

TRANSPORT FOR LONDON

FINANCE COMMITTEE

SUBJECT: PROJECT MONITORING – PROJECT APPROVALS

DATE: 10 JULY 2008

1 PURPOSE AND DECISION REQUIRED

- 1.1 To inform the Finance Committee of approvals given by the Commissioner in accordance with delegated authority under TfL's Standing Orders.

2 BACKGROUND

- 2.1 The Commissioner (and in his absence, the MD Finance) has the delegated authority to approve expenditure on projects up to a value of £100m that contain less than £25m of unbudgeted expenditure. MD Finance approves projects of less than £25m that contain less than £10m of unbudgeted expenditure.

3 PROJECT APPROVALS BY THE COMMISSIONER

- 3.1 Since the last Finance Committee on 6 March 2008, there have been three approvals, namely:

- a) Crossrail – LU Services and Safeguarding;
- b) Cooling the Tube – Programme Authority Reallocation; and
- c) North London Rail Infrastructure Project.

- 3.2 Further details are set out in Appendix 1.

4 CONCLUSION AND NEXT STEPS

- 4.1 Planned future approvals by the Commissioner are listed in Appendix 2 and will be reported to subsequent meetings of the Finance Committee.

5 RECOMMENDATION

- 5.1 The Finance Committee is asked to note the project approvals made by the Commissioner.

APPENDIX 1

Summary of the projects approved by Commissioner.

LU-PC184	Crossrail – LU Services and Safeguarding March 2008	Total Approval = £44.3M (of £65.9m)
Outcomes and Business Case	<p>The activities within this authority are to support the delivery of the Crossrail project.</p> <p>The overall benefit to cost ratio for Crossrail is 2.6:1 and will provide significant journey time savings from West and East London and beyond into the West End, the City and Canary Wharf. The project will also relieve congestion on many parallel London Underground lines and generate significant economic benefits.</p> <p>The London Underground works are necessary to help deliver Crossrail and the cost will be fully recovered from Cross London Rail Links (CLRL).</p>	
Outputs and Schedule	<p>This project requested £34.1m to deliver by 31 December 2009:</p> <ul style="list-style-type: none"> • Intrusive Surveys at all LUL-Crossrail Interface stations; • Tottenham Court Road Utility Diversions; • Whitechapel Remodelling Design to RIBA C; and • LUL Crossrail project support. 	
Approval	<p>Authority of £34.1m was granted taking the total authority to £44.3m to the end of December 2009. A further cost of £21.6m is anticipated beyond 2009.</p>	

LU-PJ308	Cooling the Tube – Programme Authority Reallocation April 2008	Total Approval = £135.3m (of £178m)
Outcomes and Business Case	<p>The approval sought reallocation of the previously approved authority to align with the new strategic orientations in the programme and prioritised strategic workstreams. Therefore further authority above the existing £135.3m approved for the 13 projects within the programme was not required. The £135.3m is the current aggregated authorisation of the 13 projects within the Tunnel Cooling Programme and is part of the £178m budget to end of 2009/10.</p>	
Outputs and Schedule	<p>The main items being:</p> <ul style="list-style-type: none"> • Cost higher than anticipated on ventilation fans due to issues such as shafts being discovered to be filled in and higher than expected costs from the Infrastructure companies. LU continues to pursue Infrastructure Companies to reinstate fans managed by them (decrease of £6.6m); • Changed spend profiles for design work on Piccadilly, Northern, Central and Jubilee Lines reflecting current business planning process (decrease of £1.6m); • Reductions in the scope and cost of Business Development and Tests and Trials (decrease of £0.4m); • Data collection and energy optimisation modelling is being increased as these items are vital to minimising the heat increase generated by any given train service improvement (increase of £5.2m); and • Systems and assurance spend – value engineering, requirement specifications etc. (increase of £3.4m). 	
Approval	<p>The project received approval for a revised scope within the current authority of £135.3m as a result of a strategic review of priorities in beyond 2009/10.</p>	

LU-PJ302	North London Rail Infrastructure Project April 2008	Total Approval = £31.7m (of £326m)
Outcomes and Business Case	<p>The benefit cost ratio for the project is 2.4:1. The overall project will deliver the extension of the East London Line from Dalston Junction to Highbury and Islington and will provide improved frequencies on most of the North London Railway lines by 2011. The core section between Stratford and Camden road will see train frequencies increase from 4 per hour to 8. Passenger benefits will be enhanced journey opportunities, reduced journey times and crowding and an improved passenger environment.</p> <p>The gross cost is expected to be £326m (1Q10). £240m is budgeted in the Investment Programme, of which £106.9m will be contributed by the Olympic Delivery Authority. The balance will be funded by Network Rail. Full funding authority is expected to be requested from the Board in July 2008.</p>	
Outputs and Schedule	<p>These items to be delivered by July 2008:</p> <ul style="list-style-type: none"> • Channelsea – initial package of work let, to move and renew a section of overhead line to allow for the construction of a new bridge near Stratford. Avoids the need for two separate pieces of work; • Dalston Junction Bridge – access ramp, utilities and traffic management contract variation on the East London Line (ELL) contract for the works to proceed ahead of the main contract on the North London Railway; • Track and systems integration into ELL main contract (LUL boundary changed to Highbury and Islington resulting in revised design requirements; and • Instruction on other enabling works. 	
Approval	<p>The project received approval for additional authority of £13.7m, to take total authority to £31.7m.</p>	

APPENDIX 2

Projects expected to seek authority from the Commissioner during 2008/9.

	Current Project Authority £m	Expected Authority Sought £m	Estimated Total Cost £m
London Underground			
Stratford Station Upgrade ODA	21	60	60
Newbury Park / Amersham / West Kensington / Greenford Step Free Access	0	49	49
Silverlink Stations	7	21	28
Liverpool Street SFA	5	55	55
Paddington SFA	2	29	29
Tower Hill SFA	3	27	27
Vauxhall SFA & Capacity	4	43	43
SSL Baker Street Step Free Access	23	74	74
Thameslink 2000	8	21	59
Highbury & Islington Congestion Relief & Step Free Access	4	tbc	61
Paddington Congestion Relief (H&C)	2	tbc	67
Archway Accessibility	10	tbc	48
London Rail			
North London Railway Infrastructure Project – <i>for Commissioner's delegated authority requested in Board Paper July 2008</i>	32	tbc	240
Surface			
Countdown II	24	35	35
Greenwich Waterfront Transit Phase 1	7	42	42
A406 Bounds Green	42	44	44
Low Emission Zone – Phase 3	59	tbc	67
Tottenham Hale Gyratory	2	4	40
Corporate			
<i>None</i>			