

Date: 2 December 2015

Item: 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 December 2015 to July 2017, and to inform the Committee of Project Authority granted by the Commissioner and the Managing Director (MD) Finance in accordance with delegated authorities 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 December 2015 to July 2017, 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 and, where appropriate, to the Board for consideration. Those projects with an estimated final cost of £50m or below, 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 15 October 2015, the Commissioner has approved Project Authority for five 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 15 October 2015, the MD Finance has approved Project Authority for 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

Contact Officer: Michael Bridgeland, Head of Project Assurance

Number: 020 3054 7751

Email: MichaelBridgeland@tfl.gov.uk

Forward Approval Programme – December 2015 to July 2017

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.
- 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 is more than one year between gates, projects may also be reviewed at an interim point.

[page left intentionally blank]

Forward Schedule of Project Approvals

Project	Programme / Asset Group	Estimated Final Cost £m	Approval	Note	2015	2016												2017									
					Board	FPC																					
					Dec-15	Jan-16	Feb-16	Mar-16	Mar-16	Jun-16	Jul-16	Jul-16	Sep-16	Oct-16	Nov-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Mar-17	Jun-17	Jun-17	Jul-17			
Planning																											
Crossrail 2	Planning	27,000	Option		✓																						
Overground Station at Old Oak Common	Planning	280	Interim			✓	✓																				
Rail & Underground																											
London Overground extension to Barking Riverside	Infrastructure	261	Option			✓	✓																				
Bakerloo line 72TS life extension	Rolling Stock	67	Contract Award							✓																	
Central Line 92TS AC conversion	Rolling Stock	166	Pre Tender							✓	✓																
Bank Station Capacity Upgrade	Stations	>>	Design					✓	✓																		
Camden Town Station Capacity Upgrade	Stations	>>	Pre Tender			✓	✓																				
Holborn Station Capacity Upgrade	Stations	>>	Pre Tender									✓	✓														
Elephant and Castle Northern Line Ticket Hall	Stations	>>	Option			✓	✓																				
Northern Line World Class Capacity	Upgrades	561	Option					✓	✓																		
Jubilee Line World Class Capacity	Upgrades	261	Annual			✓	✓																				
Jubilee & Northern lines additional trains	Upgrades	>>	Contract Award																	✓	✓						
New Tube for London	Upgrades	16,071	Interim	1				✓	✓																		
Surface																											
Silvertown River Crossing	Assets	1,050	Interim	2		✓	✓																				
Silvertown River Crossing	Assets	1,050	Pre Tender									✓	✓														
Asset Renewal Programmes	Assets	93	Annual				✓														✓						
STIP 2	Assets	378	Initiation	3																							
Cycling Vision Portfolio	Cycling	913	Annual					✓	✓												✓	✓					
Cycle Hire Re-Let	Cycling	>>	Contract Award		✓																						
A23/A232 Fiveways Road Improvement Scheme	Highways Enhancements	66	Option			✓																					
A23/A232 Fiveways Road Improvement Scheme	Highways Enhancements	66	Pre Tender																		✓						
Ultra Low Emission Zone (ULEZ)	Planning	425	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. Programme management resources and development of the signalling system requirements. Rolling Stock ITT will be reviewed in late 2015 and it is not currently planned for submission to F&P.
 - 2. Prior to the submission of a Development and Consent Order (DCO) application.
 - 3. Forward approvals for STIP 2 to be defined.

Summary of projects approved by the Commissioner

LU-PD420 Fit for the Future – Stations Programme: Change Management			
Financial Authority in Business Plan £133,925k	Previous Project Authority Granted £126,310k	Total Project Authority Granted £127,440k	Estimated Final Cost £133,925k
Authority Approval	<p>Additional Project Authority of £1,130k was granted to develop digital learning.</p> <p>The Fit for the Future – Stations Programme comprises a number of separate projects which will be authorised individually in accordance with the levels set out in Standing Orders.</p>		
Outputs and Schedule	<p>The Change Management sub-programme will give the staff the skills and knowledge essential to support the new station staffing and operating models.</p> <p>Project Authority of £1,130k was granted to provide:</p> <ul style="list-style-type: none"> • the digital learning modules for nine new key processes; • the ongoing learning for Customer Service Managers and Customer Service Supervisors; • the conversion of the existing digital learning content; and • the maintenance and editing of the digital learning content. <p>The programme will complete by July 2016.</p>		

ST-PJ416C King's Cross Gyratory			
Financial Authority in Business Plan £ 38,200k	Previous Project Authority Granted £ 600k	Total Project Authority Granted £1,492k	Estimated Final Cost £38,200k
Authority Approval	<p>Additional Project Authority of £892k was granted in September 2015, to complete the feasibility study.</p>		
Outputs and Schedule	<p>The project will improve pedestrian and cycle access to King's Cross, while minimising negative impacts on traffic flow. The precise works to be carried out by the scheme will be defined as part of the feasibility study.</p> <p>The project will complete by 2022.</p>		

LR-PJ46 New Trains for DLR			
Financial Authority in Business Plan £278,600k	Previous Project Authority Granted £500k	Total Project Authority Granted £4,900k	Estimated Final Cost £440,000k
Authority Approval	<p>Additional Project Authority of £4,400k was granted in September 2015 to complete feasibility activities, following an Initiation Integrated Assurance Review.</p> <p>Project Authority will be sought from the Board once the feasibility assessment is complete.</p> <p>The estimated final cost exceeds Financial Authority by £161,400k, as the project extends beyond the TfL Business Plan.</p>		
Outputs and Schedule	<p>The main items of scope are:</p> <ul style="list-style-type: none"> • feasibility and development of the technical requirements to inform the procurement of a new fleet of DLR trains to support increased service capacity at the Royal Docks; and • to renovate or replace the life-expired rolling stock. <p>The project will complete by the end of 2025.</p>		

ST-PJ434C Better Junctions – Stockwell Gyrotory Scheme			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£6,040k	£1,300k	£6,700k	£6,700k
Authority Approval	<p>Additional Project Authority of £5,400k was granted to complete the project, following a Design Integrated Assurance Review.</p> <p>Project Authority was granted by the Commissioner under the governance arrangements approved by the Board for the Cycling Vision Portfolio.</p> <p>The estimated final cost exceeds Financial Authority by £660k which will be funded from within the core Better Junctions Programme.</p>		
Outputs and Schedule	<p>The project will improve safety for cyclists and other vulnerable road users at the intersection of the A3 Clapham Road which carries Cycle Superhighway 7 (CS7), the A203 Stockwell Road and South Lambeth Road – the area known as Stockwell Cross.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • removal of the gyrotory by closing South Lambeth Road; • bus lane widening to better accommodate cyclists; • segregated cycle lanes; and • introduction of banned left turns to reduce vehicle-bicycle conflicts. <p>The project will complete by April 2017.</p>		

Summary of projects approved by the MD Finance

LU-PJ961C Knightsbridge Station Entrance Relocation and Step-Free Access			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
Nil	£190k	£1,100k	£11,930k
Authority Approval	<p>Additional Project Authority of £910k was granted to undertake feasibility studies, surveys and design development to RIBA Stage 2, following an Initiation Integrated Assurance Review.</p> <p>The estimated final cost exceeds the Financial Authority by £11,930k, of which £6,450k will be funded by a third party developer under a Development Agreement, and £5,480k will be funded from the LU Step Free Access Partnership Programme.</p>		
Outputs and Schedule	<p>The project will relocate the Knightsbridge Underground Station Sloane Street / Brompton Road exit by approximately 30 metres westwards, to 15 Brompton Road. Feasibility studies, surveys and preliminary design work funded by the developer will also inform how step-free access at the station will be provided as part of the development.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • Relocation of the Sloane Street / Brompton Road exit. • Potential introduction of step free access including reinstating a disused lift shaft, and creating a new entrance at Hoopers Court. <p>The project will complete by December 2020.</p>		

ST-PJ460C Information Management and Modelling (IMM) Project			
Financial Authority in Business Plan £16,750k	Previous Project Authority Granted £1,240k	Total Project Authority Granted £18,740k	Estimated Final Cost £18,740k
Authority Approval	<p>Project Authority of £17,500k was granted to deliver Building Information Modelling (BIM) Level 2 compliance in Surface Transport, following a Contract Award Integrated Assurance Review.</p> <p>The estimated final cost exceeds the Financial Authority by £1,990k which will be funded from efficiency savings delivered by the project.</p>		
Outputs and Schedule	<p>The IMM programme will deliver a Level 2 BIM capability in Surface Transport.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • implementation of a Common Data Environment information management system to store asset data; • implementation of the required data protocols in line with British Standards; and • business change activities including process updates, contract updates, system integration, training and people mobilisation. <p>The project will complete by April 2018.</p>		

LU-PJ914C Power Asset Renewals Portfolio			
Financial Authority in Business Plan £22,814k	Previous Project Authority Granted £4,129k	Total Project Authority Granted £22,814k	Estimated Final Cost £22,814k
Authority Approval	Additional Project Authority of £18,685k was granted to deliver a three year portfolio of network power asset renewals, following an Annual Integrated Assurance Review.		
Outputs and Schedule	<p>The portfolio will renew obsolete or unreliable London Underground power assets to maintain availability, safety, statutory compliance and reliability.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • High Voltage Switchgear and cable replacements; • substation small power, domestic supplies and lighting. Renewal of Central Emergency Power Supply assets; and • replacement of DC current traction switches on the Bakerloo line. <p>The portfolio will complete by June 2018.</p>		

ST-PJ368C Euston Road Improvements			
Financial Authority in Business Plan £9,500k	Previous Project Authority Granted £400k	Total Project Authority Granted £800k	Estimated Final Cost £9,600k
Authority Approval	<p>Additional Project Authority of £400k was granted to complete the scheme's feasibility study.</p> <p>The estimated final cost exceeds the Financial Authority by £100k which will be funded from within the Transforming Streets and Places Portfolio.</p>		
Outputs and Schedule	<p>The scheme will develop and implement improvements for pedestrians and cyclists on Euston Road while incorporating proposed High Speed 2 (HS2) construction traffic routes, and minimising impact on the Inner Ring Road.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • improved cycling facilities including safety features; • improved pedestrian crossings and walking facilities; • measures to maintain the reliability of the bus services that use the area; • provision for HS2 construction traffic; and • urban realm improvements. <p>The programme will complete by March 2019.</p>		

ST-PC201 Asset Management Directorate – Design Review: Phase 2			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
Nil	Nil	£3,500k	£3,500k
Authority Approval	<p>Project Authority of £3,500k was granted to design and implement a new capability model for the Surface Transport Asset Management Directorate.</p> <p>The estimated final cost exceeds the Financial Authority by £3,500k which will be funded from efficiency savings made by the project.</p>		
Outputs and Schedule	<p>The project will implement a new capability model to support the Surface Asset Management Directorate’s vision of safe, reliable and well maintained assets.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • design and implementation of a new organisation structure for the directorate; • definition of revised roles and responsibilities; and • design and implementation of improved processes. <p>The project will complete by April 2016.</p>		