

**Transport for London**

**Projects and Planning Panel**

**Subject: Project Monitoring – Project Approvals**

**Date: 8 January 2013**

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**1 Purpose**

- 1.1 To present to the Panel the forward approval programme for projects with a value in excess of £5m, from December 2012 to November 2013 and to inform the Panel of Project Authority given by the Commissioner and the Managing Director (MD) Finance in accordance with delegated authority under TfL's Standing Orders.

**2 Project Approvals**

**Background**

- 2.1 The Commissioner (and in his absence, the 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.
- 2.2 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 not reported here.
- 2.3 The governance arrangements put in place following the acquisition of Tube Lines (Holdings) Limited require that the Project Authority on projects over £5m and up to £50m is granted by the Tube Lines (Holdings) Limited Board.

**Forward Approval Programme**

- 2.4 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 2012 to November 2013, for projects with a value in excess of £5m, is set out in Appendix 1.
- 2.5 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 for consideration. The approval of projects with an estimated final cost below £50m will be reported to subsequent meetings of the Projects and Planning Panel.

**Project Approvals by the Tube Lines (Holdings) Limited Board**

- 2.6 No Project Authorities have been approved since the meeting of the Tube Lines (Holdings) Limited Board on 5 January 2012.

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

- 2.7 Since the meeting of the Projects and Planning Panel on 27 November 2012, the Commissioner has approved Project Authority on six projects. Further details of these projects are set out in Appendix 2.

### **Project Approvals by the MD Finance**

- 2.8 Since the meeting of the Projects and Planning Panel on 27 November 2012, the MD Finance has approved Project Authority on five projects. Further details of these projects are set out in Appendix 3.

## **3 Recommendation**

- 3.1 The Panel is asked to NOTE the paper.

## **4 Contact**

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### Forward Approval Programme – December 2012 to November 2013

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

Projects with a total value greater than £2m (unbudgeted) or £5m (budgeted) require authorisation by the MD Finance. The Corporate Gateway 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 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.

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.

All figures shown in the following table are in accordance with the approved TfL Business Plan unless otherwise indicated.

\* If there is more than two years between gates, projects will be reviewed again at an interim point, e.g. Gate B+ or Gate D+.

## Forward Schedule of Project Approvals / CGAP Gates

Project	Operating Unit	Estimated Final Cost £m	PPP*	FPC	TfL Board	PPP	FPC	TfL Board	PPP	FPC	TfL Board	FPC	TfL Board	PPP	FPC	TfL Board
			Jan-13	Jan-13	Feb-13	Feb-13	Mar-13	Mar-13	May-13	May-13	Jul-13	Jul-13	Sep-13	Oct-13	Oct-13	Nov-13
Safety Camera Replacement Project	Surface	55.5	C	C												
London Overground Capacity Improvement Programme	Rail and Underground	250.0	A/B	A/B	A/B											
London Road User Charging (LRUC) Contract Re-let	Surface	100.0	A/B	A/B	A/B											
Better Junctions Programme	Surface	TBC	A	A	A											
Crossrail 2	Corporate	TBC		A	A									B	B	B
SUP - ATC	Rail and Underground	981.7				D+										
Bank Station Bloomberg	Rail and Underground	54.3				C	C									
Cycle Superhighways 10 Routes - routes 5 & 12	Surface	105.6				C	C									
TLRN Capital renewal	Surface	60.0				P	P									
TCMS2 (IIPAG interim review)	Surface	150.0				D+	D+									
92TS Bogie replacement & gearbox repair	Rail and Underground	64.7				D+	D+									
Tunnels and Structures Investment Programme	Surface	200.0				A+	A+	A+								
Project Nimbus - iBus contract relet and bus ticket machine	Surface	110.0				A	A	A								
Northern Line Extension to Battersea	Corporate	301.8	B				B	B								
Station improvement programme	Rail and Underground	233.0				P	P	P								
Victoria Station Upgrade	Rail and Underground	598.5							D+							
Cable car	Rail and Underground	62.6							E							
Victoria Line Upgrade	Rail and Underground	1029.0							E							
Major Power Works (Victoria Line Upgrade)	Rail and Underground	141.7							E							
East London Line Extension Phases 1 and 1a	Rail and Underground	1018.9							E							
East London Line Extension Phase 2	Rail and Underground	75.0							E							
Jubilee Line Upgrade	Tube Lines	»							E							
Northern Line Upgrade	Tube Lines	»							D+							
Paddington Station Upgrade	Rail and Underground	62.9							D+							
Track BCV / SSR Programme	Rail and Underground	124.1							P							
Stratford International DLR Extension	Rail and Underground	180.5							E							
SUP - Neasden Heavy Maintenance Facilities	Rail and Underground	56.0							B	B						
Future Ticketing Phase 2	Corporate	TBC							D+	D+						
Future Ticketing Phase 3	Corporate	TBC							A	A						
Customer Service Transformation Programme	Rail and Underground	72.0							B	B	B					
Woolwich Ferry Replacement	Corporate	150.0							B	B	B					
Silvertown River Crossing	Corporate	600.0							B	B	B					
Track Programme	Tube Lines	TBC														
Civil Programme	Tube Lines	TBC												P		
Lifts and Escalators Programme	Tube Lines	TBC												P		
Bank Station Capacity Upgrade	Rail and Underground	625.7												C	C	C

### 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.

\*: Only projects to be submitted to FPC and TfL Board are reported here.

## Summary of projects approved by the Commissioner

<b>SS-PJ113C Baker Street Station Improvements</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>
£27,794k	£4,099k	£27,794k	£27,794k
<b>Authority Approval</b>	Additional Project Authority of £23,695k was approved following a Corporate Gate C/D review, to carry out detailed design, procurement and implementation of station improvements.		
<b>Outputs and Schedule</b>	<p>This project forms part of the Stations Improvement Programme which is a key component in London Underground's plan to improve the reliability of the Tube. This supports the objectives of the Mayor's Transport Strategy, specifically: improving public transport reliability; reducing operating costs; bringing and maintaining all assets to a state of good repair and improving public transport customer satisfaction. The Stations Improvement Programme will address the asset condition of the 74 stations, with the aim of achieving a target condition grade of 'Maintain Fair' to ensure assets remain in a stable condition for a minimum period of ten years.</p> <p>Baker Street is the first station project to complete the feasibility, scoping and design stage. The workbank for Baker Street has been reviewed, preferred solutions agreed and items prioritised.</p> <p>Works will be carried out to all areas of the station, including the back of house staff accommodation. However, the majority of the customer facing works will be concentrated on the Metropolitan Line platforms 1 – 4, as these are in the open and have in consequence suffered a greater deterioration than other parts of the station. Works to other areas of the station will involve replacement of lighting, communication systems and repair of damaged finishes etc.</p> <p>This authority allows the programme to deliver works through to the end of December 2015.</p>		

<b>SS-PJ131C Earl's Court, Paddington (District and Circle and Bakerloo), South Kensington, Station Improvement 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>
£30,356k	£2,299k	£3,923k	£30,356k
<b>Authority Approval</b>	Additional Project Authority of £1,624k was granted following a Corporate Gate B review, to carry out detailed design, and tender preparation for station improvement works at Earl's Court, Paddington (District and Circle and Bakerloo) and South Kensington stations.		

<b>Outputs and Schedule</b>	<p>This project forms part of the Stations Improvement Programme.</p> <p>Generally, the assets are in poor condition and in a state of decline and there is a growing need to address these issues. This project will address the condition of the assets.</p> <p>It is intended that concept and detailed design associated with all disciplines will be procured externally. However, if resources become available then the works may be carried out internally, for premises design.</p> <p>This authority allows the programme to deliver works through to the end of March 2014.</p>
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<b>BC-PJ102C Programme of Escalator Refurbishments Authority Submission</b>			
<b>Financial Authority in Business Plan</b> £27,087k	<b>Previous Project Authority Granted</b> £83k	<b>Total Project Authority Granted</b> £27,087k	<b>Estimated Final Cost</b> £27,087k
<b>Authority Approval</b>	<p>Additional Project Authority of £27,004k was granted following a Corporate Gate P review, to progress a programme of escalator refurbishments. The programme continues existing and ongoing projects delivered individually. The programme forms an integral part of the overall Lifts and Escalators strategy to maintain and improve the escalator reliability and maintain assets in a safe condition. In total, it covers work planned to be undertaken to 19 escalators at nine locations across the network.</p>		
<b>Outputs and Schedule</b>	<p>The 19 escalators included in this proposal have either gone beyond their half-life or their nominal 40 year design life and their condition is deteriorating. However, the three types of machine (Otis MY-A, MH-A and HD-B) are of the more robust types on the Underground due to their design and materials used, so the current asset management strategy is to retain them beyond their design life through a combination of the planned component replacement maintenance regime and refurbishment. This also avoids the disruption and cost of the civil and other enabling works that would be required to replace them (replacement of less reliable types has also been prioritised under the pan-TfL escalator contract).</p> <p>Prioritisation of the escalator refurbishment programme has been determined by their age, physical condition and performance. The programme has also taken into account access constraints and is coordinated with other work planned across the network, such as Crossrail tunnelling and Station Upgrade works at Bond Street.</p> <p>This authority allows the programme to deliver works through to the end of August 2017.</p>		

<b>ST-PJ360C Safety Camera Replacement Project</b>			
<b>Financial Authority in Business Plan</b> £38,622k	<b>Previous Project Authority Granted</b> £80k	<b>Total Project Authority Granted</b> £250k	<b>Estimated Final Cost</b> £43,303k
<b>Authority Approval</b>	Additional Project Authority of £170k was granted to invite tenders for the main supply, install and maintain contracts to the point of contract award.		
<b>Outputs and Schedule</b>	<p>There are approximately 758 'wet film' safety cameras on London borough and TLRN roads consisting of 444 spot speed cameras and 314 red-light cameras at traffic signal junctions. TfL is responsible for the installation and maintenance of these assets.</p> <p>With the current 'wet film' technology expected to become obsolete, the purpose of this project is to replace the cameras with modern digital alternatives.</p> <p>Delivery into service is due by May 2015.</p>		

<b>BR-PJ42C Local Implementation Plan Major Schemes</b>			
<b>Financial Authority in Business Plan</b> £33,800k	<b>Previous Project Authority Granted</b> Nil	<b>Total Project Authority Granted</b> £33,800k	<b>Estimated Final Cost</b> £33,800k
<b>Authority Approval</b>	Project Authority of £33,800k was granted for the deliver of the 2013/14 programme of Local Implementation Plan (LIP) Major Schemes.		
<b>Outputs and Schedule</b>	<p>The Major Schemes Programme forms part of the LIP process. Funding is announced annually by the Mayor with the purpose of enabling London boroughs to deliver the Mayor's Transport Strategy (MTS) in accordance with the 1999 Greater London Authority (GLA) Act.</p> <p>The Major Scheme Programme is an annualised programme, which aims to deliver transformational improvements in key areas (largely in International, Metropolitan, Major and District town centres and other strategically significant locations as defined in the London Plan). As such, projects seek to:</p> <ul style="list-style-type: none"> <li>• enhance the public realm;</li> <li>• improve and regenerate local areas;</li> <li>• strike an appropriate balance between different road users needs;</li> <li>• support trips made by walking, cycling and public transport; and</li> <li>• improve safety and reduce the fear of crime.</li> </ul> <p>The 2013/14 programme is due to complete by end March 2014.</p>		

<b>LU-PJ477C/      SSR Power Upgrade Package 3b UIP2036</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>
£41,218k	£49,900k	£31,697k	£31,697k
<b>Authority Approval</b>	Authority to award a contract for a value of £31,697k was granted following a Corporate Gate D review.		
<b>Outputs and Schedule</b>	<p>Package 3b is part of Major Power Works SUP package 3 which has full project authority of £106,256k which in its self forms part of the overall SSR Power programme which has financial authority of £521,400k.</p> <p>Package 3b is for the design &amp; build (D&amp;B) contract, comprising upgrade works to five substations and associated cable routes.</p> <p>Package 3b underwent a tender process, which highlighted significant saving opportunities from a robust value engineering approach resulting in potential savings of £6,700k for the contracted works, from:</p> <ul style="list-style-type: none"> <li>• Refurbishment of building as an alternative to rebuilding;</li> <li>• Contractors experience of similar works for LU;</li> <li>• Maturity of the Concept Design Statement (CDS), together with clarity of scope; and</li> <li>• Provision of an alternative back-up transformer from the LUL HV network, in place of a direct supply from the distribution network operator.</li> </ul> <p>These works will be brought into use by June 2015.</p>		



## Summary of projects approved by the MD Finance

<b>SS-PJ131C Harrow-on-the-Hill, Marylebone and St James's Park Station Improvements</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>
£17,099k	Nil	£3,608k	£17,099k
<b>Authority Approval</b>	Project Authority of £3,608k was granted following a Corporate Gate A review, to carry out surveys, feasibility studies, concept and detailed design for station improvements at Harrow-on-the-Hill, Marylebone and St James's Park stations.		
<b>Outputs and Schedule</b>	<p>This project forms part of the Stations Improvement Programme. Generally, the assets at all three stations are in poor condition and in a state of decline and there is a growing need to address these issues. This project will address the condition of these assets.</p> <p>The project will be managed up to the completion of detailed design by in house LU resources managing external design teams of multi-discipline engineers.</p> <p>Works will be carried out to all areas of the station, including the back of house staff accommodation. However, the majority of work will be concentrated on passenger facing areas.</p> <p>This authority allows the programme to deliver works through to the end of March 2015.</p>		

<b>LU-PJ92C Finsbury Park Station Upgrade</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>
£13,541k	£12,835k	£13,541k	£13,541k
<b>Authority Approval</b>	Additional Project Authority of £706k was granted following a Corporate Gate B/C review, to complete the construction of the spiral stairs and gating works with an extension of life from 31 December 2012 to 31 December 2014.		
<b>Outputs and Schedule</b>	<p>Finsbury Park station is one of the key interchanges on the London Underground network, serving approximately 41m entry/exit and interchange passenger movements per annum.</p> <p>Since full project authority was approved in July 2012, the scope of the project has been reviewed and outstanding design issues dealt with.</p> <p>The project now proposes to install ticket gates to the station entrances and to take the opportunity to work with the Developer City North to build a new fit for purpose Western Ticket Hall and to provide step-free access in the form of lifts at the station.</p> <p>The project is due to complete by December 2014.</p>		

<b>ST-PJ001C London Streets Tunnels Operations Centre Upgrade and Integration Project</b>			
<b>Financial Authority in Business Plan</b> £10,000k	<b>Previous Project Authority Granted</b> Nil	<b>Total Project Authority Granted</b> £350k	<b>Estimated Final Cost</b> £10,000k
<b>Authority Approval</b>	Project Authority of £350k was granted for feasibility and preliminary design work to select the preferred option and define the outline procurement strategy.		
<b>Outputs and Schedule</b>	<p>The London Streets Tunnels Operations Centre (LSTOC) helps to ensure the safe and reliable operation of TfL's road tunnels and performance of the corridors serviced by the London Streets Traffic Control System (LTRACS).</p> <p>The purpose of the project is to upgrade the LSTOC systems and services with a modern, maintainable and integrated solution. The project will also consider the future location of the LSTOC and its emergency back-up site.</p> <p>Delivery into service is due by March 2016.</p>		

<b>LR-PJ773C DLR Double Tracking Phase 1</b>			
<b>Financial Authority in Business Plan</b> £8,000k	<b>Previous Project Authority Granted</b> Nil	<b>Total Project Authority Granted</b> £2,700k	<b>Estimated Final Cost</b> £8,000k
<b>Authority Approval</b>	Project Authority of £2,700k was granted for the commencement of Phase 1. A further paper for the remaining Phase 1 works will be submitted for approval in January 2013 following a CGAP Gate B review.		
<b>Outputs and Schedule</b>	<p>DLR intends to deliver double tracking between Bow Church and Stratford in three phases to increase capacity and improve reliability between Stratford-Canary Wharf/Lewisham. Phase 1 of the project will extend double tracking from Pudding Mill Lane station to Waterworks River.</p> <p>There is an opportunity to secure part of the Phase 1 works through a variation to the existing Crossrail Works agreement. The cost of these works is £2,665k for structures, trackwork and signalling.</p> <p>Delivering Phase 1 in 2013 through a combination of additional Crossrail and DLR works would deliver immediate benefits and mean that Phases 2 and 3 could be delivered without impacting on the committed development between Pudding Mill Lane and Waterworks River and avoid abortive costs to remove what Crossrail is currently due to implement as part of its base scope at Pudding Mill Lane. Proceeding with Phase 1 would be a self contained project in itself with performance and reliability benefits which would not be abortive even if Phases 2 and</p>		

3 did not proceed (for whatever reason) at a later date.

Benefits include improved capacity and frequency of the service as well as improved reliability and resilience. Phase 1 will provide the capability of a four minute headway, a considerable improvement on the existing capability of five minutes and quicker recovery from perturbation, helping the drive towards a 30 per cent improvement in reliability.

This authority allows the programme to deliver works through to the end of 2013.

<b>LU-PJ477C/      SSR Power Upgrade Package 7b UIP1949</b>			
<b>Financial Authority in Business Plan</b> £7,400k	<b>Previous Project Authority Granted</b> £7,400k	<b>Total Project Authority Granted</b> £7,400k	<b>Estimated Final Cost</b> £7,400k
<b>Authority Approval</b>	Authority to issue invitation to tender (ITT) was granted following a Corporate Gate C review.		
<b>Outputs and Schedule</b>	<p>Package 7b is for the supply and installation of two 132kV circuits connecting LU Neasden Depot to Hendon power substation. Package 7b is part of Package 7, with a total EFC of £20,710k.</p> <p>Expected contract value for Package 7b is £7,400k. Risk estimate is £2,490k.</p> <p>These works will be brought into use by July 2015.</p>		