being completed.</p> <p>The new system will be fully operational in 2018.</p>		

LU-PJ773C Vauxhall Station Upgrade			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£42,980k	£792k	£35,105k	£35,105k
Authority Approval	<p>Additional Project Authority of £34,313k was granted following a Contract Award Integrated Assurance Review, to deliver station upgrade and congestion relief works at LU Vauxhall station.</p>		
Outputs and Schedule	<p>The scope is to increase the overall size of the ticket hall and to increase the number of gates from six to twelve. This project will also install a lift from the paid side of the ticket hall to the platforms, to enable step free access to all parts of the station and interchange with the Network Rail.</p> <p>The delivery is planned for November 2015.</p>		

Summary of projects approved by the MD Finance

IP05028 Operational Wi-Fi at Stations and other buildings			
Financial Authority in Business Plan £15,165k	Previous Project Authority Granted NIL	Total Project Authority Granted £15,165k	Estimated Final Cost £15,165k
Authority Approval	Project Authority of £15,165k was granted to progress an extension programme of Wi-Fi, following an Integrated Assurance Review.		
Outputs and Schedule	<p>The purpose of this project is to extend operational Wi-Fi capability to a further 139 stations and 70 operational buildings.</p> <p>Additionally, the project will enhance the provision at the 120 initial stations by adding connectivity within the station supervisor's office and control rooms.</p> <p>The project will complete in August 2014.</p>		

IP05024 Access Transformation Programme			
Financial Authority in Business Plan £7,900k	Previous Project Authority Granted NIL	Total Project Authority Granted £4,420k	Estimated Final Cost £7,900k
Authority Approval	Project Authority of £4,420k was granted to deliver Phase 1 of 2. This includes design and deployment of a new track access process, and organisational changes to create a single centralised access management team.		
Outputs and Schedule	<p>The programme consists of the following main items of scope, development and embedment of a new access process which includes organisational changes. The replacement of access booking IT systems, improving the processes used to gain access to stations / depots and 'harmonising access'. This is essentially improving the efficiency and reducing safety risks associated with controlling access to the railway.</p> <p>The project will complete in June 2014.</p>		

ST-PJ210C London Streets Tunnels Operations Centre (LSTOC)			
Financial Authority in Business Plan £10,000k	Previous Project Authority Granted NIL	Total Project Authority Granted £760k	Estimated Final Cost £10,000k
Authority Approval	The project was granted Project Authority of £760k on 24 September 2013 following a Pre-tender Integrated Assurance review, for the procurement activities up to contract award.		
Outputs and Schedule	<p>LSTOC is the control room for TfL's 12 road tunnels and the associated 90km of Transport for London Road Network corridors.</p> <p>The scope is to deliver a modern integrated and expansible control system, with a single user interface. The system will provide enhanced resilience, a fully capable Disaster Recovery (DR) control room, and have the flexibility to enable both the Primary and DR control rooms to be situated anywhere on the TfL estate.</p> <p>The implementation phase is expected to run to the end of 2015.</p>		

LU-PF220 Sub-Surface Railway (SSR) Upgrade Programme (SUP)			
Financial Authority in Business Plan £4,243,845k	Previous Project Authority Granted £4,243,845k	Total Project Authority Granted £4,243,845k	Estimated Final Cost £4,249,620k
Authority Approval	<p>Transfer of project authority between sub-programmes within SUP was granted by the Managing Director, Finance.</p> <p>The EFC exceeds the Financial Authority by £5,775k, which is unfunded. The programme is undertaking a review of the remaining scope and cost to complete the upgrade. A further request will be submitted to approve a revised Project Authority.</p>		
Outputs and Schedule	<p>The SSR Upgrade Project Authority is split between eleven sub-programmes.</p> <p>Four sub-programmes (Extra Low Loss Conductor Rail, DC Power works, S7 supporting works and S8 supporting works) are complete, with total costs £8.3m lower than combined sub-programme authority.</p> <p>These savings have been transferred to two sub-programmes (Infrastructure enabling and Depots) whose estimated costs are higher than authority.</p> <p>The programme will complete in early 2020.</p>		

ST-PJ152C East London Transit 1b Project			
Financial Authority in Business Plan £15,558k	Previous Project Authority Granted £17,110k	Total Project Authority Granted £15,558k	Estimated Final Cost £15,558k
Authority Approval	Project Authority of £311k was granted for additional works to extend the EL1 bus service to Barking Riverside. Savings of £1,863k were also declared resulting in a net reduction of the total EFC and Project Authority to £15,558k.		
Outputs and Schedule	<p>The purpose of the East London Transit (ELT) is for a high quality bus system that plays an important part of the economic and social regeneration of the Thames Gateway area.</p> <p>The works are completely within the London Borough of Barking and Dagenham's (LBBD) highway infrastructure (not Transport for London Road Network) and include widening of River Road to allow for a bus lane in either direction, widening of Thames Road to allow for a west bound bus lane, carriageway reconstruction along the 1.4km route, improved footway and pedestrian access and the provision of landscaping to provide greenery in the area to form part of the high quality transit brand.</p> <p>The project will complete by October 2013.</p>		

LR-PJ40C DLR Double Tracking Phase 1			
Financial Authority in Business Plan £7,500k	Previous Project Authority Granted £2,700k	Total Project Authority Granted £7,100k	Estimated Final Cost £8,170k
Authority Approval	<p>Project Authority of £4,400k was granted following a Option Integrated Assurance Review for the remaining Phase 1 works.</p> <p>The inclusion of risk provision for additional Crossrail costs has increased the EFC to £8,170k, exceeding the budget by £670k. A further request for Project Authority will be made if necessary after the works have been tendered.</p>		
Outputs and Schedule	<p>The project is the first phase of a larger programme to replace the only section of single line track (between Bow Church and Stratford) with double tracks. Phase 1 takes advantage of the Crossrail works to create a new station at Pudding Mill Lane, enabling an improved timetable by Easter 2014.</p> <p>Phase 1 will complete in 2015.</p>		

ST-PJ354C Energy Efficient Street Lighting Project			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£7,500k	£350k	£7,500k	£10,902k
Authority Approval	<p>Project Authority of £7,150k was granted following a Contract Award (formally Gate D) review for the budgeted portion of the project's estimated final cost.</p> <p>The proposal to upgrade the lighting to LED has increased the project's estimated final cost to £10,902k (including risk) leaving £3,402k unbudgeted. A further request for approval will be submitted when a funding source has been identified.</p>		
Outputs and Schedule	<p>The purpose of the project is to save electricity costs and contribute to meeting TfL's obligations to reduce CO₂ emissions under the Climate Change Act 2008 by improving the energy efficiency of the street lighting on the Transport for London Road Network (TLRN).</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • Installation of a Central Management System (CMS) allowing centralised control of the street lighting on the TLRN; and • Replacement of the majority of the existing High Intensity Discharge (HID) street lighting heads with LED equivalents (71 per cent of the 31,000 units). <p>The project will complete by April 2016.</p>		