

# TfL Investment Programme 2010

2009/10 to 2017/18



**MAYOR OF LONDON**

# Transforming London's transport

Reversing decades of under-investment, TfL will spend £35bn on a massive scheme of improvements across the network. These include major upgrades to most parts of the Underground and Overground; bold plans to encourage cycling and walking; and Europe's single biggest rail construction project, Crossrail, which will create a vital new link across the Capital.

The improvements are essential not just to ease the strain on the network now but to cope with London's expected growth in the years ahead. They will increase total capacity by almost a third and make travel easier, quicker and more comfortable. They will, in short, give Londoners the transport service they need and deserve.

These projects, together with everything else set out in the TfL Investment Programme (IP) are being funded from fares, borrowing, and other sources of income, as set out in TfL's Business Plan.

The renewal, above and below ground, is taking place now, and passengers are already experiencing the benefits. During the period of this Business Plan TfL's investment programme will transform the Mayor's vision into reality, for the benefit of Londoners and the UK economy as a whole.

The Mayor of London's key priorities set out in the Mayor's Transport Strategy (published for consultation in October 2009) are:

- Support economic development and population growth
- Enhance the quality of life for all Londoners
- Improve the safety and security of all Londoners
- Improve transport opportunities for all Londoners
- Reduce transport's contribution to climate change, and improve its resilience
- Support delivery of the London 2012 Olympic and Paralympic Games and its legacy

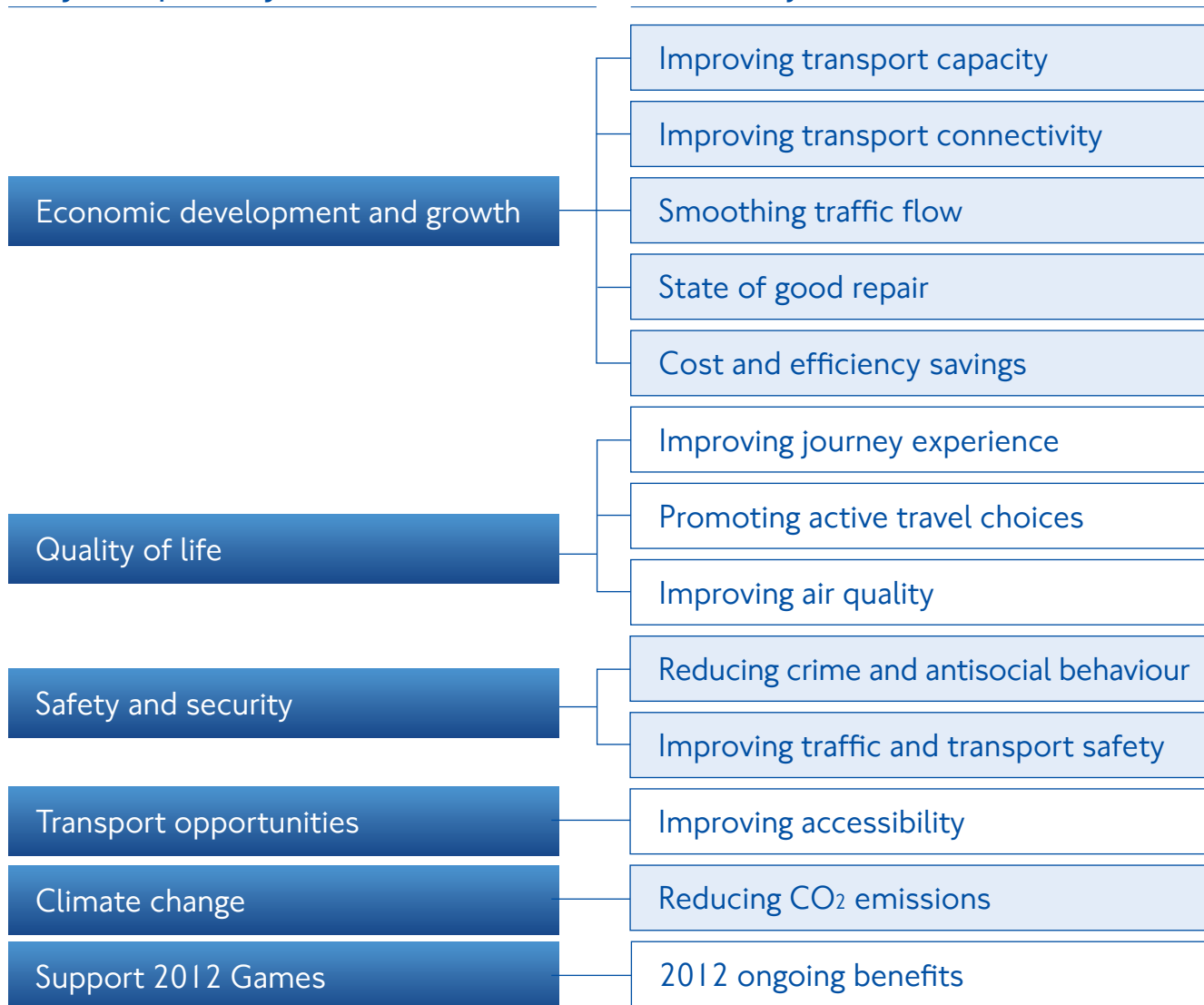
# Achieving transport priorities

The Investment Programme is based around the Mayor's key priorities. To demonstrate how the benefits of the projects within the IP are aligned with the Mayoral priorities, the categorising of benefits has been updated to reflect the work completed on the Mayor's Transport Strategy consultation document.

A more detailed set of project objectives has been developed to report benefits at a level that links Mayoral priorities with internal project appraisal and monitoring processes. The new objectives replace the five themes used in prior iterations of the IP document.

The diagram opposite illustrates the linkage between updated project objectives and the key Mayoral priorities.

## Mayoral priority



# TfL gateway approval process

The corporate gateway approval process is a five-stage system which monitors projects and programmes throughout their lifecycle. Matters such as strategic alignment, business case, project management and affordability are reviewed. Most importantly, it is a method by which 'value for money' can be assessed, ensuring that the maximum is extracted from every pound spent.

There are five 'gates' lettered A to E which projects must pass through at each stage of authorisation. Annualised programmes that include general spending, such as pre-planned capital renewal maintenance and groupings of small projects, are reviewed annually in Gate P.

The individual project pages in this document identify the next corporate gate when a project will be reviewed.

In addition to the corporate process, in 2010 the Mayor will appoint an independent panel of advisers to provide assurance on the delivery of the investment programme. The panel will report to the TfL Board and will oversee gate review of major projects. Issues that may affect the entire programme will be scrutinised to advise on overall effectiveness and efficiency.

## A Project commencement

Is the project aligned with strategic objectives? Is the project affordable?

## D Contract award

How will suppliers be managed? Do the chosen suppliers represent the best value for money?

## B Single option selection

What design options have been considered? Does the chosen option provide best value and maximum benefit?

## E Project close

Has the project delivered the planned benefits? Has the handover to operations been completed successfully?

## C Pre-tender approval

How will the project procure services? Are consents in place? Has market testing taken place?

## P Programme gate

Is the programme aligned with strategic objectives? Do the schemes chosen provide value for money?

# TfL gateway approval process

At each of the corporate gates, projects are scrutinised against 'key challenges'. The challenges are grouped into ten main areas and vary by gate. The categories of challenges are as follows:

- ↳ Strategic objectives and scope (including outcomes, value for money and long-term benefits)
- ↳ Governance and stakeholders (including clear governance arrangements and approvals from stakeholders)
- ↳ Funding (including affordability and close examination of costs)
- ↳ Resources (including consideration of whether skills and capabilities are available and in place)
- ↳ Procurement and commercial issues

(including the contracted arrangements and maximising cost-effectiveness)

- ↳ Legal and consents (including probing legal consents, technical and third party approvals)
- ↳ Engineering/technical issues (including buildability of the scheme and the identification of technical risks)
- ↳ Business impact and criticality (including potential effects of the project and reputational risks on the business and operations)
- ↳ Project and programme management (including management processes and managing any perceived risks)

In this way, gate reviews provide assurance that a project or programme is properly identified and assessed at the first stage and continually checked thereafter. The key drivers throughout are:

**Deliverable** – the expected benefits will be delivered within the declared cost/time/performance limits

**Affordable** – the level of expenditure and financial risk involved is acceptable in light of TfL's overall financial position when set against other priorities

**Value for money** – the optimum combination of whole-life cost and quality (or fitness for purpose) is provided to meet users' requirements

**Strategic fit** – the outputs of the project contribute to TfL's overall strategy

# Investment Programme structure

This IP, covering the period 2010/11 to 2017/18, brings together TfL's major projects costing more than £5m. These combine to ensure London has a fully integrated transport system. The projects include work on TfL's assets and those transferred to TfL's contractors, for example in relation to the Public Private Partnerships (PPP) and Private Finance Initiatives (PFI). It also includes TfL funding to upgrade transport assets not owned by TfL – for example, those that belong to the London boroughs.

Summaries of 'above £5m' projects are recorded and show brief project descriptions for the expenditure, including purpose, outputs, outcomes, environmental impacts and their contribution to Mayoral priorities. They are grouped as follows:

- ↳ London Underground (LU)
- ↳ Surface Transport (the part of TfL responsible for bus services, streets and other non-rail transport modes)

- ↳ London Rail (which has responsibility for the Docklands Light Railway (DLR), the London Overground, the East London Line (ELL) extension and TfL support for the National Rail system and London Tramlink)
- ↳ Crossrail
- ↳ Corporate (which is responsible for those projects managed centrally, such as interchanges and for borough expenditure)

Table 1 shows a summary of the IP split by mode.

**Table 1: Summary of modal investment expenditure**

Mode	£m									
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Total 2009/10 - 2017/18
London Underground	1,599	1,834	1,609	1,688	1,617	1,591	1,548	1,713	1,901	<b>15,099</b>
Surface Transport	513	534	464	455	443	432	391	379	388	<b>4,002</b>
London Rail	644	324	17	19	10	10	11	11	11	<b>1,027</b>
Crossrail cash commitment*	694	1,052	1,410	2,049	2,437	2,062	1,481	549	1,022	<b>12,757</b>
Corporate	248	370	331	471	272	158	150	136	139	<b>2,276</b>
<b>Total</b>	<b>3,698</b>	<b>4,118</b>	<b>3,832</b>	<b>4,682</b>	<b>4,779</b>	<b>4,254</b>	<b>3,580</b>	<b>2,787</b>	<b>3,461</b>	<b>35,191</b>

\* This represents TfL's and the Department for Transport's gross contributions to the Crossrail project. The remainder is funded by third party sources, including Network Rail.

# Investment Programme structure

Table 2 shows a reconciliation of expenditure as presented in the IP with that shown in the 2010/11 TfL Business Plan.

The items that constitute the difference are made up of the following items:

- ↳ LU PPP spend
- ↳ TfL's Crossrail contribution

- ↳ Payments made to operators and boroughs for work that is of a capital nature (including non-LU PFI contracts)

**Table 2: Reconciliation to Business Plan**

Transport for London (£m)	£m									
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Total 2009/10 - 2017/18
<b>Investment Programme</b>	<b>3,698</b>	<b>4,118</b>	<b>3,832</b>	<b>4,682</b>	<b>4,779</b>	<b>4,254</b>	<b>3,580</b>	<b>2,787</b>	<b>3,461</b>	<b>35,191</b>
Overprogramming	(50)	(209)	(137)	(89)	(26)	(18)	41	25	(22)	<b>(486)</b>
<b>Net investment</b>	<b>3,648</b>	<b>3,909</b>	<b>3,695</b>	<b>4,593</b>	<b>4,753</b>	<b>4,236</b>	<b>3,621</b>	<b>2,812</b>	<b>3,439</b>	<b>34,705</b>
Less:										
Capital expenditure under LU PPP contracts	(317)	(259)	(264)	(267)	(266)	(263)	(290)	(312)	(312)	<b>(2,550)</b>
Indirectly managed projects	(505)	(453)	(401)	(418)	(414)	(407)	(397)	(391)	(398)	<b>(3,785)</b>
Crossrail cash commitment	(694)	(1,052)	(1,410)	(2,049)	(2,437)	(2,062)	(1,481)	(549)	(1,022)	<b>(12,757)</b>
<b>Capital expenditure – TfL Group</b>	<b>2,131</b>	<b>2,145</b>	<b>1,620</b>	<b>1,858</b>	<b>1,636</b>	<b>1,503</b>	<b>1,453</b>	<b>1,561</b>	<b>1,707</b>	<b>15,613</b>

# Delivery dates of key projects to 2017/18

London Underground projects	2010	2011	2012	2013	2014	2015	2016	2017	2018
Electronic service update boards									
King's Cross congestion relief – phase II									
Wide-aisle gates installation									
Refurbishment of Silverlink stations complete									
Stratford station upgrade									
Southfields station step-free access									
West Ham station 2012 Games works									
Green Park station step-free access									
Finsbury Park station upgrade									
Northern line upgrade completed – phase I									
Metropolitan line upgrade completed									
Marble Arch station modernisation									
Notting Hill Gate modernisation									
Victoria line full upgrade completed									
Rayners Lane track capacity									
Piccadilly line upgrade completed									
Paddington station congestion relief									
Seven-car train project – trains in service									
Hammersmith & City line upgrade completed									
Sub-surface lines on-train air cooling									
Tottenham Court Road station									
Bond Street station congestion relief									
Victoria station upgrade									
LU line upgrades – Circle line upgrade completed									

# Delivery dates of key projects to 2017/18

Surface Transport projects	2010	2011	2012	2013	2014	2015	2016	2017	2018
East London Transit Phase 1a									
West Ham (Stephenson Street)									
Cycle Hire Scheme									
Olympic Transport Operations Centre									
Brixton Central Square									
Hydrogen Transport Programme									
2 Cycle Super Highways (Pilot)									
Hanger Lane									
Olympic Cycle Network									
System relocation									
Blackwall Tunnel Northbound Refurbishment									
A406 Henlys Corner									
A406 Bounds Green									
Olympics – junctions and carriageways									
East London Transit Phase 1b									
Tottenham Hale Gyratory									
SCOOT deployment (commences 2010)									
Pedestrian Countdown (commences 2012)									

# Delivery dates of key projects to 2017/18

London Rail projects	2010	2011	2012	2013	2014	2015	2016	2017	2018
DLR Bank – Lewisham 3 car upgrade									
DLR West route resilience									
DLR North Route 3 car upgrade									
DLR Poplar – Woolwich Arsenal 3 car upgrade									
East London line extension									
NLR/ELR Rolling Stock – first trains in service									
Stratford International DLR Extension									
DLR Olympics additional railcars									
London Wide Oyster Implementation									
North London Railway – station upgrades									
North London Railway Infrastructure Project									
DLR Car East Route 3 car upgrade									
East London line extension – Phase 2									
DLR – Vehicle modernisations complete									

Corporate projects	2010	2011	2012	2013	2014	2015	2016	2017	2018
Integrated Transport Smartcard Organisation – smartcards accepted on all TfL services									
Accommodation strategy – TfL occupation of the Shard									
Crossrail – first services commence									