

Date: 22 January 2015

Item 6: 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 January 2015 to June 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 January 2015 to June 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 Committee, these requests will be submitted to the Committee or to 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 Committee.

Project Approvals by the Commissioner

- 4.3 Since the last meeting of the Committee, on 25 November 2014, the Commissioner has approved Project Authority on 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 25 November 2014, the MD Finance has approved Project Authority on four 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.

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Forward Approval Programme – January 2015 to June 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	2015												2016				
					FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC
					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	Feb-16	Mar-16	Mar-16	Jun-16
Corporate																					
Crossrail 2	Planning	20,000	Option							✓	✓										
London Overground extension to Barking Riverside	Planning	190	Option	1					✓												
Overground Station at Old Oak Common	Planning	500	Option				✓														
Gallions Reach Project	Planning	150	Option				✓	✓													
Silvertown River Crossing	Planning	753	Interim	2					✓	✓											
Silvertown River Crossing	Planning	753	Interim	3									✓	✓							
Ultra Low Emission Zone	Planning	TBC	Option				✓	✓													
Rail & Underground																					
Central Line 92TS Heavy Overhaul Programme Lift	Trains	121	Contract Award				✓	✓													
Bakerloo line 72TS life extension	Trains	90	Option				✓														
BCV/SL/JNP Track Programmes	Infrastucture	767	Annual				✓	✓									✓				
Croxley Rail Link	Overground	TBC	Contract Award	4			✓	✓													
Bank Station Capacity Upgrade	Stations	>>	Annual				✓	✓													
Bank Bloomberg Place	Stations	>>	Annual								✓	✓									
Integrated Stations Programme	Stations	197	Contract Award				✓	✓													
Stations Stabilisation Programme	Stations	TBC	Close						✓	✓											
New Tube for London	Upgrades	16,071	Annual														✓	✓			
New Tube for London	Upgrades	16,071	Contract Award	5														✓			
Jubilee Line World Class Capacity	Upgrades	261	Pre Tender														✓	✓			
Jubilee & Northern lines additional trains	Upgrades	>>	Pre Tender				✓	✓													
Jubilee & Northern lines additional trains	Upgrades	>>	Contract Award														✓	✓			
Northern Line Extension to Battersea	Upgrades	1,044	Annual					✓										✓			
SUP - ATC signalling system	Upgrades	>>	Contract Award	6																	
Surface																					
Structures and Tunnels Investment Portfolio - Package 3	Assets	101	Interim		✓	✓															
Asset Renewal Programmes	Assets	TBC	Annual				✓										✓				
Cycling Vision Portfolio	Cycling	913	Annual				✓	✓									✓	✓			
Cycle Hire Transformation	Cycling	>>	Option				✓	✓													
Cycle Superhighways Programme	Cycling	213	Design				✓														
A23/A232 Fiveways Road Improvement Scheme	Highways Enhancements	TBC	Option									✓									
Brent Cross s278 Highway Works	Highways Enhancements	TBC	Initiation		✓	✓				✓	✓										
Elephant and Castle Northern Roundabout	Highways Enhancements	24	Contract Award		✓																
Vauxhall Cross Road Improvement Scheme	Highways Enhancements	TBC	Option					✓													
Wands worth Improvement Scheme	Highways Enhancements	67	Concept Design										✓								
RSMSCOOT	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 statutory consultation.
3. Prior to the submission of a Development and Consent Order (DCO) application
4. Pending confirmation of Government funding
5. Contract award for the Piccadilly line rolling stock
6. Timing of contract award to be confirmed

Summary of projects approved by the Commissioner

ST-PJ315C A127 Ardleigh Green Bridge			
Financial Authority in Business Plan £31,660k	Previous Project Authority Granted £11,550k	Total Project Authority Granted £31,620k	Estimated Final Cost £31,620k
Authority Approval	Additional Project Authority of £20,070k was granted to deliver the project to completion, following an Integrated Assurance Review.		
Outputs and Schedule	<p>The A127 Ardleigh Green Bridge project is part of the Surface Transport Structures and Tunnels Investment Portfolio (STIP).</p> <p>The project will replace the A127 Ardleigh Green road-over-rail bridge which has reached the end of its serviceable life.</p> <p>The bridge will be demolished and re-built one half at a time maintaining one lane of traffic in each direction throughout the works.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • diversion of utility services within the existing bridge deck onto a separate dedicated service bridge; and • demolition and reconstruction of the main road bridge. <p>The project will complete by December 2017.</p>		

ST-PJ316C A406 Power Road Bridge			
Financial Authority in Business Plan £33,510k	Previous Project Authority Granted £11,970k	Total Project Authority Granted £31,420k	Estimated Final Cost £31,420k
Authority Approval	Additional Project Authority of £19,450k was granted to deliver the project to completion, following an Integrated Assurance Review.		
Outputs and Schedule	<p>The A406 Power Road Bridge project is part of the Surface Transport Structures and Tunnels Investment Portfolio (STIP).</p> <p>The project will replace the A406 Power Road road-over-rail bridge which has reached the end of its serviceable life.</p> <p>The bridge will be demolished in sections with replacement sections constructed off-site. The road will be temporarily re-aligned during the works although four lanes of traffic will be maintained throughout.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • diversion of selected utility services onto a separate dedicated service bridge; • demolition and reconstruction of the main road bridge; and • temporary works to maintain the four lanes of traffic during the works. <p>The project will complete by November 2017.</p>		

LU- PD420 Fit For The Future – Stations			
Financial Authority in Business Plan £133,925k	Previous Project Authority Granted £50,902k	Total Project Authority Granted £88,805k	Estimated Final Cost £133,925k
Authority Approval	Additional Project Authority of £37,904k was granted for the Built Environment component of the Fit for the Future Stations programme, following a Contract Award Integrated Assurance Review.		
Outputs and Schedule	<p>The Built Environment project will support the new Station Operating Model by closing 301 ticket offices and installing new equipment in the ticket halls.</p> <p>This authority will provide:</p> <ul style="list-style-type: none"> • additional ticket machines will be installed at 27 stations; • customer reception rooms will be created at 4 stations; • Station Control Points and Offices will be delivered at 89 stations; • 181 ticket offices will be decommissioned and screened over to enable the space to be utilised for other purposes; and • new signage and furniture will be installed in all stations, including fittings designed to provide a focal point for customers and staff. <p>The project will complete by April 2016.</p>		

LU-PJ771C Future Stations Capacity Programme			
Financial Authority in Business Plan £14,256k	Previous Project Authority Granted £5,430k	Total Project Authority Granted £14,256k	Estimated Final Cost £14,256k
Authority Approval	Additional Project Authority of £8,826k was granted following an Annual Integrated Assurance Review.		
Outputs and Schedule	<p>The Future Stations Capacity Programme was established to prioritise and develop early feasibility and concept designs for a programme of station capacity upgrades.</p> <p>The programme is split into two tranches:</p> <ul style="list-style-type: none"> • Tranche 1 covers Camden, Holborn, Elephant and Castle and Old Street stations. Authority was granted to complete the feasibility stage at each station, in preparation for the approval of a single option. • Tranche 2 covers Baker Street, Harrow on the Hill, High Street Kensington, Moorgate and Walthamstow Central stations. Authority was granted to undertake feasibility studies for a number of options at each station. <p>Each station scheme will be subject to an Integrated Assurance Review at the option approval stage. From the option selection, each scheme will be managed as a stand alone project.</p> <p>Tranches 1 and 2 will be completed by December 2016.</p>		

LU – PF102 Tottenham Hale Station Upgrade			
Financial Authority in Business Plan £32,220k	Previous Project Authority Granted £ 970k	Total Project Authority Granted £4,490k	Estimated Final Cost £32,220k
Authority Approval (Additional)	Project Authority of £3,520k was granted in November 2014 to continue design development and prepare tender documents, following an Integrated Assurance Review.		
Outputs and Schedule	<p>The project will improve the interchange between LU and Greater Anglia national rail services. This station suffers from capacity issues, due to passenger arrivals being tightly focused around Greater Anglia services.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • expansion and refurbishment of the ticket hall; • a new lift and footbridge link to the Hale Village development; • new stairs and an escalator to access the Greater Anglia island platform; and • the provision of additional retail space. <p>The project will complete in August 2018.</p>		

Appendix 3

Summary of projects approved by the MD Finance

ST-PJ372C Bus Priority Delivery Portfolio ST-PJ373C			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
2014/15: £2,204k 2015/16: £18,136k	2014/15: £700k 2015/16: nil	2014/15: £2,204k 2015/16: £2,106k	2014/15: £2,204k 2015/16: £18,136k
Authority Approval	Additional Project Authority of £3,610k was granted to complete the 2014/15 programme of work (£1,504k) and for the initial phase of the 2015/16 programme (£2,106k) up to June 2015, following and Integrated Assurance Review.		
Outputs and Schedule	<p>The Bus Priority Delivery Portfolio will invest up to £200m over 10 years on a broad range of 'bus priority' schemes across London to enable growth and safeguard bus journey time reliability in the face of rising demand, deteriorating traffic conditions and planned changes to road network.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • reliability: Reducing the impact from expected increases in traffic levels and congestion on bus journey times and reliability, by easing of movement through key junctions along identified bus routes; and • growth: Unlocking Opportunity Areas identified in the London Plan, supporting growth by introducing bus priority measures to ensure bus services are quick and reliable <p>The 2014/15 programme of work will complete in March 2015. The 2015/16 programme will complete in March 2016.</p>		

ST-PJ363C A1 Upper Holloway Bridge			
Financial Authority in Business Plan £25,430k	Previous Project Authority Granted £11,540k	Total Project Authority Granted £24,830k	Estimated Final Cost £24,830k
Authority Approval	Additional Project Authority of £13,290k was granted to deliver the project to completion, following and Integrated Assurance Review.		
Outputs and Schedule	<p>The A1 Upper Holloway Bridge project is part of the Surface Transport Structures and Tunnels Investment Portfolio (STIP).</p> <p>The project will replace the A1 Upper Holloway road-over-rail bridge which has reached the end of its serviceable life.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • diversion of utility services onto a separate dedicated service bridge; • modifications to the adjacent rail station, and relocation of a rail signal; and • demolition and reconstruction of the road bridge. <p>The project will complete by December 2016.</p>		

SS- PJ050C & BC- PJ045C Bridges and Structures and Deep Tube Tunnels Renewals Programme			
Financial Authority in Business Plan £13,072k	Previous Project Authority Granted £0k	Total Project Authority Granted £10,960k	Estimated Final Cost £10,960k
Authority Approval	Project Authority of £10,960k was granted to continue the Bridges and Structures and Deep Tube Tunnel Renewals programme, following an Annual Integrated Assurance Review.		
Outputs and Schedule	<p>The project will allow a decrease in the overall asset risk levels and achieve the best whole life cost solutions to avoid greater expenditure in the future.</p> <p>The workbank covers 26 projects, such as the strengthening of pipe crossings and bridges, the replacement of bridge timbers and spiral staircases.</p> <p>The project will complete by March 2016.</p>		

LU- PJ933C Predictive & Preventative			
Financial Authority in Business Plan £9,389k	Previous Project Authority Granted £575k	Total Project Authority Granted £1,449k	Estimated Final Cost £9,389k
Authority Approval	Additional Project Authority of £874k was granted to develop the scope based on the results of four case studies (escalators, points and crossings, wheel/rail interface and train and signalling systems), following an Initiation Integrated Assurance Review.		
Outputs and Schedule	<p>The programme will develop the capability to predict risks and asset failure, and then to take preventative action before the expected failure occurs. The strategy aligns with the key business objective to improve both reliability and efficiency.</p> <p>The scope development phase will complete in April 2015; which will be the basis for further Authority requests.</p>		