

Date: 17 July 2014

Item 8: 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 July 2014 to January 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 July 2014 to January 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 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 Finance and Policy Committee on 5 June 2014, the Commissioner has approved Project Authority on one project. Further details are set out in Appendix 2.

Project Approvals by the MD Finance

- 4.4 Since the last meeting of the Committee on 5 June 2014, the MD Finance has not approved Project Authority on any projects.

List of appendices to this report:

Appendix 1 – Forward Approval Programme

Appendix 2 – Summary of project approvals by the Commissioner

List of Background Papers:

None.

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Forward Approval Programme – July 2014 to January 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	FPC																
					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	Nov-15	Nov-15	Dec-15	Jan-16
Corporate																							
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						✓	✓												
London Overground extension to Barking Riverside	Planning	190	Interim	2																✓	✓		
Overground Station at Old Oak Common	Planning	500	Initiation																				
Gallions Reach Project	Planning	150	Option				✓	✓															
Silvertown River Crossing	Planning	753	Interim	3						✓	✓												
Silvertown River Crossing	Planning	753	Interim	4																✓	✓		
Rail & Underground																							
JNP Civils	Infrastructure	54	Annual					✓															
BCV/SSL/JNP Track Programmes	Infrastructure	767	Annual					✓	✓											✓	✓		
Croxley Rail Link	Overground	TBC	Contract Award				✓																
Bank Bloomberg Place	Stations	>>	Close																				
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	Pre Tender	5						✓	✓												
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	6			✓																
Northern Line World Class Capacity	Upgrades	580	Initiation				✓	✓															
SUP - ATC signalling system	Upgrades	>>	Contract Award	7																			
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	8																			
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																				
Wandsworth Improvement Scheme	Highways Enhancements	TBC	Concept Design																		✓		
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 a submission of a Transport Works Act Order (TWAo) application
3. Prior to statutory consultation.
4. Prior to submission of a Development and Consent Order (DCO) application.
5. Pre-tender review for rolling stock procurement.
6. 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.
7. Dates to be confirmed.
8. Dates to be confirmed.

Summary of projects approved by the Commissioner

LU-PD420 Fit for the Future Stations Programme			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£93,201k	£28,562k	£45,006k	£93,201k
Authority Approval	Additional Project Authority of £16,444k was granted for three components of the proposed Fit for the Future Stations programme.		
Outputs and Schedule	<p>The approved Project Authority covers three workstreams:</p> <p>Change Management Programme: Additional Project Authority of £7,119k, increasing total Authority from £1,961k to £9,080k, to deliver development and coaching programmes to the staff in scope.</p> <p>This scope of work will be completed by March 2018, subject to consultation.</p> <p>Built Environment: Additional Project Authority of £5,667k, increasing total Authority from £412k to £6,079k, to continue design and delivery preparation and further firm up cost estimates and delivery plans for the future stations operating model. The next phase includes:</p> <ul style="list-style-type: none"> • a survey of all station non-public areas and the trial of the new working methods at five stations. • four “demonstrator” stations (Embankment, Seven Sisters, King's Cross St. Pancras (Western Ticket Hall), Alperton). <p>This scope of work will be completed by March 2015, subject to consultation.</p> <p>Process and Technology: Additional Project Authority of £3,658k, increasing total Authority from £630k to £4,288k. The workstream will rationalise and improve the manual and paper-based station processes, through supporting mobile technology, to support the delivery of the proposed Stations Operating Model.</p> <p>This Authority will fund the design and commercial activities associated with the delivery of the process changes required for the propose Fit for the Future Stations Operating Model. Specific scope includes:</p> <ul style="list-style-type: none"> • the development of business requirements and technical designs across critical process areas; • procurement activities for Staff Time Management and Competency Management systems; • delivery of Ticketing and Customer Service applications to support the new operating model; and • capturing the requirements and proof of concept of the potential new 		

mobile devices and accessories.

This scope of work will be completed by March 2015, subject to consultation.