

Transport for London

Projects and Planning Panel

Subject: Project Monitoring – Project Approvals

Date: 13 November 2013

1 Purpose

- 1.1 To present to the Panel the forward approval programme for projects with a value in excess of £50m, from November 2013 – April 2015, and to inform the Panel of Project Authority granted by the Commissioner and the Managing Director (MD) Finance in accordance with delegated authority under TfL's Standing Orders.
- 1.2 The Panel is asked to note the paper.

2 Project Approvals

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 is not reported here.

Forward Approval Programme

- 2.3 To enable an appropriate level of governance, processes are in place for the authorisation, control and reporting of projects. The forward approval programme for November 2013 to April 2015, for projects with a value in excess of £50m, is set out in Appendix 1.
- 2.4 Where the projects have a value in excess of £50m and have not already received full approval from the Finance and Policy Committee, these requests will be submitted to the Finance and Policy Committee for consideration. The approval of projects with an estimated final cost below £50m will be reported to subsequent meetings of the Panel.

Project Approvals by the Commissioner

- 2.5 Since the meeting of the Panel on 3 October 2013, the Commissioner has approved Project Authority on one project. Further details are set out in Appendix 2.

Project Approvals by the MD Finance

- 2.6 Since the meeting of the Panel on 3 October 2013, the MD Finance has approved Project Authority on two projects. Further details of these projects are set out in Appendix 3.

3 Recommendation

- 3.1 The Panel is asked to NOTE the paper.

4 Contact

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Forward Approval Programme – November 2013 to April 2015

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 gate applies 'challenges' to the project to assess whether it is in a suitable state to move through the gate. The Integrated Assurance 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 – Initiation* (compulsory gate);
- Gate B – Option Selection*;
- Gate C – Pre-Tender;
- Gate D – Contract Award*;
- Gate E – Project Close (compulsory gate); and
- Gate P – 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 two years between gates, projects will be reviewed again at an interim point, e.g. Gate B+ or Gate D+.

Summary of projects approved by the Commissioner

PVEA3083 Primary Means of Vertical Transport (PMVT) Lifts Refurbishment Programme			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£47,033K	£0k	£38,013k	£47,033k
Authority Approval	<p>Project Authority of £38,013k was granted in October 2013, following an Option (formerly Gate B) Integrated Assurance Review (IAR).</p> <p>Procurement Authority of £47,033k was granted, to extend the Pan-TfL contract which includes routine and reactive revenue maintenance costs.</p>		
Outputs and Schedule	<p>The programme will maintain the 21 PMVT lifts at BCV/SSL stations in a state of good repair for minimum whole life cost.</p> <p>At between 20 and 30 years old, 15 of the 21 lifts are life expired and will be replaced. Kone will be responsible for managing all 21 lifts under the performance based Pan-TfL Lift Contract for up to 22 years for an agreed whole life cost.</p> <p>The replacement programme is due for completion January 2018.</p>		

Summary of projects approved by the MD Finance

ST-PJ350C 21st Century Traffic Signal Communications Project			
Financial Authority in Business Plan	Previous Project Authority Granted	Total Project Authority Granted	Estimated Final Cost
£17,886k	£2,229k	£17,886k	£17,886k
Authority Approval	Additional Project Authority of £15,657k was granted for delivery of the project to completion following a Contract Award (formerly Gate D) Integrated Assurance Review.		
Outputs and Schedule	<p>The project will replace the obsolete analogue data communications component of the traffic signal infrastructure with a modern digital equivalent. A solution has now been developed that will be deployed at all 2,600 centrally controlled sites, serving a total of 3,800 signals.</p> <p>The main items of scope are:</p> <ul style="list-style-type: none"> • Development and testing of a digital communications solution for centralised control of traffic signals; and • Roll out of the solution to all 2,600 centrally controlled traffic signal sites. <p>The project will complete by April 2018.</p>		

LR-PJ313C London Overground Station Capacity Programme (LOSTAT)			
Financial Authority in Business Plan £17,200k	Previous Project Authority Granted £845k	Total Project Authority Granted £17,200k	Estimated Final Cost £17,200k
Authority Approval	Additional Project Authority of £16,355k was granted for delivery of the project to completion following an Option (formerly Gate B) integrated assurance review.		
Outputs and Schedule	<p>The LOSTAT programme will increase capacity at eight stations on the North London Line (NLL). Higher passenger volumes are expected when the trains are extended from four to five cars in 2015 under the associated London Overground Capacity Improvement Programme (LOCIP).</p> <p>The programme only addresses the eight stations in most urgent need. The authority granted relates to the first tranche of work which consists of the four most critical stations for which funding has been secured, specifically:</p> <ul style="list-style-type: none"> • West Hampstead; • Dalston Kingsland; • Hackney Central; and • Finchley Road & Frognal. <p>For the remaining four stations which are less critical, a separate request for Project Authority will be made at a later date when funding (principally third party) has been secured. These are:</p> <ul style="list-style-type: none"> • Willesden Junction; • Brondesbury; • Homerton; and • Clapham High Street. <p>Delivery of the first tranche will complete by November 2015.</p>		