

TRANSPORT FOR LONDON

FINANCE AND POLICY COMMITTEE

SUBJECT: PROJECT MONITORING – PROJECT APPROVALS

DATE: 12 OCTOBER 2011

1 PURPOSE AND DECISION REQUIRED

- 1.1 To inform the Committee of project authority given by the Commissioner and the Managing Director (MD) Finance in accordance with delegated authority under TfL's Standing Orders.

2 BACKGROUND

- 2.1 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.
- 2.2 The MD Finance approves 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 not reported here.
- 2.3 The governance arrangements put in place following the acquisition of Tube Lines (Holdings) Limited requires that the project authority on projects over £5m and up to £50m is granted by the Tube Lines (Holdings) Limited Board.

3 PROJECT APPROVALS BY THE TUBE LINES (HOLDINGS) LIMITED BOARD

- 3.1 No project authorities have been approved since the meeting of the Tube Lines (Holdings) Limited Board held on 29 June 2011.

4 PROJECT APPROVALS BY THE COMMISSIONER

- 4.1 Since the meeting of the Committee held on 15 September 2011, there has been one project authority approved by the Commissioner. Further details of this project are set out in Appendix 1.

5 PROJECT APPROVALS BY THE MD FINANCE

- 5.1 Since the meeting of the Committee held on 15 September 2011, the MD Finance has approved project authority on four projects. Further details of these projects are set out in Appendix 2.

6 CONCLUSION AND NEXT STEPS

- 6.1 Planned future requests, over the next twelve months, for project authority for projects costing more than £5m are listed in Appendix 3. 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 for consideration. The approval of projects with an estimated final cost below £50m will be reported to subsequent meetings of the Committee.

7 RECOMMENDATION

- 7.1 The Committee is asked to NOTE the paper.

8 CONTACT

- 8.1 Contact: Stephen Critchley, Chief Finance Officer
Number: 020 7126 4871
Email: StephenCritchley@tfl.gov.uk

Summary of projects approved by the Commissioner

LU-PJNEW LUL Command and Control Centre at Palestra			
Financial Authority in Business Plan¹ £0k	Previous Project Authority Granted £1,000k	Total Project Authority Granted £2,800k	Estimated Final Cost £25,000k
Authority Approval	Additional project authority of £1,800k was granted. Sources of funding for the project are being explored.		
Outputs and Schedule	<p>This project will involve co-locating seven LU network control rooms. The Network Operations Centre, Power, Track Access and Policing control centres will all be linked to enhance communications between functions and improve LU's response to incidents.</p> <p>Further project authority has been granted to enable the project to progress development work. A Corporate Gate B Review is underway. The project is due to complete in July 2012.</p>		

Summary of projects approved by the MD Finance

LU-PJNEW Embankment Station Improvement			
Financial Authority in Business Plan¹	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£10,624k	£0k	£785k	£10,624k
Authority Approval	Initial project authority of £785k was granted following a Corporate Gate A review. Further authority will be sought at Gate B in June 2012.		
Outputs and Schedule	<p>Project authority has been granted to undertake scoping and feasibility work, providing a comprehensive asset defect work bank. This will enable the prioritisation of work items that will maintain all assets at a minimum defined “fair” condition.</p> <p>This project is part of the Stations Improvements Programme to 2018.</p> <p>The main areas of work will cover:</p> <ul style="list-style-type: none"> • Safety related asset repair; • Replacement of assets that have become un-maintainable due to their obsolescence; • Replacement of end-of-life electrical circuits; • Improvements to water management systems; • Lighting in areas where it is significantly below standard; and • Structural surveys of a number of beams and columns. <p>The project is due to complete in April 2014.</p>		

LU-PJNEW Chancery Lane Station Improvement			
Financial Authority in Business Plan¹ £689k	Previous Project Authority Granted £0k	Total Project Authority Granted £689k	Estimated Final Cost £6,643k
Authority Approval	Initial project authority of £689k was granted following a Corporate Gate A review. Further authority will be sought at Gate B in May 2012.		
Outputs and Schedule	<p>Project authority has been granted to undertake scoping and feasibility work, providing a comprehensive asset defect work bank. This will enable the prioritisation of work items that will maintain all assets at a minimum defined “fair” condition.</p> <p>This project is part of the Stations Improvements Programme to 2018.</p> <p>The main areas of work will cover:</p> <ul style="list-style-type: none"> • Safety related asset repair; • Replacement of assets that have become un-maintainable due to their obsolescence; • Replacement of end-of-life electrical circuits; • Improvements to water management systems; • Lighting in areas where it is significantly below standard; and • Structural surveys of a number of beams and columns. <p>The project is due to complete in July 2015.</p>		

LR-PJNEW Docklands Light Rail (DLR) – West Route Re-railing Project			
Financial Authority in Business Plan¹ £0k	Previous Project Authority Granted £0k	Total Project Authority Granted £3,500k	Estimated Final Cost £3,500k
Authority Approval	Full project authority of an unbudgeted amount of £3,500k was granted for the West Route Re-railing project. The project is fully funded within the DLR quarter one forecast.		
Outputs and Schedule	<p>Project authority has been granted for the renewal of the track on the DLR network from Bank to Canary Wharf.</p> <p>Most of the track is now due for renewal as a result of having reached its maintenance limit, as well as the development of asymmetric wear, which is affecting ride quality.</p> <p>The track work to be renewed comprises the following:</p> <ul style="list-style-type: none"> • 1.1 track km of BS113A (National Rail/LUL standard); • 4.8 track km of BS80A rail (specialist rail for light rail use); and • Introduction of a new hand-head profile, which will result in reduced wear, and provide greater asset life with improved ride quality. <p>The project is due to complete in January 2012.</p>		

LU-PJ1598 Railway Timetabling System (RTS)			
Financial Authority in Business Plan¹ £7,470k	Previous Project Authority Granted £6,870k	Total Project Authority Granted £7,470k	Estimated Final Cost £8,490k
Authority Approval	Additional project authority of £600k was granted to bring the total project authority to £7,470k.		
Outputs and Schedule	<p>The RTS project's objectives are to replace the existing, 38 year old life expired system 'Computer Aided Railway Timetabling' (CART), with a modern and flexible software asset equivalent.</p> <p>The increase in project authority will allow the transfer of Intellectual Property on the new system to TfL.</p>		

Notes

¹ Figures indicate the provision in the TfL Business Plan dated March 2011.

Forward Approval Programme – October 2011 to September 2012

To enable an appropriate level of governance, processes are in place for the authorisation, control and reporting of projects.

Projects with a total value greater than £2m (unbudgeted) or £5m (budgeted) require authorisation by the Managing Director Finance. The Corporate Gateway Approval Process (CGAP) sets the requirements for the review of these projects prior to approval.

Each gate applies 'challenges' to the project to assess whether it is in a suitable state to move through the gate. The Gate Review provides 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.

Corporate Gates normally apply to a project at the following stages of their project lifecycles:

- Gate A – Project commencement (compulsory gate);
- Gate B – Single option selection*;
- Gate C – Pre-tender;
- Gate D – Contract award*;
- Gate E – Project close (compulsory gate); and
- Gate P – Programme review for annualised programmes of minor schemes.

All figures shown in the following tables are in accordance with the approved TfL Business Plan unless otherwise indicated.

* If there is more than two years between gates, projects will be reviewed again at an interim point, e.g. Gate B+ or Gate D+.

Projects to be submitted to the TfL Board over £100M

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed Board Date
Rail and Underground					
Croxley Rail Link	0.4	0.4	172.0	B	Nov-11
Cooling the Tube Programme	202.6	Tbc	235.1	C-D	Dec-11
SSR Major Power Works (Traction) - Package 3A	432.5	Tbc	530.0	D	Mar-12
Track BCV/SSR Programme 2012/13	0.0	Tbc	124.1	P	Mar-12
Deep Tube Programme	3.3	Tbc	»	B	Jun-12

Projects to be submitted to the Finance and Policy Committee (FPC) between £50M and £100M

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed FPC Date
Rail and Underground					
Victoria Station Upgrade	661.2	N/A	582.0	D+	Nov-11
SSR Major Power Works (Traction) – Package 1-2,4,6	432.5	Tbc	530.0	D+	Nov-11
Neasden Phase B	4.9	23.0	59.2	A	Jan-12
East London Line Phase 2	72.6	N/A	72.6	D+	Jan-12
Northern Line Extension	2.4	Tbc	301.8	A+	Jan-12
Bank Walbrook Square	58.0	N/A	54.3	C	Mar-12
Bank Station Upgrade	12.3	12.3	490.3	B+	Mar-12
SUP-Rolling Stock	1,832.6	N/A	1,826.2	D+	Mar-12
SSR Major Power Works (Traction)	432.5	N/A	530.0	D+	Mar-12
SUP-ATC	990.4	N/A	975.6	D+	May-12
Bank Walbrook Square	58.0	Tbc	54.4	D	May-12
Bond Street Station Upgrade	283.4	N/A	282.2	D+	May-12
SUP Depots	270.9	N/A	268.1	D+	Jun-12
SSR Infrastructure	138.2	N/A	122.0	D+	Jul-12
SUP Conductor Rail	50.9	N/A	51.5	D+	Sep-12
SUP-S7 Supporting Works	108.4	N/A	107.5	D+	Sep-12
SUP-S8 Supporting Works	30.8	N/A	30.8	D+	Sep-12
SUP DC Power Works	95.0	N/A	95.0	D+	Oct-12
SUP-Signalling Immunisation	272.4	N/A	267.2	D+	Oct-12
SUP Programme Management	130.3	N/A	176.0	D+	Dec-12
Corporate					
ITSO	58.4	N/A	58.3	D+	Apr-12

Projects to be approved by the Commissioner between £25M and £50M

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed Approval Date
Rail and Underground					
SSR Major Power Works (Signalling)	48.8	N/A	48.8	C	Jan-12
Lifts and Escalators Programme 2012/13	»	»	»	P	Feb-12
SSR Major Power Works (Signalling)	48.8	Tbc	48.8	D	May-12
Surface Transport					
TLRN Capital Renewals Programme 2012/13	0.0	47.8	47.8	P	Jan-12

Projects to be approved by the MD Finance under £25M

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed Approval Date
Rail and Underground					
Civils BCV/SSR Programme 2012/13	0.0	22.7	22.7	P	Feb-12
Surface Transport					
Transport Coordination Centre	5.8	N/A	5.8	D+	Oct-11
East London Transit 1b	11.7	18.0	18.0	D	Oct-11
Pedestrian Countdown	5.3	5.3	5.3	D	Nov-11
Systems Relocation	24.2	N/A	24.1	D+	Nov-11
10 Cycle Super Highways – Tranche 2	37.8*	Tbc*	105.7*	C	Feb-12
TLRN Capital Development Programme 2012/13	0.0	Tbc	14.8	P	Mar-12
TLRN Signals Modernisation Programme 2012/13	0.0	Tbc	4.8	P	Mar-12
10 Cycle Super Highways – Tranche 2	37.8*	Tbc*	105.7*	D	Jun-12
Split Cycle Offset Optimisation Technique (SCOOT)	27.4	N/A	24.1	D+	Jun-12

**Projects to be approved by the Tube Lines (Holdings) Limited Board
between £5m and £50m**

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed Approval Date
Tube Lines					
JNP 2012/13 Civils Programme	0.0	29.6	29.6	P	Feb-12
JNP 2012/13 Lifts and Escalators and Power Programme	0.0	18.6	18.6	P	Feb-12
JNP 2012/13 Track Renewal Programme	0.0	24.6	24.6	P	Feb-12
JNP 2012/13 Station Condition Renewals Programme	0.0	13.4	13.4	P	Feb-12
Baker Street to Bond Street Tunnel Remedial Works	1.0	38.9	38.9	P	Feb-12

Notes

* The full cost of the projects (£145m) was authorised by the Board in October 2009. Approval of individual phases is being provided by the MD Finance through the Corporate Gateway Approval Process (CGAP). Figures shown are cumulative authorities for all routes.

» Costs are excluded for reasons of commercial confidentiality.

Tbc: The amount to be approved at the gate will be confirmed closer to the approval date.

N/A: Not Applicable, as no further authority is to be sought.

Gate E Project Close reviews to be submitted to the Finance and Policy Committee over £100M

Project Title	Current Project Authority (£m)	Estimated Final Cost (£m)	Proposed Approval Date
Rail and Underground			
North London Railway Infrastructure Project	252.0	252.2	Nov-11
Connect Enabling	400.0	400.0	Jan-12
East London Line Extension	1,044.3	1,018.9	Mar-12
DLR Three Car Infrastructure	302.0	290.7	Mar-12
Stratford International DLR Extension	188.0	180.5	Mar-12
Major Power Works (Victoria Line Upgrade)	142.8	141.7	Mar-12
Tube Lines			
Jubilee Line Upgrade	»	»	May-12

Gate E Project Close reviews to be approved by the MD Finance

Project Title	Current Project Authority (£m)	Estimated Final Cost (£m)	Proposed Approval Date
Rail and Underground			
Three Car New Vehicles	44.7	44.7	Nov-11
East /North London Railway Rolling Stock	15.1	15.1	Nov-11
Ticket Vending Machines	6.4	5.8	Dec-11
Former Silverlink Stations Upgrade	28.4	28.4	Jan-12
London-Wide Oyster	44.6	33.1	Jan-12
92TS Bogie Replacement and Gearbox Repair	64.7	64.7	Jan-12
Brixton Train Crew Accommodation	8.4	8.4	Jan-12
High Barnet Train Crew Accommodation	7.7	7.7	Jan-12
Beckton Depot Offices	21.2	21.2	Apr-12
Green Park Station Upgrade	80.7	47.9	Aug-12
Surface Transport			
Co-Location of Control Rooms at Palestra	12.6	12.1	Oct-11
Olympic Cycle and Walking Routes	9.9	9.3	Nov-11
Cycle Hire Phase 1	81.7	77.0	Jan-12
Hanger Lane Bridges	28.9	27.6	Feb-12
Hydrogen Transport Programme	19.7	19.7	Mar-12
Congestion Performance Network Improvement Programme	8.7	8.3	Mar-12
Blackwall Tunnel Northbound Refurbishment	65.8	65.8	Jun-12
A406 Bounds Green	52.7	52.7	Jun-12
Low Emissions	47.9	47.9	Jun-12
Dial a Ride Renewal	10.0	10.0	Jun-12