

TRANSPORT FOR LONDON

FINANCE COMMITTEE

SUBJECT: PROJECT MONITORING – PROJECT APPROVALS

DATE: 20 NOVEMBER 2008

1 PURPOSE AND DECISION REQUIRED

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

2 BACKGROUND

- 2.1 The Commissioner (and in his absence, the MD Finance) currently has the delegated authority to approve expenditure on projects up to a value of £100m that contain less than £25m of unbudgeted expenditure. The Finance Committee of 8 October 2008 recommended to the Board that this limit should be lowered to £50m.
- 2.2 The MD Finance approves projects of under £25m that contain less than £10m of unbudgeted expenditure. Approval of projects of less than £5m that contain less than £2m of unbudgeted expenditure are delegated to Chief Officers and not reported here.

3 PROJECT APPROVALS BY THE COMMISSIONER

- 3.1 Since the Finance Committee on 8 October 2008, there have been two approvals, namely:
- a) Earl's Court Station Modernisation; and
 - b) Baker Street Station Step Free Access.
- 3.2 Further details on these projects are set out in Appendix 1.

4 PROJECT APPROVALS BY THE MD FINANCE

- 4.1 Since the Finance Committee on 8 October 2008, there have been five approvals, namely:
- a) Dagenham Dock (approval given to continue work in preparation for the TWA pending outcome of decision on future scheme funding);
 - b) Finsbury Park Station Upgrade;
 - c) Brixton Station Modernisation;
 - d) Wanstead Station Refurbishment; and
 - e) Uxbridge Station Refurbishment.
- 4.2 Further details on these projects are set out in Appendix 2.

5 CONCLUSION AND NEXT STEPS

- 5.1 Planned future requests for project authority for projects of greater than £5m are listed in Appendix 3. Where the projects have a value in excess of £50m, these requests will be submitted to the Finance Committee for consideration; the approval of smaller projects will be reported to subsequent meetings of the Finance Committee. From 2009, the forward list of project authority requests will also cover 2009/10.

6 RECOMMENDATION

- 6.1 The Finance Committee is asked to NOTE the project approvals made by the Commissioner and MD Finance.

7 CONTACT

- 7.1 Contact: Guy Phillips, Director Investment Programme Management Office
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APPENDIX 1

Summary of the projects approved by Commissioner.

Metronet	Earls Court Station Modernisation	Total Approval = £29.531m (of £29.531m)
Authority Request	This authority provides for the completion of the train shed roof remedial work, which is approximately 60 per cent complete. Earls Court is one of 26 stations that were being modernised when Metronet went into administration on 18 July 2007.	
Outputs and Schedule	The scope originally included a full station modernisation and substantial remedial works to the train shed roof. Following affordability issues, the scope was reduced to just the train shed roof, with the modernisation component deferred. Work began on site in November 2006, with Delivery into Service on 11 August 2009.	
Approval	The project received approval for additional authority of £0.831m over that granted to the project during the Metronet administration, to take the total project authority to £29.531m. Project authority expires on 30 September 2009.	

LU-PJ335	Baker Street Step Free Access (SFA)	Total Approval = £74.438m (of £74.438m)
Authority Request	<p>This authority provides for the Detailed Design and Build of the Baker Street Step Free Access scheme, which is an Olympic Deliverable.</p> <p>Although the Baker Street Station SFA project has a forecast total cost of £74.4m, the request for additional project authority was approved by the Commissioner on the following grounds:</p> <ul style="list-style-type: none"> a) The Finance Committee recently (July 2008) considered the project to approve the project's request for authority to issue a Transport Works Act Order (TWAO). b) The request for additional authority was raised prior to the Finance Committee's recommendation to the Board to change standing orders, and a delay in granting authority would have cause a consequential delay in awarding the contract for this Olympic deliverable. 	
Outputs and Schedule	<p>The Baker Street SFA scheme is a critical part of the Transport Strategy for the London 2012 Olympic and Paralympic Games with an agreed delivery date of no later than September 2011. London Underground (LU) is currently aiming to achieve delivery into service in November 2010.</p> <p>Providing SFA to Baker Street's has benefits beyond the London 2012 Games. Baker Street is part of a Foundation Network of accessible stations, designed to further the strategy of increasing LU station accessibility.</p> <p>Metropolitan Line Platforms 1-4 (Overbridge)</p> <p>Construction of an overbridge spanning the platforms from the Bakerloo and Jubilee line ticket hall, linked to platform level by way of two new lifts.</p> <p>Circle and Hammersmith & City Line Platforms 5 and 6</p> <p>Incorporation of the existing Marylebone Road public highway subway into the station and installation of a new lift at either end to link it to platform level.</p>	
Approval	<p>A further £5.930m was approved to increase total project authority to £74.438m. Project authority expires on 30 April 2012.</p>	

Summary of the projects approved by MD Finance.

LR-PJ10	DLR Dagenham Dock Extension	Total Approval = £6.5m (of £6.5m)
Authority Request	<p>This increase in authority covers the additional unplanned costs of preparing for the TWAO process. The previous authority was granted by the TfL Board in February 2008 and the TWAO was submitted in April 2008.</p> <p>In accordance with 09/10 Business Plan, the Public Inquiry has been delayed indefinitely and the project team are looking at how to minimise costs in a controlled fashion.</p> <p>The additional cost is as a result of:</p> <ul style="list-style-type: none"> • Additional design work prior to TWA associated with the Thames Water exclusion zone as part of the Tideway Project; and • Further design work resulting from issues identified during the environmental assessment – flood risk requirements and protected species assessment and mitigation. 	
Outputs and Schedule	<p>The output of the full project would be a DLR extension to Dagenham Dock via Creekmouth and Barking Riverside.</p> <p>Benefits for the full scheme would be that development and regeneration will be stimulated in an area currently poorly served by public transport.</p>	
Approval	<p>The project received approval for an additional £2.31m to take total project authority to £6.5m to cover the work previously undertaken in preparation for the TWAO. Project authority expires on 30 May 2009.</p>	

LU-PJ92	Finsbury Park Station Upgrade	Total Approval = £15.835m (of £15.835m)
Authority Request	<p>This authority is for the completion of detailed design and the construction of the first phase of the Finsbury Park scheme. This comprises the reinstatement of two spiral staircases between Network Rail (NR) and LU areas in order to increase interchange capacity and is due to complete in November 2010. The step free access scheme (currently in detailed design) which was originally planned for completion in 2013, has been deferred as part of the business planning process. As part of the authority, £680k is included for the negotiation and acquisition of property leases required for worksite and future operational efficiency.</p> <p>With current levels of traffic, the spiral staircase which serves as the single connection from the National Rail platforms down to the two southbound LU platforms is liable to blockage in the a.m. peak at current levels of demand. With increased demand (such as from Thameslink 2000) the blockage is expected to extend further. Doubling the capacity of the spiral staircases (which this approval does) will relieve this congestion.</p>	
Outputs and Schedule	<p>Reinstatement of spiral staircases:</p> <p>This element comprises reinstatement of the double helix staircases in both the spiral staircase shafts between Network Rail and LU areas and the creation of the associated access corridors, to increase interchange capacity and to reduce the level of crowding experienced currently and anticipated in future, on routes between street, NR and LU platforms.</p>	
Approval	<p>A further £9.370m was approved to increase total project authority to £15.835m. Project authority expires on 31 March 2011.</p>	

Metronet	Brixton Station Modernisation	Total Approval = £21.274m (of £21.274m)
Authority Request	<p>The revised authority is for Metronet to finish the station modernisation that is currently underway on site, which is approximately 75 per cent complete.</p> <p>Brixton is one of 26 stations that were being modernised when Metronet went into administration on 18 July 2007.</p> <p>Subsequent to Metronet going into Administration in July 2007, LUL and Metronet agreed that the 26 stations under construction would be completed, while a revised stations programme was assembled and reviewed. Turner & Townsend was appointed by the administrator to review the Estimated Final Costs (EFC) of the major stations on site and LUL conducted a scope review of these stations in parallel. Metronet has duly proceeded to complete the stations on site and seek approval for the costs to complete.</p> <p>The additional costs to complete the project since the Metronet administration are principally due to design and remedial work and management costs as a result of programme delays.</p>	
Outputs and Schedule	<p>The output of the project will be a station modernisation which includes upgrades or replacement of electrical, mechanical, communication and fire systems. There will be various premises works to the station including new rooms, tiling, floor surfaces, painting and ceilings.</p>	
Approval	<p>The project received approval for additional authority of £0.832m over that granted to the project during the Metronet administration, to take the total project authority to £21.274m. Project authority expires on 24 February 2010.</p>	

Metronet	Wanstead Station Modernisation	Total Approval = £21.354m (of £21.354m)
Authority Request	<p>The revised authority is for Metronet to finish the station modernisation that is currently underway on site, which is approximately 60 per cent complete.</p> <p>Wanstead is one of 26 stations that were being modernised when Metronet went into administration on 18 July 2007.</p> <p>Subsequent to Metronet going into Administration in July 2007, LUL and Metronet agreed that the 26 stations under construction would be completed, while a revised stations programme was assembled and reviewed. Turner & Townsend was appointed by the administrator to review the EFC of the major stations on site and LUL conducted a scope review of these stations in parallel. Metronet has duly proceeded to complete the stations on site and seek approval for the costs to complete.</p> <p>The additional costs to complete the project since the Metronet administration are principally due to design, escalator roof, temporary electrical system, remedial work and management as a result of programme delays.</p>	
Outputs and Schedule	<p>The output of the project will be a station modernisation which includes upgrades or replacement of electrical, mechanical, communication and fire systems. There will be various premises works to the station including new rooms, tiling, floor surfaces, painting and ceilings.</p>	
Approval	<p>The project received approval for additional authority of £1.124m over that granted to the project during the Metronet administration, to take the total project authority to £21.354m. Project authority expires on 10 August 2010.</p>	

Metronet	Uxbridge Station Modernisation	Total Approval = £18.658m (of £18.658m)
Authority Request	<p>The revised authority is for Metronet to finish the station modernisation that is currently underway on site, which is approximately 90 per cent complete.</p> <p>Uxbridge is one of 26 stations that were being modernised when Metronet went into administration on 18 July 2007.</p> <p>Subsequent to Metronet going into Administration in July 2007, LUL and Metronet agreed that the 26 stations under construction would be completed, while a revised stations programme was assembled and reviewed. Turner & Townsend was appointed by the administrator to review the EFCs of the major stations on site and LUL conducted a scope review of these stations in parallel. Metronet has duly proceeded to complete the stations on site and seek approval for the costs to complete.</p> <p>The additional costs to complete the project since administration are principally due to design, Visual Identification Displays (VID), fire, communication systems and security equipment not included in the original scope and management costs as a result of programme delays.</p>	
Outputs and Schedule	<p>The output of the project will be a station modernisation which includes upgrades or replacement of electrical, mechanical, communication and fire systems. There will be various premises works to the station including new rooms, tiling, floor surfaces, painting and ceilings.</p>	
Approval	<p>The project received approval for additional authority of £2.143m over that granted to the project during the Metronet administration, to take the total project authority to £18.658m. Project authority expires on 12 August 2009.</p>	

APPENDIX 3

Projects of more than £5m expected to seek additional authority during 2008/9.

	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Total Cost £m
London Underground			
Stratford Station Upgrade ODA	21	48	48
Victoria Line Upgrade	1,012	1,088	1,088
Heathrow T123 Congestion Relief	2	21	21
TFT Screens Victoria line roll-out	1	10	10
Metronet Track Programme	105	141	141
Metronet Civils Programme	19	83	83
Metronet Ellipse system modification	0	10	10
King's Cross Station Modernisation	0	34	34
Future Train Requirements	0	7	7
Bond Street Congestion Relief	1	53	7
SSL Power	24	235	630
Victoria Station upgrade	70	638	638
Cooling the Tube - Programme Management	8	10	21
Cooling the Tube – Business Development	8	13	26
Cooling the Tube - Out of service fans	7	5	7
Cooling the Tube - Quick Wins	2	12	7
Cooling the Tube - Piccadilly Line	1	2	14
Connect signalling upgrades	3	1	9
London Rail			
North London Railway Infrastructure Project - <i>for Commissioner's delegated authority; approved at the July 08 Board</i>	32	208	240
Tower Gateway Entrance	0	0.4	7
DLR 3 Car East Route	0	1	18
Surface			
Dial-a-Ride Vehicles	0	8	8
Countdown II	24	35	35
Greenwich Waterfront Transit Phase 1	7	42	42
A406 Bounds Green	42	56	56
A406 Henley's Corner	0.5	1	8
Cycle Hire	0	1	62
Olympic Cycling & Walking	0	1	10
Olympic Road Network	1	3	18
Blackwell Tunnel Northbound	37	60	60
Corporate			
Future Ticketing	0	9	177