

TRANSPORT FOR LONDON

FINANCE AND POLICY COMMITTEE

SUBJECT: PROJECT MONITORING – PROJECT APPROVALS

DATE: 25 MAY 2011

1 PURPOSE AND DECISION REQUIRED

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

2 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 not reported here.
- 2.3 The governance arrangements put in place following the acquisition of Tube Lines require that the project authority on Tube Lines projects over £5m and up to £50m is granted by the Tube Lines Holding Board.

3 PROJECT APPROVALS BY THE TUBE LINES HOLDING BOARD

- 3.1 On 6 April 2011, there were seven project authorities approved by the Tube Lines Holding Board. Further details of these projects are set out in Appendix 1.

4 PROJECT APPROVALS BY THE COMMISSIONER

- 4.1 Since the meeting of the Committee held on 17 March 2011, there have been three project authorities approved by the Commissioner. Further details of these projects are set out in Appendix 2.

5 PROJECT APPROVALS BY THE MD FINANCE

- 5.1 Since the meeting of the Committee held on 17 March 2011, the MD Finance has approved project authority on four projects. Further details of these projects are set out in Appendix 3.

6 CONCLUSION AND NEXT STEPS

- 6.1 Planned future requests, over the next twelve months, for project authority for projects costing more than £5m are listed in Appendix 4. Where the projects

have a value in excess of £50m and have not already received full approval from the Committee, these requests will be submitted to the Committee for consideration. The approval of projects with an estimated final cost below £50m will be reported to subsequent meetings of the Committee.

7 RECOMMENDATION

7.1 The Committee is asked to NOTE the paper.

8 CONTACT

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APPENDIX 1

Summary of projects approved by the Tube Lines Holding Board

Baker Street to Bond Street Tunnel Reconstruction			
Financial Authority in Business Plan¹ £38,900k	Previous Project Authority Granted £0k	Total Project Authority Granted £1,000k	Estimated Final Cost £38,900k
Authority Approval	£1,000k project authority was granted at the meeting of the Tube Lines Holding Board, following a Corporate Gate B review.		
Outputs and Schedule	<p>The project has been granted project authority to continue survey and feasibility work up to the next Tube Lines Holding Board. The project is to maintain the integrity of the tunnel linings between Baker Street and Bond Street stations on the Jubilee line.</p> <p>The project will be subject to a further review by the Investment Programme Management Office (IPMO) reporting to the next meeting of the Tube Lines Holding Board.</p>		

JNP 2011/2012 Track Programme			
Financial Authority in Business Plan¹ £25,536k	Previous Project Authority Granted £0k	Total Project Authority Granted £25,536k	Estimated Final Cost £25,536k
Authority Approval	£25,536k project authority was granted at the meeting of the Tube Lines Holding Board, following a Corporate Gate P review of the infrastructure programmes.		
Outputs and Schedule	<p>Project authority has been granted for Track Work Bank 9 capital works programme planned for the period of 1 April 2011 to 31 March 2012, which forms a part of the Whole Life Asset Management Plan for Track.</p> <p>The Whole Life Asset Management Work programmes for Track will improve the conditions of Track assets to meet overall Condition Benchmarks to achieve the reliability and availability targets.</p>		

JNP 2011/2012 Civils Programme			
Financial Authority in Business Plan¹ £36,121k	Previous Project Authority Granted £0k	Total Project Authority Granted £27,115k	Estimated Final Cost £27,115k
Authority Approval	£27,115k project authority was granted at the meeting of the Tube Lines Holding Board, following a Corporate Gate P review of the infrastructure programmes.		
Outputs and Schedule	<p>Project authority has been granted for the Civil Assets capital works programme planned for the period of 1 April 2011 to 31 March 2012, which forms a part of the Whole Life Asset Management Plan for Civil Assets.</p> <p>The objective of Civils capital intervention programme is to deliver the Condition Benchmark requirements for Bridges and Structures, Earth Structures and Track Drainage Assets and Reasonable Life Expectancy for all other 'Non-Benchmarked' civils assets.</p>		

JNP 2011/2012 Escalators Programme			
Financial Authority in Business Plan¹ £20,615k	Previous Project Authority Granted £0k	Total Project Authority Granted £18,017k	Estimated Final Cost £18,017k
Authority Approval	£18,017k project authority was granted at the meeting of the Tube Lines Holding Board, following a Corporate Gate P review of the infrastructure programmes.		
Outputs and Schedule	<p>Project authority has been granted for the Jubilee Line Extension (JLE) and Non-JLE escalator capital works programme planned for the period of 1 April 2011 to 31 March 2012, which forms a part of the Whole Life Asset Management Plan for the Escalators and covers Planned Preventative Maintenance Works (PPMW).</p> <p>The PPMW strategy consists of undertaking intervention works and replacements over a 40 year cycle with interventions carried out at nominally five year intervals.</p>		

JNP Platform Train Interface			
Financial Authority in Business Plan¹ £9,036k	Previous Project Authority Granted £0k	Total Project Authority Granted £9,036k	Estimated Final Cost £9,036k
Authority Approval	£1,000k project authority was granted at the meeting of the Tube Lines Holding Board, following a Corporate Gate B/D review.		
Outputs and Schedule	<p>The project has been granted sufficient project authority to complete the scoping, planning and design of work required to comply with the Rail Vehicle Accessibility Regulations (RVAR) as agreed with the DfT and the Disabled Persons Transport Advisory Committee.</p> <p>Further authority will be approved following completion of the actions arising from the Corporate Gate Review.</p>		

Jubilee Line Rolling Stock Overhaul			
Financial Authority in Business Plan¹ £26,446k	Previous Project Authority Granted £0k	Total Project Authority Granted £26,446k	Estimated Final Cost £26,446k
Authority Approval	£26,446k project authority was granted at the Tube Lines Holding Board following a Corporate Gate D review.		
Outputs and Schedule	<p>The project is to replace ageing assets to prevent escalating Lost Customer Hours and the linked impact to Journey Time Capability. The work packages are:</p> <ul style="list-style-type: none"> • Motor vehicle bogie system • Trailer vehicle bogie system • Coupler and drawgear system • Auxiliary electro-pneumatic system and underframe system <p>The project is due to commence overhaul work in August 2011 to complete during winter 2016.</p>		

JNP Stations Condition Renewal			
Financial Authority in Business Plan¹ £12,989k	Previous Project Authority Granted £0k	Total Project Authority Granted £12,989k	Estimated Final Cost £12,989k
Authority Approval	£1,000k project authority was granted at the meeting of the Tube Lines Holding Board, following a Corporate Gate P review.		
Outputs and Schedule	<p>The project has been granted project authority to continue planning work up to the next meeting of the Tube Lines Holding Board. The project is to update essential station equipment such as gas systems, fire control panels and hydrants, lighting, pumps and electrical systems.</p> <p>Further authority will be approved following completion of the actions arising from the Corporate Gate Review.</p>		

Summary of projects approved by the Commissioner

ST-PR10 TLRN Capital Renewals Programme 2011-12			
Financial Authority in Business Plan¹ £46,050k	Previous Project Authority Granted £0k	Total Project Authority Granted £46,050k	Estimated Final Cost £46,050k
Authority Approval	Following a Gate P review, project authority of £46,050k was granted by the Commissioner for delivery of the Transport for London Road Network (TLRN) Capital Renewal Programme 2011/12.		
Outputs and Schedule	<p>The TLRN Capital Renewals programme is a portfolio of schemes that maintain the physical infrastructure of the TLRN including carriageways, footways, structures, tunnels, lighting, drainage and green estate.</p> <p>The targeted outputs/outcomes for 2011/12 include:</p> <ul style="list-style-type: none"> • Carriageway – 470,000m² of resurfacing • Footway – 45,000m² of resurfacing • Lighting – 950 lighting units to be replaced • Structures – 26 named schemes. <p>The programme completes in March 2012.</p>		

UIP-1664 SSR 750v Conversion			
Financial Authority in Business Plan¹ £32,023k	Previous Project Authority Granted £3,600k	Total Project Authority Granted £16,705k	Estimated Final Cost £32,021k
Authority Approval	The project was approved by the Commissioner following a Corporate Gate D review. The remaining authority will be sought for the infrastructure works at the later date following a further Gate D review.		
Outputs and Schedule	<p>The authority will allow the project to begin design and implementation of changes on 29 Battery Locomotives and six other non-passenger carrying stock to allow them to work on 750v traction voltage by 2017.</p> <p>Concept design work for trackside equipment will also take place and the implementation of non-stock infrastructure will follow a further Corporate Gate D review in 2013.</p>		

IP-00575 Baker Street – Stations Programme			
Financial Authority in Business Plan¹ £35,047k	Previous Project Authority Granted £0k	Total Project Authority Granted £3,246k	Estimated Final Cost £35,047k
Authority Approval	Approval was granted by the Commissioner for the initial budgeted project authority of £3,246k, following a Corporate Gate B review to undertake scoping and design of Baker Street station.		
Outputs and Schedule	<p>This is part of a programme to upgrade 74 Stations. The project will commence construction in 2013 with a completion date of December 2015.</p> <p>The scoping and design phase is due to be completed by July 2012. Once the design is complete this will enable tender documentation to be prepared and issued.</p> <p>The project will ensure that all station assets are maintained in “fair condition” with a minimum life of ten years at that level.</p>		

Summary of projects approved by the MD Finance

ST-PF29 TLRN Signals Modernisation			
Financial Authority in Business Plan¹ £11,337k	Previous Project Authority Granted £0k	Total Project Authority Granted £11,337k	Estimated Final Cost £11,337k
Authority Approval	Project authority was granted of £11,337k following a Corporate Gate P review of the 2011/12 programme of works to renew.		
Outputs and Schedule	The programme this year will deliver 183 traffic signal modernisation schemes. Maintaining traffic signal schemes throughout Greater London in a good state of repair, and maintaining road network performance, in line with the Mayoral objective of introducing measures to smooth traffic flow.		

B0000414 S000394 Battery Locomotive			
Financial Authority in Business Plan¹ £30,019k	Previous Project Authority Granted £1,120k	Total Project Authority Granted £20,728k	Estimated Final Cost £20,728k
Authority Approval	An increase in project authority to £20,728k was approved following a Corporate Gate D review. The project is to be largely delivered by internal resources at Acton and Ruislip, although equipment is to be procured from external suppliers.		
Outputs and Schedule	29 Battery Locomotives will be upgraded with new batteries and battery compartments, new cab facilities and other life enhancement modifications to extend the life of the locomotives by 15 years. The locomotives are to be delivered at the rate of about two per year up to 2019.		

ST-PJ149c Dial a Ride Fleet Renewal Project 2011/12			
Financial Authority in Business Plan¹ £9,952k	Previous Project Authority Granted £7,583k	Total Project Authority Granted £9,952k	Estimated Final Cost £9,952k
Authority Approval	The project was granted by the Commissioner for an additional £2,369k project authority following a Corporate Gate D Review.		
Outputs and Schedule	Procurement of 34 Bluebird minibuses to replace 34 vehicles that are at the end of their useful life and will not be Low Emissions Zone (LEZ) compliant on the introduction of LEZ Phase 3 on 3 January 2012.		

LR-PJ28 2011/12 DLR Infrastructure Renewals Programme			
Financial Authority in Business Plan¹ £16,624k	Previous Project Authority Granted £0k	Total Project Authority Granted £16,624k	Estimated Final Cost £16,624k
Authority Approval	Project authority of £16,624k was approved following a Corporate Gate P review, to deliver a portfolio of 52 prioritised infrastructure renewals project, on the DLR.		
Outputs and Schedule	<p>Projects are initiated from within the DLR or from the Franchisee and Concessionaires who maintain the railway. Proposals are developed to substantiate the case for investment and are prioritised.</p> <p>This year, particular emphasis has been placed on projects that deliver resilience and performance improvements ahead of the 2012 Games.</p>		

Forward Approval Programme – May 2011 to April 2012

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 Managing Director Finance. The Corporate Gateway 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 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 – 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.

All figures shown in the following tables 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+.

Projects to be submitted to the TfL Board over £100M

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed Board Date
London Underground					
Victoria Line Upgrade	1,072.7	NA	1,040.9	D+	Sep-11
Northern Line Extension	2.4	Tbc	301.8	B+	Sep-11
Victoria Station Upgrade	724.0	Tbc	654.3	D+	Dec-11
Bond Street Station Upgrade	321.2	321.2	315.5	D+	Apr-12
Croxley Rail Link	0.4	0.4	172.0	B	Apr-12

Corporate					
Earls Court Development	0.0	Tbc	Tbc	A	Sep-11
Woolwich Ferry Replacement	»	»	»	B	Nov-11
Silvertown River Crossing	»	»	»	B	Nov-11

Tube Lines					
Northern Line Upgrade	»	»	»	D+	Sep-11
Jubilee Line Upgrade	»	»	»	E	Nov-11

Projects to be submitted to the Finance and Policy Committee (FPC) between £50M and £100M

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed FPC Date
London Underground					
Tottenham Court Road Station Upgrade	568.0	NA	499.6	D+	May-11
Deep Tube Strategy	0.0	3.2	»	A	May-11
Green Park Station Upgrade	80.8	NA	57.8	D+	May-11
SSR Upgrade-Neasden Depot	75.0	151.8	151.8	D	May-11
Paddington Station Upgrade	69.2	NA	62.9	D	Jul-11
Ealing Common/Upminster Depot	71.1	NA	71.1	D	Jul-11
White City Development**	73.9	73.9	71.7	-	Sept-11
Bank Walbrook Square	58.0	NA	57.4	C	Nov-11
Surface Transport					
A406 Bounds Green	56.1	NA	56.1	D+	Jul-11
Blackwall Tunnel Northbound Refurbishment	73.3	NA	73.3	D+	Jul-11
Corporate					
Future Ticketing Project Phase 2	74.5	NA	70.6	C/D	Jul-11

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

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed Approval Date
London Underground					
L&E Programme, Highbury & Islington Esc 1&3/Victoria Esc 5/ Greenford Esc 5/ Baker St 3,5 & 6	»	»	»	P	Nov-11
Surface Transport					
TLRN Capital Development Programme	0.0	47.2	47.2	P	May-11
Tottenham Hale Gyratory	11.8	35.5	35.5	C	Aug-11
ORN ODA Funded – Junctions and Carriageways	20.5	36.8	36.8	D	Aug-11
TLRN Capital Renewals Programme 2012/13	0.0	47.2	47.2	P	Mar-12

Projects to be approved by the MD Finance under £25M

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed Approval Date
London Underground					
Piccadilly Line: SCADA	0.0	12.4	12.4	A	Jun-11
Victoria Line Upgrade – 4,500 Amp Energy Optimisation	0.5	5.6	5.6	B	Nov-11
Embankment Escalator 5-8 Replacement	0.5	15.0	15.0	D	Nov-11
Surface Transport					
Pedestrian Countdown	1.5	6.9	6.9	C	May-11
Paid for Parking	0.0	5.3	5.3	A	May-11
21 st Century Traffic Signal Communications	0.1	10.0	10.0	A	Jun-11
ORN Compliance	5.2	N/A	5.2	D+	Jul-11
Transport Coordination Centre	5.8	N/A	5.8	C	Sep-11
East London Transit 1b	11.7	»	»	D	Oct-11
Systems Relocation	25.7	N/A	25.7	D+	Nov-11
Pedestrian Countdown	1.5	6.9	6.9	D	Nov-11
10 Cycle Super Highways – Tranche 2	37.8*	Tbc*	142.4*	C	Feb-12
TLRN Signals Modernisation Programme	0.0	3.7	3.7	P	Mar-12
London Rail					
2012/13 DLR Infrastructure Renewals Programme	0.0	14.1	14.1	P	Mar-12

Projects to be approved by the Tube Lines Holding Board between £5m and £50m

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed Approval Date
Tube Lines					
Baker Street to Bond Street Tunnel Reconstruction	1.0	38.9	38.9	C	Jun-11
JNP Platform Train Interface	1.0	9.0	9.0	D	Jun-11
Station Condition Renewal (JNP) Programme	1.0	12.9	12.9	B-D	Jun-11
JNP 12/13 Civils Programme	0.0	29.6	29.6	P	Feb-12
JNP 12/13 Lifts & Escalators & Power Programme	0.0	18.6	18.6	P	Feb-12
JNP 12/13 Track Renewal Programme	0.0	24.6	24.6	P	Feb-12
JNP 12/13 Stations Services Programme	0.0	13.4	13.4	P	Feb-12

Notes

* The full cost of the projects (£145m) was authorised by the Board in October 2009. Approval of individual phases is being provided by the MD Finance through the Corporate Gateway Approval Process (CGAP). Figures shown are cumulative authorities for all routes.

» Costs are excluded for reasons of commercial confidentiality.

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

NA: Not Applicable as no further authority to be sought.

** Project is seeking additional funding between standard gates.

Gate E Project Close reviews to be submitted to the Finance and Policy Committee over £100M

Project Title	Current Project Authority (£m)	Estimated Final Cost (£m)	Proposed Approval Date
London Underground			
King's Cross CTRL	935.3	877.3	Jul-11
Connect Enabling	259.6	247.7	Sep-11
Major Power Works (Victoria Line Upgrade)	142.8	141.7	Sep-11
Surface Transport			
Cycle Hire Phase 1	81.7	79.6	Oct-11
London Rail			
DLR 3 Car East Route	303.2	294.3	Jul-11
North London Railway Infrastructure Project	252.0	252.2	Sep-11
Stratford International DLR Extension	188.9	182.5	Sep-11
East London Line Extension	1,044.3	1,012.4	Sep-11

Gate E Project Close reviews to be approved by the MD Finance

Project Title	Current Project Authority (£m)	Estimated Final Cost (£m)	Proposed Approval Date
London Underground			
Southfields Step Free Access	14.4	14.4	Jun-11
92TS Bogie Replacement and Gearbox Repair	64.7	64.7	Aug-11
Green Park Station Upgrade	96.9	48.8	Dec-11

Surface Transport			
SVD iBus Rollout	30.1	30.1	May-11
2 Cycle Superhighways (Pilot)	23.0	22.4	Jun-11
West Ham Bus Garage	56.1	49.0	Jun-11
Congestion Charging Relet	99.8	99.8	Jun-11
Gants Hill	7.1	7.1	Jul-11
Brixton Central Square	9.7	7.3	Jul-11
Co-Location of Control Rooms at Palestra	12.7	12.7	Aug-11
Olympic Cycle and Walking Routes	9.8	9.4	Nov-11
Hanger Lane Bridges	29.3	29.3	Feb-12
Hydrogen Transport Programme	20.0	20.0	Mar-12
Congestion Performance Network Improvement Programme	8.7	8.3	Mar-12

London Rail			
Ticket Vending Machines	6.4	5.8	Jul-11
Olympic Railcars	44.7	43.8	Jul-11
East London Railway/North London Railway Rolling Stock	15.1	15.1	Aug-11
London-Wide Oyster	44.6	33.1	Oct-11
Corporate			
Sub Regional Models	12.5	12.5	Jun-11