

TRANSPORT FOR LONDON

FINANCE COMMITTEE

SUBJECT: PROJECT MONITORING – PROJECT APPROVALS

DATE: 15 JULY 2009

1 PURPOSE AND DECISION REQUIRED

- 1.1 To inform the Finance Committee of approvals given by the Commissioner and the Managing Director (MD) Finance in accordance with delegated authority under TfL Standing Orders.

2 BACKGROUND

- 2.1 The Commissioner (and in his absence, the MD Finance) currently has the delegated authority to approve expenditure on projects up to a value of £50m that contain less than £25m of unbudgeted expenditure.
- 2.2 The MD Finance approves projects of under £25m that contain less than £10m of unbudgeted expenditure. Approval of projects of less than £5m that contain less than £2m of unbudgeted expenditure are delegated to Chief Officers and not reported here.

3 PROJECT APPROVALS BY THE COMMISSIONER

- 3.1 Since the meeting of the Finance Committee on 2 June 2009, the Commissioner approved one project, namely, SSR/BCV Lifts and Escalators programme 2009/10. Further details of this project are set out in Appendix 1.

4 PROJECT APPROVALS BY THE MD FINANCE

- 4.1 Since the meeting of the meeting of the Finance Committee on 2 June 2009, the MD Finance has approved one project, namely, Walthamstow Central Subway Interchange. Further details of this project are set out in Appendix 2.

5 CONCLUSION AND NEXT STEPS

- 5.1 Planned future requests, until the end of 2009/10, for project authority for projects costing more than £5m are listed in Appendix 3. Where the projects have a value in excess of £50m, these requests will be submitted to the Finance Committee for consideration; the approval of smaller projects will be reported to subsequent meetings of the Finance Committee.

6 RECOMMENDATION

- 6.1 The Finance Committee is asked to NOTE the project approvals made by the Commissioner and MD Finance.

7 CONTACT

- 7.1 Contact: Guy Phillips, Investment Programme Management Office
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Summary of projects approved by the Commissioner

BCV/SSR Lifts and Escalators Programme 2009/10		Total Approval = £29.6m (of £29.6m)
Authority Request	Lift and escalator refurbishment and replacement works at three stations and feasibility studies at 18 stations.	
Outputs and Schedule	<p>The project will deliver:</p> <ul style="list-style-type: none"> • Refurbishment of Edgware Road lifts 1 and 2; • Refurbishment of Victoria escalators 1 to 3; • Replacement of Oxford Circus escalators 1 to 3 and DC/AC conversion of escalators 4 and 5; and • Feasibility work at 18 other stations 	
Approval	The programme was granted £29.002m additional project authority to a total of £29.6m, with an expiry date of 31 March 2011, for project implementation and feasibility studies for future works.	

Summary of projects approved by the MD Finance

LU-PJ112	Walthamstow Central Subway Interchange	Total Approval = £11.8m (of £11.8m)
Authority Request	This supplementary authority provides £1.179m for cost increases to complete the subway link from the bus station to the station hall concourse.	
Outputs and Schedule	<p>The subway works are now practically complete and the authority provides for snagging items, handover to maintenance and operations and contractual close out. The cost increases arose from:</p> <ul style="list-style-type: none"> • Unforeseen ground conditions and associated prolongation costs; • Problems with the delivery and handover into maintenance of the lifting platform, and • Cost increases in building the sub-station. 	
Approval	The project was granted additional project authority of £1.179m, to a total of £11.8m, with an expiry date of 31 December 2009.	

PRG Forward Forecast – July 2009 to July 2010

To enable an appropriate level of governance, processes are in place for the authorisation, control and reporting of projects. This is undertaken at both Corporate and Modal levels. In addition to Modal processes, projects with a total value greater than £2m (unbudgeted) or £5m (budgeted) require authorisation at a corporate level. The Corporate Gate Approval Process (CGAP) sets the requirements for the review of these projects prior to approval. Each gate applies “challenges” to the project to assess whether it is in a suitable state to move through the gate. The Gate Review provides assurances 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.

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

- Gate A – Project commencement (compulsory gate);
- Gate B – Single option selection;
- Gate C – Pre-tender;
- Gate D – Contract award;
- Gate E – Project close (compulsory gate); and
- Gate P – Programme review for annualised programmes of minor schemes.

Projects to be approved by the Finance Committee greater than £50M

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed PRG Date
London Underground					
Victoria Station Upgrade	86.500	695.456	695.456	D	Jul-09
Sub-Surface lines Power Upgrade – Detail Design and Build Package 4	226.155	351.155	630.400	D	Jul-09
Bond Street Congestion Relief	12.676	24.676	299.948	B/D	Aug-09
Bank Congestion Relief	4.500	7.500	825.018	B	Aug-09
Cooling The Tube Victoria Line (stations works)	135.000	155.000	205.459	B/D	Sep-09
Sub-Surface lines Power Upgrade – Detail Design and Build Packages 2, 3, & 5	226.155	630.400	630.400	D	Sep-09
Tottenham Court Road Congestion Relief	171.080	531.207	531.207	D	Sep-09
Piccadilly line Power Upgrade - Scoping and Development	0.100	22.100	162.000	B/D	Oct-09
Sub-Surface lines High Voltage Signalling Power Upgrade	0.000	15.000	83.000	A	Feb-10
Sub-Surface lines 750V conversion	3.600	54.400	54.400	D	Apr-10
Surface Transport					
Cycle Superhighways - 10 routes	0.000	16.860	140.450	B	Jul-09
New Bus for London	0.000	0.500	3.200	C	Jul-09
SCOOT	0.000	TBC	68.000	A	Sep-09
Blackwall Tunnel Northbound Refurbishment	37.000	56.647	59.876	D	Sep-09
New Bus for London	0.000	3.200	3.200	D	Nov-09

Projects to be approved by the Commissioner between £25M and £50M

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed PRG Date
London Underground					
LU works for Thameslink	21.250	39.364	51.875	B/D	Sep-09
Surface Transport					
Tottenham Hale Gyratory	3.200	47.270	47.800	C	Jul-09
Infrastructure Development	4.100	36.123	36.522	D	Oct-09
TLRN Capital Renewal 10/11	0.000	45.000	45.000	P	Mar-10

Projects to be approved by the MD Finance under £25M

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed PRG Date
London Underground					
Earthing and Bonding Compliance	0.000	10.000	10.000	B	Sep-09
Victoria Line Upgrade - 4,500 AMP Energy Optimisation	0.500	12.388	12.393	A	Oct-09
92 Rolling Stock Half Life Ambience Upgrade	0.000	24.000	24.000	B	Nov-09
Central and Bakerloo lines: Low Voltage Mains	0.000	24.000	24.000	B/D	Dec-09
Central Line Depots Traction Switch Replacement	0.000	7.000	7.000	A	Dec-09
Rayners Lane - Specified right	0.700	8.583	8.583	B	Dec-09
Connect - Signalling	0.000	2.000	8.803	A	Mar-10
Connect – Sub-Surface lines Signalling Upgrade - Provision of Signalling Control Circuits	0.000	0.180	11.000	B/D	Mar-10
Surface Transport					
Cycle Highways – 2 pilot routes	3.300	22.400	22.400	D	Jul-09
Olympic Transport Co-ordination Centre	3.008	9.400	9.400	C	Aug-09
Olympic Cycle and Walking Routes	0.750	9.400	9.400	D	Aug-09
Pedestrian Countdown	0.000	TBC	13.200	A	Sep-09
East London Transit stage 1b	1.300	19.200	19.200	C	Oct-09
Olympic Road Network Junctions and Carriageways	1.200	18.000	18.000	C	Jan-10
Olympic Road Network Instrumentation Project	10.100	11.598	17.240	C	Feb-10
A406 Henly's Corner	1.600	8.000	8.000	C	Feb-10
London Rail					
Beckton Control Room	0.000	TBC	17.000	A/B	Aug-09