

Date: 15 October 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 October 2015 to March 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 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.
- 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 October 2015 to March 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 30 July 2015, the Commissioner has approved Project Authority for one project. Further details are set out in Appendix 2.

Project Approvals by the MD Finance

- 4.4 Since the last meeting of the Committee on 30 July 2015, the MD Finance has approved Project Authority for eight projects. Further details of these projects are set out in Appendix 3.

5 Top Ten Projects Under Independent Investment Programme Advisory Group 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 – October 2015 to March 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 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 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	2015			2016												2017		
					Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC	Board	FPC
					Nov-15	Dec-15	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
Planning																						
Crossrail 2	Planning	27,000	Option			✓	✓															
Overground Station at Old Oak Common	Planning	280	Interim					✓	✓													
East of Silvertown River Crossing	Planning	150	Initiation					✓	✓													
Rail & Underground																						
Emergency Services Network	Infrastructure	100	Initiation	UB						✓	✓											
London Overground extension to Barking Riverside	Infrastructure	263	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	TBC	Interim	2				✓	✓													
Silvertown River Crossing	Assets	TBC	Pre Tender											✓	✓							
Asset Renewal Programmes	Assets	93	Annual							✓												✓
STIP 2	Assets	378	Initiation	3																		
Cycling Vision Portfolio	Cycling	913	Annual							✓	✓											✓
Cycle Hire Transformation	Cycling	>>	Contract Award					✓	✓													
A23/A232 Fiveways Road Improvement Scheme	Highways Enhancements	66	Option					✓														
Ultra Low Emission Zone (ULEZ)	Planning	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. 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.C.
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: Processes & Technology			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£133,925k	£107,051k	£125,661k	£133,925k
Authority Approval	<p>Project Authority of £18,610k was granted following an Annual Integrated Assurance Review.</p> <p>The Fit for the Future – Stations Programme comprises a number of separate projects which will be authorised individually.</p>		
Outputs and Schedule	<p>The Process & Technology sub-programme will deliver technology and process changes to support the new station operating model.</p> <p>Project Authority of £18,610k was granted to deliver ten projects covering the following main items of scope:</p> <ul style="list-style-type: none"> • The remote monitoring of Passenger Operated Machines. • The removal of obsolete safes and cash counting machines. • The installation of a new cash management system. • A new station staff performance management system. <p>The programme will complete by July 2016.</p>		

Summary of projects approved by the MD Finance

LU-PJ899C One Person Operation (OPO) Platform to Train (PtT) Close Circuit Television (CCTV)			
Financial Authority in Business Plan £20,000k	Previous Project Authority Granted £99k	Total Project Authority Granted £1,014k	Estimated Final Cost £20,000k
Authority Approval	Additional Project Authority of £915k was granted to undertake line prioritisation, feasibility and concept design for the replacement of the legacy OPO CCTV systems.		
Outputs and Schedule	<p>The legacy OPO CCTV systems on the Waterloo & City, Central, Northern and Jubilee lines are obsolete.</p> <p>Project Authority of £915k was granted to:</p> <ul style="list-style-type: none"> • Determine the optimum strategy to maintain the legacy systems while replacement systems are delivered. • Develop the technical specifications of the replacement systems. • Develop a business case to prioritise the lines in scope. <p>The concept will complete by January 2017.</p>		
BR-PJ57C Borough Crossrail Complementary Measures			
Financial Authority in Business Plan £28,500k	Previous Project Authority Granted Nil	Total Project Authority Granted £1,900k	Estimated Final Cost £28,500k
Authority Approval	Project Authority of £1,900k was granted to commence the design for the first eleven of the eighteen outer London Crossrail stations, following an Initiation Integrated Assurance Review.		
Outputs and Schedule	<p>The programme will deliver urban realm and interchange improvements at eighteen Outer London Crossrail stations.</p> <p>The scope of work at each station varies depending on site specific requirements, but generally includes:</p> <ul style="list-style-type: none"> • Pedestrian accessibility. • Improved road safety within the immediate vicinity of the stations. • Improved walking and cycling links to the stations. <p>The project will complete by December 2019.</p>		

ST-PJ372C Bus Priority Delivery Portfolio 2015/16 ST-PJ373C			
Financial Authority in Business Plan £11,520k	Previous Project Authority Granted £3,440k	Total Project Authority Granted £11,520k	Estimated Final Cost £11,520k
Authority Approval	Additional Project Authority of £8,080k was granted to deliver the 2015/16 programme of works, following an Annual Integrated Assurance Review.		
Outputs and Schedule	<p>Started in November 2014, the portfolio will invest up to £200m over 10 years on a broad range of bus priority schemes across London to safeguard bus journey time reliability in the face of rising demand, and planned changes to the road network.</p> <p>The main items of scope for the 2015/16 programme are:</p> <ul style="list-style-type: none"> • 72 bus priority schemes on TLRN and borough roads to improve the reliability of bus services and mitigate the impact of the Roads Modernisation Plan on bus service performance. <p>The 2015/16 programme will complete by March 2016.</p>		

LU-PJ689C Tower Hill Development			
Financial Authority in Business Plan £7,394k	Previous Project Authority Granted £6,524k	Total Project Authority Granted £7,392k	Estimated Final Cost £7,392k
Authority Approval	<p>Additional Project Authority of £868k was granted to deliver the project to completion, following a Contract Award Integrated Assurance Review.</p> <p>The estimated final cost exceeds the Financial Authority by £866k which will be funded by the third party developer.</p>		
Outputs and Schedule	<p>The scheme will install two lifts to enable step-free access from street to platform level at Tower Hill station.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • The relocation of station equipment to enable the developer to build the two lift shafts. • The installation of the two lifts and the fit-out of the ancillary systems, including CCTV. <p>The project will complete by March 2016.</p>		

ST-PJ453C LRS Pier Extensions			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£4,500k	£650k	£4,861k	£8,781k
Authority Approval	<p>Additional Project Authority of £4,211k was granted to extend Westminster and Bankside river piers, following a Contract Award Integrated Assurance Review.</p> <p>The estimated final cost exceeds Financial Authority by £4,281k which will be funded from the River Action Plan, pier maintenance budget savings, third party contributions and Management Contingency.</p>		
Outputs and Schedule	<p>The project will provide additional berthing capacity at Westminster, Bankside and Embankment river services piers.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • A 20m upstream extension to Bankside pier. • A 32m downstream extension to Westminster pier. • An 84m downstream extension to Embankment pier. <p>The project will complete by November 2016.</p>		

BC- PJ155C Track Plant & Servicing Depot - Wagons Replacement			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£11,498k	£0k	£11,498k	£11,498k
Authority Approval	<p>Project Authority of £11,498k was granted, following an Integrated Assurance Review at Pre-Tender stage to replace the majority of the wagons in the TransPlant fleet which are life-expired.</p>		
Outputs and Schedule	<p>The project will design and procure 86 new wagons for the planned maintenance and track renewal programmes.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • 66 Box Wagons • 15 Flat Bed Wagons • 5 Drop Side Wagons. <p>The project will complete by November 2018.</p>		

LU-PJ932C Night Tube Implementation			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£11,210k	£11,120k	£17,830k	£17,830k
Authority Approval	<p>Additional Project Authority of £6,710k was granted for additional signalling modifications on the Central, Jubilee, Northern, Piccadilly and Victoria lines.</p> <p>The estimated final cost exceeds Financial Authority by £6,620k which will be funded by additional revenue from the increased operating timetable.</p>		
Outputs and Schedule	<p>Night Tube (Phase 1) will introduce 24 hour service on sections of the Central, Jubilee, Northern, Piccadilly and Victoria lines in the autumn of 2015.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • Installation of 17 gates to allow the partial opening of stations. • IT systems modifications. • Maintenance processes modifications. • Signalling Modifications. <p>The project will complete by autumn 2015.</p>		

LR-PJ605C Dingwall Road Loop			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£23,800k	£2,230k	£3,800k	£26,800k
Authority Approval	<p>Additional Project Authority of £1,570k was granted to prepare for the proposed Transport and Works Act Order (TWAO) application and to commence the main procurement, following an Annual Integrated Assurance Review.</p> <p>The £26,800k estimated final cost exceeds the Financial Authority by £3,000k. Additional third party funding opportunities are being explored to address the deficit.</p>		
Outputs and Schedule	<p>The project will add a turn-back loop adjacent to Tramlink's East Croydon stop to maintain the current service frequency once the new Westfield shopping centre is complete.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • Installation of an on-street tram loop via Dingwall Road and Lansdowne Road. • Construction of a new tram stop on Lansdowne Road. • Re-routing of bus routes along Wellesley Road and George Street. <p>The project will complete by September 2019.</p>		