

Date: 2 March 2016

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 March 2016 to October 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 March 2016 to October 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 21 January 2016, the Commissioner has approved Project Authority for three 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 21 January 2016, the MD Finance has approved Project Authority for two projects. Further details of these projects are set out in Appendix 3.

5 Top Ten Projects Under IIPAG and TfL Project Assurance Review

- 5.1 At its meeting on 17 June 2015, the Committee requested that Project Assurance produce a regular list of the top ten projects being kept under review on the basis of risk. The continuous assurance activity is still in development, including risk assessments that will inform the individual project reviews. As the new assurance processes are developed, information on the projects being kept under review is being provided.

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 – March 2016 to October 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.

Forward Schedule of Project Approvals

Project	Programme / Asset Group	Estimated Final Cost £m	Approval	Note	2016										2017										
					Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC
					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	Jul-17	Jul-17	Jul-17	Jul-17	Sep-17
Planning																									
Crossrail 2	Planning	31,000	Interim	1		✓																			
East of Silvertown	Planning	>>	Interim			✓	✓																		
Rail & Underground																									
London Overground extension to Barking Riverside	Infrastructure	261	Option		✓																				
London Overground extension to Barking Riverside	Infrastructure	261	Interim																					✓	
Bakerloo line 72TS life extension	Rolling Stock	67	Contract Award			✓																			
Central Line 92TS AC conversion	Rolling Stock	166	Pre Tender			✓	✓																		
New Train for Docklands	Rolling Stock	472	Interim			✓	✓																		
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						✓	✓															
Metropolitan Line Extension	Upgrades	301	Contract Award			✓	✓																		
Northern Line World Class Capacity	Upgrades	561	Option		✓														✓	✓					
Jubilee Line World Class Capacity	Upgrades	261	Contract Award			✓	✓																		
Jubilee & Northern lines additional trains	Upgrades	>>	Contract Award													✓	✓								
New Tube for London (Programme)	Upgrades	16,511	Interim	2	✓																				
New Tube for London (Rolling Stock)	Upgrades	16,511	Contract Award																			✓	✓		
New Tube for London (Railway Control System)	Upgrades	16,511	Contract Award	3																				✓	
Surface																									
Silvertown River Crossing	Assets	>>	Pre Tender	4								✓	✓									✓	✓		
Asset Renewal Programmes	Assets	93	Annual																						
STIP 2	Assets	>>	Initiation	5																					
New Coach Facilities for London	Assets	>>	Initiation			✓	✓																		
Westway	Assets	>>	Initiation			✓	✓																		
Cycling Vision Portfolio	Cycling	913	Annual		✓																				
Cycle Hire Re-Let	Cycling	>>	Contract Award			✓	✓																		
A23/A232 Fiveways Road Improvement Scheme	Highways Enhancements	66	Pre Tender																						
Brent Cross Cripplewood Highway Works	Highways Enhancements	TBC	Interim									✓	✓												
Wandsworth Gyrotory	Highways Enhancements	66	Design			✓																			
Wandsworth Gyrotory	Highways Enhancements	66	Contract Award																			✓			
Surface Intelligent Transport System (SITS)	Traffic	>>	Pre Tender			✓	✓																		

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. Timing of further submissions to be confirmed following the National Infrastructure Commission's determination early 2016.

2. Programme management resources and development of the signalling system requirements.

3. The Railway Control System ITT will be reviewed in mid 2016 and it is not currently planned for submission to F&PC. This contract award is only for the development phase of the signalling system.

4. ITN to be issued in December 2016, with an addendum in October 2017 after the results of the DCO application.

5. Forward approvals for STIP 2 to be defined.

Summary of projects approved by the Commissioner

ST-PJ343C Woolwich Ferry Life Extension			
Financial Authority in Business Plan £ 33,060k	Previous Project Authority Granted £ 16,530k	Total Project Authority Granted £ 18,030k	Estimated Final Cost £ 46,170k
Additional Authority Approval	<p>Additional Project Authority of £1,500k was granted to complete civils works and prepare the tender for the new ferries, following an Option Integrated Assurance Review.</p> <p>The estimated final cost exceeds the Financial Authority by £13,110k, as a result of the strategy to procure new ferries rather than renovate the existing vessels. The shortfall will be funded from operational savings realised as a result of the project.</p>		
Outputs and Schedule	<p>The project will renovate the mooring facilities used by the Woolwich Ferry, and purchase two new vessels to replace the three existing life-expired craft. Only two new vessels are required because they are more reliable than the existing craft.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • Replacement of mooring dolphins. • Replacement of concrete linkspans and piers. • Procurement of two new ferries. <p>The project will complete by March 2018.</p>		

ST-PJ182C System Relocation Programme			
Financial Authority in Business Plan £25,380k	Previous Project Authority Granted £24,240k	Total Project Authority Granted £25,150k	Estimated Final Cost £25,150k
Authority Approval	Additional Project Authority of £910k was granted to complete the relocation of critical traffic control systems following an interim Integrated Assurance Review.		
Outputs and Schedule	<p>The programme will improve the system resilience by relocating critical CCTV and traffic control systems from their current central London location, when the property lease expires in 2017.</p> <p>The additional £910k Project Authority approved relates to a change in approach whereby physically moving the traffic systems equipment has been ruled out in favour of reproducing the functionality in the new data centres and decommissioning the redundant equipment.</p> <p>The main items of scope relating to the additional Project Authority are:</p> <ul style="list-style-type: none"> • Purchase and installation of new traffic control systems equipment. • Migration of the software and data to the new computing equipment. • Decommissioning of redundant equipment. <p>The project will complete by December 2016.</p>		

ST-PJ445C Archway Gyrotory (Better Junctions)			
Financial Authority in Business Plan £6,870k	Previous Project Authority Granted £2,400k	Total Project Authority Granted £12,810k	Estimated Final Cost £12,810k
Authority Approval	<p>Additional Project Authority of £10,410k was granted to deliver the project to completion following a Design Integrated Assurance Review.</p> <p>The estimated final cost exceeds the Financial Authority by £5,940k, £4,440k of which will be funded from the wider Better Junctions Programme, and £1,500k from the Surface Asset Capital Renewal budget.</p>		
Outputs and Schedule	<p>The scheme will transform the Archway town centre area by removing the one-way gyrotory traffic system, improving safety for cyclists and other vulnerable road users, and creating a new public space outside of the Archway London Underground station.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • Closure of the south-west arm of the gyrotory creating a peninsular arrangement with two-way traffic flow. • Improvements for cyclists including segregated cycle lanes. • Improvements for pedestrians including better crossings. • A new public space outside of the Archway London Underground station. <p>The project will complete by July 2017.</p>		

Summary of projects approved by the MD Finance

SS-PJ103C Walthamstow Scissors Crossover Speed Increase			
Financial Authority in Business Plan £7,330k	Previous Project Authority Granted £7,330k	Total Project Authority Granted £10,580k	Estimated Final Cost £10,580k
Authority Approval	<p>Additional Project Authority of £3,250k was granted to complete the planned upgrade of the Walthamstow Scissors Crossover.</p> <p>The estimated final cost exceeds the Financial Authority by £3,250k which will be funded from the Capital Projects budget.</p>		
Outputs and Schedule	<p>The project will upgrade the Walthamstow Scissors Crossover on the Victoria Underground Line to support increased train speeds and an improvement in the peak timetable from 34 to 36 trains per hour.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • Upgrade of the crossover geometry and renewal of the track. • Signalling upgrades to support the higher train frequency and operating speeds through the crossover. <p>The project was completed in September 2015.</p>		
LR-PJ311C Gospel Oak – Barking Line Platform Extensions and Station Enhancements			
Financial Authority in Business Plan £ 16,790k	Previous Project Authority Granted £ 830k	Total Project Authority Granted £ 3,340k	Estimated Final Cost £ 16,790k
Additional Authority Approval	<p>Additional Project Authority of £2,510k was granted to administer the works tender, following a Pre-Tender Integrated Assurance Review.</p>		
Outputs and Schedule	<p>The work will support the electrification of the route by Network Rail, and the planned four-car train service.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • New gatelines at three stations. • Extension of existing platforms. • New platform canopies. <p>The project will complete by March 2017.</p>		