

TRANSPORT FOR LONDON

FINANCE AND POLICY COMMITTEE

SUBJECT: PROJECT MONITORING – PROJECT APPROVALS

DATE: 27 JULY 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 (Holdings) Limited requires that the project authority on projects over £5m and up to £50m is granted by the Tube Lines (Holdings) Limited Board.

3 PROJECT APPROVALS BY THE TUBE LINES (HOLDINGS) LIMITED BOARD

- 3.1 On 29 June 2011, there were two project authorities approved by the Tube Lines (Holdings) Limited 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 25 May 2011, there have been two 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 25 May 2011, the MD Finance has approved project authority on five 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 (Holdings) Limited Board

JNP Platform Train Interface			
Financial Authority in Business Plan¹	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£9,036k	£1,000k	£9,036k	£9,036k
Authority Approval	Full project authority of £9,036k was granted by the Tube Lines (Holdings) Limited Board after a follow up review undertaken in May 2011, which confirmed that the actions arising from the Gate B review carried out in March 2011 had been completed.		
Outputs and Schedule	<p>This work is required under the Rail Vehicle Accessibility Regulations when new trains are brought into service. The legislation requires all platforms to provide level access before new rolling stock is introduced. LU has worked with the DfT/Disabled Persons Transport Advisory Committee to establish the 'Pimlico Principle', which is designed to meet level access statutory obligations in a way that allows LU to focus resources on stations and platforms, giving the maximum benefit to disabled customers.</p> <p>The following scope of work has been defined to comply with the above rules:</p> <ul style="list-style-type: none"> • three sets of platform humps to be completed by October 2011; • an additional two sets of platform humps to be completed by May 2012; and • a further 16 sets of platform humps to be completed by May 2017. 		

JNP Stations Condition Renewal			
Financial Authority in Business Plan¹	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£12,989k	£1,000k	£12,989k	£12,989k
Authority Approval	Full project authority of £12,989k was granted by the Tube Lines (Holdings) Limited Board after a follow up review undertaken in May 2011, which confirmed that the actions arising from the Gate P review carried out in March 2011 had been completed. Authority for the 2012/13 programme of works will be sought at a Gate P review in March 2012.		
Outputs and Schedule	The project is to update essential station equipment such as gas systems, fire control panels and hydrants, lighting, pumps and electrical systems. The objective is to ensure that the JNP stations have their essential services maintained at an adequate level.		

Summary of projects approved by the Commissioner

LU-PJ275c Former Silverlink Stations Upgrade Project			
Financial Authority in Business Plan¹	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£24,826k	£24,826k	£28,411k	£28,411k
Authority Approval	Additional project authority of £3,585k was granted following a Gate D+ review. The excess authority above that included in the Business Plan will be transferred from another project within the Stations and Accommodation Programme.		
Outputs and Schedule	<p>Transfer of operation of 14 stations from Silverlink to LU took place in November 2007. The transfer agreement required LU to undertake ambience and safety improvements to the stations and replace life-expired CCTV and communications systems to avoid serious reputational and operational impacts.</p> <p>The identification of additional required scope and design issues has led to increased costs being incurred. This additional authority was granted to enable the formal agreement of the final accounts.</p> <p>Additional signage works totalling £2.3m are to be funded under an agreement with Network Rail, covering further works to customer facing areas, with the following milestones:</p> <ul style="list-style-type: none"> • Award Holding Maintenance Agreement Signage contract – September 2011; and • Holding Maintenance Agreement signage works complete – September 2012. <p>The project is due to complete in December 2012.</p>		

LU-PD102 21 st Century Traffic Signals			
Financial Authority in Business Plan¹ £75k	Previous Project Authority Granted £75k	Total Project Authority Granted £825k	Estimated Final Cost £17,510k
Authority Approval	Additional project authority of £750k was granted following a Gate A review. Further authority will be sought at Gate B/C in March 2012. Total financial authority of £17,510k was also awarded to the project. The excess authority above that included in the Business Plan will be funded by savings realised by switching from analogue to digital communications.		
Outputs and Schedule	<p>London has some 6000 sets of traffic signals, of which half are controlled by Urban Traffic Control (UTC) at the London Surface Transport Control Centre.</p> <p>The purpose of UTC controlled signals is to optimise signal settings between adjacent sets of signals from a central control source and enable intervention in serious and severely congested conditions.</p> <p>The current analogue communications infrastructure used by UTC sites will be withdrawn between 2016 and 2018. This project is critical to the continued operation of UTC and an enabler of other Mayor's Transport Strategy projects such as Split Cycle Offset Optimisation Technique and Selective Vehicle Detection – iBus.</p> <p>Project milestones are:</p> <ul style="list-style-type: none"> • development of prototype solution by March 2012; • operational procurement and pilot deployment by March 2013; and • operational roll-out by February 2018 		

Summary of projects approved by the MD Finance

LU-PJ708c Station Wi-Fi Programme			
Financial Authority in Business Plan ¹	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£10,996k	£996k	£4,921k	£10,996k
Authority Approval	Additional project authority of £3,925k was granted to increase the total authority to £4,921k, following a Gate D review to deliver phase 2 of the project. It is anticipated that further authority will be sought in September 2011 for phase 3. The estimated final cost is net of income anticipated from the concession that will be established to operate the service.		
Outputs and Schedule	<p>Project authority for phase 2 has been granted to deliver public access Wi-Fi at 23 stations across the network. Phase 1 delivered Wi-Fi to an initial nine stations and a third phase is anticipated in September 2011 to deliver a further 89 stations ahead of the 2012 Games. The 121 stations have been selected based on either being in Zone 1 or of Olympic importance.</p> <p>Phase 2 of the project is anticipated to be completed by December 2011 and delivery of the full 121 stations by June 2012.</p>		

LU-PJ410 Wide Aisle Gates – Phase 3			
Financial Authority in Business Plan ¹	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£6,000k	£0k	£6,000k	£6,000k
Authority Approval	Full project authority of £6,000k was granted following a Gate D review and no further authority is anticipated.		
Outputs and Schedule	<p>Project authority has been granted to procure and install 86 Wide Aisle Gates at 61 stations across the network. Wide Aisle Gates are a widened version of the standard automatic gate providing customers who need increased clearance an independent way of crossing the gate line.</p> <p>The scope was determined based on the number of stations that would generate a benefit to cost ratio of 1.5:1 or greater as a result of the volume of passengers.</p> <p>Works are set to start in January 2012 with project completion by February 2013.</p>		

ST-PJ332 Capital Development Programme			
Financial Authority in Business Plan¹ £15,800k	Previous Project Authority Granted £0k	Total Project Authority Granted £15,800k	Estimated Final Cost £15,800k
Authority Approval	Project authority of £15,800k was granted following a Gate P review for the delivery of the Transport for London Road Network (TLRN) Capital Development Programme 2011/12.		
Outputs and Schedule	<p>The TLRN Capital Development Programme is a portfolio of projects and programmes that deliver enhancements to users of the TLRN.</p> <p>The annualised programme consists of schemes at various stages of the project lifecycle and works within the 2011/12 schemes consist of:</p> <ul style="list-style-type: none"> • 86 feasibility stages/74 preliminary designs; • 100 detailed designs/100 schemes constructed; • 60 schemes closed/30 studies completed; • six mini-programmes delivered; and • 16 schemes monitored <p>The project is due to complete in March 2012.</p>		

ST-PJ306c Pedestrian Countdown at Traffic Signals (PCaTS)			
Financial Authority in Business Plan¹ £6,920k	Previous Project Authority Granted £1,497k	Total Project Authority Granted £6,056k	Estimated Final Cost £6,056k
Authority Approval	Additional project authority of £4,559k was granted following a Gate C review. A Gate D review will be undertaken in October 2011 before Contract Award.		
Outputs and Schedule	<p>Project authority has been granted for the procurement and roll-out of Pedestrian Countdown at Traffic Signals (PCaTS) over three years at 220 junctions. The junctions targeted are those with all red pedestrian stages across the Transport for London Road Network and supporting roads.</p> <p>PCaTS will provide enhanced information at pedestrian crossings, where installed, giving pedestrians a greater understanding of how signals work during the blackout period. This will reduce confusion and uncertainty and give pedestrians more confidence to cross before the red man.</p> <p>While also allowing a standard six second green invitation to be introduced with the remaining time allocated to traffic, improving efficiency and through put, and contributing to the Mayor's objective of smoothing traffic flow.</p> <p>The project is due to complete in December 2014.</p>		

SS-PJ109 Wheel Rail Interface			
Financial Authority in Business Plan¹	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£3,600k	£0k	£4,354k	£10,443k
Authority Approval	Initial project authority of £4,354k was granted following a Gate B review. Further authority will be sought at Gate D later in the year. The excess authority above that included in the Business Plan will be funded from the Rayners Lane – Specified Rights project.		
Outputs and Schedule	<p>Project authority was granted to enable the project to enter into a variation with the rolling stock supplier for the sub-surface upgrade to fit additional lubrication equipment on the new trains. It is expected that production line trains will begin to be fitted from October 2011 and any retro fitting on already delivered trains will be completed by February 2012.</p> <p>Remaining funding will be sought later in the year to deliver additional rail grinding, wheel turning and enhanced trackside lubrication and monitoring. Surveys are underway to enable the precise scope of this to be defined.</p> <p>This work is required to address wheel-rail interface changes, caused by the introduction of the new stock, which places different stresses on the tracks.</p> <p>The full scope of works will be completed before March 2015.</p>		

Notes

¹ Figures indicate the provision in the TfL Business Plan dated March 2011.

Forward Approval Programme – July 2011 to June 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
Rail and Underground					
Croxley Rail Link	0.4	0.4	172.0	B	Nov-11
Deep Tube Programme	3.3	Tbc	»	B	Mar-12
SSR Major Power Works (Signalling)	439.0	Tbc	554.1	D	Mar-12

Corporate					
Woolwich Ferry Replacement	1.5	»	»	B	Jul-12
Silver town River Crossing		»	»	B	Jul-12

Tube Lines					
Jubilee Line Upgrade	»	»	»	E	Mar-12

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
Rail and Underground					
Ealing Common/Upminster Depot	71.1	NA	71.1	D	Sep-11
Northern Line Upgrade	»	»	»	D+	Sep-11
Earls Court Development	0.6	Tbc	»	A	Sep-11
Victoria Station Upgrade	661.3	Tbc	582.0	D+	Nov-11
SSR Major Power Works (Traction)	48.8	Tbc	55.9	D+	Nov-11
Bank Walbrook Square	58.0	NA	54.4	C	Nov-11
Northern Line Extension	2.4	Tbc	301.8	B+	Jan-12
East London Line Phase 2	76.7	NA	72.6	D+	Feb-12
Bond Street Station Upgrade	283.4	283.4	282.2	D+	Mar-12
Surface Transport					
Corporate					
Future Ticketing Project Phase 1 & 2	74.5	NA	75.7	D+	Nov-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
Rail and Underground					
Lifts and Escalators Programme 2012/13	»	»	»	P	Nov-11
Central Line 92TS Refresh	17.1	26.5	26.5	Variation	Jul-11
Surface Transport					
2011/12 TLRN Capital Renewals Programme	47.2	59.4	59.4	Variation	Jul-11
Tottenham Hale Gyrotory	11.8	30.7	30.7	C	Sep-11
ORN ODA Funded – Junctions and Carriageways	20.5	37.0	37.0	D+	Sep-11
TLRN Capital Renewals Programme 2012/13	0.0	47.8	47.8	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
Rail and Underground					
Tower Hill Development	0.06	Tbc	7.8	A	Jul-11
Piccadilly Line: SCADA	0.3	Tbc	Tbc	A	Aug-11
Command and Control	1.0	Tbc	Tbc	A	Aug-11
Embankment Escalator 5-8 Replacement	0.5	15.0	15.0	D	Nov-11
Civils BCV/SSR Programme 2012/13	0.0	22.7	22.7	P	Feb-12
Surface Transport					
Olympic Route Network Compliance	5.2	N/A	5.2	D+	Jul-11
Transport Coordination Centre	5.8	N/A	5.8	C	Oct-11
East London Transit 1b	11.7	18.0	18.0	D	Oct-11
Pedestrian Countdown	5.3	5.3	5.3	D	Oct-11
Systems Relocation	24.1	N/A	24.1	D+	Nov-11
10 Cycle Super Highways – Tranche 2	37.8*	Tbc*	105.7*	C	Feb-12

Projects to be approved by the Tube Lines (Holdings) Limited 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					
JNP 2012/13 Civils Programme	0.0	29.6	29.6	P	Feb-12
JNP 2012/13 Lifts and Escalators and Power Programme	0.0	18.6	18.6	P	Feb-12
JNP 2012/13 Track Renewal Programme	0.0	24.6	24.6	P	Feb-12
JNP 2012/13 Stations Services Programme	0.0	13.4	13.4	P	Feb-12
Baker Street to Bond Street Tunnel Remedial Works	0.0	38.9	38.9	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
Rail and Underground			
Connect Enabling	259.6	247.7	Sep-11
DLR Three Car East Route	303.2	294.3	Sep-11
North London Railway Infrastructure Project	252.0	252.2	Oct-11
East London Line Extension	1,044.3	1,018.9	Oct-11
Stratford International DLR Extension	188.9	180.5	Nov-11
King's Cross CTRL	935.3	876.9	Jan-12
Major Power Works (Victoria Line Upgrade)	142.8	141.7	Mar-12
Surface Transport			
Cycle Hire Phase 1	81.7	76.8	Oct-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
Rail and Underground			
Southfields Step Free Access	14.4	14.4	Aug-11
Connect Enabling	Tbc	Tbc	Aug-11
Kingsbury Step Free Access	12.1	12.1	Sep-11
Three Car New Vehicles	44.7	44.7	Sep-11
Ticket Vending Machines	6.4	5.8	Sep-11
Olympic Railcars	44.7	43.8	Sep-11
East London Railway/North London Railway Rolling Stock	15.1	15.1	Sep-11
Brixton Train Crew Accommodation	8.4	8.4	Oct-11
High Barnet Train Crew Accommodation	7.7	7.7	Oct-11
London-Wide Oyster	44.6	33.1	Oct-11
Beckton Depot Offices	21.2	21.2	Nov-11
92TS Bogie Replacement and Gearbox Repair	64.7	64.7	Nov-11
Green Park Station Upgrade	80.8	48.0	Dec-11

Surface Transport			
Two Cycle Superhighways (Pilot)	22.9	18.1	Jul-11
Congestion Charging Relet	99.6	99.6	Jul-11
Gants Hill	7.1	7.1	Aug-11
Brixton Central Square	9.7	7.3	Aug-11
Cycle Hire Phase 1	81.7	76.8	Sep-11
East London Line Extension/East London Railway Rolling Stock			Sep-11
West Ham Bus Garage	56.1	49.6	Sep-11
Co-Location of Control Rooms at Palestra	12.6	12.1	Oct-11
Olympic Cycle and Walking Routes	9.9	9.3	Nov-11
Hanger Lane Bridges	28.9	27.6	Feb-12
Hydrogen Transport Programme	19.7	19.7	Mar-12
Congestion Performance Network Improvement Programme	8.7	8.3	Mar-12