

TRANSPORT FOR LONDON

FINANCE AND POLICY COMMITTEE

SUBJECT: PROJECT MONITORING – PROJECT APPROVALS

DATE: 23 NOVEMBER 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 29 June 2011 Tube Lines (Holdings) Limited Board.

4 PROJECT APPROVALS BY THE COMMISSIONER

- 4.1 Since the meeting of the Committee held on 12 October 2011, there have been no project authorities approved by the Commissioner.

5 PROJECT APPROVALS BY THE MD FINANCE

- 5.1 Since the meeting of the Committee held on 12 October 2011, the MD Finance has approved project authority on five projects. Further details of these projects are set out in Appendix 1.

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 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 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
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Summary of projects approved by the MD Finance

ST-PJ152 East London Transit 1B			
Financial Authority in Business Plan¹ £20,620k	Previous Project Authority Granted £11,720k	Total Project Authority Granted £17,109k	Estimated Final Cost £17,109k
Authority Approval	Additional project authority of £5,389k was granted following a Corporate Gate D review. No further authority is expected to be sought.		
Outputs and Schedule	<p>Project authority has been granted to deliver infrastructure to enable fast, frequent and reliable bus journeys between Barking Town Centre and the major development site of Barking Riverside, where 10,800 new homes are planned over the next 25 years.</p> <p>The main outputs include the following:</p> <ul style="list-style-type: none"> • The construction of 770m of bus lanes on River Road and Thames Road plus a further 200m of route designed as clearway • Widening Mayes Brook bridge to provide four traffic lanes • Reduced congestion by removing parking and loading from the live traffic lanes • Upgrading of 8 bus stops using high quality materials and branded shelters • Upgraded traffic signals and improved junctions • Improved footways and pedestrian access <p>The project is due to complete in October 2013.</p>		

LU-PJNEW Baker Street Escalators 3, 5 and 6 Refurbishment			
Financial Authority in Business Plan¹ £4,210k	Previous Project Authority Granted £0k	Total Project Authority Granted £4,210k	Estimated Final Cost £4,210k
Authority Approval	Initial project authority of £4,210k was granted following a Corporate Gate A review.		
Outputs and Schedule	<p>Project authority has been granted to undertake works on Baker Street Escalators in order to convert the power supply from DC to AC, in conformance with Industry Standards, prior to the introduction of a new rolling stock on the Bakerloo line. Restoration of the escalators will also be included which will guarantee a residual life of a further 20 years.</p> <p>Key outputs are:</p> <ul style="list-style-type: none"> • Convert the machines from DC to AC power supply and install new motor, controller, field wiring addressing any non conformances • Replacement of the tracking system if necessary • Replacement of the step-chain and steps • Carry out a Non-Destructive Test on the head and idler shafts • Refurbish the carriage and gearbox <p>The project is due to complete in July 2013.</p>		

SS-PJ113 Embankment Station Improvements			
Financial Authority in Business Plan¹ £10,625k	Previous Project Authority Granted £0k	Total Project Authority Granted £785k	Estimated Final Cost £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 July 2012.		
Outputs and Schedule	<p>Project authority has been granted for the creation of an asset defect / condition work-bank in order to maintain assets in a fair condition with a minimum life of ten years.</p> <p>Key deliverables include the following;</p> <ul style="list-style-type: none"> • Safety related asset repair / replacement (this will include repair / replacement of floors / stairs which represent trip hazards and other physical hazards) • Replacement of end of life electrical circuits • Replacement of system assets, which have become un-maintainable due to obsolescence • Investigate potential structural issues with beams and columns, determine appropriate solutions and repair finishes <p>The project is due to complete in April 2015.</p>		

SS-PJ113 Chancery Lane Station Improvements			
Financial Authority in Business Plan¹ £6,644k	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 July 2012.		
Outputs and Schedule	<p>Project authority has been granted for the creation of an asset defect / condition work-bank in order to maintain assets in a fair condition with a minimum life of ten years.</p> <p>Key deliverables include the following,</p> <ul style="list-style-type: none"> • Safety related asset repair / replacement (this will include repair / replacement of floors / stairs which represent trip hazards and other physical hazards) • Replacement of end of life electrical circuits • Replacement of system assets, which have become un-maintainable due to obsolescence • Investigate potential structural issues with beams and columns, determine appropriate solutions and repair finishes <p>The project is due to complete in April 2015.</p>		

LR-PJNEW Dockland Light Rail – Fibre Resilience			
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 £3,500k was granted to undertake design, procurement and installation works for the DLR Fibre Resilient project. Although unbudgeted, the amount requested has been included within the Q2 forecast.		
Outputs and Schedule	<p>Project authority has been granted to complete the following works;</p> <ul style="list-style-type: none"> • Installation of an alternative specification fibre optic cable with armoured sheathing within the existing cable trough • Splitting the signals and communications data into two separate cables to provide additional redundancy • Installation of an additional pair of cables as back up to provide additional resilience <p>The project is due to complete in March 2012.</p>		

Notes

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

Forward Approval Programme – November 2011 to October 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	A+	Dec-11
Cooling the Tube Programme	202.6	210.0	226.4	B	Dec-11
Earls Court Development	1.8	Tbc	140.0	A	Jan-12
Lifts and Escalators Programme 2012/13	»	»	»	P	Mar-12
SSR Major Power Works (Traction) - Package 3A	432.5	521.0	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					
East London Line Phase 2	72.6	N/A	72.6	D+	Jan-12
Northern Line Extension	2.4	Tbc	307.0	A+	Jan-12
Bank Walbrook Square	58.0	N/A	57.6	D+	Mar-12
Neasden Phase B	4.9	23.0	59.2	A	Mar-12
Bank Station Upgrade	12.3	12.3	560.3	B+	Mar-12
SUP-Rolling Stock	1,837.0	N/A	£1,828.0	D+	Mar-12
Victoria Station Upgrade	661.2	N/A	598.5	D+	May-12
SUP-ATC	981.7	N/A	981.7	D+	May-12
Bond Street Station Upgrade	293.4	N/A	285.2	D+	May-12
SUP Programme Management	130.3	N/A	130.3	D+	May-12
SUP Depots	275.8	N/A	275.8	D+	Jul-12
SUP Infrastructure	138.2	N/A	122.0	D+	Jul-12
SUP Conductor Rail	50.9	N/A	50.9	D+	Oct-12
SUP-S7 Supporting Works	108.4	N/A	108.4	D+	Oct-12
SUP-S8 Supporting Works	30.8	N/A	30.8	D+	Oct-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
Bank Station Upgrade	12.3	Tbc	560.3	C	Nov-12
Corporate					
ITSO	58.4	N/A	58.3	D+	May-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					
Thameslink 2000	32.0	12.5	46.7	Variation	Dec-11
Stations Programme – Earls Court, Paddington, South Kensington and Holland Park	0.0	2.9	37.0	A	Dec-11
SSR Major Power Works (Signalling)	48.9	N/A	48.1	C	Apr-12
SSR Major Power Works (Signalling)	48.9	N/A	48.1	D	Aug-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					
Wheel Rail Interface	2.6	9.6	9.6	D	Dec-11
Stations Wifi Installation	4.6	17.1	17.1	D	Dec-11
Tunnel Cleaning Train	7.3	12.1	12.1	Variation	Dec-11
Civils BCV/SSR Programme 2012/13	0.0	22.7	22.7	P	Feb-12
Power Sourcing	0.0	7.0	7.0	B	Feb-12
Surface Transport					
Systems Relocation	24.2	N/A	24.1	D+	Jan-12
Cycle Hire Phase 3	»	»	»	C	Feb-12
10 Cycle Super Highways – Tranche 2	35.4*	Tbc*	105.6*	C	Feb-12
TLRN Signals Modernisation Programme 2012/13	0.0	4.8	4.8	P	Feb-12
TLRN Capital Development Programme 2012/13	0.0	14.8	14.8	P	Mar-12
10 Cycle Super Highways – Tranche 2	35.4*	Tbc*	105.6*	D	Jun-12
Split Cycle Offset Optimisation Technique (SCOOT)	27.4	N/A	21.9	D+	Jun-12

Project Title	Current Project Authority £m	Expected Cumulative Authority Sought £m	Estimated Final Cost £m	CGAP Gate	Proposed Approval Date
Corporate					
Service Stabilisation High Value	0.0	8.0	20.0	P	Dec-11

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	Dec-11
JNP 2012/13 Lifts and Escalators and Power Programme	0.0	18.6	18.6	P	Dec-11
JNP 2012/13 Track Renewal Programme	0.0	24.6	24.6	P	Dec-11
JNP 2012/13 Station Condition Renewals Programme	0.0	13.4	13.4	P	Dec-11
Baker Street to Bond Street Tunnel Remedial Works	1.0	38.9	38.9	P	Dec-11

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			
Connect Enabling	260.0	260.0	Jan-12
North London Railway Infrastructure Project	252.0	252.0	Mar-12
DLR Three Car Infrastructure	302.0	290.7	Mar-12
Major Power Works (Victoria Line Upgrade)	142.8	141.7	Mar-12
Stratford International DLR Extension	188.9	180.5	May-12
East London Line Extension	1,044.3	1,018.9	May-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			
Cycle Hire Phase 1	81.7	77.0	Nov-11
Three Car New Vehicles	44.7	44.7	Jan-12
East /North London Railway Rolling Stock	15.1	15.1	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	Feb-12
High Barnet Train Crew Accommodation	7.7	7.7	Feb-12
Beckton Depot Offices	21.2	21.2	Apr-12
Green Park Station Upgrade	80.8	47.9	Aug-12
Surface Transport			
Olympic Cycle and Walking Routes	9.9	9.3	Mar-12
Hydrogen Transport Programme	19.7	19.7	Mar-12
Congestion Performance Network Improvement Programme	8.7	7.3	Mar-12
Hanger Lane Bridges	28.9	27.6	Apr-12
Blackwall Tunnel Northbound Refurbishment	65.8	65.8	Jun-12
Low Emissions	47.9	46.4	Jun-12
Dial a Ride Renewal	10.0	10.0	Jun-12
A406 Bounds Green	52.7	52.7	Jun-12
A406 Henlys Corner	9.0	9.0	Sep-12
New Bus for London	10.5	10.5	Sep-12