

Date: 5 June 2014

Item 6: Project Monitoring – Project Approvals

This paper will be considered in public.

1 Summary

- 1.1 To present to the Committee the forward approval programme for projects with a value in excess of £50m, from June 2014 to December 2015, and to inform the Committee of Project Authority granted by the Commissioner and the Managing Director (MD) Finance in accordance with delegated authority under TfL's Standing Orders.

2 Recommendation

- 2.1 **The Committee is asked to note the paper.**

3 Background

- 3.1 The commissioner (and in his absence 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.
- 3.2 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.

4 Forward Approval Programme

- 4.1 To enable an appropriate level of governance, processes are in place for the authorisation, control and reporting of projects. The forward approval programme for June 2014 to December 2015, for projects with a value in excess of £50m, is set out in Appendix 1.
- 4.2 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 or the Board for consideration. Those projects with an estimated final cost below £50m which have been approved by the Commissioner or the MD Finance will be reported to subsequent meetings of the Finance and Policy Committee.

Project Approvals by the Commissioner

- 4.3 Since the last meeting of the Projects and Planning Panel on 26 February 2014, the Commissioner has approved Project Authority on four projects. Further details are set out in Appendix 2.

Project Approvals by the MD Finance

- 4.4 Since the last meeting of the Projects and Planning Panel on 26 February 2014, the MD Finance has approved Project Authority on five projects. Further details of these projects are set out in Appendix 3.

List of appendices to this report:

Appendix 1 – Forward Approval Programme

Appendix 2 – Summary of project approvals by the Commissioner

Appendix 3 – Summary of project approvals by the MD Finance

List of Background Papers:

None.

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Forward Approval Programme – June 2014 to December 2015

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

The Pathway Integrated Assurance Review process (IAR) sets the requirements for the review of projects prior to approval.

Each IAR applies 'challenges' to the project to assess whether it is in a suitable state to move through the gate, providing 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.

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

- Initiation* (compulsory gate);
- Option Selection*;
- Pre-Tender;
- Design;
- Contract Award*;
- Project Close (compulsory gate); and
- 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 are more than two years between gates, projects will be reviewed again at an interim point.

Forward Schedule of Project Approvals

| Project | Programme / Asset Group | Estimated Final Cost £m | Approval | Note | 2014 | | | | | | | | 2015 | | | | | | | | |
|--|-------------------------|-------------------------|----------------|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | | | | | FPC | Board | |
| | | | | | Jun-14 | Jul-14 | Jul-14 | Sep-14 | Oct-14 | Nov-14 | Nov-14 | Dec-14 | Jan-15 | Feb-15 | Mar-15 | Mar-15 | Jun-15 | Jul-15 | Jul-15 | Sep-15 | Oct-15 |
| Corporate | | | | | | | | | | | | | | | | | | | | | |
| Crossrail 2 | Planning | 20,000 | Option | | | | | | | | | | | | | | | | | | |
| Overground Station at Old Oak Common | Planning | 500 | Initiation | | | | | | | | | | | | | | | | | | |
| Gallions Reach Project | Planning | 150 | Option | | | | | | | | | | | | | | | | | | |
| Silvertown River Crossing | Planning | 753 | Interim | 1 | | | | | | | | | | | | | | | | | |
| Silvertown River Crossing | Planning | 753 | Interim | 2 | | | | | | | | | | | | | | | | | |
| Rail & Underground | | | | | | | | | | | | | | | | | | | | | |
| JNP Civils | Infrastructure | 54 | Annual | | | | | | | | | | | | | | | | | | |
| BCV/SSL/JNP Track Programme | Infrastructure | 767 | Annual | 3 | | | | | | | | | | | | | | | | | |
| Croxley Rail Link | Overground | TBC | Contract Award | | | | | | | | | | | | | | | | | | |
| Bank Bloomberg Place | Stations | >> | Annual | | | | | | | | | | | | | | | | | | |
| Bank Station Capacity Upgrade | Stations | 581 | Pre TWAO | | | | | | | | | | | | | | | | | | |
| Stations Stabilisation Programme | Stations | 363 | Annual | | | | | | | | | | | | | | | | | | |
| Future Stations Programme - Holborn or Camden | Stations | TBC | Option | | | | | | | | | | | | | | | | | | |
| New Tube for London (Formerly Deep Tube Programme) | Upgrades | 16,500 | Pre Tender | 4 | | | | | | | | | | | | | | | | | |
| Jubilee Line World Class Capacity | Upgrades | 251 | Option | | | | | | | | | | | | | | | | | | |
| Jubilee Line World Class Capacity | Upgrades | 251 | Pre Tender | | | | | | | | | | | | | | | | | | |
| Northern Line Extension to Battersea | Upgrades | 1,044 | Contract Award | 5 | | | | | | | | | | | | | | | | | |
| Northern Line World Class Capacity | Upgrades | 580 | Initiation | | | | | | | | | | | | | | | | | | |
| SUP - ATC signalling system | Upgrades | >> | Contract Award | 6 | | | | | | | | | | | | | | | | | |
| Surface | | | | | | | | | | | | | | | | | | | | | |
| Structures and Tunnels Investment Portfolio - Tranche 2 (STIP 2) | Assets | 257 | Initiation | | | | | | | | | | | | | | | | | | |
| TLRN Capital Renewals Programme | Assets | 60 | Annual | | | | | | | | | | | | | | | | | | |
| Bus Pinch Points Programme | Buses | 100 | Initiation | | | | | | | | | | | | | | | | | | |
| High Quality Bus Corridors Programme | Buses | 100 | Initiation | | | | | | | | | | | | | | | | | | |
| Cycling Vision Portfolio | Cycling | 913 | Annual | | | | | | | | | | | | | | | | | | |
| Cycle Hire Transformation | Cycling | >> | Option | | | | | | | | | | | | | | | | | | |
| Cycle Superhighways Programme | Cycling | 174 | Design | 7 | | | | | | | | | | | | | | | | | |
| A23/A232 Fiveways Road Improvement Scheme | Highways Enhancements | TBC | Option | | | | | | | | | | | | | | | | | | |
| Brent Cross s278 Highway Works | Highways Enhancements | TBC | Initiation | | | | | | | | | | | | | | | | | | |
| Vauxhall Cross Road Improvement Scheme | Highways Enhancements | TBC | Option | | | | | | | | | | | | | | | | | | |
| Wandsworth Improvement Scheme | Highways Enhancements | TBC | Option | | | | | | | | | | | | | | | | | | |
| RSM SCOOT | Network Performance | 58 | Annual | | | | | | | | | | | | | | | | | | |
| Surface Intelligent Transport System (SITS) | Network Performance | TBC | Option | | | | | | | | | | | | | | | | | | |

Notes:

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

1. Prior to statutory consultation.

2. Prior to submission of a Development and Consent Order (DCO) application.

3. May be incorporated into LU track.

4. Pre-tender review for rolling stock procurement.

5. NLE was granted full Project Authority by the TfL Board on 06 November 2013. Approval to award the contract will be requested in this submission.

6. Dates to be confirmed.

7. Dates to be confirmed.

Summary of projects approved by the Commissioner

| ST-PC360C Safety Camera Replacement Project | | | |
|--|--|--|-----------------------------|
| Financial Authority in Business Plan | Previous Project Authority Granted | Total Project Authority Granted | Estimated Final Cost |
| £39,507k | £14,406k | £36,616k | £36,616k |
| Authority Approval | Additional Project Authority of £22,210k was granted to deliver the project to completion. | | |
| Outputs and Schedule | <p>The Safety Camera Replacement Project will replace all of the wet-film safety cameras on London borough roads and the TLRN with modern digital equivalents. The work has been tendered as three lots: The Authority for Lot 2 (red light cameras) was granted in February 2014. Lots 1 and 3 spot speed and average speed cameras – have now been approved following their agreement at the Finance and Policy Committee on 13 November 2013.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • Replacement of all remaining wet-film spot speed safety cameras with digital equivalents • Replacement of all remaining wet-film red light safety cameras with digital equivalents • Installation of four average speed camera systems at trial locations <p>The project will complete by April 2016.</p> | | |

| LU-PJ830C & LU-PJ855C Fit for the Future Stations | | | |
|---|--|--|---|
| Financial Authority in Business Plan £93,201k | Previous Project Authority Granted £15,344k | Total Project Authority Granted £25,299k | Estimated Final Cost £93,201k |
| Authority Approval | Additional Project Authority of £9,955k was granted for three components of the Fit for the Future Stations programme. | | |
| Outputs and Schedule | <p>The Programme comprises a number of separate projects and the current proposals include:</p> <p>Programme Resource and Central Programme Costs: An increase in Project Authority of £3,680k, increasing total Authority from £4,463k to £8,143k for the programme resource and support costs until 31 March 2015.</p> <p>Ticketing Online development and hosting: An increase in Project Authority of £3,761k, increasing total Authority from £10,381k to £14,142k for the delivery of enhanced online ticketing services for customers and contact centre staff and related hosting.</p> <p>Visitor Offer: An increase in Project Authority of £2,514k, increasing total Authority from £500k to £3,014k for the transformation of six existing Travel Information Centres into Visitor Information Centres, and the building of two new Visitor Information Centres at Gatwick and Paddington.</p> <p>This scope of work is expected to complete by April 2015, subject to consultation.</p> | | |

| LU-PJ939C Rolling Contact Fatigue | | | |
|---|---|---|---|
| Financial Authority in Business Plan £10,000k | Previous Project Authority Granted £0k | Total Project Authority Granted £5,922k | Estimated Final Cost £21,655k |
| Authority Approval | Project Authority of £5,922k was granted in April 2014 to allow the programme to start re-railing prioritised areas with severe rail head surface cracking. An Integrated Assurance Review will be carried out in September 2014 once the measurement and scoping of areas with fatigue on the network is completed. | | |
| Outputs and Schedule | <p>The programme is split into two phases: Phase 1 of the re-railing works will address these initial areas where the scope of the works is known, and Phase 2 will be for the remainder of the network.</p> <p>The EFC exceeds the Financial Authority by £11,655k. The Financial Authority was a provisional estimate before substantive surveys had been completed. The shortfall will be addressed during the forthcoming business planning round.</p> <p>The programme of works is due for completion in 2016.</p> | | |

| PVEC3088 Bakerloo 72TS Extension of Life | | | |
|---|---|---|---|
| Financial Authority in Business Plan £31,152k | Previous Project Authority Granted £829k | Total Project Authority Granted £9,260k | Estimated Final Cost £31,152k |
| Additional Authority Approval | Project Authority of £8,431k was granted in March 2014 following an Option Integrated Assurance Review to start Phase One, covering the enabling works and the repair of the first three trains. | | |
| Outputs and Schedule | <p>The project will enable the safe operation of the 72TS fleet to 2030, the proposed renewal date. The key intervention is the repair of cracked joints in the swan-neck structures on the underside of the cars near the ends. The scope also includes a number of other repairs, minor modifications and associated enabling works.</p> <p>The first repair began in April 2014 and complete in November 2014, with completion of all 36 trains by March 2018.</p> | | |

Summary of projects approved by the MD Finance

| ST-PJ365C A406 Fore Street Tunnel Refurbishment | | | |
|--|---|--|---|
| Financial Authority in Business Plan £23,356k | Previous Project Authority Granted £1,540k | Total Project Authority Granted £23,356k | Estimated Final Cost £23,356k |
| Authority Approval | Additional Project Authority of £21,816k was granted to deliver the project to completion. | | |
| Outputs and Schedule | <p>The A406 Fore Street Tunnel Refurbishment project will address the issue of water ingress and replace the tunnel's mechanical and electrical infrastructure which has been damaged as a result.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • Installation of a water management solution • Replacement of the water damaged mechanical and electrical infrastructure <p>The project will complete by April 2016.</p> | | |

| LU-PJ818C Existing Fan Asset Renewals | | | |
|--|---|---|--|
| Financial Authority in Business Plan £7,000k | Previous Project Authority Granted £0k | Total Project Authority Granted £7,000k | Estimated Final Cost £7,000k |
| Authority Approval | Full Project Authority of £7,000k was granted following a Programme Integrated Assurance Review, to refurbish up to 25 of the 73 station and mid tunnel fans that are not covered by other programmes. | | |
| Outputs and Schedule | <p>The project will keep end-of-life fans in service, avoiding heat strain risks and decreases in the ambience scores following a fan failure. In some cases, the fan performance can be incrementally increased, which could reduce the heat strain and ambience risks, but these opportunities are limited.</p> <p>The project team has prioritised three fans, at Saint Paul's, Regent's Park and Lancaster Gate, for the first tranche of the programme. The sponsor will select the fans for the following tranches based on an updated prioritisation as the impact of the line upgrades programme is confirmed.</p> <p>The project will complete by July 2021.</p> | | |

| ST-PJ332C TLRN Capital Development Regional Improvement Programme | | | |
|--|---|--|-----------------------------|
| Financial Authority in Business Plan | Previous Project Authority Granted | Total Project Authority Granted | Estimated Final Cost |
| £14,318k | £0k | £19,500k | £19,500k |
| Authority Approval | <p>Project Authority of £19,500k was granted for the 2014/15 programme. The Estimated Final Cost exceeds the Financial Authority by £5,182k. The shortfall has been addressed by bringing forward £249k from the 2015/16 CDT budget and drawing £2,900k from the 2014/15 Road Safety and Bus Priority budgets. An additional £2,033k has been secured from third party contributions (planning agreements).</p> | | |
| Outputs and Schedule | <p>This annualised programme delivers an average of 100 minor road schemes per year. The portfolio is replenished from a prioritised workbook of schemes, generated by analysis of accident and traffic statistics, as well as proposals from stakeholders.</p> <p>Nearly all schemes in the programme are delivered through the London Highways Alliance Contract (LoHAC), with design carried out in-house by TfL.</p> <p>The programme will continue to deliver works to the end of the financial year, at which point a further submission will be made for Authority to deliver the 2015/16 programme.</p> | | |

| LR-PJ28C DLR Infrastructure Capital Programme | | | |
|--|---|--|-----------------------------|
| Financial Authority in Business Plan | Previous Project Authority Granted | Total Project Authority Granted | Estimated Final Cost |
| £15,503k | £0k | £15,503k | £15,503k |
| Authority Approval | <p>Project Authority of £15,503k was granted in March 2014 following an Annual Integrated Assurance Review. This authority is for the 2014/15 programme which forms part of the ten year plan, developed in 2012.</p> | | |
| Outputs and Schedule | <p>The 2014/15 Programme is Year 3 of DLR's rolling Ten-Year Asset Investment Requirements Plan (10 Year Plan), and will deliver 49 projects across infrastructure assets, including signalling.</p> | | |

| CD – PJ47 Railway Timetabling System | | | |
|---|---|--|---|
| Financial Authority in Business Plan £18,742k | Previous Project Authority Granted £13,582k | Total Project Authority Granted £16,482k | Estimated Final Cost £18,742k |
| Authority Approval | Additional Project Authority of £2,900k was granted to allow completion of the Railway Timetabling System software, which will be used to design and create new timetables. | | |
| Outputs and Schedule | <p>This work package will enable completion of the new timetabling software, which will be used to design and create all new timetables, commencing in January 2015, with the release of the software to the business for producing the Victoria line timetables. Further authority submissions will be made to seek funding of the remaining work packages, which will enable the design and creation of timetables on the remaining lines.</p> <p>The project will complete in February 2016.</p> | | |