

**Date: 14 October 2014**

## **Item 11: Project Monitoring – Project Approvals**

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**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 October 2014 to April 2016, 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 has delegated authority to approve 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 October 2014 to April 2016, 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 Committee, these requests will be submitted to the Committee or to 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 Committee.

#### **Project Approvals by the Commissioner**

- 4.3 Since the last meeting of the Committee on 17 July 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 Committee on 17 July 2014, the MD Finance has approved Project Authority on nine 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 – October 2014 to April 2016

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 may also be reviewed at an interim point.

# Forward Schedule of Project Approvals

Project	Programme / Asset Group	Estimated Final Cost £m	Approval	Note	2014				2015								2016				
					FPC	Board															
					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	Nov-15	Nov-15	Dec-15	Jan-16
<b>Corporate</b>																					
Crossrail 2	Planning	20,000	Option											✓	✓						
London Overground extension to Barking Riverside	Planning	190	Initiation					✓	✓												
London Overground extension to Barking Riverside	Planning	190	Option	1										✓	✓						
Overground Station at Old Oak Common	Planning	500	Initiation							✓	✓										
Gallions Reach Project	Planning	150	Option					✓	✓												
Silvertown River Crossing	Planning	753	Interim	2				✓	✓												
Silvertown River Crossing	Planning	753	Interim	3										✓	✓						
Ultra Low Emission Zone	Planning	TBC	Option					✓	✓												
<b>Rail &amp; Underground</b>																					
Bakerloo line 72TS life extension	Trains	60	Option							✓											
LU Civils - Bridges & Structures	Infrastructure	TBC	Annual					✓	✓												
LU Civils - Earth structures	Infrastructure	TBC	Annual							✓	✓										
BCV/SSL/JNP Track Programmes	Infrastructure	767	Annual					✓	✓							✓	✓				
Croxley Rail Link	Overground	TBC	Contract Award					✓	✓												
Bank Station Capacity Upgrade	Stations	581	Annual													✓	✓				
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	Annual																	✓	✓
Jubilee Line World Class Capacity	Upgrades	261	Option		✓	✓															
Jubilee Line World Class Capacity	Upgrades	261	Pre Tender																	✓	✓
Jubilee & Northern lines additional trains (JNAT)	Upgrades	500	Contract Award													✓	✓				
Northern Line Extension to Battersea	Upgrades	1,044	Annual																		✓
SUP - ATC signalling system	Upgrades	>>	Contract Award				✓	✓													
<b>Surface</b>																					
Structures and Tunnels Investment Portfolio - Tranche 2 (STIP 2)	Assets	257	Initiation					✓	✓												
Structures and Tunnels Investment Portfolio - Package 3	Assets	76	Interim				✓	✓													
TLRN Capital Renewals Programme	Assets	60	Annual							✓											
Bus Priority Programme	Buses	200	Initiation					✓	✓												
Cycling Vision Portfolio	Cycling	913	Annual							✓	✓										
Cycle Hire Transformation	Cycling	>>	Option				✓	✓													
Cycle Superhighways Programme	Cycling	174	Design				✓	✓													
Cycle Hire Implementation / Phase 2 and CHEI	Cycling	133	Close	4	✓																
A23/A232 Fiveways Road Improvement Scheme	Highways Enhancements	TBC	Option	5																	
Brent Cross s278 Highway Works	Highways Enhancements	TBC	Initiation				✓	✓													
Vauxhall Cross Road Improvement Scheme	Highways Enhancements	TBC	Option					✓													
Wandsworth Improvement Scheme	Highways Enhancements	67	Concept Design													✓					
Detection & Enforcement Infrastructure	Network Performance	>>	Contract Award				✓	✓													
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. Pending confirmation of Government funding in the budget Autumn Statement
2. Prior to statutory consultation.
3. Prior to submission of a Development and Consent Order (DCO) application.
4. The EFC relates to the entire cost of the Cycle Hire Implementation Programme.
5. Dates to be confirmed.

Summary of projects approved by the Commissioner

LU-PD420      Fit for the Future Stations			
<b>Financial Authority in Business Plan</b> £93,201k	<b>Previous Project Authority Granted</b> £45,006k	<b>Total Project Authority Granted</b> £48,991k	<b>Estimated Final Cost</b> £93,201k
<b>Authority Approval</b>	Additional Project Authority of £3,985k was granted for two components of the proposed Fit for the Future Stations programme.		
<b>Outputs and Schedule</b>	<p>The approved Project Authority covers two workstreams:</p> <p><b>Ticketing: Police Oyster cards</b> Additional Project Authority of £485k, to produce and distribute Police Oyster cards to the Metropolitan, City of London and British Transport Police. The purpose is to allow Police Oyster card holders to use the gateline without the assistance of LU staff.</p> <p>This scope of work will be completed by December 2014.</p> <p><b>Process &amp; Technology:</b> Additional Project Authority of £3,500k, increasing total Authority from £4,230k to £7,730k to purchase and issue 4,870 hand-held devices. These devices will support the new LU station processes and organisation.</p> <p>This scope of work will be completed by February 2016.</p>		

<b>ST-PJ343C Woolwich Ferry Life Extension</b>			
<b>Financial Authority in Business Plan</b>	<b>Previous Project Authority Granted</b>	<b>Total Project Authority Granted</b>	<b>Estimated Final Cost</b>
£33,516k	£10,840k	£14,985k	£33,011k
<b>Authority Approval</b>	Additional Project Authority of £4,145k was granted, following an Integrated Assurance Review at Interim (Phase 1) and Initiation (Phase 2) stages.		
<b>Outputs and Schedule</b>	<p>Phases 1 and 2 of the project are to extend the life of the ferry until 2016 and 2024 respectively. It is expected that by 2024 the River Crossings Programme will have delivered a new river crossing.</p> <p>Phase 1 costs have increased by £3,645k from £10,840k to £14,445k, compared to the early pre-design estimates that support the initial Project Authority approval in March 2011. The increase is due to more extensive repairs to the pier concrete piles which are in a worse condition than expected (£1.319m); and further definition of the high-level scope for the linkspan refurbishment (£1.210m). In addition, scope items brought forward from Phase 2 to Phase 1 to optimise the delivery of the works (£1.290m).</p> <p>Phase 1 works will be completed by July 2015.</p> <p>Project Authority of £500k covers the feasibility study for Phase 2 until April 2015.</p>		

<b>LU-PJ382C Power System Control</b>			
<b>Financial Authority in Business Plan</b> £45,882k	<b>Previous Project Authority Granted</b> £1,763k	<b>Total Project Authority Granted</b> £5,409k	<b>Estimated Final Cost</b> £45,882k
<b>Authority Approval</b>	Additional Project Authority of £3,646k was granted, following an Integrated Assurance Review at Pre-ITT stage.		
<b>Outputs and Schedule</b>	<p>The project will replace three LU obsolete power control systems with a single modern system.</p> <p>The approved Project Authority includes £2,600k for the provision of a fibre optic network through a variation to the Connect contract, and £1,046m project team costs.</p> <p>An ITT for the procurement of the main system will be issued in November 2014, with contract award expected in July 2015.</p> <p>The project will be completed by March 2018.</p>		

<b>LU- PJ781C Finsbury Park Western Ticket Hall and Step Free Access Project</b>			
<b>Financial Authority in Business Plan</b> £47,775k	<b>Previous Project Authority Granted</b> £9,238k	<b>Total Project Authority Granted</b> £20,305k	<b>Estimated Final Cost</b> £47,775k
<b>Authority Approval</b>	Additional Project Authority of £11,067k was granted to progress scheme design and deliver a range of enabling works.		
<b>Outputs and Schedule</b>	<p>The project will deliver a new entrance to the station, with improved capacity and interchange to Network Rail and bus services.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> <li>• Connect and integrate the new western station entrance to the rest of the station, including extending the disused passageway and incorporating associated finishes and systems integration</li> <li>• Fit out the new western station entrance including improved staff accommodation</li> <li>• Step free access from street level to LU platforms</li> </ul> <p>The project is due for completion in 2018.</p>		

Summary of projects approved by the MD Finance

ST-PJ415C Elephant and Castle Northern Roundabout Project			
<b>Financial Authority in Business Plan</b> £15,175k	<b>Previous Project Authority Granted</b> £1,023k	<b>Total Project Authority Granted</b> £24,368k	<b>Estimated Final Cost</b> £24,368k
<b>Authority Approval</b>	<p>Additional Project Authority of £23,345k was granted to commence detail design and construction of the highway works and urban realm.</p> <p>£15.2m is budgeted in the TfL Business Plan with an agreement reached in principle with the London Borough of Southwark to fund the remaining £10m from the Community Infrastructure Levy (CIL). This has yet to be formally confirmed but a binding legal agreement will be reached with LB Southwark before starting construction.</p>		
<b>Outputs and Schedule</b>	<p>The Elephant and Castle Northern Roundabout is one of the worst locations for collisions in London. The project will change the road layout of the roundabout to improve safety, provide better facilities for vulnerable road users and enhance the urban realm.</p> <p>Feasibility studies have now been completed and a preferred option selected which has been agreed in principle with all key stakeholders.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> <li>• Conversion of the existing roundabout into a southern peninsular arrangement</li> <li>• Improved cycling facilities</li> <li>• Urban realm improvements</li> </ul> <p>The project will be completed by May 2016.</p>		

<b>LU-PJ932C Night Tube</b>			
<b>Financial Authority in Business Plan</b> £3,500k	<b>Previous Project Authority Granted</b> £468k	<b>Total Project Authority Granted</b> £10,920k	<b>Estimated Final Cost</b> £10,920k
<b>Authority Approval</b>	Additional Project Authority of £10,452k was granted to introduce phase 1 of Night Tube which covers Central, Jubilee, Northern, Piccadilly and Victoria lines. The project is unbudgeted by £7,420k and is expected to be financially neutral through increased revenue.		
<b>Outputs and Schedule</b>	<p>The preferred service pattern is 6 trains per hour through central London.</p> <p>The Sub-Surface lines are excluded from phase 1, in order not to impact on the delivery of the upgrade, and are expected to form a phase 2.</p> <p>Night Tube service will be available from September 2015.</p>		

<b>LU-PJ913C Operational WiFi at Stations and Buildings</b>			
<b>Financial Authority in Business Plan</b> £17,647k	<b>Previous Project Authority Granted</b> £15,165k	<b>Total Project Authority Granted</b> £17,647k	<b>Estimated Final Cost</b> £17,647k
<b>Authority Approval</b>	Additional Project Authority of £2,482k was granted to install Wi-Fi at 11 stations currently undergoing capacity enhancement, eight of which interface with Crossrail.		
<b>Outputs and Schedule</b>	<p>The project is a key enabler to the provision of mobile devices across London Underground by the extension of Wi-Fi and other data networks.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> <li>To deliver WiFi coverage to 271 LU stations and 70 operational buildings.</li> <li>Installation of wireless access points (AP's) and related infrastructure to enable the provision of public facing Wi-Fi</li> </ul> <p>The project will be completed by March 2018.</p>		

<b>LU-PJ940C Network Replacement of M63 Points Machines</b>			
<b>Financial Authority in Business Plan</b> £10,124k	<b>Previous Project Authority Granted</b> £191k	<b>Total Project Authority Granted</b> £9,996k	<b>Estimated Final Cost</b> £9,996k
<b>Authority Approval</b>	Additional Project Authority of £9,805k was granted to replace 86 M63 points machines with Surelock points machines, following a Delivery Integrated Assurance Review.		
<b>Outputs and Schedule</b>	<p>The project will remove 50% of 1960s-designed M63 points machines from the Central Line and all from Sub Surface Railway and Jubilee, Northern, Piccadilly lines.</p> <p>The number of M63 machines to be replaced has been managed to keep the project Estimated Final Cost within the Financial Authority.</p> <p>The project will be completed by 30th April 2018.</p>		

<b>BC-PJ151C Bakerloo Line Control System Life Extension</b>			
<b>Financial Authority in Business Plan</b> £281,172k	<b>Previous Project Authority Granted</b> £222k	<b>Total Project Authority Granted</b> £594k	<b>Estimated Final Cost</b> £5,829k
<b>Authority Approval</b>	Additional Project Authority of £372k was granted, following an Initiation Integrated Assurance Review.		
<b>Outputs and Schedule</b>	<p>The Bakerloo Line Control System Central Computers (GPT4000's) at Baker Street are obsolete.</p> <p>The scope of the approved Project Authority is the concept design of the GPT4000 replacement. It also includes a survey to identify any further obsolescence issues of the Bakerloo Line Control System and the best approach to resolving these.</p> <p>The current EFC is for the GPT4000 replacement only but the Financial Authority covers the whole Bakerloo line life extension works, including the signalling system refresh, rolling stock refurbishment and power works. The costs of these works will emerge as outputs from the surveys.</p> <p>The concept design of the GPT4000 replacement will be completed in June 2015. The obsolescence survey will be completed in December 2014.</p>		

<b>LU-PJ812C Integrated Condition &amp; Event Monitoring Tool (ICEMT)</b>			
<b>Financial Authority in Business Plan</b> £6,888k	<b>Previous Project Authority Granted</b> £250k	<b>Total Project Authority Granted</b> £2,317k	<b>Estimated Final Cost</b> £6,527k
<b>Authority Approval</b>	Additional Project Authority of £2,067k was granted for the pilot phase following an Option Integrated Assurance Review.		
<b>Outputs and Schedule</b>	<p>The project will provide a real-time condition monitoring system for the London Underground signalling assets, enhancing pre-emptive maintenance and improving reliability.</p> <p>The pilot study will develop and test the hardware (data sensors and loggers) and data analytics software at four operational sites.</p> <p>The Financial Authority allows for the roll-out of the system at the twenty locations with the highest impact on service reliability. Additional Financial Authority of £22,111k will be included as part of the next business plan for a network-wide roll-out.</p> <p>This scope of work will be completed by December 2015.</p>		

<b>ST-PJ210C LSTOC Upgrade and Relocation</b>			
<b>Financial Authority in Business Plan</b> £10,000k	<b>Previous Project Authority Granted</b> £1,170k	<b>Total Project Authority Granted</b> £10,000k	<b>Estimated Final Cost</b> £10,000k
<b>Authority Approval</b>	Additional Project Authority of £8,830k was granted to deliver the project to completion.		
<b>Outputs and Schedule</b>	<p>The LSTOC Upgrade and Relocation project will bring the systems used to monitor and operate the road tunnels managed by TfL up to date. The London Streets Tunnels Operation Centre (LSTOC) will also be relocated to Southwark, with a disaster recovery facility at Buckingham Palace Road.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> <li>• Replacement of the existing collection of obsolete tunnel control systems with a modern integrated and scalable digital solution</li> <li>• Relocation of the London Streets Tunnels Operation Centre to Southwark</li> <li>• Creation of a full disaster recovery facility</li> </ul> <p>The project will be completed by January 2016.</p>		

<b>RX01IMSAP.001 Run Better Programme</b>			
<b>Financial Authority in Business Plan</b>	<b>Previous Project Authority Granted</b>	<b>Total Project Authority Granted</b>	<b>Estimated Final Cost</b>
£13,133k	£2,829k	£12,264k	£12,264k
<b>Authority Approval</b>	Additional Project Authority of £9,435k was granted to undertake works scheduled for the 2014/15 financial year. An annual Integrated Assurance review was conducted shortly afterwards.		
<b>Outputs and Schedule</b>	<p>The programme will design, develop and deliver projects to help TfL run better, simpler and cheaper through technology-enabled business change.</p> <p>There are five major workstreams in the 2014/15 programme:</p> <p>Integrated Planning &amp; Management Reporting, HR People Solutions, Self-Service Enablement, Source-to-Pay and Enabling Technology Upgrades.</p> <p>The work proceeds as an annualised programme, and is budgeted in the business plan until 2016.</p>		

<b>ST-PJ124C River Bus Ticketing Solution</b>			
<b>Financial Authority in Business Plan</b>	<b>Previous Project Authority Granted</b>	<b>Total Project Authority Granted</b>	<b>Estimated Final Cost</b>
£4,399k	£310k	£4,633k	£4,633k
<b>Authority Approval</b>	<p>Full Project Authority to deliver both phases of the works. The shortfall of £234k against the Business Plan allowance has been offset by a third party contribution received from Thames Clippers.</p> <p>The Estimated Final Cost excludes operating expenditure, which will be funded by Thames Clippers.</p>		
<b>Outputs and Schedule</b>	<p>The project will introduce Oyster Pay-As-You-Go technology to piers served by River Bus services (Phase 1) and then upgrade these assets to allow the use of Contactless Payment Cards (Phase 2). This work will enable the use of Oyster payments, but not integrate River Bus services into the general TfL fare structure.</p> <p>London River Services have worked with a team from Future Ticketing to commission the design of a suitable validator by Cubic. The Project Authority allows for completion of this design and on-site roll-out.</p> <p>This scope of work will be completed by October 2015.</p>		