

TRANSPORT FOR LONDON

FINANCE COMMITTEE

SUBJECT: PROJECT MONITORING – PROJECT APPROVALS

DATE: 2 JUNE 2009

1 PURPOSE AND DECISION REQUIRED

- 1.1 To inform the Finance Committee of approvals given by the Commissioner and the Managing Director (MD) Finance in accordance with delegated authority under TfL Standing Orders.

2 BACKGROUND

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

3 PROJECT APPROVALS BY THE COMMISSIONER

- 3.1 Since the Finance Committee on 10 March 2009, the Commissioner approved four projects, namely:
- a) Countdown 2;
 - b) Accommodation Strategy – post-Palestra fit out;
 - c) BCV/SSL Stations Asset Stabilisation, 2009/10; and
 - d) BCV/SSL Civils programme 2009/10.

Further details on these projects are set out in Appendix 1.

4 PROJECT APPROVALS BY THE MD FINANCE

- 4.1 Since the Finance Committee on 10 March, the MD Finance has approved nine projects, namely:
- a) Cooling the Tube;
 - b) Osterley Station Step Free Access;
 - c) Ladbrooke Grove Step Free Access and Station Refurbishment;

- d) Hainault Station Step Free Access;
- e) Aldgate Station Refurbishment;
- f) Railway Timetabling System;
- g) A406 Henlys Corner Junction Improvements;
- h) Co-location of control rooms at Palestra; and
- i) Cycle Highways (2 pilot routes).

Further details on these projects are set out in Appendix 2.

5 CONCLUSION AND NEXT STEPS

- 5.1 Planned future requests, until the end of 2009/10, for project authority for projects costing more than £5m are listed in Appendix 3. Where the projects have a value in excess of £50m, these requests will be submitted to the Finance Committee for consideration; the approval of smaller projects will be reported to subsequent meetings of the Finance Committee.

6 RECOMMENDATION

- 6.1 The Finance Committee is asked to NOTE the project approvals made by the Commissioner and MD Finance.

7 CONTACT

- 7.1 Contact: Guy Phillips, Investment Programme Management Office
Phone: 020 7126 3050

Summary of projects approved by the Commissioner

ST-PJ172	Countdown 2	Total Approval = £39.9m (of £39.9m)
Authority Request	The Countdown 2 project uses the recently introduced GPS data provided by iBus to provide improved customer information at bus stops and to mobile phones.	
Outputs and Schedule	The project will deliver: <ul style="list-style-type: none"> • 4000 new on-street signs giving real time information • Web and mobile phone (SMS) real time information 	
Approval	Additional project authority of £15.5m was granted with an expiry date of 31 March 2013, for the detailed development, implementation and roll-out of the project.	

ST-PJ20	Accommodation Strategy – post Palestra fit-out	Total Approval = £32.6m (of £32.6m)
Authority Request	This authority covers £3.8m for increased costs resulting from the Palestra fit-out.	
Outputs and Schedule	The increased authority will cover both the cost increases and contractors' claims. These claims have been assessed and negotiated, and are expected to be agreed within this amount.	
Approval	Project authority of £3.8m was granted.	

BCV/SSL Stations Asset Stabilisation 2009/10		Total Approval = £48.3m (of £48.3m)
Authority Request	With the deferral of modernisation or refurbishment works at 62 stations, a programme to carry out remedial and stabilisation work has been developed for the affected stations. This authority is for the programme of items that are due to begin in 2009.	
Outputs and Schedule	<p>The programme consists of 107 items within 17 packages of work. All items will commence in 2009/10 but some continue into 2010 and 2011. There are four main asset categories:</p> <ul style="list-style-type: none"> • Building and Structures; • Mechanical and electrical; • Communications systems; and • Fire detections and suppression. 	
Approval	Additional project authority of £42.7m was granted with an expiry date of 31 March 2012.	

BCV/SSL Civils Programme 2009/10		Total Approval = £43.4m (of £43.4m)
Authority Request	The Civils programme will carry out a range of improvement and monitoring works to civils assets on the BCV and SSL networks, commencing in 2009/10.	
Outputs and Schedule	<p>The key objective of the programme to strengthen and/or upgrade assets that cannot be deferred until later years without significant increased risk to the service. The assets are grouped into four main categories and comprises:</p> <ul style="list-style-type: none"> • Eleven bridges and structures projects; • Seven earth structures projects; • Design of remedial works on the deep tube tunnels; and • Seven pumps and drainage projects. <p>All projects will commence in 2009/10 but some will continue into 2010/2011 and 2011/12</p>	
Approval	Project authority of £43.4m was granted with an expiry date of 31 March 2012.	

Summary of projects approved by MD Finance

LU-PJ300, 301, 303, 304	Cooling the Tube	Total Approval = £33.0m (of £48.0m)
Authority Request	This authority provides for continuing activity in four workstreams: <ul style="list-style-type: none"> • Out of Service fans (OSS); • Quick Wins; • Scoping and sponsorship; and • Programme Management. 	
Outputs and Schedule	The four workstreams are ongoing as described below: <ol style="list-style-type: none"> 1. Out of Service fans – refurbishment of five fans on the Central and Northern lines to March 2011; 2. Quick Wins – impulse fans on eight platforms on the Bakerloo and Central lines for Summer 2009; 3. Scoping and Development – temperature monitoring, traction optimisation, benefit analysis to March 2010; and 4. Programme management – high level management, control and stakeholder communication to March 2012. 	
Approval	The project was granted additional project authority of £5.7m with an expiry date of 31 March 2012.	

LU-PJ280	Osterley Station Step Free Access	Total Approval = £12.7m (of £12.7m)
Authority Request	This authority provides for the implementation of the step free access project.	
Outputs and Schedule	Osterley is one of the 25 per cent of Underground stations due to provide step free access by December 2010. The project will deliver two lifts to provide step free access from street level to each platform via an existing bridge with a lobby at platform level for each lift.	
Approval	The project was granted additional project authority of £9.4m with an expiry date of 2 October 2010.	

Ladbroke Grove Station Step Free Access and refurbishment		Total Approval = £18.8m (of £18.8m)
Authority Request	This authority provides for the detailed design and implementation of the step free access project and refurbishment.	
Outputs and Schedule	Ladbroke Grove is one of the 25 per cent of Underground stations due to provide step free access by December 2010. The project will be completed by 1 December 2010 and deliver: <ul style="list-style-type: none"> • Two new lifts to platform level • A new entrance that is step free • Upgraded communication systems • Strengthening of some structural assets • Improved CCTV coverage 	
Approval	The project received approval for additional project authority of £16.0m with an expiry date of 28 February 2011.	

Hainault Station Step Free Access		Total Approval = £15.3m (of £15.3m)
Authority Request	This authority provides for the completion of the station modernisation and the implementation of the step free access project.	
Outputs and Schedule	Hainault is one of the 25 per cent of Underground stations due to provide step free access by December 2010. By January 2010, the project will deliver: <ul style="list-style-type: none"> • Step free access from ticket hall to platform • The completion of the station modernisation works that were halted during the Metronet administration. 	
Approval	The project received approval for additional project authority of £6.98m, with an expiry date of August 2010.	

Aldgate Station Refurbishment		Total Approval = £11.3 (of £11.3m)
Authority Request	This authority provides for implementation of the enhanced refurbishment works at Aldgate Station.	
Outputs and Schedule	<p>The detailed design is nearing completion and work is due to commence in October 2009. The main deliverables are:</p> <ul style="list-style-type: none"> • New customer information and public address systems • New CCTV and fire systems; • Improved staff quarters; and • Refurbishment of the train shed roof. <p>The project will complete in November 2010.</p>	
Approval	The project received approval for additional project authority of £9.7m with an expiry date of 31 December 2010.	

LU-PJ215	Railway Timetabling System	Total Approval = £6.9m (of £6.9m)
Authority Request	This authority provides for the completion of the project to replace the timetabling software that is now life-expired.	
Outputs and Schedule	The project implementation is underway and the additional authority will provide for the commissioning and testing of the new system, followed by training and decommissioning of the obsolete system. The project will complete by 31 March 2010.	
Approval	The project received approval for additional project authority of £1.4m with an expiry date of 31 March 2010.	

ST-PJ202	A406 Henlys Corner Junction Improvements	Total Approval = £1.6m (of £8.0m)
Authority Request	This authority provides for the detailed design of the junction improvement works at Henlys Corner on the A406.	
Outputs and Schedule	<p>The project will deliver:</p> <ul style="list-style-type: none"> • improved traffic control at the junction with signalised turns; • street level pedestrian crossings; • new cycle crossings; • updated signalling equipment; • new road surfacing; and • improved signing. 	
Approval	The project was granted additional project approval of £1.1m with an expiry date of 30 August 2010.	

ST-PJ145	Co-location of control rooms at Palestra	Total Approval = £15.2m (of £15.2m)
Authority Request	This authority provides for the completion of the co-location of control rooms within the Palestra building.	
Outputs and Schedule	<p>Four control rooms will be co-located:</p> <ol style="list-style-type: none"> 1. London Traffic Control Centre; 2. CentreComm; 3. MetroComm; and 4. 2012 Games Transport Coordination Centre. <p>The authority also provides for additional items of scope, including a resilient dedicated power supply.</p>	
Approval	The project received approval for additional project authority of £2.0m with an expiry date of 31 January 2010, when the project will be completed.	

ST-PJ303	Cycle Highways – two pilot routes	Total Approval = £3.3m (of £22.4m)
Authority Request	This authority provides for the design of the first two cycle highway routes. A set of twelve radial routes from outer London to Central London is planned, with the first two routes to be delivered by May 2010.	
Outputs and Schedule	<p>The authority provides for the detailed design of the first two routes, with the key deliverables of:</p> <ul style="list-style-type: none"> • Coloured road surfacing; • Smarter Travel initiatives; • Side road entry treatments; • Advanced stop lines at signal junctions; and • New signage. <p>The design is due for completion in July 2009, with construction starting in September 2009. The two routes will be completed by May 2010.</p>	
Approval	The project received approval for new project authority of £3.3m with an expiry date of 31 May 2010.	

PRG Forward Forecast – June 2009 to June 2010.

To enable an appropriate level of governance, processes are in place for the authorisation, control and reporting of projects. This is undertaken at both Corporate and Modal levels. In addition to Modal processes, projects with a total value greater than £2m (unbudgeted) or £5m (budgeted) require authorisation at a corporate level. The Corporate Gate Approval Process (CGAP) 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 Gate Review provides assurances 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 – Project commencement (compulsory gate);
- Gate B – Single option selection;
- Gate C – Pre-tender;
- Gate D – Contract award;
- Gate E – Project close (compulsory gate); and
- Gate P – Programme review for annualised programmes of minor schemes.

Projects to be approved by Finance Committee greater than £50M

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed PRG Date
London Underground					
92 Rolling Stock AC Traction Project	0.000	180.000	180.000	B	Jun-09
Victoria Station Upgrade	69.966	638.000	638.000	D	Jun-09
Bond Street Congestion Relief	12.676	24.676	299.435	B/D	Jul-09
Bank Congestion Relief	4.500	7.500	625.000	B	Sep-09
Cooling The Tube Victoria Line (stations works)	135.000	155.000	205.459	B/D	Sep-09
Sub-Surface lines Power Upgrade – Detail Design and Build Package s 2, 3, 4 & 5	226.155	630.400	630.400	D	Sep-09
Tottenham Court Road Congestion Relief	171.080	525.138	525.138	D	Sep-09
LU Services and Safeguard of Crossrail	21.000	21.000	91.000	B	Oct-09
Piccadilly line Power Upgrade - Scoping and Development	0.100	22.100	162.000	B/D	Oct-09
Sub-Surface lines High Voltage Signalling Power Upgrade	0.000	15.000	83.000	A	Feb-10
Sub-Surface lines 750V conversion	3.600	54.400	54.400	D	Apr-10
Surface					
Cycle Highways - 10 routes	0.000	TBC	142.600	A/B	Jul-09
New Bus for London	0.000	1.100	TBC	A,B,C	Jul-09
New Bus for London	1.100	3.100	TBC	D	Nov-09

Projects to be approved by Commissioner between £25M and £50M

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed PRG Date
London Underground					
Lift and Escalator Programme 09/10	0.000	25.333	25.333	P	Jun-09
LU works for ThamesLink	21.250	40.122	40.122	B/D	Sep-09
Power System Control	0.000	8.000	32.000	A	Feb-10
Surface					
Blackwall Tunnel Northbound Refurbishment	37.000	43.906	43.906	D	Jul-09
Tottenham Hale Gyratory	3.200	47.270	47.800	C	Jul-09
TLRN Capital Renewal 09/10	0.000	39.000	39.000	P	Aug-09
TLRN Capital Renewal 10/11	0.000	45.000	45.000	P	Mar-10

Projects to be approved by MD Finance under £25M

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed PRG Date
London Underground					
Sloane Square Station Enhanced Refurbishment	0.000	14.000	14.000	A	Jun-09
New Sub-Surface lines Depots traction switch compliance	0.000	8.300	8.300	B	Jul-09
Earthing and Bonding Compliance	0.000	13.000	13.000	B	Aug-09
Train Crew Accommodation Harrow-on-the-Hill	0.220	13.500	13.500	B/D	Aug-09
Victoria Line Upgrade - 4,500 AMP Energy Optimisation	0.500	12.500	12.393	A	Aug-09
Central Line Depots Traction Switch Replacement	0.000	7.000	7.000	A	Sep-09
Rayners Lane - Specified right	0.700	1.700	8.000	B	Sep-09
92 Rolling Stock Half Life Ambience Upgrade	0.000	25.000	25.000	B	Nov-09
Central and Bakerloo lines: Low Voltage Mains	0.000	24.000	24.000	A	Dec-09
Connect - Signalling	0.000	2.000	8.803	A	Mar-10
Connect – Sub-Surface lines Signalling Upgrade - Provision of Signalling Control Circuits	0.000	0.180	11.000	B/D	Mar-10
Surface					
TLRN Cycling and Walking 09/10	0.000	7.000	7.000	P	Jun-09
Olympic Transport Co-ordination Centre	3.008	9.400	9.400	C	Jul-09
Bus Priority 09/10	0.000	9.000	9.000	P	Jul-09
Traffic Operations 09/10	0.000	15.000	15.000	P	Jul-09
Cycle Highways – 2 pilot routes	3.300	22.400	22.400	D	Jul-09
Olympic Cycle and Walking Routes	0.750	TBC	9.870	D	Aug-09
Road Safety 09/10	0.000	12.000	12.000	P	Aug-09
Pedestrian Countdown	TBC	TBC	TBC	A	Sep-09
East London Transit stage 1b	2.310	20.600	20.600	C	Oct-09
Infrastructure Development	4.100	36.123	36.123	D	Oct-09
Olympic Road Network Junctions and Carriageways	1.200	18.000	18.000	C	Jan-10
Olympic Road Network Instrumentation Project	10.100	11.598	17.240	C	Feb-10
London Rail					
Beckton Control Room	0.000	TBC	17.000	A/B	July-09